

**Decision Maker:** Executive  
With Pre-decision scrutiny from:  
Adult Care & Health PDS Committee on 19<sup>th</sup> November 2019

**Date:** 27<sup>th</sup> November 2019

**Decision Type:** Non-Urgent Executive Key

**Title:** Gateway 0/1 Commissioning Strategy For Domiciliary Care Services

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**Chief Officer:** Kim Carey - Interim Director of Adults Social Services

**Ward:** All wards

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## 1. REASON FOR REPORT

- 1.1 The framework contract for multiple Domiciliary Care services expire on 27<sup>th</sup> August 2021 with no further extension options remaining. The framework contracts have an estimated annual value of £13.4m with estimated cumulative spend over the life of the contracts of approximately £112m.
  - 1.2 The Gateway report (CS18147), presented to Executive on the 11<sup>th</sup> July 2018, recommended a co-designed Domiciliary Care service model which will incorporate opportunities for more efficient and effective services that take account of the current and emerging changes in provider markets, technology, outcome-based services and 'enabling' approaches; all of which will support a model that give more choice and control to service users, their families and their personal support networks.
  - 1.3 Work on co-design of the Domiciliary Care service has taken place and this report details the procurement strategy and recommends proceeding to procurement for contracts to meet the relevant needs from from 28<sup>th</sup> August 2021.
  - 1.4 Contracts with a whole life value of £1m and above require Executive approval prior to proceeding to procurement.
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## 2. RECOMMENDATION(S)

- 2.1 Adult Care and Health Policy Development and Scrutiny Committee are asked to review this report and provide any comment prior to the report proceeding to Executive for decision.
- 2.2 Executive is recommended to approve proceeding to procurement as detailed in 4.3 and section 6 of this report for:
  - A multiple Lot tender based on a 'patch' based model for contracts commencing 28 August 2021 for a five year period with the option to extend for up to three years;
  - A Domiciliary Care Framework on a call off basis with contracts commencing 28 August 2021 for a four year period;
  - The combined total value of both contract arrangements is estimated at £13.4m per annum. The value of individual contracts across the Lots and the Framework will be variable.

## Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Supporting Independence. Children's, Adults and Older Person's requiring Domiciliary care within London Borough of Bromley and Bromley Clinical Commissioning Group
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## Financial

1. Cost of proposal: Estimated cost £13.4m per annum
  2. Ongoing costs: Recurring cost. £13.4m per annum ( £107.2m for the 8 year duration)
  3. Budget head/performance centre: All Domiciliary Care Budgets within Adult Social Care
  4. Total current budget for this head: £12.1m
  5. Source of funding: Council's General Fund (within existing budget envelope)
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Statutory requirement.
  2. Call-in: Call-in is applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 1835 Adults; 26 Children(Current)
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 Domiciliary Care is currently available to Adults assessed under the Care Act 2014, requiring support to maintain independence in their own home. Using Domiciliary Care is a significant milestone in a person's life where they often have to acknowledge for the first time that they cannot be as independent as they once were. Domiciliary Care services need to understand the impact of this change for the individual. Therefore the service model needs to be flexible, person centred and effective to ensure service users can achieve the outcomes they want for themselves.

3.2 The Gateway report to Executive on 11 July 2018 recommended a redesign of Domiciliary Care services incorporating the following six core principles;

1. **Integrated strategic commissioning** with the Clinical Commissioning Group (CCG) to link Domiciliary Care: to service pathways alongside the Integrated Care Networks; to Continuing Health Care funded specialist and complex packages of care, and palliative care; and to working across health to reduce Delayed Transfer of Care (DToC);
2. Incorporating effective Reablement and a wider '**enablement**' ethos across the service model;
3. A focus on prevention and **outcome-based** care and performance monitoring;
4. Promoting service user and family **independence, choice and control**;
5. Incorporate financial effectiveness and modelling to **demonstrate potential savings and cost avoidance** across the whole social care portfolio as a result of a new domiciliary care model;
6. Having a truly **co-designed** approach that will help to shape and sustain the local provider market and best meet communities' requirements.

3.3 Following the report to Executive in July 2018, there have been multiple engagement sessions with service providers to both test the market and discuss the proposed procurement strategy.

3.4 This report seeks approval to proceed to procurement for the new service model which is designed to meet the current and future needs of people requiring Domiciliary care within the community.

### 4.0 SUMMARY OF YOUR BUSINESS CASE

4.0.1 Domiciliary Care services have been provided through a combination of a Framework contract and spot purchased contracts since 2012. The Framework contract was awarded for a period of 5+2+2 years and is due to expire on the 27th August 2021. The contracts cover both Adults and Children.

4.0.1 The current delivery model is primarily a "time and task" model where providers are paid based on units of care activity. The ability to measure the personal outcomes of service users is limited; and the model does not address a wider need for the service to be "enabling" to promote self-care for service users where possible.

4.0.3 An Outcome-based enabling approach to Domiciliary Care is considered to deliver better health and wellbeing outcomes. Additionally, working more effectively with health partners to develop an integrated pathway of care could result in savings due to reduction in 'Delayed Transfer of Care'.

4.0.4 The retendering of the Domiciliary Care service offers an opportunity to complement the aims of the Adult Social Care Transformation programme including the strategic principles listed below:

- Outcome-based
- Co-design and delivery of services with communities
- Technology and digital delivery models
- Integrated commissioning, procurement and brokerage

4.0.5 The proposed Market Strategy for the new service model is to move away from the current Framework and spot purchase approach (with 17 providers on the Framework and 22 spot purchased contracts) to a locality 'patch' based model of care and support with lead providers allocated to four zones within Bromley (East/West/South/Central).

- 4.0.6 The proposed delivery model is intended to deliver improved personalised care for service users, whilst enhancing the quality and choice within the provider market. The redesign is expected to provide stability in the market place with clearer demarcation of Domiciliary Care volumes within the localities.
- 4.0.7 The new service model is intended to provide a platform to enhance the efficiencies currently been delivered within Adult Social Care, Children's services and Health Service, delivering better value for money and reducing the need for long-term higher care needs.
- 4.0.8 A specialism based lead provider model operating within specified geographic locations, underpinned by an outcome based specification, is expected to achieve greater value for money. A strength based assessment approach will also promote service users wellbeing, enabling people to maintain control and independence.

## 4.1 SERVICE PROFILE/DATA ANALYSIS

- 4.1.1 There are currently **1,835 Adults, 26 Children**, receiving a managed package of care.
- 4.1.2 The proportion of older people in Bromley (aged 65 and over) is expected to increase from 17% of the population in 2017 to 18% by 2022 and 19% by 2027 (*Bromley Joint Strategic Needs Assessment, 2017*). This will impact on the level and complexity of health and social care needs in the borough.
- 4.1.3 Over the next 10 years it is estimated that almost 20% of the population of Bromley will be over 65, and over the next 20 years the proportion of over 65's is expected to increase by approximately 40% (with the largest increase expected to be 90+) with more complex health and social care needs.
- 4.1.4 There is expected to be a significant increase in the number of people that will be unable to manage self-care in at least one activity, with the most significant increase expected to be women over the age of 85. Older people are predicted to take on greater caring roles with an expected increase in those requiring more support services.
- 4.1.5 Domiciliary Care in Bromley is currently provided through a Framework agreement. The framework includes 17 providers who deliver around 15,000 hours of care and support a week. In addition there are a further 22 spot providers providing additional hours of care as required.
- 4.1.6 The actual cost of delivering the Adult Social Care Service for the 2018/19 financial year was **£12.3m**.
- 4.1.7 The projected cost of delivering Children's support into home service for 2019/20 is £438k
- 4.1.8 The top 10 Care providers, based on hours delivered, account for 63% of the market share with an estimated monthly cost of £127k. The total average monthly cost for all providers £275k.

## 4.2 OPTIONS APPRAISAL

### Option 1('Patch' based model with Lead Providers in each locality)

- 4.2.1 The aim of this model is to commission a specialism based lead provider model, operating within specified geographic locations. It will mean moving from the current fragmented framework approach to a model that enables providers to realise service and cost efficiencies.
- 4.2.2 A 'patch' based approach means that the borough would be split into 4 zones (East / West / Central / South) reflecting the 3 ICN boundaries with at least 2 lead providers for each zone. In addition, the 'patch' approach will be supported by a smaller Framework contract to cover any additional hours or specialised packages required.
- 4.2.3 'Patch' based lead providers will be responsible for a designated locality and be expected to take an agreed 60-70% of all referrals that arise in that area. Total hours for each lead provider will be limited to a maximum of 3000 hours per week as recommended by the Association of Directors Adult Social Services (ADASS)

1. Services are co-ordinated around communities and informed by understanding of community assets	Fewer providers with larger market share-less choice and competition
2. Better recruitment and retention levels due to potentially better contract terms and work conditions	Lead provider being able to guarantee required capacity at required times
3. Increased capacity due to less travel time- Care staff teams can be deployed in the most effective way to meet the needs of those residents within the locality	Less market diversity and share for providers who will provide additional capacity in the system
4. Greater expertise in the relevant geographical areas	
5. Better performance management and contract monitoring with smaller group of core providers responsible for specific contracted areas	
6. Potential for better working relationships with stable base of providers over a longer term period	
7. Greater customer satisfaction	

## Option 2 (Dynamic Purchasing System)

4.2.4 Similar to the current Framework approach, a Dynamic Purchasing System (DPS) is a framework that is operated through a software system. The system allows providers on the framework to bid for packages and operates as a mini competitive tender process for each package.

Benefits	Challenges/Risk
1. New entrants are encouraged to enter into the market and ultimately inclusion onto the DPS arrangement ( subject to satisfying qualification criteria)	Despite the advantage of supporting new entrants onto the DPS, this can ultimately result in commissioning many providers, which result in a range of negative factors
2. Suppliers can apply at any time once the DPS is 'live' or enabled, plus if they don't match the selection criteria first time around, they can then re-apply if unsuccessful.	Competitors in the market may not be attracted to such a diluted provider market
3. Provides maximum rates on packages during bidding phase to ensure cap on spend	Two systems are required which can be time consuming- Framework and software
4. Automatic alert system for bidding on urgent and time sensitive requirements	Councils are locked into expensive software programmes
5. Allows monitored interaction on package clarifications and timeliness of responses	It does not address capacity issues within the market
6. Interfaces with social care and health IT systems to feed into service users records	Minimal impact on market shaping and influence

## Option 3 (Provider Framework Only)

4.2.5 As per the current model, this is a mechanism for calling off individual packages over a period up until a maximum of four years. Once providers are placed on a framework there can be no additional new suppliers throughout the lifetime of the framework. Providers of Domiciliary Care would be invited to submit bids and hourly rates to join the framework.

4.2.6 A continuation of the current model, via a new framework contract (with associated spot purchases as required) is not recommended. Competitors in the market may have less incentive to engage in the Bromley framework as there is no guaranteed business through the framework and therefore no incentivisation to commit to delivery in Bromley. There is also no viable incentivisation option that can be linked to an outcomes based specification.

### 4.3 PREFERRED OPTION

4.3.1 It is recommended that the London Borough of Bromley adopt and develop Option 1 (**'Patch' based model with lead providers**) to accommodate an estimated 60-70% of required hours, with the following benefits:

- Rationalised market with a core of the most competent providers in the market, to manage current and future demand;
- Working with lead providers allows for more efficient quality management processes;
- Poor performance can be more effectively managed by targeting contract/performance monitoring resources;
- It supports provider efficiencies through reduction in travel time and costs for carers.
- It supports managing the market for both larger and smaller providers, ensuring viability of volume across the market.

4.3.2 Any additional capacity required, estimated at 30-40% of the hours required, will be provided by a range of providers through the framework contract run in parallel to the main 'patch' based contracts. Providers who are awarded lead contracts will not be included in the Framework to ensure that we both manage the market effectively and to incentivise engagement with the Framework from the broader market.

4.3.3 The 'patch' based model will be split into five Lots as detailed in Appendix 1 – a Lot for each locality plus an additional lot for specialised provision. Providers can bid for all Lots but will be restricted to contract award for a maximum of two Lots for the locality based Lots (based on providers ranking their preferred zones). A provider may only be awarded for more than two Lots where there have been insufficient bids of acceptable quality in any individual Lot or where they also offer a specialised service for Lot 5.

4.3.4 The new Domiciliary Care delivery model and specification is intended to change the way the service is currently delivered, with the philosophy of care and support focused on the achievement of outcomes, such as maintaining or increasing independence at home rather the completion of tasks within an allocated time period. It will look to embed a more flexible and responsive care and support service that is aimed at preventing deterioration and social isolation and avoid unplanned admissions to hospital and long term residential care.

4.3.5 Improved alignment between Adults and Children services should encourage better transitional arrangements as young people preparing for adulthood would be more likely to sustain their current Domiciliary Care arrangements

4.3.6 The new service model for Domiciliary Care will seek to introduce new workforce requirements including the new roles of trusted assessor and enhanced care workers. The trusted assessor role would allow carers to order minor pieces of equipment and make small adjustments to care packages in response to needs.

4.3.7 Providers will be incentivised to achieve stated outcomes for the service where success will be measured and rewarded by results/outcomes achieved. The procurement will incentivise providers to transform the service away from a traditional "time and task" Domiciliary Care service to a service that is more focused on the delivery of agreed outcomes with the service user. It is expected that this approach will, over time, reduce demand for services and lead to greater satisfaction for the services that people receive.

### 4.4 MARKET CONSIDERATIONS

4.4.1 Bromley has a large provider market that is currently commissioned to deliver the Domiciliary Care Service. There are 17 providers on the framework and 22 providers that the Council spot contracts with.

4.4.2 The framework and spot contracts currently only work with providers who have a base in Bromley or

Its neighbouring boroughs. However consideration to open the market is recommended to enable sustainability.

- 4.4.3 The top 10 care providers currently have 63% share of the market. The next 10 care providers have 22% share of the market. This means that 20 care providers currently deliver 85% of the entire market share.
- 4.4.4 The new tender would allow care providers who did not have a base in the borough or within close proximity to bid for zones. This will enable expansion and encourage growth from nationally established providers.
- 4.4.5 The principal benefit of zoning is that it would support reduction in travel time and cost, clustering work/key worker system, community connection/neighbourhood approach to take shape. It also allows market share for larger and smaller providers and ensures service volume viability for all.
- 4.4.6 Direct Payment uptake will also allow the service user more freedom of choice and control of their care.

## **5. STAKEHOLDER ENGAGEMENT**

- 5.5.1 Engagement with internal and external stakeholders has been ongoing since January 2018, with further engagement with providers, service users/carers.
- 5.5.2 Annual Children (short break) survey has also just been completed and responses are currently being collated.
- 5.5.3 Soft Market Testing – A further engagement with providers took place on the 16<sup>th</sup> May 2019, and the feedback given included:
  - Collaborative care plan production
  - Care to be more outcomes based and less prescriptive
  - Preference for lead providers in allocated zones with block hours
  - Flexibility on care packages. More flexibility on the times and length of calls
  - A reablement ethos with increased rates; access to community equipment
  - Delivering intervention to service users
  - Providers requested for more training programmes to be developed by LBB
- 5.5.4 A full programme of engagement with service users and their families, carers, and voluntary and community services and the wider community using co-design principles will be included as part of the project plan.
- 5.5.5 A workshop session on “Outcome Focus Care” with Providers took place on the 3<sup>rd</sup> and 9<sup>th</sup> October 2019
- 5.5.6 Engagement with staffing groups working for adult social care, reablement, brokerage, quality assurance team will take place in November 2019. This will provide updates about the tender process and likely impact on care management teams, with regards to new assessments and reviewing of existing care packages where required.

## **6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS**

6.1 This proposed procurement strategy for the retendering a new Domiciliary Care Service for Adults and Children is as follows:

- ‘Patch’ Based tender comprised of five Lots with each Lot based on a five year contract with the option to extend for up to three years. Each Lot will be subject to further cost modelling to confirm the estimated number of hours allocated to each Lot and to each provider within a Lot. The Lots are as follows:
  - Lot 1 (East): up to 3 providers;
  - Lot 2 (West): up to 2 providers;
  - Lot 3 (Central): up to 2 providers;
  - Lot 4 (South): 1 providers

- Lot 5 (Specialist Service for Learning Disabilities / Mental Health): up to 2 providers.
- A framework tender for a four year contract, comprised of multiple providers. The framework is limited to four years because of the recommended length of a framework contract within the Public Contract Regulations 2015.

The estimated total value of this procurement is £13.4m. The value and nature make this an above-threshold contract subject to the Light Touch regime.

6.2 A two stage process will be used and a timetable is included in section 6.3 of this report. In order to progress to Stage 2 organisations must pass Stage 1.

6.3 The indicative timetable for the procurement is as follows:

Stage	Target Date
Develop tender documents (ITT/PQQ/Contract)	17 <sup>th</sup> February 2020
Advertise tender stage 1- opportunity via OJEU/Contracts finder/ProContract	24 <sup>th</sup> February 2020
Tender evaluation stage 1	25 <sup>th</sup> March 2020
Advertise tender stage 2- opportunity via OJEU/Contracts finder/ProContract	13 <sup>th</sup> April 2020
Tender evaluation Stage 2	11 <sup>th</sup> May 2020
Complete evaluation stage 2	17 <sup>th</sup> Aug 2020
SMT Presentation (Award)	August/Sept 2020
DLT Presentation (Award)	August/Sept 2020
PDS (Award)	August/Sept 2020
Executive Approval (Award)	August/Sept 2020
Notify successful/unsuccessful suppliers	October 2020
Standstill ends	October 2020
Finalise contract on ProContract and 'Award' contract	October 2020
Start implementation stage	November 2020
Advertise Framework tender opportunity via OJEU/Contracts finder/ProContract	October 2020
Tender evaluation	November 2020
Complete evaluation	December 2020
Executive Approval	January/ February 2021
Notify Successful/unsuccessful suppliers	March 2021
"Go Live"	28 <sup>th</sup> August 2021

6.4 Tenders will be awarded on the basis of price (60%) and how bidders have answered and evidenced their responses against award criteria (40%)

## 7. SUSTAINABILITY AND IMPACT ASSESSMENTS

7.1 The implementation of a new operating model does not in itself create any diversity implications. A full Equality Impact Assessment (“EIA”) has been completed.

7.2 The new service model will continue to ensure the Council provides its duties in meeting Adults and Children needs as set out in the Care Act 2014. It will aim to improve on the current offer by providing better outcomes for residents and ensuring a more effective way of procuring the service. However, it is recognised that as a result of changing the way we procure services, people who use our services may be asked to use a different provider from the one they currently receive services. This will be managed effectively through the mobilisation process which will be over a 6-9 months period.

## **8. POLICY CONSIDERATIONS**

8.1 Effective Domiciliary Care services will support the Council to demonstrate key priorities within the Transformation Bromley Roadmap themes (2019-2023).

- Priority One: Safeguarding
- Priority Three: Life chances, resilience and wellbeing
- Priority Five: Integrated health and social care
- Priority Six: Ensuring efficiency and effectiveness

8.2 A strategic approach to recommissioning Domiciliary Care will ensure that the service delivery aligns to the current and developing wider health and social care pathways as part of our integrated commissioning alongside the CCG

## **9. IT AND GDPR CONSIDERATIONS**

9.1 Consideration will need to be made in the future with regards to current IT processes, including Integration of systems due to planned changes within the next six to twelve months.

9.2 Information Security and Access control for the new electronic call monitoring system will need to be assessed and ICT assurances met in line with LBB information security policy.

9.3 The Council, as part of its on-going commitment to fostering and sustaining an evolved approach to data protection and information management requires the following to be considered and evidenced:

- Privacy by Design – A Data Protection Impact Assessment is carried out for this service by commissioning
- Controls on sub-contracting – The Council must be consulted prior to any award. Where an award is to be made, the provider must reflect the Council’s contractual requirements in any sub-contract.
- Providers must have necessary GDPR compliance evidence in place including policies, training, and information asset register.
- Data protection officer – Providers must appoint one where required.
- Breach notification – The providers must alert the Council of a breach within 24 hours of becoming aware of it, to allow the Council to meet it’s 72 hour reporting commitments.
- Data Sovereignty – Providers that use hosted or cloud based services must ensure they are in UK data centres
- Rights of Data subject – Any exercise of the rights of the data subject must be actioned within 30 days where legally obliged to comply. The provider is required to take all reasonable steps to assist the Council in complying
- Information management control – The provider must employ and evidence appropriate information security and management controls to safeguard personal and sensitive personal data
- Providers must allow the Council to conduct periodic data protection audits
- Providers should subscribe to a certification mechanism to evidence compliance to the GDPR and UK Data Protection Bill
- A retention period for personal and sensitive data must be identified and documented.
- Explicit determination of what happens to the information collected and stored by providers after the contract finishes must be identified, documented and actioned as appropriate.

## **10. PROCUREMENT CONSIDERATIONS**

- 10.1 This report seeks approval to proceed to procurement on the retendering a new Domiciliary Care service for Adults and Children:
- To up to 3 providers for Lot 1: East for duration of 5 years with a 3 year extension option.
  - To up to 2 providers for Lot 2: West for duration of 5 years with a 3 year extension option.
  - To up to 2 providers for Lot 3: Central for duration of 5 years with a 3 year extension option.
  - To 1 provider for Lot 4: South for duration of 5 years with a 3 year extension option.
  - To 1 provider for Lot 5: Specialist Service for Learning Disability/Mental Health Service for duration of 5 years with a 3 year extension option.
  - The exact value of each lot and number of suppliers that will be awarded contracts on each lot is subject to cost modelling and will be defined by the service prior to proceeding to procurement following further cost modelling.
  - As stated above in section 4.3.3, award of contracts for Lots 1 to 4 will be limited to a maximum of two zones to a single provider.
  - Providers who are awarded lead provider contracts will be excluded from participating in the framework due to the ADASS restrictions stated in section 4 above.
- 10.2 The total value of this procurement is estimated at £13.4 per annum. The value and nature make this an above-threshold contract subject to the light touch regime. A restricted process will be used to award contracts to lead providers.
- 10.3 Further to this, this report recommends proceeding to procurement for a framework for the provision of Domiciliary Care for duration of 4 years. The total value of the framework is subject to cost modelling and will be defined by the service prior to commencing tender. Providers will need to meet minimum quality thresholds to join the framework. The likely value and nature make this an above-threshold contract subject to the light touch regime, this will be awarded through a restricted process.
- 10.4 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the “Light Touch” regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:
- i) The tender must be advertised in OJEU and on Contracts Finder.
  - ii) The relevant contract award notices must subsequently be published.
  - iii) The procurement must comply with EU Treaty principles of transparency and equal treatment.
  - iv) The procurement must conform to the information provided in the OJEU advert regarding any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
  - v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.
- 10.5 The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the formal Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value.
- 10.6 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 10.7 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## **11. HR CONSIDERATIONS**

- 11.1 There are no personnel implications for Bromley Council employees arising from the procurement options outlined in this report.

## **12. LEGAL CONSIDERATIONS**

- 12.1 The Council has a duty to provide Domiciliary Care to support individuals to maintain independence and live in their own homes. Children and young persons can also access these services. The Council's current contract, a framework, will come to an end in August 2021.

12.2 As detailed in this report the Council has reviewed and consulted on the provision of Domiciliary Care and wishes to take forward a tender process for a new approach. This report seeks the approval to proceed to procurement for the retendering of domiciliary services for adults and children.

12.3 There are to be 5 lots;

- Lot 1 -To up to 3 providers for Lot 1: East for duration of 5 years with a 3 year extension option.
- Lot 2 -To up to 2 providers for Lot 2: West for duration of 5 years with a 3 year extension option.
- Lot 3 -To up to 2 providers for Lot 3: Central for duration of 5 years with a 3 year extension option.
- Lot 4 -To 1 provider for Lot 4: South for duration of 5 years with a 3 year extension option.
- Lot 5 To up to 2 providers for Lot 5: Specialist Service for Learning Disability/Mental Health Service for duration of 5 years with a 3 year extension option.
- The exact value of each lot and number of suppliers that will be awarded contracts on each lot is subject to cost modelling and will be defined by the service prior to proceeding to procurement following further cost modelling.
- As stated above in section 4.3.3, award of contracts for Lots 1 to 4 will be limited to a maximum of two zones to a single provider.
- Providers who are awarded lead provider contracts will be excluded from participating in the framework due to the ADASS restrictions stated in section 4 above.

12.4 The total value of the process is estimated at £13.4 million per annum.

12.5 Due to the value the Public Contract Regulations 2015 will be followed (subject to amendment post Brexit) Health, social and related services are covered by Schedule B, so called light touch regime. The Council is proposing to follow a restricted process.

12.6 The tender documents will include the CCG, thus allowing them to use and benefit from this tender process. In due course suitable contract documents will be prepared.

12.7 In addition the procurement has to be carried out in accordance with the Councils Contract Procedure CPR 1.3, 3.6.1 – use the e-procurement system and CPR 8 as detailed in Section 10 above. The proposed procurement can be carried out in accordance with the Councils requirements as detailed in this report.

12.8 TUPE

Whilst the Council has no employees affected by this, there is the potential for TUPE between current providers on the existing framework and in the future the new providers. The Council will need to be alert to this issue and consult with legal on employment/TUPE issues. Appropriate information will need to be included in the tender documents.

### 13. FINANCIAL CONSIDERATIONS

The table below shows the total Council spend on Domiciliary Care for the last three financial years and year to date, excluding Discharge to Assess care packages which are commissioned separately:

	2016/17		2017/18		2018/19		2019/20 to date	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Projection
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	10,812	11,810	12,333	12,034	12,654	12,373	12,098	13,370
Income	-4,838	-4,312	-4,486	-4,239	-4,916	-4,582	-4,181	-5,009
<b>Net</b>	<b>5,974</b>	<b>7,498</b>	<b>7,847</b>	<b>7,795</b>	<b>7,738</b>	<b>7,791</b>	<b>7,917</b>	<b>8,361</b>

13.2 As reported in the May budget monitoring report, and the September budget monitoring report elsewhere on the agenda, there is a significant overspend projected for 2019/20 as a result of savings linked to Discharge to Assess and Reablement that have not been achieved to the extent anticipated.

13.3 Providers have experienced increased costs due to the further increases in the National Living Wage, pension contributions and CQC fees. Additional budget of £808k and £1,500k was allocated in the 2018/19 and 2019/20 Adult Social Care budgets respectively for the impact of National Living Wage increases.

13.3 The Council's four year financial forecast currently includes further growth of £1,500k in 2020/21 in respect of National Living Wage increases. However, given the budget gap that is currently projected,

this growth is currently unfunded, so the commissioning of the Domiciliary Care service will be considered within that context.

- 13.4 Based on the projected costs of Domiciliary Care for 2019/20, the estimated cost of this service is estimated at £13.4m per annum, with a whole life value of £107.2m over the maximum 8 year period. This assumes that the impact of moving to an enablement and outcomes based model is cost neutral, although it is not possible to quantify this at this point.
- 13.5 There will therefore need to be careful monitoring of the service going forward, both at an individual care package level and at a total service level to ensure costs are being controlled. It is assumed that this monitoring will be contained within existing care management, commissioning and finance resources.
- 13.6 The projected expenditure and income for 2019/20 are split between services as shown in the table below:

	<b>Expenditure</b>	<b>Income</b>	<b>Net</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Adults 18-64 - Physical Support	1,600	-352	1,248
- Sensory Support	2	0	2
- Memory & Cognition	31	-10	21
Adults 65+ - Physical Support	8,694	-3,960	4,734
- Sensory Support	5	-5	0
- Memory & Cognition	721	-340	381
Learning Disabilities - 18-64	1,551	-226	1,325
- 65+	137	-36	101
Mental Health - 18-64	427	-28	399
- 65+	202	-52	150
	<b>13,370</b>	<b>-5,009</b>	<b>8,361</b>

- 13.7 In addition, the CCG commission around 158 packages of Domiciliary Care, the cost of which is not included in the figures above.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	[Title of document and date]  (Appendices to be Included)