

Cabinet 22 September 2021	 TOWER HAMLETS
Report of: Denise Radley - Corporate Director Health Adults & Community	Classification: Unrestricted
AHSCS5019 Domiciliary and Personal Care Contracts Extension	

Lead Member	Councillor Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing
Originating Officer(s)	Bola Akinfolarin, External Funding & Commissioning
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	5 August 2021
Strategic Plan Priority / Outcome	All

Executive Summary

1.1 The current Domiciliary and Personal Care contracts in Tower Hamlets are due to come to an end on 6th February 2022.

1.2 Work is underway to re-procure these contracts with a focus on coproduction and an outcomes-based approach. These services are vital to supporting people in their own homes. As such, the engagement of people who use the services, and their carers is critical to developing the best possible outcomes framework and specification. An extension of the current contracts for six months will provide sufficient time for this work and approach to be carried out.

Recommendations:

The Cabinet is recommended to:

1. Approve the extension of the current Adult and Children Domiciliary and Personal Care contracts for a period of 6 months.

1 REASONS FOR THE DECISIONS

- 1.1 The current Domiciliary and Personal Care contracts in Tower Hamlets are due to come to an end on 6th February 2022.
- 1.2 Work is underway to re-procure these contracts with a focus on coproduction and an outcomes-based approach. These services are vital to supporting people in their own homes. As such, the engagement of people who use the services, and their carers is critical to developing the best possible outcomes framework and specification. An extension of the current contracts for six months will provide sufficient time for this work and approach to be carried out.

2 ALTERNATIVE OPTIONS

- 2.1 Reject the 6-month extension of the current Adult and Children Domiciliary and Personal Care contracts.
 - This would result in no coproduction or stakeholder engagement before a new contract was procured and so is not a viable option.

3 DETAILS OF THE REPORT

3.1 Background

- 3.2 Domiciliary and personal care services are commissioned as a key means of meeting the Councils statutory duties to provide services under Community Care law.
- 3.3 There are currently approximately 2174 Home Care Service Users, utilising approximately 22535.76 hours of care, at a cost of circa £30 million per year.
- 3.4 The current contracts were let in 2017 and had a geographical locality-based focus designed to maximise efficiency and to align providers with wider integrated care with NHS partners. Feedback from various sources is that partnership working has vastly improved since the advent of locality working in late 2018. Relationships have been built and key information is routinely shared as necessary amongst partner organisations. This has led to improved quality of care and better outcomes for Service Users.
- 3.5 New contracts need to be procured and we want to build upon the positives of the current contracts, whilst also taking the opportunity to coproduce a new model of delivery with a focus on outcomes.
- 3.6 In addition to this, demand for support is also likely to grow over the coming years. POPPI (Projecting Older People Information System) projects that the number of older people requiring help in Tower Hamlets with at least one

domestic task will rise from 5,582 in 2019 to 6,341 in 2023 and to 9935 in 2035. As such we want to create contracts which respond to the growing demand, while also supporting prevention and reablement.

3.7 Design of a best practice Home Care solution

3.8 Work is underway to re-procure these contracts with a focus on coproduction and an outcomes-based approach.

3.9 There are a range of new market developments resulting from Covid-19 and several new models of Home Care that are now in place across the country. A six-month extension would allow us to consider these developments carefully and capture them in our new contracts. Our work is helping to identify best practice and viable models that could be a good fit for Tower Hamlets. These innovations include:

3.10 Coproduction

3.11 We have commenced coproduction activities around Home Care and have much more planned as a full coproduction strategy and approach is developed for the new Domiciliary and Personal Care contracts, reflecting Tower Hamlet's commitment to 'involve communities in everything that we do' (Community Engagement Plan). Our aim is to ensure citizens are active and equal partners in developing approaches and as such planned work includes:

- Continuing to work in close partnership with lead community and representative organisations to co-deliver workshops, focus groups and discussions with citizens to ensure coproduction in all stages of design, development, and delivery. This will enable Home Care users, their carers, families, and networks to set out the issues and barriers as they experience them; scope what works well and what doesn't, what good support should look like and so helping with the selection of the preferred model;
- Building on the themes and insights from people using Home Care interviewed for the Anyway Any How, Healthwatch report;
- Planning and supporting the involvement of citizens in the selection of providers and the ongoing role in overseeing successful implementation;
- Planning the right structures and governance for review so people's views and experience shape evaluation; quality assurance and future delivery.

3.12 We have already established the need for continuous coproduction in the following areas:

- Influence design process
- Update and revise design to ensure best fit
- Confirm and plan to embed future coproduction, such as in contract and quality monitoring activities

- 3.13 We are currently in collaboration with Healthwatch and Almost Anyhow colleagues looking to identify service users who are willing to be engaged in the process.
- 3.14 We believe that effective coproduction will be critical to set the right delivery and contractual model and to meet the desired outcomes our residents want from Home Care. The risks in not completing and sustaining effective coproduction could compromise our credibility and relationship with citizens, mean that we miss important views and insights, and don't reach people whose views are less heard. Ultimately it may mean that we don't commission support that is grounded in what is important to local people. An extension is required to fully conduct these activities.

3.15 **Outcome based performance measurement**

- 3.16 There is potential to introduce a new outcome-based framework which could capture the measurement of key Service User expectations and potentially make use of the "I statements" and insights we captured as part of the preparatory work developed for this contract with Anyway Any How & Healthwatch. Again, many Councils are coproducing these frameworks to drive better value from their Home Care arrangements (for example, Swindon, Thurrock, and the Isle of Wight. The Isle of Wight has strengthened delivery and quality via a prime provider arrangement across three localities. Individuals work out their support with the prime provider so increasing flexibility and satisfaction. Market and workforce stability has much improved with supply and continuity assured by the prime providers subcontracting as needed with other suppliers but with them remaining accountable for quality);

3.17 **Stakeholder engagement**

- 3.18 There are a significant number of stakeholders to the Home Care contracts. These include:

- Single point of access or front door services – Information, Advocacy & Advice service; assessment and care management;
- Health partners; hospital discharge teams; social prescribers;
- Voluntary and community sector; faith organisations; mutual aid groups;
- Healthwatch; user led organisations; representative groups; disability specific groups;
- Carers groups and organisations;
- Workforce / employment partners;
- Service Users; experts by experience (see coproduction section).

- 3.19 We have established project governance arrangements around the re-procurement of Home Care so that we can effectively gather stakeholder views and perspectives and ensure key stakeholders are appropriately consulted and informed.

3.20 **Connections with other key social care activities**

3.21 Effective Home Care is a key component of the future model and vision for social care in Tower Hamlets. It is central to delivering on the ambitions set out in the new Strategic Plan (Tower Hamlets Strategic Plan - 21-24) which discusses the Council 'refocusing efforts on providing the right care, at the right time, that supports people to be as independent as possible' with the recommissioning of Home Care a major part of that. Consequently, the Domiciliary and Personal Care contracts have several important interfaces with critical social care activities, and it is important that Home Care activities are aligned and act in harmony. These include:

- Access to services and management of demand at the front door;
- Redesigned day services;
- Assessment and care planning activities;
- Reablement; and
- Housing, extra care, supporting living and residential care.

3.22 The potential changes we are reviewing have significant consequences and impacts on other parts of the social care delivery model and need to be fully worked through and agreed if they are to be effective and supported across the service.

3.23 There would be significant risks to the delivery of the new Domiciliary and Personal Care contracts and/or opportunities would be missed if these interfaces and synergies are not properly explored. An extension would allow for this debate and exploration to take place.

3.24 **Market providers**

3.25 It is vital that we attract high quality and innovative providers onto the new Domiciliary and Personal Care contracts.

3.26 We are proposing a range of market engagement events to help shape the Home Care specification and contracts and to warm up potential market providers. This includes exploring the potential of new local providers, based in the Council and employing local people, coming into the market and exploring how we can bring innovative national payers into Tower Hamlets.

3.27 To establish a good understanding of who we will contract and what they will do, we require extensive workshops and discussions addressing:

- How providers can work more collaboratively both together and with community groups, promoting innovation and their examples of how they are working effectively elsewhere;
- Quality assurance systems for providers, including the role of experts by experience;

- Diversifying and the role of lead providers that could link well with smaller and community providers thereby extending choice and local relevance;
- The specific skills and specialisms of providers to respond to local needs and aspirations;
- Engaging with a range of different types of providers to stimulate ideas and partnerships;
- Workforce considerations and how to maximise sustainable local opportunities across our diverse communities supporting local jobs, local community links and the local economy;
- Practical aspects of contract mobilisation; reporting and payment mechanisms.

3.28 It is important that the Council are making changes in the contractual arrangements to improve value for money and to seek to incorporate features that respond to key Service Provider concerns and issues.

3.29 An extension to the current contract would enable us to complete this important work.

3.30 **Change management**

3.31 There are a range of complex change management activities to ensure that the contracts are implemented effectively and to create the right conditions of success.

3.32 Whilst these activities will partly depend on the choices, we make in our Home Care delivery models, we will need to ensure we are ready to implement the new Home Care delivery arrangements. This is likely to require activities in a range of areas including:

- Alignment with assessment and care planning;
- Information, Advocacy & Advice, front door and reablement approaches that minimise the need for long term support;
- Support for people to live at home well for longer e.g., equipment and adaptations;
- Wider market shaping to extend choice and also to divert from residential care or to support more successful and sustainable hospital discharge;
- Supporting the growth of Direct Payments;
- Aligning the Contract to changes in social work practice;
- Quality assurance and quality management approaches;
- New financial management and performance management processes;
- New governance and partnership arrangements;
- Coproduction

3.33 It is likely that we will require a significant amount of time to deliver these activities.

3.34 There will also be a need to carefully consider how we transition from the current arrangements to the future model. Again, this will need careful

planning and consideration and will be vital to a smooth change from the current to a future model.

3.35 The time extension will mean we can make the changes we need to secure the qualitative and financial benefits we are hoping for and should ensure that we have time to properly plan the implementation, to make the changes and to embed the new arrangements.

3.36 **Better contract management, quality assurance and performance monitoring**

3.37 We are looking at our key processes and skills and capacity we need to manage Home Care activities more effectively to ensure we get the right quality of service and better value for money;

3.38 **Changes in contract scope**

3.39 There is potential to extend the scope of the Domiciliary and Personal Care contracts and consider incorporation of other services, particularly to embrace closer working with the health sector and the community and voluntary sectors. For example, we are in productive and ongoing discussions about extending the contract to include District Nursing. This would build and learn from Tower Hamlet's 2018 Neighbourhood Care Team pilot.

3.40 **Other considerations**

3.41 Other considerations include:

- Individual Service Funds (ISFs)
- Payment by Results
- A New Team Delivery Model

3.42 We believe that these new ideas could help the Council to achieve the benefits and value expected from the new Domiciliary and Personal Care contracts.

3.43 These issues need to be carefully considered and developed. This will take time to get right and can only be achieved with the proposed extension.

3.44 **Key programme objectives, aims and outcomes and value**

3.45 The re-procurement of Home Care is expected to deliver a range of benefits. These include:

- Delivering an outcome focussed, consistently higher quality service – ensuring that the new contracts are structured to help the Council and

Service Providers deliver a great service that delivers the best possible outcomes for Service Users.

- Preventative – the Contracts help the Council to manage future demands for the Service by helping to keep people independent and resilient living at home for as long as possible. This can also help to reduce hospital admissions or the need for more costly and restrictive interventions such as residential care.
- Partnership and Contract Management – the contracts need to be based on sound Partnering principles and enable effective contract management to ensure that the contracts are effectively managed and delivered. The contracts need to be underpinned by high quality systems and processes to ensure that there is clarity in the performance of the contracts and in payment processes.
- Direct payments – the contracts promote the further use of Direct Payments and enables Residents to establish their own arrangements with Service Providers (increasing the number of people with direct payments is a measure in the Tower Hamlets Strategic Plan – 2021 – 24).
- Value for Money – the contracts deliver better value for money and reduces the comparatively high cost of the current Service.

3.46 The achievement of these key benefits, however, will require significant and complex changes to the current Home Care contracts which need to be properly considered and debated, evaluated and designed.

3.47 We are in the process of completing this work and a time extension would allow this process to be completed and help to capture the full value we expect from the new Home Care contracts.

3.48 **Proposal and rationale**

3.49 Below is a draft timetable, which considers the required time needed to develop and tender a new Domiciliary and Personal Care contracts.

Actions	Date
Specification Development	14 th June – 14 th December 2021
Specification Live	January 2022
Tollgate 1	February 2022
Market supplier Event	March 2022
Publish Advert in OJEU website	March 2022
Issue SQ	March 2022
Return SQ	April 2022
Issue Tender Documents	April 2022
Interview and Presentations	May 2022
Evaluation complete/ Agree award Recommendations	May 2022
Tollgate 2	June 2022
Contract Award	July 2022
Implementation	August – September 2022
Contract Commencement	September 2022

- 3.50 It is proposed that the current contracts be extended for a period of six months. Six months will be attached to the beginning of the process to support the work outlined above.
- 3.51 The cost of the extensions is £14,011,000 (Adults), and £350,000 (Children's) and we will continue to commission these services in accordance with the Ethical Care Charter including additional payment of London Living Wage.

4 EQUALITIES IMPLICATIONS

- 4.1 There is no potential that the proposal covered by this report disproportionately adversely impacts (directly or indirectly) on any of the protected characteristic groups.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.
- 5.2 No other statutory implications have been identified.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The current total Homecare budget for Adult Social Care, across all client groups, is £28.022m in 2021/22.
- 6.2 The existing contracts will require extension until the development and new service delivery models are put into place. The new homecare solution will hopefully deliver innovative practice to improve cost efficiencies and better value for money.
- 6.3 The additional costs arising from uplifts from the London Living Wage will be met via Corporate inflationary funding that has been provided to Adult Social Care for 2021/22 and will not be an additional pressure to the existing budget.
- 6.4 The cost of the extensions amounting to £14.011m in Adult Social Care and £0.350m in Children's for a 6-month extension period, will need to be contained within approved budgets in 2021/22.
- 6.5 The element of Children's expenditure is a small proportion of the total contract value and costs will be met from within current budgets for 2021/22.

7 COMMENTS OF LEGAL SERVICES

- 7.1 Part 1 of the Care Act 2014 requires local authorities to provide services for adults with care needs and to prevent or reduce the need for future care and support.
- 7.2 The Council has the legal power to undertake the activities referred to in this report.
- 7.3 The Council is required to undertake a competitive exercise prior to the award of any contract in compliance with the public Contracts Regulation 2015, as amended and the Council's constitution.
- 7.4 In accordance with the provisions of Regulation 72 (1) (e) of the Public Contracts Regulations 2015 as amended. Contracting Authorities can modify a contract during its term where the modifications, irrespective of their value, are not substantial within the meaning of paragraph (8). Having reviewed the provisions of paragraph 8 this extension is not substantial. As such, it is not necessary to commence a new procurement and there is minimum risk in extending the existing contract for 6-months.
- 7.5 Section 3 of the Local Government Act 1999 requires local authorities to achieve best value for the way in which their functions are exercised, as set out in the report, this extension is requested in order to redesign the new homecare service and this extension is based on the initial contract value, as such it could be argued that the best value obligation was satisfied at the award of the initial contract.

- 7.6 Section 149 of the Equality Act 2010 imposes the public sector equality duty, requiring Local Authority in the exercise of its functions to have due regard to the need to eliminate discrimination and advance equality of opportunity and foster good relations between people sharing a protected characteristic and those who do not. The requirement to satisfy the duty under section 149 would have been demonstrated at the initial contract award.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Background Documents – Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

- NONE

Officer contact details for documents:

N/A