

DECISION-MAKER:	CABINET		
SUBJECT:	DOMICILIARY CARE RE-COMMISSIONING		
DATE OF DECISION:	17 DECEMBER 2013		
REPORT OF:	CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY

None.

BRIEF SUMMARY

The purpose of this report is to seek authority to invite tenders for a city wide Domiciliary Care Framework Agreement and approval of the project timetable and selection criteria for the procurement exercise. The report details the proposed procurement process to award a framework agreement for domiciliary care and reablement services for adult and children services in Southampton Council (SCC) and Continuing Health Care for Southampton City CCG (SCCCG).

Due to its size and importance in terms of meeting service user needs and enabling the city to meet its strategic requirements, it is essential that domiciliary care provision achieves high standards of delivery, quality and value for money. Currently the service is variable and not sufficiently flexible to meet increasing demands.

The proposal is to jointly commission across care groups and organisations to support four main outcomes:

- To improve quality within domiciliary care services
- To ensure the best value available within the market
- To ensure services are able to respond to changing needs and demands
- Support the development of personalisation across the city

The design of the model of provision to be delivered through the framework agreement is proposed to address current areas of improvement by offering:

- Greater flexibility and capacity, whilst still maintaining the geographical focus which recognises the issue of travel time.
- Clearer quality standards and performance indicators (KPIs) linked to contract terms and conditions which will support the drive for quality.
- A more streamlined systems approach as outlined in the service specification with a strong emphasis on promoting personalisation and independence

- A requirement to deliver outcome based support using flexible care plans that shift away from minute by minute calls.
- A more generic approach focussing on need rather than diagnosis

RECOMMENDATIONS:

- (i) To approve the pre-tender considerations and the criteria to be used to evaluate tenders.
- (ii) To delegate authority to the Director, People to invite tenders and evaluate them in accordance with the recommended evaluation criteria.
- (iii) To note that the award of the contract will be considered by Council or Cabinet as appropriate as detailed in the procurement timetable listed in Section 13 of this report.

REASONS FOR REPORT RECOMMENDATIONS

1. The changes will:
 - Improve quality within domiciliary care services
 - Ensure the best value available within the market
 - Ensure services are able to respond to changing needs and demands.
 - Support the development of personalisation across the city

2. A framework agreement is advantageous because it offers a structured legal framework to contract over a 4 year period. This provides stability to the successful providers enabling officers to work with them to build capacity within the market. The framework would therefore also provide:
 - Increased flexibility with changes in demand.
 - Support of personalisation and Individual Service Fund (ISF) approaches, thereby creating more choice and control for users.
 - Offers better value for money

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. To take no action would mean we are not working within the Council's Contract Procedure Rules.
4. To undertake a cost and volume contract would not be in line with the personalisation agenda, nor would it provide commissioners with flexibility across the city to meet additional capacity demands as they arose.

DETAIL (Including consultation carried out)

5. Snapshot data provided in July 2013 identifies that the domiciliary care market within Southampton currently provides care for approximately 1,810 people in any given week (1,750 SCC and 60 SCCCG). It accounts for a £20M spend (£15M SCC and £5M SCCCG). There are currently up to 75 providers (65 spot purchased and 10 framework providers contracted) working in the city and delivering care packages on behalf of SCC and the

CCG.

6. The Integrated Commissioning Unit's (ICU's) commissioning intention is to purchase domiciliary care via the new framework agreement or via personal budgets. This will reduce the current 'spot' purchased arrangements that currently exist within the city. SCC will be the lead authority for the framework agreement, and awarding the overarching contractual arrangement on behalf of SCCCG, who will use it through an access agreement.
7. SCCCG currently purchase their domiciliary care provision under spot contracted arrangements. Although there has been an increasing drive to implement enhanced quality of provision, there has not been a formalised tendering process. There is scope for achieving better value and ensuring quality is improved through joint commissioning arrangements. SCC use a mixture of spot and current framework contracts. The framework was awarded in 2007/8 and therefore requires recommissioning.
8. The specification to be used in the procurement is intended to drive quality and consistency. This, supported by key performance indicators (KPIs) with a direct read across into the contract terms and conditions, will provide clarity for providers and a strong framework for effective implementation. For example, minute by minute calls are highlighted as an area that authorities will need to reduce; this will be reflected in the specification by introducing flexible weekly care plans that are agreed and implemented by the user and provider. Additionally there is an emphasis on providers to demonstrate how they will support their workforce, as we know this generates positive outcomes for our population. All providers will maintain a focus on reablement and helping individuals achieve their own independence.

9. **Proposed Lots**

It is proposed that the framework agreement will be created with the following Lots:

Lot 1 – Adults

Providers awarded onto this Lot will provide domiciliary care services to adults over the age of 18 who meet the respective Council's eligibility criteria for funded support in their own home. This lot will cover the following care groups;

- people with physical disabilities
- people with learning disabilities
- people with mental health problems
- older people
- acquired brain injury

Lot 2 – Accommodation with Care and Support

Providers awarded onto this Lot will provide domiciliary care services to adults in care schemes, for instance extra care and supported living services.

Lot 3 – Continuing Healthcare (CHC)

Providers awarded onto this Lot will provide continuing health care services

to those meeting CHC eligibility criteria. This Lot will also include providers who can provide case management and the option of BiPAP (Bilevel Positive Airway Pressure) alongside continuing health care if required.

Lot 4 – Children and Young People

Providers awarded onto this Lot will provide services to children or young adults from 0-25 years. This Lot is proposed to support effective transitions into adult services and deliver the principles set out within the Children and Families Bill and Southampton's developing service structures. Individual need will drive which lot will be most appropriate for 18-25 year olds.

Lot 5 – Reablement

Providers awarded onto this Lot will provide, if required, reablement provision. The increasing demographic changes and the emphasis on recovery and prevention within the city's transformational change programme, requires the option to potentially award reablement services to external providers, should it be identified that meeting demand and improving outcomes will be more effectively achieved through this arrangement.

10. It is proposed that a number of Call Off Contracts will be award under Lot 1 once the framework agreement goes live. The Call Off process will award contracts to select a Primary and Secondary provider across the following geographical areas:
- Central
 - North East
 - North West
 - South East
 - South West

Flexibility will exist with the providers to make inconsequential changes to the boundaries, should this be in line with city wide strategic shifts in structure of resources.

The Primary and Secondary providers will be allocated a percentage of service user hours. The percentage value will be dependent on the specific geographical area requirements and the needs of service users whilst ensuring it is attractive to the providers to drive value for money. The percentage allocated to the Primary and Secondary providers will be approximately 80% of all service user hours throughout the term of the call off contract This will leave up to 20 percent to be procured through a call off process from the remaining providers on Lot 1. The monitoring of percentage share and broader contract management will be undertaken within the Provider Relationship arm of the Integrated Commissioning Unit structure.

The design of the Call off Protocol for lots two – five are currently being developed, pending legal and procurement advice by Head of Property, Procurement and Contract Management. Any call offs will be carried out in

accordance with Council Contract Procedure Rules.

11. The market within Southampton is currently split for adults with learning disabilities and it has a long history of segregation from the rest of market. It is our intention to shape the market further through the procurement process so that individual needs are more strongly emphasised rather than diagnosis. Procuring the adult service under one Lot (Lot 1) is the first step in achieving this. Providers will be required to identify under this Lot if they wish to provide all service types or just Learning Disability.

12. **Pre Tender Considerations**

Subject to Cabinet and Council approval , and CCG Governing Body agreement , the Pre Tender considerations are as follows:

Requirement	Response
Nature of Service	Provision of a range of Domiciliary Care Services to all client groups across Southampton.
The future estimated value of the framework agreement	An approximate annual spend for the combined elements of the framework agreement is £20.39m, therefore a combined value over the 4 years framework agreement will be £81.56m. Southampton can expect to see growth within the Continuing Health Care area of need over the next four years. Anticipated growth is £2.5m.
The contract term (Framework Agreement term)	4 years
The tender procedure to be adopted	The framework agreement will be created following a two stage restricted tender process in accordance with the Council's Standing Orders.

13. **Procurement**

The procurement timetable will support the new framework being available from August 2014:

Actions	Timeline
Adverts placed	04.03.14
Expressions of interest (Pre Qualification Questionnaire) returned	08.04.14
Shortlist drawn up in accordance with pre - determined minimum standards as to financial standing and technical competence	22.04.13
Invite to tender	23.04.14
Deadline for tender submissions	03.06.14
Panel evaluation	03.06.14

Report recommending Contract award circulated internally for comment	20.06.14
Cabinet approval	15.07.14
Full Council approval	16.07.14
Framework agreement start date	28.08.14

14. The framework agreement will be created following a two stage restricted tender process in accordance with the Council's Contract Procedure Rules.

Stage 1: pre-qualification stage:

Shortlists are to be drawn up in accordance with the Council's Contract Management Guidelines by a pre-qualification questionnaire (PQQ). The pre-qualification will test the capacity and capability of potential bidders, including quality, as well as potential bidder eligibility to take part in the Procurement. There are a number of Pass/Fail questions within the PQQ stage. The outcome of this stage will be a list of pre-qualified bidders for the Procurement and a short-list of bidders to be invited to tender.

15. Stage 2: Invitation to Tender stage:

For those that are selected by Stage 1 there will follow an Invitation to Tender (ITT) stage. Tenders will be evaluated on the basis of the most economically advantageous tender in order to award providers onto the framework agreement using the criteria of 40% Quality and 60% price.

Quality will consist of 40% of the evaluation weightings. The quality assessment will be evaluated using a range of criteria. It is expected that providers must score at least 50% of the quality scoring to be eligible for award onto the contract. Any providers that do not meet the requirements of 50% of the quality scoring will fail this stage in the process. The quality assessment will be evaluated using the following criteria:

- Meeting the needs of the individual and customer focus,
- Approach to safeguarding, performance and safe environment,
- Approach to staff recruitment, retention and training,
- Mobility and capacity building,
- Business Continuity Planning,
- Information systems and its use for monitoring service provision,
- Approach to partnership working with the Council and others.

The relative weighting given to each individual evaluation criteria will be stated in the tender documentation.

16. **Consultation and Market Development**

There will be a provider event, prior to advertising the procurement, to encourage and support the shaping of the market to this integrated approach. The provider event will also include:

- Outline of specification/requirements of authority
- Outline of procurement
- Tender ready workshop
- E-tendering system (Bravo)
- Timescales
- Final consultation on requirements

17. Consultation has been broad, for example using the feedback from the annual rolling programme regarding Domiciliary Care Satisfaction Questionnaire visits/reports per provider. This encompasses a sample of services users (proportionate to the level of activity each provider supplies to SCC) to gather views in relation to the individual support they are receiving from the provider. Additionally, all services have a programme of review, which is fed into the process. We have reviewed our complaints in relation to domiciliary care provision, and again have used this intelligence to inform the specification and our own commissioning processes.
18. The ICU are currently consulting more widely with service users and their families regarding their requirements for future service provision, so these are built into revised specifications. Details can be seen in Appendix 1.
19. There will be a need to manage the requirement to build in choice, based within existing resources and potential legal constraints.

RESOURCE IMPLICATIONS

Capital/Revenue

20. The approximate current annual spend for the combined elements of the framework agreement is £20M, therefore the combined value over the 4 year framework agreement is estimated to be £80M less any efficiencies that can be achieved.
21. The costs to SCC of the services to be tendered will be met from within the existing domiciliary care budget held within the Health and Adult Services Portfolio.
22. Through more efficient and effective commissioning and improved clarity with providers there is a potential for savings to be released through this tender. This has been modelled and could range from £500,000 to £800,000 per year for SCC and £400,000 to £600,000 for SCCCG.
23. A proportion of the SCC saving has been included as a saving proposal for the 2014/15 budget. However an element of the anticipated saving will be used to offset the growing pressure within Learning Disability budget that has generated an overspend position in 2013/14.

Property/Other

24. There are no implications in relation to property

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

25. The design and the running of this procurement will be in accordance with the

authority's Contract Procedure and Financial Procedure Rules. Due to the size, value and complexity of this project, the appropriate procurement rule, with the necessary Governance outlined in the above will be followed. The procurement of these contracts will be run in accordance in the requirements outlined within The Public Contracts Regulations 2006 and the EU Procurement Directives 2006,

- 26. The Community Care Act 1990 outlines our requirement that community care assessments identify and evaluate an individuals needs and how these needs impose barriers to that person's independence and/or wellbeing. Information derived from individuals assessment should be used to inform decisions on eligibility. Where eligible needs have been identified, an appropriate support plan can then be put together in collaboration with the individual describing the support they will draw upon to overcome barriers to independence and well-being, both immediately and over the longer term.
- 27. National Health Service Act 2006 sets out the requirement to health bodies to undertake assessment of Continuing Healthcare needs. CCGs are required to assess individual's needs against eligibility criteria
- 28. The Council is working to implement The Social Value Act into procurement. Officers are seeking to develop opportunities of applying the principles against the procurement.

Other Legal Implications:

- 29. Additionally, the newly released Close to Home An Inquiry into Older People and Human Rights in Home Care (EHRC) outlines our commissioning responsibilities. Organisations must 'have regard' to Commission inquiry recommendations addressed to them. Therefore providers will be evaluated in a two tiered approach, with quality being tested first and pricing second. There will be a focus within the tender as to how providers will evidence practice that protects human rights at each stage.
- 30. The contract will be tendered and managed by the Council through the Integrated Commissioning Unit. SCCCG will be referenced in the contract, and this provides an enabler for SCCCG to have access to the contract. Requirements will be set out within the Call off Contract Process to ensure that SCCCG has a contractual relationship with the providers

POLICY FRAMEWORK IMPLICATIONS

- 31. The proposals in this report are wholly in accordance with the Council's budget and policy framework.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	ALL
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SUPPORTING DOCUMENTATION

Appendices

1.	Domiciliary Care Service User Engagement
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Documents In Members' Rooms

1.	
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2.	
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Equality Impact Assessment

Does the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.		
2.		