

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

20 JULY 2021

REPORT OF THE CORPORATE DIRECTOR SOCIAL SERVICES AND WELLBEING

RE-COMMISSIONING REGULATED CARE AND SUPPORT AT HOME

1. Purpose of report

1.1 The purpose of this report is to:-

- Provide Cabinet with an update in respect of the recommissioning work being undertaken for Independent Domiciliary Care (IDC) and Short Breaks services;
- Request Cabinet approval for Bridgend County Borough Council (the Council) to undertake a procurement exercise to invite tenders to establish a Framework Agreement of commissioned regulated care at home providers; and
- Seek authority to waive the Council's Contract Procedure Rules in accordance with CPR 3.2.9.2 to vary the current Framework Agreement(s) currently in place for Independent Domiciliary Care services, by extending the existing terms for a further 3 months.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives
2. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

Independent Domiciliary Care (IDC)

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 It was recognised that there was a need to strengthen and develop what was a fragile 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 externally commissioned domiciliary care.
- 3.3 This framework allowed the Council to test the current market, strengthen the existing contractual arrangements, and open up the market to new providers, which managed the increased challenges and demands.
- 3.4 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 1st April 2016 to 31st March 2018, with an option to extend for a further period of up to 24 months.
- 3.5 Building on the success of the tender exercise, it was proposed that a new framework be established, which covered all externally commissioned domiciliary care. i.e. both new and existing packages of care. This would allow the Council to further strengthen and enhance the service model, and also potentially open up the market to further providers in light of the planned increase in homecare hours being commissioned from the independent domiciliary care sector.
- 3.6 In January 2017, following engagement sessions undertaken with pertinent stakeholders and providers in respect of the proposed commissioning intentions, Cabinet approved the final commissioning plan for the independent domiciliary care sector in Bridgend, and approved the invitation of tenders to establish a framework agreement for the provision of all packages of commissioned domiciliary care.
- 3.7 In September 2017, Cabinet approved the award of a framework agreement to 15 providers (13 existing and 2 new providers) for the provision of domiciliary care for the period 1st January 2018 to the 31st December 2019 – with an option to extend for a further period of up to 24 months –the full extension period has subsequently been utilised, with current IDC arrangements ending on 31st December 2021.

Short Breaks service

- 3.8 A series of stakeholder engagement and consultation events took place during 2019/20 in order to co-produce the model for a new short breaks service. Consultation included a high-profile public event, local mapping and stakeholder meetings and follow-up focus group workshops. The public event and focus groups were independently facilitated by Swansea University and carers who use short breaks services were able to contribute.
- 3.9 This extensive service development with stakeholders has co-produced a new pathway for carers' services in Bridgend. A key part of that pathway is to provide appropriate short breaks for carers through flexible delivery of replacement care to individuals in need of care and support, that will provide more voice, choice and control for individuals and their carers through an ability to bank weekly assessed hours for flexible use within a 4-week window.
- 3.10 Following a successful tender exercise, approval was granted (via Delegated Powers) to award contracts for the provision of a regulated domiciliary Short Break

Service for individuals and their carers in Bridgend. The duration of contracts entered into was 2 years – commencing in July 2019 – with the option to extend for up to a further 24 months.

- 3.11 During a Care Inspectorate Wales (CIW) inspection undertaken in 2019/20, the Short Break service model was commended in the verbal feedback received from regulators, where the question was also posed about why all regulated homecare services could not be commissioned in this more outcome-focused way.

4. Current situation/proposal

Context, facts & figures

- 4.1 Having safe, flexible and effective care at home services are an essential part of the Council's strategy to help and support individuals to maintain their independence. As can be seen from the table below, demand for these care at home services have increased by circa 8% in the last 3 years:

| | Avg 17/18 | Avg 18/19 | Avg 19/20 | May 2021 |
|-----------|-----------|-----------|-----------|----------|
| Total Hrs | 8,151 | 8,581 | 8,701 | 8,738 |

- 4.2 A consequence of increasing the capacity within our care and support at home services has enabled the directorate to manage the volume of placements made into care homes – which was 242 placements in 2017/18, compared to 232 in 2019/20. As a financial comparison, it currently costs £628 per week for a standard residential placement, whereas the typical care at home package of care (average hours being 10hrs/wk) costs in the region of £200 per week.
- 4.3 The demands on care and support at home services post-Covid is still yet to be fully understood, but the service is already experiencing significant increase in need. It is forecast that the long-term impact of Covid (as set out below), alongside the already known pressures of an ageing population, increasing dementia rates and more complex and challenging needs is going to result in increasing demands on already pressurised services.
- 4.4 The below is an extract taken from Welsh Government's (WG) 'Rehabilitation: a framework for continuity and recovery 2020 to 2021', which is intended to assist service planning for the anticipated increased demand for rehabilitation (and therefore social care) for people affected by Covid-19 across four main population groups:
1. people who have had COVID-19: those recovering from acute COVID-19 symptoms, including people who experienced extended time in critical care and hospital, or those whose acute care was managed in the community and those with prolonged symptoms of COVID-19 (Long COVID) recovering in the community
 2. people awaiting paused urgent and routine interventions and who have further deterioration in their function
 3. people who avoided accessing services during the pandemic who are now at greater risk of disability and ill-health

4. socially isolated/shielded groups where the lockdown has led to decreased levels of activity and social connectivity, altered consumption of food; substance misuse, the loss of physical and mental wellbeing and thus increased health risk

- 4.5 Alongside these demand pressures, the Covid pandemic highlighted the fundamental importance of care and support at home, and the role of professional care workers, in providing essential personal care and support to highly vulnerable people to keep them safe, well and connected. Put simply, this service is the foundation of the whole health and social care system and unless there is sufficient quality and capacity of provision the whole system, and our most vulnerable people, are at risk.
- 4.6 There is also a fundamentally changing requirement in respect of the social care worker workforce. There are specific requirements in respect of registration and qualification which came in under the Regulation and Inspection of Social Care (Wales) Act 2016. This is a highly skilled, professional workforce working with people at the most challenging times of their lives. The learning taken from the pandemic also emphasises the absolutely essential role of care workers in keeping people safe and connected with their families and communities.
- 4.7 In terms of having sufficient quantity and quality of capacity to meet these needs moving forward, the social care market remains fragile, with recruitment and retention posing a significant challenge for a variety of reasons, including:
- Pay and employee terms and conditions being comparably low, despite a strategic intention from Welsh Government to achieve parity of esteem between the care workforce and NHS workers, especially when considering the training and registration requirements of the Registration and Inspection of Social Care (Wales) Act 2016 (RISCA) and the responsibility of the role;
 - Competition from other sectors (hospitality and retail frequently pay more) and similar roles in health pay more and often provide better terms and conditions; and
 - the potential impact of Brexit over time (as other sectors will look to local labour force rather than accessing workforce from the EU)

Establishing a flexible and outcomes-focused regulated Care at Home Service

- 4.8 The move towards a more outcome focused way of commissioning is all about social outcomes – as well as personal care outcomes – and this is why this report and the service specification talks about care and support, and not just domiciliary care.
- 4.9 A market testing event took place in May 2021, where existing contracted providers in attendance gave very positive feedback on how the Council's Short Breaks service had been recommissioned in 2019. The service model was also commented on favourably by potential new providers in attendance at the event, commenting on the focus on voice, choice and control for individuals, and also the flexibility which allows for more person-centered working.
- 4.10 It was clear from this meeting that the preferred option for recommissioning homecare services is to use a similar model and concept for the service specification, where there will be a clear emphasis on voice, choice and control for individuals and carers, which will help BCBC meet its corporate strategy of helping to keep people resilient and live as independently as possible within their own homes.

- 4.11 As with the existing framework agreements in place, the proposal is to implement a four year (2 years with the option to extend by 24 months) Framework Agreement, which will bring both service types (IDC and Short Breaks) in line with one another. Feedback received also stated that retaining county-wide services – as opposed to geographical lots – was the preferred way forward.
- 4.12 The proposal is also to carry out the recommissioning exercise in the same way as when IDC and Short Breaks services have previously been tendered – where existing packages of care will only possibly move over to a new provider at point of review. This is to minimise disruption and unrest for individuals, but also will not have too much of a destabilizing impact on providers. i.e. maintain market stability.
- 4.13 Service providers on the new Framework Agreement will not be guaranteed packages of care, with each one following its own individual process which considers both quality and price as part of the evaluation – which is carried out independently by a brokerage team. Plans are being considered where in the future the brokerage function might be at locality/cluster level, to ensure that there is a strong relationship with the extended health and social care team, and care workers and agencies.
- 4.14 We are committed to working with high quality and experienced service providers, and there will be a very strong emphasis on quality as part of the tender process. To enable this, the cost:quality ratio of 20:80 will be strongly weighted in favour of quality – which will be evaluated through the written responses from the providers, as well as presentations and/or interviews that are part of the tender process.
- 4.15 The table below sets out the indicative procurement timescales (to be confirmed), should Cabinet approval be given to implement the recommissioning plan:

| | Stage 1 Procurement Activity | Date |
|---|---------------------------------------|---------------|
| 1 | Approval to go to tender | July 2021 |
| 2 | Place tender notice for the Framework | August 2021 |
| 3 | Tender returns | October 2021 |
| 4 | Final tender evaluation | November 2021 |
| 5 | Approval to award | December 2021 |
| 6 | Contract start date for Framework | April 2022 |

IDC and Short Break rates (price schedule)

- 4.16 As part of the previous IDC and Short Break tender exercises, providers were asked to submit their own rates in order to meet the requirements of the contract – and no ceiling or basement amounts were provided by BCBC. The current (2021/22) rates paid for these respective services is shown below:
- **£18.65/hr** Short Breaks services (traditionally a lower amount due to the fact that these are longer calls – as opposed to 15/30/45 minutes)
 - **£20.12/hr** IDC services – which is a ‘weighted average’ that accounts for the proportionately more expensive shorter call durations
- 4.17 The approach outlined above is often accused by providers and care sector representatives as being a ‘race to the bottom’, where those who provide the lowest rates are more likely to score highly when considering 20% of evaluation links to

costs, and the lower cost is deemed more favourable. In evaluating costs, it is important to note that value for money, rather than lowest cost will be evaluated in that the ability of potential suppliers to retain and recruit a professional care workforce in the context of the current labour market challenges will be reviewed.

- 4.18 The National Commissioning Board (on behalf of Welsh Government) have recently undertaken and published some cost modelling work, which sets out what is deemed an 'anticipated cost of care for 21/22' in a variety of care settings – including homecare services – the summarised findings in this particular area being:
- **£21.43/hr** – when linked to National Living Wage (NLW)
 - **£22.72/hr** – when linked to Real Living Wage (RLW)
- 4.19 Paying the RLW for care workers was a key commitment in the Labour Party manifesto and we anticipate it will form an important strand of the Wales Programme for Government. This national intention aligns with Cabinet's expressed views regarding RLW for care workers and we now have a mechanism of doing this, as provided by the NCB.
- 4.20 The option of linking rates paid to providers to the NCB rates defined above has been discussed with colleagues in Procurement and Legal Services – to see what could/couldn't be done from a legal viewpoint. It was felt that indexing to these rates would not be possible under the law.
- 4.21 A pricing schedule concept was tested with potential bidders at the market testing event – where all those in attendance were unanimous in agreeing that this would be a positive step forward. The potential cost implications for carrying this out are set out in the Financial Section (Section 8) of this report.

Variation to the existing IDC Framework contract(s) in place

- 4.22 Cabinet authority is being sought to waive the Council's Contract Procedure Rules in accordance with CPR 3.2.9.2 to vary the current IDC Framework contracts in place, by extending the existing term for a further 3 months– meaning a revised end date of 31st March 2022. This will allow for additional call-off placements from the IDC Framework to be made during this time.
- 4.23 CPR 3.2.9.3 provides that a previously procured contract or framework agreement can be modified (and a new procurement process is not required to be undertaken) where the following conditions are fulfilled:
- (i) the need for modification has been brought about by circumstances which the Council having been duly diligent could not have foreseen;
 - (ii) the modification does not alter the overall nature of the Contract;
 - (iii) any increase in price does not exceed 50% of the value of the original Contract or Framework Agreement.
- 4.24 The need for modification has been brought about by the impact of the second wave of the Covid-19 pandemic, which has meant that the planned stakeholder engagement work necessary prior to going to tender was impacted and delayed, circumstances which the Council could not have foreseen when entering into the original contracts. The overall nature of the contract will not be altered, and all other

contractual terms remain unchanged. The proposed variation is for a 3 month extension. The proposed modification does not exceed 50% of the original contract value. Therefore approval is sought from Cabinet to waive the CPRs in accordance with Rule 3.2.9.3 and extend the framework agreements for an additional 3 months from 31st December 2021 to 31st March 2022.

5. Effect upon policy framework and procedure rules

- 5.1 This report seeks to modify existing Framework Agreements by way of a waiver of the Council's CPRs in accordance with Rule 3.2.9.3 of the CPRs.
- 5.2 Any tendering process will be undertaken in compliance with the Council's CPRs and the Public Contracts Regulations 2015.

6. Equality Act 2010 implications

- 6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

7. Well-being of Future Generations (Wales) Act 2015 implications

- 7.1 The recommissioning of IDC and Short Breaks services supports the five ways of working under the Wellbeing of Future Generations (Wales) Act 2015, as follows:

Long Term – the new service model will be a more person-centred and outcome-focused way of working, more in keeping with the requirements of the Social Services and Wellbeing (Wales) Act 2014, and more appropriate for the longer-term.

Prevention – IDC and Short Breaks services are essential preventative services to mitigate the need for more costly residential care placement, where individuals are supported to maintain independence and live in their own homes for as long as is possible and appropriate to do so.

Integration – the service providers will need to work with a wide range of stakeholder groups and organisations (such as health) to ensure the best possible outcomes for individuals in receipt of these services.

Collaboration – the service model is predicated on close collaboration between the service provider, social work teams, wider stakeholders and communities, and the individuals themselves.

Involvement – Key stakeholders and providers have been involved to help shape and inform the service proposal to ensure a co-productive approach to detailing the service model and specification for the new and revised service.

8. Financial implications

- 8.1 The potential financial implications of providing cost ranges – linked to NCB rates – within which providers are able to submit their costs is estimated below:

| Service | Weekly Hrs | NLW (£21.43/hr) | RLW (£22.72/hr) |
|--------------------------|-------------------|------------------------|------------------------|
| IDC (£20.12/hr) | 8,115 | £10,631 | £21,099 |
| Short Breaks (£18.65/hr) | 623 | £1,732 | £2,536 |
| TOTAL | | £12,363 | £23,635 |

8.2 Annually, this equates to a potential cost implication ranging from £643k per annum (NLW – which is the lowest rate accepted) up to £1.23M per annum (RLW – which is the highest rate accepted).

8.3 Funding this cost pressure will need to be considered as part of the Medium Term Financial Strategy – where options to consider include the WG Social Care Workforce Grant (SCWG) – which totals in excess of £2.2M in 2021/22. The proposed changes to how we deliver and pay for care at home services will meet the requirements of this grant, as set out below, which is taken directly from the WG letter to BCBC:

The Purpose of the Funding is:

1: To support progress on fair work in the social care sector through salary uplifts aimed at ensuring that front line workers in commissioned services are paid the Real Living Wage, or a move towards this.

2: To support the sustainability of the social care workforce and fair work

3: To support the delivery of sustainable social care services ensuring they are better placed to meet increased or unexpected demands

8.4 The WG Social Care Workforce Grant increased by just over £450k in 2021/22. The grant is not part of the budget set by the Council, but has been allocated to services/cost centres as pressures are identified during the year, and are not included in core budget, allowing flexibility in terms of its use to address in-year pressures. However, Cabinet should be clear in investing the grant in the way proposed in this paper, that there may be resulting cost pressures in other areas as where there are underlying pressures in social services, including residential and supporting living services across the SSWB Directorate.

8.5 There are no additional cost implications for the Council in extending the IDC contracts for a period of 3 months, as rates paid and budgets remain the same.

8.6 The estimated total value of the framework agreement over the maximum 4-year term is £50M.

9. Recommendations

9.1 It is recommended that Cabinet:

- Note the contents of this report;
- Approves the procurement of a Regulated Care at Home Services Framework Agreement of commissioned specialist providers;
- Delegates authority to the Corporate Director Social Services and Wellbeing to tender the Framework Agreement for the Regulated Care at Home Services Framework Agreement in consultation with the Chief Officer – Legal, HR and Regulatory Services

and note that a further report shall be presented to Cabinet following the conclusion of the procurement of the Framework Agreement for a decision on whether to award the Framework Agreement and seek approval to enter into the Framework Agreement with successful bidders; and

- Approves a waiver of the Council's Contract Procedure Rules under Rule 3.2.9.3 from the relevant parts of the Contract Procedure Rules for the extension of the existing terms of the Framework for Independent Domiciliary Care for a further 3 months to 31 March 2022

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Background documents

None