

Report of the Cabinet Member for Care, Health & Ageing Well

Scrutiny Panel Adult Services Meeting – 20th August 2019

Outcome of Re-procurement Process – Domiciliary Care and Respite at Home

Purpose	To provide a briefing requested by the board about the process and the outcome for the re-procurement of domiciliary care and respite at home services.
Content	This report includes a summary of the processes followed, information about who contracts have been awarded to, the potential cost increases, transition arrangements and potential cost and performance benefits arising.
Councillors are being asked to	Endorse the proposals
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1. Introduction

- 1.1 A procurement process has been undertaken to establish a Framework Agreement for the Provision of Domiciliary Care and Respite at Home Services for Older People and Younger Adults with Physical Disabilities and/or Sensory Impairment.
- 1.2 In line with the *Sustainable Swansea* approach, Adult Services undertook a Commissioning Review into Adult Services Domiciliary Care for Older People. This analysis commenced in 2014 with the Adult Services Domiciliary Care for Older People Commissioning Review being completed in 2016.
- 1.3 The Adult Services Domiciliary Care for Older People Commissioning Review completed options appraisal considered 31 options. During this process stakeholder workshops were held by the service with internal and external providers, care managers, support and inter-related services, service users, carers, representative groups and elected Members.
- 1.4 As part of the Commissioning Review an overarching Adult Services Service Model was developed in line with the Social Services and Wellbeing Act. This described what the optimum model for delivering integrated health and adult social care community services would look

like. With the departments strategy to reduce the number of Service Users going into long term residential Care by increasing the support available in order to assist Service Users to remain in their own homes and communities.

1.5 The outcome of this Domiciliary Care Commissioning Review identified the preferred future Older People Domiciliary Care model as : -

- Short Term Reablement will continue to be provided by the in-house domiciliary care team.
- Long term/Complex care will continue to be provided by the in-house domiciliary care team.
- Non- complex Domiciliary Care and Respite at home provision for Older People and Younger Adults with Physical Disabilities to be procured from external market.

1.7 A report was submitted to Corporate Management Team on 15th March 2017 confirming the outcome of Adult Services Commissioning Review consultation. This report proposed implementation of final recommendations that had emerged from the Domiciliary Care Commissioning Review, which was to commence the re-procurement of this service from the external market.

1.8 Recommissioning of these services will deliver the following objectives:

- Promote our vision for health, care and wellbeing in the future whilst meeting the requirements of the Social Services Wellbeing Act, Ethical Care Charter considerations, our Corporate Values and Sustainable Swansea requirements.
- Address the key elements of the agreed Service Model : -
 - Better Prevention
 - Better Early Help
 - New Approach to Assessment
 - Keeping People Safe
 - Working Together Better
 - Improved Cost Effectiveness
- Address specific Corporate Priorities :-
 - Safeguarding People from Harm

- Transformation and future council development so that we and the services that we provide are sustainable and fit for the future
 - Enable more effective use of resources and greater control over expenditure.
- 1.9 The new Framework Agreement aims to develop a more stable market and reduce overall risks. The new arrangements introduce geographically based services and allow for a more even distribution of market share across the sector. Updated contract specifications and service standards aim to deliver more person centred and outcomes focussed services. In developing a more robust service specification and monitoring arrangements the Council aims to improve quality, cost effectiveness and promote more innovative practice.

2. Co-production within the Procurement Process

- 2.1. In developing a service specification for domiciliary care and respite care at home services and assessing the suitability of potential providers the project was keen to adopt the good practice outcomes taken from local and national co-productive approaches.
- 2.2. A definition of co-production is 'Local authorities, older people and older people's organisations working together to design and deliver opportunities, support and services that improve wellbeing and quality of life'.
- 2.3 This involved analysing a range of previous consultation and engagement documentation including -
- Commissioning review consultations
 - Independent Sector workshops
 - Stakeholder workshops
 - Service users' questionnaires 2016
 - Carers' questionnaires 2016
 - Previous compliments and complaints
 - Reviews and Support Plans
- 2.4 By gathering and analysing information this gave an insight into people's experiences and expectations, including:
- What matters to people, through their views and experiences
 - What outcomes people want to achieve
 - What needs to change in the future commissioning
- 2.5 Direct face to face engagement with Individuals and Carers was also undertaken. Questions asked included:
- What is working well?

- What is not working so well?
- What changes would you like to see for any future domiciliary care service?
- How do you rate the service?

2.6 Key themes from consultation and engagement were used to help develop revised contract specifications and also the questions and model answers used to evaluate tender submissions.

3. Procurement Process

3.1. The potential estimated value of the new Framework Agreement over the term of the Framework Agreement is certain to exceed the European Union threshold for social and other specified services under Schedule 3 of the Public Contract Regulations 2015. The current threshold for Schedule 3 services is £615,278.

3.2. The Council's intention was to enter into a Framework Agreement with up to five (5) Providers for Lots 1 – 5 (Domiciliary Care) and one (1) Provider for Lot 6 (Respite at Home).

3.3. The Lots are detailed as follows (please refer to Appendix 1 for further detail):

- Lot 1: Zone 1
- Lot 2: Zone 2
- Lot 3: Zone 3
- Lot 4: Zone 4
- Lot 5: Zone 5
- Lot 6: Respite at Home Services

3.4. Under the Public Contract Regulations 2015, the light-touch regime (LTR) is a specific set of rules for certain service contracts. Those service contracts include certain social, health and education services, defined by Common Procurement Vocabulary (CPV) codes. The services under this Framework Agreement was defined by these CPV codes therefore allowing more flexibility in the procurement process.

3.5. The Council may on or before each year of the anniversary of the commencement of the Framework Agreement undertake a refresh of the Framework (the "Refresh").

3.6. The refresh will provide for, inter alia, (i) providers of services similar to the Services to apply for appointment onto the Framework and (ii) current Framework Service Providers to apply for appointment onto the Framework in relation to different Framework Lots to those onto which they are currently appointed.

3.7. The opportunity was advertised in the Official Journal of the European Union (OJEU) via Sell2Wales.

3.8. The award criteria used for this process was 55% Quality and 45% Price and this criteria was stated in the OJEU notice. The 'open' procurement procedure was selected.

3.9. The Invitation to Tender (ITT) was issued on 1st March 2019 via the eTenderWales Portal.

4. Tenders Received

4.1. 18 Tenderers submitted tenders by the return date of 18th April 2019, as detailed below:

4.2. Lots 1 – 5 -

1. Abacare (Care Agency) Ltd
2. Adult Home Care Ltd t/a Right at Home Swansea
3. Aylecare Domiciliary Services
4. Cadog Homecare Ltd
5. Care Cymru Services Ltd
6. CDA Care Ltd
7. Crosshands Home Services Ltd
8. Deluxe Homecare Ltd
9. Heritage Healthcare Swansea
10. I Care Dom Care Ltd
11. L & R Buchanan Care Services Ltd trading as Kare Plus Swansea
12. MiHomecare Limited
13. Pegasus Homecare Ltd
14. RSD Social Care Limited
15. Swansea Bay Home Care Services Ltd

4.3. Lot 6 (Respite at Home) -

1. April Complete Care Solutions Ltd
2. Hafal
3. I Care Dom Care Ltd
4. Swansea Bay Home Care Services Ltd
5. Swansea Carers Centre

4.4. The tenders were opened by Commercial Services in accordance with Contract Procedure Rules and no tenders were disqualified at opening.

4.5. Tenderer 13 (Pegasus Homecare Ltd) after the opening of Tenders, withdrew themselves from the process which resulted in the Council being unable to consider their submission any further.

5. Tender Evaluation

- 5.1. Tenders were evaluated by Officers from Adult Services, Swansea Bay University Health board, HR and Beyond Bricks & Mortar with support from Officers of the Procurement Team.
- 5.2. Tender evaluation was undertaken in accordance with the criteria set out in the Invitation to Tender documents as a two stage process.
- 5.3. At stage one of the process; the Council undertook a suitability assessment. All Tenderers met the minimum standard and proceeded to stage two of the process.
- 5.4. Stage two of the process was the tender assessment stage, which comprised of two parts and had the following award criteria Quality 55% and Price 45%.
- 5.5. The Quality evaluation ensured tenderers were able to demonstrate a minimum understanding of key requirements. The Quality evaluation was based on the assessment of eight method statement questions on the following:
 - Communication
 - Service Principles and Objectives
 - Operational Procedures
 - Scenario - Business Planning and Contingency Measures
 - Implementation
 - Fair Working Practices
 - Community Benefits
 - Price
- 5.6. Tenderers were required to attain a minimum score of three for each of the Method Statement questions except question 7 relating to Community Benefits (described in section 7 below). This is because Community Benefits within social care contracts is a new requirement. The Council recognises that Providers currently have different capacity to address these expectations and would not wish to exclude competent care providers on these grounds. The council will continue to work with all organisations awarded contracts to review and develop their capacity to provide additional community benefits. Failure to attain a score of three for any other question resulted in tenders being rejected without further evaluation as per the Instructions to Tender.
- 5.7. 1 Tenderer was rejected without further evaluation at stage 2 for submitting an abnormally low bid and submitting additional prices after the closing date as this is not permitted as per the Instructions to Tenderers.
- 5.8. Tenderers who achieved the required score in the Quality evaluation proceeded to the Price evaluation.

5.9. The price evaluation for Lots 1 - 5 was based on Tenderers submitting hourly rates and evaluated based on the following weekly hours of domiciliary care for each Lot; the data below was used for evaluation purposes only and does not reflect the number of hours which will be commissioned from each Lot under this Framework Agreement.

Lot	Standard Hours	Rural Hours
1	2000	120
2	2500	
3	2700	
4	3200	100
5	3000	60

5.10. The price evaluation for Lot 6 was evaluated based on the submitted hourly rate breakdown.

5.11. The hourly rates submitted by Tenderers in their initial tenders shall remain fixed for a minimum period of twelve months from the commencement of the Framework Agreement. Any requests for changes to the hourly rates would need to be in accordance with the variations provision contained within the Framework terms and conditions.

5.12. The Council ranked tenderers for purposes of evaluation only and was based on Quality and Price scores for lots.

5.13. The successful tenderers which have been appointment onto the Framework Agreement for Lots 1- 5 are detailed in Appendix 2. The Council shall be appointing the following number of providers per Lot:

Lot	Number of Providers
1	3
2	4
3	5
4	5
5	5

5.14. The bidder recommended for appointment to the Framework Agreement for Lot 6 (Respite at Home) is Tenderer 2. (Hafal)

5.15. The Framework Agreement is due to commence on 1st October 2019 to 30th September 2023 with the option to extend for up to 48 months.

5.16. The Council will select the Service Provider to which a Call-Off Contract will be awarded, in accordance with Schedule 6 of the Framework Agreement.

6. Transition to the New Model

- 6.1. Allocating successful providers to each of the designated zones has been organised so that 75% of all people receiving domiciliary care services can remain with their existing Provider.
- 6.2. A Business Transition Plan has been developed to manage a smooth phased transition for any individuals if their provider is to change.
- 6.3. An Individual Transition Plan will be developed for every person who will experience a change of service provider. These will capture information about the care needs of the Person and any other relevant issues to fully inform the handover process. The plans will capture information on 'what matters most' to that person in relation to how their care needs are met.
- 6.4. Existing domiciliary care and respite providers who will know the person and their family best will be asked to complete the template for all those individuals who will be affected, and make a recommendation on how that person's transition would be best managed to reduce anxiety and ensure a smooth move from one provider to another. This process, to be implemented with support from social work staff, may identify the need for a joint or longer handover period for example, or additional training for staff taking over the care.
- 6.5. Having a carefully managed and highly individualised transition plan for any Person affected by the recommissioning process will limit the impact of the change of provider.
- 6.6. It is envisaged that there will be minimal disruption to existing domiciliary care service users and that this will be closely monitored via Contracting, Care Management and the Common Access Point.
- 6.7. Transition arrangements will be closely monitored by the Adult Services Commissioning Team and Care Managers and the contract will contain provisions to ensure that disruption and risk to continuity of care is minimal.
- 6.8. An appropriate communication plan has also been established to help reduce disruption to Service Users and Carers affected by a change in Provider. Common Access Point (CAP) will be briefed on potential issues and made aware of the possible increase in calls. Scripts will be generated for CAP staff to ensure a clear and consistent message is delivered. A team from Care Management and CSU will be in place to contact service users during transition to ensure care visits have been provided.
- 6.9. Transition of existing domiciliary services to new providers will be managed on a phased approach from October 2019, where there is a change in domiciliary care provider. New packages of care are scheduled to be allocated to providers for the relevant geographical area from October 2019 but may occur sooner depending on individual Provider

capacity to provide services. These arrangements are in the process of being negotiated with each Provider.

7. Community Benefits

- 7.1. The Council's Community Benefits policy update in July 2016 required that consideration be given to putting community benefits clauses in all Council contracts. As a result community benefit clauses were included, for the first time, in a social care contract.
- 7.2. Working closely together, the Procurement and the Beyond Bricks and Mortar (BB&M) teams were able to ensure that the new Framework Agreement will have a focus on adding value and ensuring wider social and economic issues are taken into account when delivering services.
- 7.3. Each tenderer was required to produce a Community Benefits plan, outlining how they would achieve a range of community benefits, such as targeting unemployed people for jobs and training opportunities, taking on apprentices, working with schools and participating in community projects. Each service provider will be monitored by BB&M to ensure they are providing the required community benefits.

8. Financial Implications

- 8.1. There has been an awareness for some time that the rates paid by the Council for Domiciliary Care have been low in comparison to neighbouring Councils and the UKHCA rate for Care. At this time, it is not possible to make a precise comparison between the rates currently paid and the rates that will be paid following award. There will be multiple rates for each zone and until an exercise has been completed identifying the number of hours that will be undertaken by each provider in each zone, the future cost of the service can only be estimated.
- 8.2. As part of the contract evaluation, an estimate of hours per zone was produced. These figures have been used when considering the financial implications of award. The figures used in the evaluation are approximately 3.1% above the current domiciliary care hours being delivered.
- 8.3. When comparing the most recently calculated (June 2019) weighted average cost of domiciliary care to the rates tendered, it is clear that this procurement will result in significant additional cost to the Council. Additionally, service growth and general inflation will provide additional pressures in the coming years.
- 8.4. The most recently calculated weighted average cost of domiciliary care is £16.03 per hour with rates in the range of £15.00-£22.95. The mean average of current provider rates is £16.93 per hour. Rates

recommended for award are in the range £16.95-£19.22 for non-rural areas and £17.40-£24.06 for rural locations.

8.5. To estimate the value of increased costs after award the current weighted average has been compared to the minimum, maximum and average costs of those tenders recommended for award at the hours used within the evaluation model. This has been done on a per zone basis before being totalled.

8.6. Additional estimated costs at 13,680 hours of care per week are as per the below table

	Average	Max	Min
Per Week	25,145	39,865	14,228
Per Year	1,311,111	2,078,675	741,868
2019/20 (Oct Implementation)	655,556	1,039,338	370,934

8.7. For the respite at home element of the tender, the consequences of procurement are more forecastable as there is only one successful tenderer. Presuming current hours remain constant, there will be an increase in costs of £19,100 in the current year with a full year effect of £38,200.

8.8. It is clear that the above figures are significant, with a wide range of potential costs for the Domiciliary Care element of the tender. This procurement will add to the financial pressures faced by Social Services and the Council over the coming years and will accelerate the need to ensure packages of care are reduced where it is safe and possible to do so. The mapping of current clients to the new providers will have a fundamental effect on the costs faced by the service and it is essential that this exercise concludes swiftly to ensure the S151 Officer, CMT and Members can be given a more accurate view of the consequences of this procurement than can be given above.

8.9. The S151 Officer has retained a residual provision for inflationary costs (currently amounting to £900k) which has already been provisionally identified as predominantly being available to assist meeting these anticipated increased social care costs for the part year 19-20 implementation. The full year costs will need to be fully considered for the 2020-21 budget and will undoubtedly add to overall spending pressures and further increase the difficult choices that will need to be made by members in setting the 2020-21 budget at a realistic and affordable level for both social services and the whole Council.

8.10. As a result of the increased costs following this procurement exercise the following solutions have been created in relation to the ongoing management of costs and cost reduction for the duration of the framework agreement –

8.10.1. The solution to managing costs must be to find ways of reducing expenditure on avoidable missed calls and

undelivered services whilst minimising risks to continuity of care.

8.10.2. Understanding the reasons for under delivered care is key. This will allow for decisions to be made on whether packages of commissioned care can be reduced or payment withheld.

8.10.3. More effective use of electronic call monitoring (ECM) systems is essential to enable reductions in costs. This, when supported by other contractual changes offers potential for significant spend reductions. ECM data with corresponding contractual expectations will be used to reduce costs in the following ways:

- Not paying for undelivered hours where Provider is at fault.
- Not paying where the Service User has provided more than 24 hrs notice that service is not required
- Monitoring under delivery and reviewing packages of care to formally reduce commissioned hours where data suggest that less hours are required (a rightsizing approach).
- Providers are only paid for 3 days following an unplanned hospital or emergency respite admission.

9. Legal Implications

9.1. The Responsible Officer is satisfied that the tender process has been undertaken in compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules, and recommends approval in accordance with those Rules.

9.2. Framework Agreements are to be prepared by the Chief Legal Officer. All contractual liabilities and obligations will be covered by the contract documentation, which will consist of the over-arching Framework Agreement together with any separate call-off contracts.

9.3. Following approval by Cabinet authority is delegated to the Responsible Officer to approve the terms of each call off contract in consultation with the Chief Legal Officer.

10. Conclusions

10.1 The outcome of the recommissioning exercise has been to create a framework for procuring services which in the longer term will help to develop a more stable market and reduce overall risks by:

- Paying rates which more accurately reflect the cost of providing care services
- Creating more geographically based services which can lead to efficiencies

- Enabling a more even distribution of market share across the sector.
- Introducing updated contract specifications and service standards which aim to deliver more person centred and outcomes focussed services.
- Providing more efficient use of resources by enabling greater scrutiny of undelivered hours, minimising avoidable expenditure and maximising use of available care hours to address waiting list pressures.

10.2 12 Providers have been appointed to the framework for longer term services (refer to appendix 2). 1 provider has been appointed for Respite Services (Hafal). Unsuccessful Providers will be invited to apply again to become an accredited framework provider under the Framework refresh which is likely to occur in 2020.

10.3 Contracts with unsuccessful Providers will continue where necessary (at less favourable terms offered to successful Providers under the Framework) to enable continuity of care for service users where this is necessary.

10.4 75% of service users will remain with their existing care provider appointed to the Framework. Transition options for the remaining 25% are being assessed. In some cases people already receiving services from Providers that were not appointed to the Framework, will remain with their existing care provider where this is necessary to ensure continuation of services. Where transfer to a new provider is possible or preferred this will occur after October and where necessary in a staged way to minimise risk of service disruptions.

10.5 New packages of care required after the 1st October will be awarded to successful tenderers appointed to the Framework.

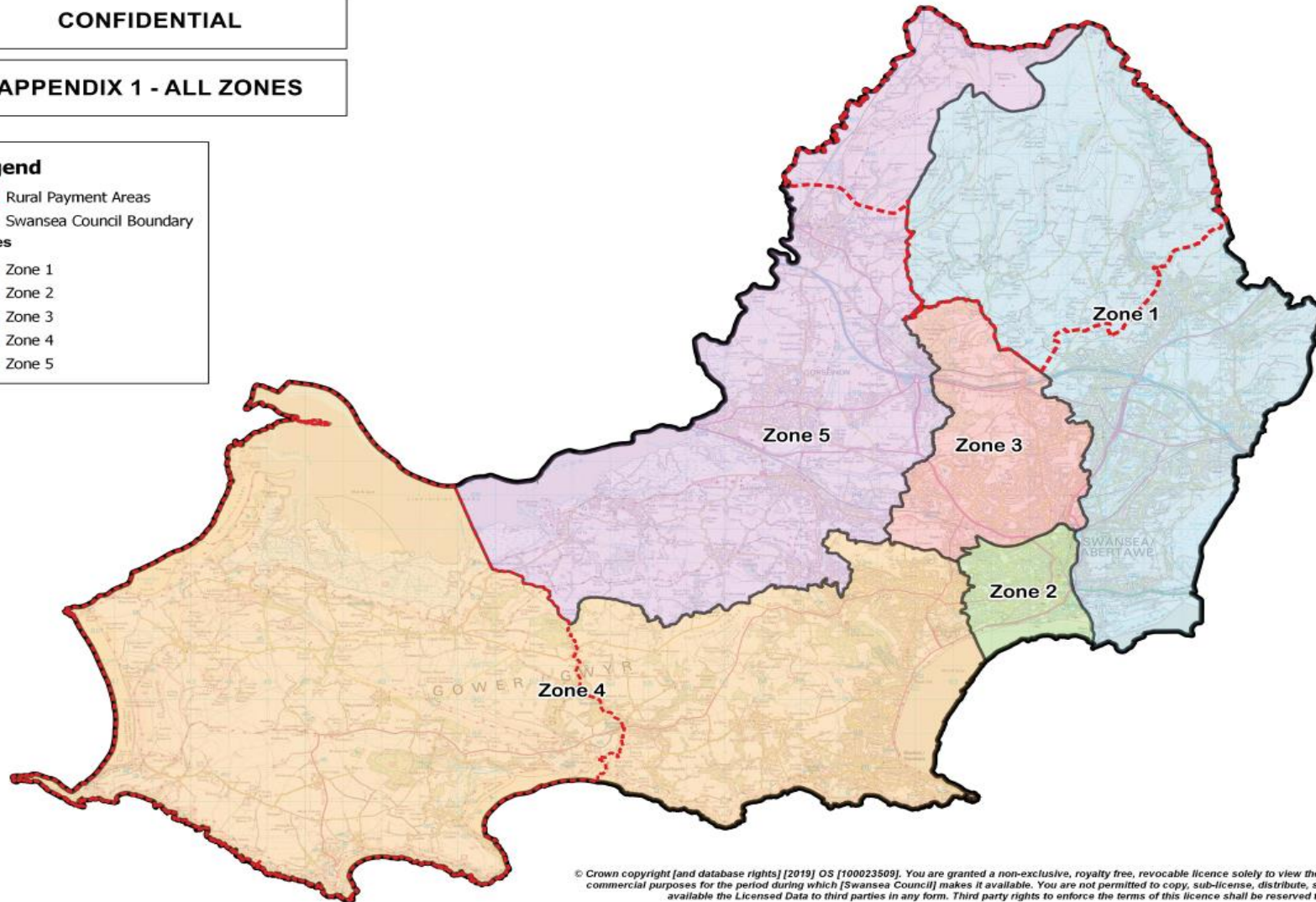
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APPENDIX 1 - ALL ZONES



Legend

-  Rural Payment Areas
-  Swansea Council Boundary
- Zones**
-  Zone 1
-  Zone 2
-  Zone 3
-  Zone 4
-  Zone 5



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APPENDIX 2 TABLE OF SUCCESSFUL TENDERERS FOR LONG TERM DOM CARE SERVICES

Lot 1: Zone 1	Tenderer 7: Crosshands Home Services Ltd	Tenderer 10: I Care Dom Care Ltd	Tenderer 11: Kare Plus Swansea		
Lot 2: Zone 2	Tenderer 2: Adult Home Care Ltd t/a Right at Home Swansea	Tenderer 5: Care Cymru Services Ltd	Tenderer 8: Deluxe Homecare Ltd	Tenderer 12: MiHomecare Limited	
Lot 3: Zone 3	Tenderer 1: Abacare (Care Agency) Ltd	Tenderer 7: Crosshands Home Services Ltd	Tenderer 9: Heritage Healthcare Swansea (Jameela Healthcare PVT Limited)	Tenderer 10: I Care Dom Care Ltd	Tenderer 12: MiHomecare Limited
Lot 4: Zone 4	Tenderer 2: Adult Home Care Ltd t/a Right at Home Swansea	Tenderer 3: Aylecare Domiciliary Services	Tenderer 5: Care Cymru Services Ltd	Tenderer 8: Deluxe Homecare Ltd	Tenderer 14: RSD Social Care Limited
Lot 5: Zone 5	Tenderer 1: Abacare (Care Agency) Ltd	Tenderer 3: Aylecare Domiciliary Services	Tenderer 9: Heritage Healthcare Swansea (Jameela Healthcare PVT Limited)	Tenderer 11: Kare Plus Swansea	Tenderer 14: RSD Social Care Limited