

# **BRIDGEND COUNTY BOROUGH COUNCIL**

## **REPORT TO CABINET**

**10 JANUARY 2017**

### **REPORT OF THE CORPORATE DIRECTOR OF SOCIAL SERVICES AND WELLBEING RE-COMMISSIONING INDEPENDENT DOMICILIARY CARE**

#### **1. Purpose of Report**

1.1 The purpose of this report is to:-

- Request Cabinet approval to implement the proposed commissioning plan for the independent domiciliary care sector;
- Request Cabinet approval for Bridgend County Borough Council (BCBC) to undertake a procurement exercise to invite tenders to establish a framework agreement for the provision of all packages of externally commissioned domiciliary care.

#### **2. Connection to Corporate Improvement Objectives/Other Corporate Priorities**

2.1 The report links to the following improvement priorities in the Corporate Plan:-

- Helping people to be more self-reliant;
- Smarter use of resources.

2.2 Plus the following local strategic priorities:-

- Adult Social Care Commissioning Plan 2010-20: Living Independently in Bridgend in the 21st Century;
- The Remodeling Adult Social Care programme;
- The Remodeling Homecare Plan;
- The Council's Medium Term Financial Strategy (MTFS)

#### **3. Background**

3.1 In November 2014, Cabinet approved the remodeling homecare implementation plan, which set out the Council's intentions for meeting the increasing demands for internal homecare and external domiciliary care in a sustainable and managed way. This plan recommended remodeling the Council's internal homecare service into a provider of specialist homecare services, and to commission domiciliary care services from the independent sector.

3.2 In moving forward, this is still the Council's intention, however it is recognised that there are exceptional circumstances where some packages of specialist care will be provided by the independent sector.

3.3 The table below illustrates the anticipated changes in demand for services, and the anticipated changes in the commissioning of independent domiciliary care services, following the implementation of the homecare remodeling plan.

|                 | June 2014<br>Actual |     | Dec 2015<br>Actual |     | Dec 2016<br>Actual |     | Dec 2017<br>Forecast |     |
|-----------------|---------------------|-----|--------------------|-----|--------------------|-----|----------------------|-----|
| <b>BCBC</b>     | 4,404               | 43% | 3,370              | 30% | 3,134              | 26% | 2,750                | 22% |
| <b>External</b> | 5,812               | 57% | 7,695              | 70% | 9,116              | 74% | 9,950                | 78% |
| <b>TOTAL</b>    | <b>10,216</b>       |     | <b>11,065</b>      |     | <b>12,250</b>      |     | <b>12,700</b>        |     |

- 3.4 In light of these changes, it was recognised that there was a need to strengthen and develop the market, and attract new providers to support the remodeling of services. To facilitate this change, officers developed a commissioning plan, where it was proposed that a framework agreement be established for the provision of new packages of externally commissioned domiciliary care. This would allow the Council to test the current market, strengthen the existing contractual arrangements, and open up the market to new providers.
- 3.5 Cabinet previously approved the implementation of the commissioning plan for the independent domiciliary care sector in Bridgend, and approved for an invitation of tenders to establish a framework agreement for the provision of new packages of domiciliary care.
- 3.6 In January 2016, Cabinet approved the award of a framework agreement to 13 providers for the provision of new packages of domiciliary care for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018, with an option to extend for a further period of up to 24 months. Of the 13 providers, the Council previously had contractual arrangements in place with 9, with the other 4 being new providers.
- 3.7 Building on the success of the tender exercise, it has been proposed that a new framework is established, which covers all externally commissioned domiciliary care (commissioning intentions). This will allow the Council to further strengthen and widen the requirements from the market, and also potentially open up the market to further providers in light of the planned increase in homecare hours being commissioned by the independent domiciliary care sector.
- 3.8 In July 2016, Cabinet endorsed the proposed commissioning intentions for the independent domiciliary care sector. Cabinet also noted that officers will undertake further engagement sessions with pertinent stakeholders and providers in respect of the proposed commissioning intentions, and noted that a further report will be presented to Cabinet, requesting approval to implement a commissioning plan and procurement process, which will have taken into account the feedback from stakeholders and providers.

#### **4. Current situation**

##### Engagement and market-testing with IDC providers

- 4.1 There is a vibrant and mixed market in Bridgend, which works very well in partnership with the Council to meet the changes in demands for domiciliary care. Of the 13 providers that the Council already has framework arrangements in place with, there is a balanced mix of local, regional and national providers, including a number of not for profit organisations.

- 4.2 To date, the current market has worked in partnership with the Council and has been able to respond to increases in demand and changes in need. However, it is recognised that there is a real need to further strengthen and develop the market, by attracting new providers in to support the homecare remodeling plans.
- 4.3 Early communication and engagement has taken place with existing framework providers through the Independent Domiciliary Care provider forums, in respect of the proposed commissioning plan in moving forward. There were some reservations raised by some providers in respect of having to complete another tender exercise, but providers were generally accepting of the proposal, and all in attendance indicated that they would be looking to submit tenders for the new framework.
- 4.4 In respect of the service model, all providers in attendance felt that the new model in place since April 2016 was very positive, and had helped to improve quality. The providers were complimentary about the mandatory requirement of implementing an Electronic Call Monitoring system, recognising that its use is of benefit to them, as well as to the Council when used to help inform contract monitoring activities.
- 4.5 Market testing then took place with the wider independent domiciliary care market, aimed to ensure that the proposed future service design and procurement approach is the best way forward when considering all packages of domiciliary care.
- 4.6 The main findings taken from the market testing event were:
- 19 providers attended the event – all of BCBC’s existing 13 framework providers and also six potentially new providers to the market in Bridgend
  - All providers in attendance felt that the procurement approach proposed seemed the logical way forward, in terms of continuing with the mixed market and allowing providers to grow in a managed and sustainable way.
  - Some providers felt that a longer-term contract could provide them with greater long-term assurances – but it was noted that based on the Public Contracts Regulations 2015, the maximum period to award a framework agreement is 4 years, save in exceptional circumstances which is not applicable in this case.
  - All providers in attendance felt that generally speaking, the proposed service model was deliverable from their perspective, and it was recognised that there was a strong emphasis on quality. It was also highlighted by providers that increased quality invariably comes at a cost, and providers welcomed that there are no plans to apply any financial caps as part of the tender exercise, which is a potential financial risk to BCBC
  - Providers also felt that where possible and safe to do so, allowing them greater flexibility in respect of timings of visits would be welcomed
- 4.7 Based on the feedback received at the domiciliary care forum with existing providers, which was then ratified by wider providers at the market testing event, it was concluded that very little change would be needed to the existing service model. As such, the proposed service to be provided to individuals will not change, and therefore there was no requirement to undertake any formal consultation in respect of the proposed service model with the public or individuals, in addition to what is already gathered as part of contract monitoring and social work reviews.

- 4.8 Considering the findings above, and following further consultation with pertinent stakeholders, officers have developed a commissioning plan for the independent domiciliary care sector.

### **Commissioning Plan**

#### a. Service Model

- 4.9 As part of the tender exercise undertaken in April 2016 for the provision of new packages of domiciliary care, a service model was developed that responds to changes in local, regional and national priorities, best practice and legislation. This has allowed BCBC to attract providers who share our social care values to deliver quality services that are financially sustainable, flexible and responsive.

- 4.10 Following the engagement and market testing events with providers, and the consultation events with other stakeholders, it was identified that the service model already in place requires very little change, as the service model already:

- balances the need for providers to retain control over their organisation, with the need to ensure service availability across all geographical areas, and that expected volumes, dependency needs and service demands of individual service users continue to be met;
- is in-keeping with the Social Services and Wellbeing (Wales) Act 2014, as providers are required to deliver services that support the principles of enabling service user independence, by providing appropriate responses to identified needs, and the model also allows for future scope to explore progression to more outcome-focused support and commissioning arrangements; and
- has a strong emphasis on the workforce, which attracts providers who are responsible and considerate employers, who retain a robust, motivated and skilled workforce in order to meet increases in demand and individual service user needs, as it is essential that the Council commissions services from agencies that are not only compliant with legislation, but strive to adopt fair and robust working arrangements with their workforce.

- 4.11 The below provides further pertinent points in respect of the service model already in place, which is in the process of being refined and finalised, in order to meet the indicative procurement timescales.

- Quality Assurance and Contract Monitoring

- 4.12 To ensure quality is maintained, providers are required to deliver a service in compliance with BCBC's local quality standards. These standards are over and above our regulators, Care and Social Services Inspectorate, Wales (CSSIW) National Minimum Standards for the Provision of Domiciliary Care Agencies in Wales, which all providers are legally obliged to meet.

- 4.13 Compliance against our local quality standards and the National Minimum Standards are monitored by contract monitoring officers. This is through a combination of structured quality reviews designed to give an in-depth assessment of how the company delivers services, and one to one discussions with service users through a sampled range of visits. Care providers are rated on an annual

basis against the quality standards, which enables the Council to evaluate both the quality of the overall service, and individual outcomes for service users.

- 4.14 In addition, Care Managers undertake annual reviews of service users and also additional reviews through the year, as and when required, to ensure the individual needs of service users continue to be met through the provision they receive. These reviews consider the quality of the domiciliary care services and any issues are fed into the contract monitoring team.
- 4.15 Quality assurance has been further strengthened by the implementation of the 'member champion' scheme, which involves elected members gathering views from staff and service users within service. This exercise provides an additional viewpoint for the overall quality of commissioned services, and also enables service users to talk to their elected members about the quality of the care they receive.

- Brokerage

- 4.16 Brokerage is the process by which the Council manages the flow of new packages of care between Social Work and care providers. The brokers are employed by BCBC and have a direct link with all care providers on a daily basis, to determine availability as part of the allocation process. They are also responsible for issuing all individual contracts (Individual Service Agreements) to care providers for new service users, or when an existing service user requires a change to their service.

b. Procurement Approach

- 4.17 It is proposed that a new four year (2 year contract with an option to extend by up to a further 24 months) framework agreement is established, for the provision of all externally commissioned domiciliary care.
- 4.18 Providers on the framework agreement will not be guaranteed any minimum volume of business. All packages of homecare will be allocated according to set criteria in the form of individual service contracts, and packages will be allocated under the arrangements of the new framework when there is:
- A new referral for domiciliary care; or
  - A change in an existing package of domiciliary care, resulting in a new package of care being required; or
  - A review/reassessment of an existing package of domiciliary care
- 4.19 In light of the requirements set out above, it is planned that all packages of domiciliary care will be delivered under the arrangements of the proposed new framework within 12 months of the new framework contracts commencing.
- 4.20 All framework providers, who meet the Council's minimum quality requirements, will be required to submit prices for the provision of domiciliary care. Providers on the framework agreement will not be guaranteed any minimum volume of business, instead, packages of care will be allocated according to set criteria in the form of individual 'call off' contracts, which will be similar in nature to the criteria currently used by the brokerage system.

- 4.21 This proposal is intended to encourage a continuation of a mixed market within Bridgend, which enables providers to develop their business in a sustainable and managed way. It will also give the Council the ability to work in the true spirit of partnership with care providers, to effectively plan the growth and expansion of their local services.
- 4.22 The table below sets out the indicative procurement timescales, should approval be given to implement the commissioning plan for the independent domiciliary care sector:

|   | <b>Activity</b>  | <b>Date</b>      |
|---|--|------------------|
| 1 | Finalise service model and preparation of tender documents | January 2017     |
| 2 | Place OJEU notice  | February 2017    |
| 3 | Tender returns   | April 2017       |
| 4 | Final tender evaluation                                    | May 2017         |
| 5 | Approval to award  | June 2017        |
| 6 | Contract Sealing   | July 2017        |
| 7 | Contract mobilisation                                      | July – Sept 2017 |
| 8 | Contract start date  | October 2017     |

## **5. Effect upon Policy Framework & Procedure Rules**

- 5.1 Any tendering process will be undertaken in compliance with the Council's Contract Procedure Rules (CPRs) and the Public Contracts Regulations 2015.
- 5.2 Procurement regulations currently require advertisement in the Official Journal of the European Union (OJEU) and a tender process to be undertaken for contract requirements for social, health and other services, where the total contract value will exceed £560,923. In addition, the regulations require any procurement process to be conducted in an open, transparent and non-discriminatory manner. These principles must apply both to the establishment of the framework itself and the call-off arrangements for allocating packages of care under the framework.

## **6. Equality Impact Assessment**

- 6.1 Prior to the last commissioning exercise in 2015/16, an Initial Screening Equality Impact Assessment (EIA) screening assessment was undertaken, which found that a full EIA was not required, due to the fact that service users will see no change to their service, as they will continue to receive the same level of service which meets their assessed needs.
- 6.2 As only minor alterations are being made to the service model, which will have no differential impact on the service that is being delivered to individuals, it is considered that the findings from this initial assessment still stands, and following consultation with the Equalities Officer, it has been agreed that a further EIA screening is not required at this point in time.

## **7. Financial Implications**

- 7.1 Recommissioning independent domiciliary care contributes towards the MTFS savings target for ASC1 (Remodeling Homecare), which is broken down as below:

- £20k in 2014/15 – savings target met
- £307k in 2015/16 – savings target met
- £250k in 2016/17 – factored into budgets from April 2016

7.2 The financial implications of re-commissioning domiciliary care will be determined once bids to enter into a new framework agreement are received from providers, and there is a risk that costs could increase as a result of the tender exercise.

7.3 The projected year-end spend in 2016/17 for the provision of independent domiciliary care is in the region of £5M, of which no current provider has more than 25% of current service provision. The framework agreement will enable a call down of providers as and when needed, which will enable the Council to react to changes in demand by maintaining a number of providers on the framework.

7.4 It is anticipated that the total spend on independent domiciliary care will increase in line with projected demographic changes, and in-line with the implementation of the homecare remodeling plan. Therefore, ensuring there is a suitable spread of providers will be essential to minimize the risk of providers being unable to take on new packages of care, which has wide-reaching implications for the Council, as well as our key partners, including health.

## 8. Recommendation.

8.1 Cabinet is requested to:-

- Approve the commissioning plan proposed for the independent domiciliary care sector in Bridgend;
- Approve the implementation of the procurement timetable as set out in 4.22;
- Approve the invitation of tenders to establish a framework agreement for the provision of all packages of externally commissioned domiciliary care; and
- Note that a further report will be presented to Cabinet, requesting approval to enter into a framework agreement for the provision of all packages of externally commissioned domiciliary care

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**December 2016**

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## 10 Background documents

- 11 November 2014 Cabinet Report – Remodeling Homecare
- 12 May 2015 Cabinet Report - Re-Commissioning Independent Domiciliary Care Commissioning Plan

- 12 January 2016 Cabinet Report – Establishment of a Framework Agreement for the Provision of Domiciliary Care
- 26 July 2016 Cabinet Report – Recommissioning Independent Domiciliary Care Commissioning Plan