

Cabinet Member delegated decision

Decision Due / Date of Cabinet/Committee: 25/9/2014

New Community Support Service

Wards: All

Report Authorised by: Strategic Director for Commissioning: Maria Millwood

Commissioning

Portfolio: Cabinet Member for Children & Adult Services, Cllr Jackie Meldrum

Contact for enquiries:

Georgie Jones-Conaghan, Strategic Commissioning Manager, Health and Wellbeing, 020 7926 4684 gjonesconaghan@lambeth.gov.uk

Kirsty Wheeler, Procurement Officer, Adult Social Care, 0207 926 5490
kwheeler@lambeth.gov.uk

Report summary

This report requests that permission is given to approve 24 providers who were successful in the tender to be included on an approved provider list for community support services. Community support services provides support for vulnerable people in Lambeth, including care at home, personal care and support to access the community. It lays out the context of the tender, the procurement process, identified service risks and plans for contract monitoring this service.

Finance summary

The tender did not require any pricing schedules to be submitted, the tender only evaluated the quality of the providers' bids. Pricing will come from running mini competitions for each user's care package, via the ebrokerage system. It is expected that community support services, will cost £17.8million per annum. This includes savings plans involving direct payment efficiencies and reablement to mitigate the cost of introducing London Living Wages.

Recommendations

- (1) That permission is given to approve 24 providers to be included on an approved provider list for Community Support Services for vulnerable adults and children with a disability for a period of 3 years plus the option to extend for a further 2 years on an annual basis. (See Appendix 1 for list of organisations).
- (2) That the list is opened annually to allow new suppliers to bid for inclusion onto the Approved Provider List.

1. Context

- 1.1 The service model being adopted is detailed in the Business Case Gateway 1 report which was presented to the procurement board in January 2013. The key project driver is to support personalisation and improve service user choice. In short, the requirement is for a list of pre approved, quality assured, service providers who will be invited to quote for individual care packages as and when they are required. This will be done using a web-based electronic brokerage system (CarePlace). The service model provides community support for vulnerable people who include care at home and support to access the community. This service will provide support for adults with an assessed social care need, children with a disability, and adults with a continuing healthcare need. Currently there are 1900 vulnerable people that will benefit from this service in Lambeth.
- 1.2 The council went out to tender in March 2014 for an approved list of community support providers. The tender was open for 4 weeks. Forty providers submitted returns to deliver support to one or more client categories. Out of these providers, 24 passed the business questionnaire and quality criteria outlined in the tender documents for inclusion on the APL.
- 1.3 This is a Gateway 3 Procurement Report, recommending that Procurement Board agrees the successful providers are accepted onto the list.

2. Proposal and Reasons

- 2.1 Following an open, competitive tender process this report proposes that permission is given to award contracts to successful suppliers to be included on an approved provider list (APL) for Community Support Services for adults and children for a period of 3 + 2 years. This does not guarantee any work to providers, although it does entitle the providers to bid for council brokered care packages via CarePlace. The providers will submit their bids for each individual package that they can provide support for (according to criteria assessed in the tender) as part of a mini competition. This will make the service both personalised and the pricing competitive.
- 2.2 An APL has been procured to create maximum flexibility and a more personalised model of care. Personalisation is a key strategic objective in adult social care and children with a disability services and this tender aims to support a transition to greater choice and control for our citizens. The list will be reopened annually to allow other successful providers to join. The aim is to create a dynamic marketplace with many providers for users to choose from in order to meet our service users culturally specific or complex care needs.
- 2.3 Feedback from service users and care management was used to re-model the current domiciliary care model to improve the level of care and support. Enabling users to change providers more easily as a 'customer' will drive up the quality of service. Lambeth is a committed London Living Wage (LLW) employer so a mandatory service requirement is that all providers must pay their care staff LLW; this is anticipated to improve carer quality and retention and ultimately drive service improvement

3. Finance

3.1 This tender did not require any pricing schedules to be submitted, the tender only evaluated the quality of the providers' bids. Pricing will come from running mini competitions for each user's care package, via the ebrokerage system. This will ensure that each user's service is appropriate and fit for purpose in a competitive marketplace.

3.2 The 2014/15 budget for community support services is below in tables 1 and 2:

Table 1; 2014/15 budget	
Gross Budget (excludes Client Contribution)	£000s
Adults Community Support Services	£8,986
Adults Direct Payments	£7,835
Children's Community Support Services	£989
Total	£17,810

3.3

Table 2: Maximum Cost (excludes Client Contribution)	
Adults Community Support Services	£9,684
Adults Direct Payments	£8,685
Children's Community Support Services	£989
Total	£19,358

3.4 We have estimated the maximum cost of the community support services and direct payment services to be £19.4m per year. This is an increase on the current annual cost of community support as it takes into consideration the impacts of a growing care population; the council's commitment to paying London Living Wage; providers' feedback at the unsustainability of current prices, and new pension legislation and inflation.

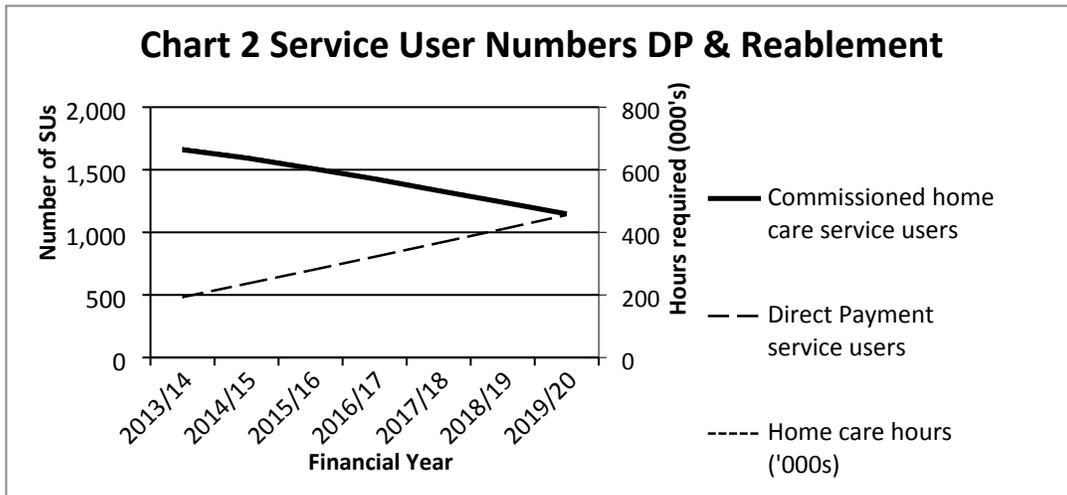
3.5 It is planned to mitigate these rising budget pressures through reducing the number of clients using community support. The introduction of a new reablement service, council targets to increase the number of direct payment users, and the transformation of the 'end-end' customer journey are designed to reduce the number of users who will receive this service. The cost of community support services and direct payment services is estimated to be £17.8m per year once these initiatives have been factored in. This is marginally higher than current budgets so additional initiatives will be needed to manage demand. If not there is a risk that demand will increase and outstrip the budget; in which case additional funding must be found.

3.6 Table 3 and 4 below sets out the numbers of adult and children with a disability community support users forecast from 2013- 2020:

All Figures Estimated	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Commissioned Service Users	1,660	1,594	1,511	1,427	1,332	1,241	1,147
Reablement Users	1,235	1,261	1,275	1,289	1,303	1,318	1,334
Direct Payment Users	482	589	696	805	915	1,026	1,139
Community Support hours ('000's)	668	641	608	574	536	499	462

All Figures Estimated	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Expected users for the year	209	213	217	222	226	231	235
Service users requiring commissioned services	91	90	88	86	83	81	78
Service users commissioning their own services (Direct Payment)	118	123	130	136	143	150	158

3.7 Chart 2 below illustrates the estimated impact of reablement and direct payments on the requirement for commissioned services and suggests that 900 fewer service users will require these by 2020 compared to the steady state forecast.



- 3.8 The new community support model will mean that care is brokered on prices bid for individual packages. The tender does not ask for an indication of price from providers, as we expect these to alter depending on the needs of the individual service user. Therefore there is no price component to the tender evaluation. This does leave the service open to a financial risk in that if all providers put forward expensive bids for individual packages then the overall cost of the service would exceed the budget. This is mitigated by the “market place” aspect of the CarePlace system which means that more competitively priced packages will be chosen over more expensive ones. Providers will need to find ways to become and remain competitive if they are to be offered work. The CarePlace system has a robust reporting module and the financial performance of the market place will be monitored regularly, so that should the overall cost of the contract rise, it will be identified and action taken.
- 3.9 This expenditure is essential as a result of a legal requirement: Provision of community support to eligible adults and children with a disability is a statutory service and the expenditure meets the minimum legal level of the service the Council is required to provide.
- 3.10 During the savings and financial planning processes undertaken in 2011/12 the hourly rates paid by Lambeth to providers of community care services were reduced. Feedback received from providers as part of consultation for this service confirmed that this position is not sustainable and furthermore that the relatively low rate paid by Lambeth for the majority of its contracted provision impacted on the quality and stability of the workforce.
- 3.11 With neighbouring boroughs of Southwark and Lewisham committed to paying London Living Wage (LLW), and other industries (such as retail) offering more competitive rates of pay, some Lambeth providers report difficulties in retaining trained care staff, which impacts on the quality and consistency of care available to Lambeth service users.

4. Legal and Democracy

- 4.1 The authority to enact this report's recommendations sits with the Cabinet Member for Children and Adult Services in consultation with the Leader of the Council. Before exercising that authority, following this the approval of the Procurement Board should be obtained.
- 4.2 The Contract Standing Orders require that all contracts with an estimated value of £100,000 and more should be competitively tendered and this report sets out how officers complied with this requirement.
- 4.3 The EU procurement regime applies to this exercise by virtue of the Public Contracts Regulations 2006. However, as the services which form the substance of the individual contracts are categorised in Part B of Schedule 3 of the regulations the Council was not obliged to comply with the procedures prescribed therein in the advertising and evaluation of tenders. Consequently, the Council's duty is to apply EU Treaty principles of fairness, transparency and to ensure that there is no discrimination against an applicant from another EU member state when forming a panel / framework of approved providers.
- 4.4 The proposed method of awarding care packages through a transparent mini-competition open to 24 approved providers, and with the approved list being periodically reviewed, will be a proportionate means of compliance.
- 4.5 The award of any care package should comply with the purchasing rules set out in the Council's contract standing orders. The proposed mini-competitions should generally satisfy the requirement for 3 quotes for purchases above £5,000 but below £100,000.
- 4.6 The Council is obliged by provisions of the Local Government Act 1988 to provide a written explanation to any person who has been excluded from a list of persons entitled to tender for work to the Council or has not been awarded work for which they tendered within 15 days of a written request to do so.
- 4.7 This proposed key decision is entered in the Forward Plan and the necessary 28 clear days notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 The community support service was extensively consulted on with service users, carers, care management and relevant stakeholders. Workshops were held with service users, carers and care managers to establish the method statement questions. Users were

asked to discuss what were their most important elements of the service, to provide a basis for the quality evaluation.

- 5.2 A similar exercise was then carried out with care management who provided detailed information and feedback about the current service. The output from these workshops formed the quality questions in the tender, and the comments provided by users, carers and care management provide the answers that the council will look for in providers' response and score against.

6 Risk management

- 6.1 A risk register has been established and is reviewed at project group meetings. The following risks have been identified:

Risk	Mitigating Actions
Predicted £16.8m cost for community support is higher than current budget, and could be greater than this.	Work is underway alongside this to support people to live independently through a programme of reablement and to support more users to take on a direct payment, which would create efficiencies. The list was advertised widely to maximise a large and varied provider list to keep rates down. LLW is a political priority and as such there is acceptance that the cost of this service might rise.
Risk of challenge from unsuccessful suppliers	Open, competitive tender process. Clear evaluation criteria were included in the ITT. The market has been engaged and kept up to date regarding the procurement process on a number of occasions. The list will be periodically opened to allow new providers to bid.
Suppliers not suitable	Quality questions in the tender were considered in order to ascertain the appropriateness of suppliers to be part of the approved provider list. Once on the list providers are not guaranteed any work. A robust monitoring framework has been developed (see 10.5)

7 Equalities impact assessment

- 7.1 An EIA was completed for this service. It was found that there should be no adverse impact on any of the equalities groups, but will promote better services for BME, older and service users with disabilities.

8 Community safety

- 8.1 None.

9 Organisational implications

- 9.1 Staffing and accommodation

Legal advice has been sought and it is considered that TUPE will not apply as there is no direct line of staff transfer due to the significant change of service model. This will be made clear to current providers both at the next supplier engagement event and also in the tender documents.

- 9.2 Procurement

Please see Part 2, detailing results and provider information from the tender. All providers will be expected to commit to pay their staff at least London Living Wage. Failure to adhere to this will result in elimination from the tender process and the APL. Providers will also be expected to have regard to the standards and recommendations set out in Unison's Ethical Charter.

10 Timetable for implementation

Contract award	October 2014
Contract start date	January 2015

- 10.1 There will be a transition project to support a smooth handover from the current service to the new model. This project will need to review clients and ensure that the personalisation mechanisms are in place and easy to use.
- 10.2 The Council will be looking for performance monitoring information which supports the outcomes of the specification and which focuses on the service user's experience and demonstration of personalised support. One of the methods for monitoring this is using Lambeth Adult Social Care Outcomes Measure.
- 10.3 Performance monitoring will be flexible, technological and responsive to the needs of our clients. Collecting performance information will vary depending on risk. This will take into consideration the value of the contracts, the vulnerability of the clients, or if there are safeguarding concerns.
- 10.4 The providers will be monitored on the support they deliver via electronic call monitoring which is being rolled out across community support providers. CarePlace can be utilised

to run reports regarding the service information of each provider on the list. There is dedicated resource in the commissioning and contract management team to manage these contracts.

10.5 Contract Monitoring Key Criteria:

Audit trail		Criteria:		Monitoring of Outcomes and Contract		
Consultation						
Name/Position	Satisfaction	Lambeth cluster/division/partner	Annual (minimum) questions sent to the Council contract (unprompted)	Date Sent	Date Received	Comments in para:
Maria Millwood		Strategic Director	Care management reviews of clients and	7.06.14	29.06.14	LASCOM results
Finance		Business Partnering	Regular spot checks/ phone calls to clients by providers and the council	23.06.14	4.06.14	
Legal Services		Enabling: Integrated Support	CarePlace online user ratings (when available)	13.06.14	23.06.14	
Democratic Services	2	Enabling: Corporate Affairs	Complaints and compliments of service provided	13.06.14	16.06.14	
Councillor Jackie Meldrum		Cabinet Member	Enhanced DBS and all staff checks up to date	29/08/2014	1.09.2014	
Alex McTeare		AD Commissioning	Safe recruitment process and policies in place	1.6.14		
Dominic Stanton		AD Delivery	Monitoring CQC, ACS 1 and OFSTED inspection reports and information arising from them	1.09.14		For information
Internal Office Board		Date of meeting	Outcomes of Safeguarding investigations	1.09.14		For information
Procurement Board		4.09.14	Electronic call monitoring; (ECM) has a unique code for each worker, attached to a named worker. The council can check the staffing levels and information in real time.			
External		- Continuity of care workers	- ECM data about times of service delivered			
		- Staff turnover	- Spot checks with clients			
		- Staffing levels	- Care management reviews			
		- Hours of service (e.g. evenings, weekends early mornings)				
4	Quality		- Evidence of outcomes being met (Appendix 4 of specification)			
			- ECM Compliance; By end of 1 st year 90% of care workers using ECM			
			- Monitoring and compliance meetings with the provider in relation to the standards stipulated			
			- Requiring information from the provider's own quality assurance system			
			- Monitoring visits carried out by the Council			
			- The provider allowing the Council the right of reasonable access to any of its care workers, subject to their agreement and any representation required			
			- Measurement of the effectiveness of prevention (e.g. average number of visits to hospital, per customer, per year for each provider, average duration service users are enabled to stay at home)			
			- Monitoring of the time taken from referral to commencement of service			
5	Training Care workers		- Training records including accredited training provided, accredited trainers etc.			
6	Take up of work offered		- CarePlace reports showing work bid for			

Report history	
Original discussion with Cabinet Member	2012/ 2013
Report deadline	N/A
Date final report sent	N/A
Report no.	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	30.05.14
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	Lambeth Adult Social Care Outcomes Measure Lambeth Community Plan 2013-16 Health and Social Care Act 2012 Care Act 2014 Think Local, Act Personal
Appendices	1 – Approved Providers

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have been consulted on this report:

Signature _____ **Date** _____

Maria Millwood

Divisional Director of Commissioning

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature _____ **Date** _____

Councillor Jackie Meldrum

CABINET MEMBER: Children & Adult Services

Any declarations of interest (or exemptions granted):**Issue****Interest declared**

N/A

Appendix 1 – Approved Providers

	Supplier Name	Clients groups
1	HFH Homecare	OP, EoL, D
2	Allied Healthcare Group Ltd	OP, PD, BI, EoL, D, CYP
3	Carby Community Care Ltd	OP, PD, D
4	Capital Homecare	OP, ALD, PD, SI, BI, EoL, D, Aut, MH, CYP
5	Enterprise Care Support Ltd	PD, EoL, D
6	Focused Healthcare	CYP
7	Harmony Home Aid Services Ltd	ALD, PD, MH, CYP
8	Holistic Community Care	OP, ALD, PD, EoL, D, Aut, MH
9	Lambeth Mencap	ALD, Aut, PMLD
10	L'Arche	ALD, Aut, PMLD
11	Lifecome Care Ltd	OP, ALD, PD, SI, EoL, D, MH, CYP
12	London Care	OP, ALD, PD, BI, EoL, D, MH
13	Mears Care	OP, ALD, PD, SI, BI, EoL, D, Aut, MH, CYP
14	MiHomecare Ltd	OP, ALD, PD, EoL, D, MH
15	Graham Home Care Ltd	OP, ALD, PD, EoL, D, Aut, MH
16	Metropolitan Support Trust	OP, ALD, Aut, MH

17	Asian Elders Support Scheme	OP, ALD
18	Plan Care t/a Taylor Gordon	OP, ALD, PD, SI, EoL, D
19	Royal Mencap	ALD, Aut, PMLD
20	Sanctuary Homecare	OP, ALD, PD, D
21	Sevacare (UK) Ltd	OP, ALD, PD, SI, EoL, D, Aut
22	Southside Partnership	ALD, Aut, MH, PMLD
23	Westminster Homecare Ltd	OP, ALD, PD, SI, BI, EoL, D, Aut, MH
24	Youth Graces UK Ltd	OP, ALD, PD, CYP

Key:

OP: Older People 65+

ALD: Adults with Learning Difficulties

PD: Physical Disabilities

SI: Sensory Impairment

BI: Brain Injury

EoL: End of Life care

D: Dementia

Aut: Autism

MH: Other Mental Health conditions

PMLD: Profound and Multiple Learning Difficulties

CYP: Children and Young People with a Disability