


Cabinet 22 February 2023	 TOWER HAMLETS
Report of: Somen Banerjee, Acting Corporate Director Health Adults and Communities	Classification: Unrestricted
Homecare for adults – recommissioning of services	

Lead Member	Cllr Gulam Kibria Choudhury Cabinet Member for Health, Wellbeing and Social Care
Originating Officer(s)	Ben Gladstone, Interim Head of Service- Ageing Well, Integrated Commissioning
Wards affected	All
Key Decision?	Yes
Reason for Key Decision	Homecare services are provided to approximately 2,000 adults across Tower Hamlets and the annual spend is in excess of £31 million p.a.
Forward Plan Notice Published	6 December 2022
Exempt information	N/A
Strategic Plan Priority / Outcome	The provision of homecare services to residents living in Tower Hamlets supports the strategic plan priority 4: boost culture, business, jobs, and leisure. Homecare workers are part of local businesses and work in the community. The contracts support local employment opportunities. The contracts also support Priority 5: Invest in public services by ensuring that all care workers employed by commissioned providers are paid at least the London Living Wage. Homecare services support vulnerable adults by providing high quality and financially sustainable services for adults receiving social care to achieve their goals, be connected to others and live as independently as possible.

Executive Summary

This report responds to the requests for changes to the homecare commissioning, procurement, and contracting arrangements in 2022 with preferred revised arrangements. In addition, it seeks permission to restart the recommissioning and tender process, leading to the award of new homecare contracts for adults in 2023.

Following a review of the contractual basis on which the current tender was based, four principles emerged as follows:

1. A reduction in the proposed length of contract from the previously proposed 9 years (5+1+1+1+1) to a total of 3 +1 years
2. To prohibit the use of an EHCMS for the purposes of logging in/out during care visits
3. An increase in the number of commissioned providers of homecare from the previously proposed maximum of 12 (3 per locality) to 16 providers (4 per locality with the aim of no provider working in more than one locality) However, this will need to be reviewed in the event that not enough providers pass the quality threshold during the tender process.
4. An increase in the guaranteed hours offered to all care workers delivering homecare to Tower Hamlets residents from the current 12 hours to either 16, 24 or 36 hours per week.

The impact of these changes are set out in detail in this report, alongside the preferred revised arrangements.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Consider the impact of the proposed changes as set out in this report.
2. Agree to the recommended solution/s and proposed model of care as set out in this report.
3. Authorise the Corporate Director Health Adults and Communities to restart the recommissioning and tender process, with the award of new homecare contracts in accordance with the published evaluation criteria and in consultation with the Mayor.

1 REASONS FOR THE DECISIONS

- 1.1 The current contracts for the provision of homecare services to adults are due to expire on 31 December 2023 following authorisation from the Mayor in Cabinet on 14 December 2022.
- 1.2 A tender process that commenced in April 2022 was paused in August 2022 and subsequently aborted in November 2022 due to formal requests for a review of the previous administration's methodology for delivering homecare to service users in the Borough by the Mayor. The review has determined that changes to the commissioning and contracting model are required in order for the Council to award contracts that can deliver on the Council's new strategic priorities.
- 1.3 The changes requested were a significant enough departure from the previous advertised methodology and specification to require the previous tender process to be abandoned and a new process to be commenced in line with the law. This also allows homecare providers who were not

interested in the previous opportunity to re-engage with the tender now that the Council's commercial requirements have changed.

- 1.4 To implement the required changes, further work will need to be undertaken to understand the implications of changes and to finalise the details of a preferred model which can then be presented to the market via the tender process. This will need to incorporate further engagement and co-production with service users, care workers and homecare providers. Officers will need to recommence the commissioning and procurement process in early 2023.
- 1.5 The new procurement process is anticipated to take a total of twelve (12) months to complete. This will include a period of pre-tender market analysis and engagement (3 months), the preparation of revised tender documentation including a service specification, contract schedules and agreed price: quality weighting and scoring mechanism (3 months), a two-stage tender process (5 months) and contract award (1 month). In addition, a further period of transition and contract mobilisation will be necessary following contract award. The Corporate Director Health Adults and Communities will report on progress to the Mayor during the procurement process and at least at the end of each section mentioned here.
- 1.6 The Council is committed to protecting the most vulnerable people in the borough and in this case has a legal duty to do so. The recent extension of the existing contracts was necessary to ensure that there is seamless continuity of care services to those people who are reliant on them.

2 ALTERNATIVE OPTIONS

- 2.1 It would be technically and legally possible to spot-purchase any number of providers to deliver homecare in the Borough as an alternative to a framework contract. However, this would present an increased risk to the effective oversight of the quality and safety of homecare provision to vulnerable residents in need of care and support living across the Borough. In addition, each package of care would be subject to the Council's procurement procedures and therefore some form of quotation process with competition would be required each time. This could significantly delay the provision of care in many cases and would be clearly not desirable

3 DETAILS OF THE REPORT

- 3.1 Homecare supports the delivery of Tower Hamlets Adult Social Care Vision and Strategy to promote choice, control and wellbeing focusing on the outcomes that are important to people. It also supports the Tower Hamlets Together Outcomes Framework, so that people's experience of care is positive and joined up to achieve the best health and wellbeing outcomes. The service will enable Service Users who require Council-funded care to continue to live at home to receive ethical, high-quality care and support that promotes individual outcomes, independence, wellbeing, and dignity.

3.2 The overall aims for the service are to achieve:

- **Outcome focused**, high quality services that deliver the best possible outcomes for Service Users.
- **Preventative Support** that enables Service Users to remain as independent as possible or to rebuild their independence and resilience so they can continue living in their own homes in their own communities. This includes the use of technology and equipment that enhance people's independence.
- **Quality of Care** that enables service users to be fully involved and lead as much as possible in designing and agreeing their care and support, facilitated by quality assurance and monitoring systems, alongside workforce development which ensure providers can support services users to achieve their care and support needs.
- **Value for Money** – the Contract delivers better value for money through preventative support and more flexible and innovative support targeting support on what matters to Service Users while valuing the work of staff.

3.3 During the lifetime of the current and future contracts, workforce support and development will be key to ensuring that Tower Hamlets residents continue to receive high quality homecare. Officers will work in partnership with homecare providers on a workforce plan aligning this wherever possible to the NHS North East London Integrated Care System (ICS) so that care workers and their employers can both benefit from improved retention and career development opportunities and there is a clear plan to support their learning and development.

3.4 Homecare for adults is currently commissioned across four localities in Tower Hamlets (North West, South West, North East and South East). These locality areas align with the structure of the Adult Social Care operational teams and the operational teams of our partners in the NHS including the Primary Care Networks (PCNs). This operational model facilitates close partnership working and joint resolution of problems and issues arising during the contract. Across the four localities, there are currently five homecare providers supporting adults with their care and support needs. In addition to this there are a number of 'spot' providers who take on homecare support packages when commissioned providers are unable to. This amounts to approximately 2000 people receiving homecare support at any one time. At Period 6, as reported to CLT, the 2022/23 budget for homecare (including commissioned and spot providers) is £30.74m with a projected overspend of £0.62m. Total expenditure is therefore projected at £31.36m gross. Of this spend, approximately 83% is placed with commissioned providers and 17% is 'spot' provision. A commitment has also been made by the Borough to transitioning back to the provision of free homecare in the longer term.

3.5 The five commissioned providers are:

- Diversity Health and Social Care
- Mi Homecare
- Excel Care
- Care Solutions Bureau

- Apasen Home and Community Services

- 3.6 All of the commissioned providers are currently rated by the Care Quality Commission (CQC) as 'Good'. Officers from the Council also carry out regular monitoring visits and performance monitoring activity to ensure that providers are evidencing that they are consistently providing good quality, safe care to residents. As part of this monitoring framework, service users are asked for their views on the satisfaction with the homecare they are receiving. From the most recent quarterly survey (Q2 July- September 2022), 92% of users reported that "Overall I have a positive experience of the services I am receiving from the homecare agency".
- 3.7 The previous plans for the recommissioning of homecare services for adults in Tower Hamlets commenced in 2021. A homecare programme and project structure were established including an extensive period of consultation, engagement, and coproduction to develop a new outcomes-based service specification and model, the development of revised contract management and monitoring systems, the parallel transition to outcomes-based care and support planning using the IT system Mosaic and revisions to the payments process for providers.
- 3.8 A tender was issued on 29th April 2022 to commence the procurement process. The first phase the procurement resulted in a total of 22 homecare providers being accepted to proceed to the second phase. Due to the changes requested, the tender process was suspended and finally aborted in November 2022.
- 3.9 Following a review of the contractual basis on which the current tender was based four new principles emerged as follows:
- A. A reduction in the proposed length of contract from the previously proposed 9 years (5+1+1+1+1) to 3 + 1 years.
 - B. To prohibit the use of an EHCMS for the purposes of logging in/out during care visits.
 - C. An increase in the number of commissioned providers of homecare from the previously proposed maximum of 12 (3 per locality with providers able to hold contracts in more than one locality) to a total of 16 providers (4 per locality with the aim of no provider working in more than one locality).
 - D. An increase in the guaranteed hours offered to all care workers delivering homecare to Tower Hamlets residents from the current 12 hours to options of 16, 24 and 36 hours per week.

4. Impact of proposed changes and preferred revised arrangements

A. A reduction in the proposed length of contract from the previously proposed 9 years (5+1+1+1+1) to 3 +1 years

- 4.1 The proposed change presents no issues from a Procurement Regulations perspective and proposing 3 + 1 year contract term is possible and is likely to be of interest to the majority of potential Service Providers (although potentially less favourable to the large / national suppliers).
- 4.2 A shorter contract length would necessitate a repeated procurement exercise within approximately 24 months of the contract start date. This is because major procurements usually commence 12 months prior to the contract expiry date, while the commissioning work will have to be started prior to the 12-month period.
- 4.3 Evidence from similar commissioning exercises shows that larger providers are likely to be less inclined to bid for a shorter length contract due to their general desire for long term financial planning and the uncertainty of any continuation of business from the council beyond the contract term. Conversely, medium size providers are more likely to bid, as they tend to see the tender as an opportunity to engage in the local market and introduce themselves to the council, showing the quality of their service. Smaller providers may be less likely to bid due to the initial set up costs required to establish a service in the borough.
- 4.4 As mitigation and to inform the tender, a questionnaire has been issued to non-commissioned providers in Tower Hamlets. An area of interest is whether the provider submitted a bid during the previous tender -if not, then why not, and what would make them more likely to submit a bid in the next tender. The results of this questionnaire will be used to inform the market engagement prior to the new tender issued later in 2023.
- 4.5 Additionally, in order to complete a number of developments required in the service specification the contract would likely need to be no less than four years. This will enable, for example, the contract to require an annual rise in take up of guaranteed staff hours. A whole commissioning cycle (including procurement) can take up to two years and therefore a contract length should provide sufficient time before the cycle begins again, allowing time for any in-contract developments to take place and be assessed.

4.6 Recommended solution.

- 4.7** Implement a contract length of three years initially, allowing for an extension of one year i.e., 3 +1. This will aid market stability, allowing medium size providers to plan for the longer term and encourage a wider range of providers to tender.

B. To prohibit the use of an EHCMS for the purposes of logging in/out during care visits

- 4.8** All of the current five commissioned providers use an EHCMS which enables not only call logging but also the ability to hold documentation such as service user care and support plans. These systems enable carers to record the tasks they have undertaken and to make comments about the care and condition of the person. Medication is also managed through these systems. Agencies are alerted if a task is not undertaken without a reason recorded and are thus able to immediately act if needed.
- 4.9** Providers also use these systems for staff rostering, maintaining consistency of care, information when managing a complaint and minimising travel distances between visits.
- 4.10** There is no legal requirement to use an EHCMS, however nationally, having an electronic system for recording care and visits is increasingly the norm across the industry and there are many systems in the marketplace from which providers can choose. The health and social care regulator, the Care Quality Commission (CQC) has recently released information on how it will be regulating going forward. They will be requiring home care providers to submit much of their data electronically. Home care providers will need to respond in a way that allows them to remain in compliance with CQC guidance.
- 4.11** Provider's EHCM systems have in the past been connected to payment for hours delivered which helps to ensure the Council is not susceptible to under or overpaying homecare providers. Currently the Council does not use EHCM for payment and will continue with alternative processes to manage this. All successful bidders under the new contracts will need to clearly demonstrate that they have systems or processes in place to monitor hours delivered.
- 4.12** All successful bidders under the new contracts will need to clearly demonstrate that they can ensure quality and safety of service provision with or without the use of an EHCMS.

4.13 Recommended solution

- 4.14 In the new contract, providers will need to clearly demonstrate that they can meet the quality and safety requirements of service provision with or without the use of an EHCMS as part of the tender process. At the Mayor's request, the use of EHCM for the purposes of logging in and out will be prohibited as this is not a requirement for other service areas, and because care workers provide an invaluable service and the removal of logging in and logging out will not impact on their services provided in the home. If providers have EHCM systems in place, these can be used for the other functions as set out in this paper. The response to this from providers will need to be tested during the procurement process.
- 4.15 All providers will need to evidence within the tender how they would ensure robust systems for quality, monitoring visits, complaints, safeguarding, audit, performance monitoring and information sharing, thus ensuring that companies with and without EHCMS are operating at the same quality and level of standards.

C. An increase in the number of commissioned providers of homecare from the previously proposed maximum of 12 (3 per locality) to a suggested number of 16 providers (4 per locality with the aim of no provider working in more than one locality) , plus two specialist providers in Learning Difficulties/Mental Health.

- 4.16 This change provides additional resilience over the contract term. There will be a substantial level of interest from the bidders and appropriate resources will need to be allocated to the Procurement / Evaluation Process. However, it will be necessary to develop the procurement methodology as this presents a significant change to the current model.
- 4.17 To work effectively with all 16 providers will likely necessitate an increase in resource required for contract management and for monitoring of performance and quality.
- 4.18 Having 16 providers will pose a resource challenge in terms of contract management and performance monitoring, to ensure quality and safety of care for service users. In addition, the impact for both operational teams and brokerage will be significant. Funded homecare in Tower Hamlets is very high volume (one of the highest in the country) and the service users are extremely vulnerable. Many service users are at a similar level to people in care homes, with many 24-hour packages, double-handed care packages, extremely complex medical needs etc. Home care providers who have been working in the Borough for many years report that the needs of most home care service users have grown increasingly complex. There is a need to monitor these services effectively to ensure quality is kept to a high standard. This is staff intensive work which depends on creating close working relationships.

- 4.19 By increasing the number of providers under the revised procurement, there will be a risk that this will lead to a lower quality of care and poorer outcomes for service users. Due to an inability to work in a strategic partnership-based approach with close working across health and social care partners in each locality.
- 4.20 The current contract is locality-based (there are four localities; NE, NW, SE, and SW) and all health and social care services including GPs now work to these geographic boundaries. This place-based approach means that there is a much greater opportunity for the development of relationships and partnerships, which results in improved care and support for homecare service users.
- 4.21 This is exemplified in the multi-disciplinary Safety Huddles and Locality meetings which bring together Social Workers, District Nurses, Occupational Therapists, and homecare providers to work through operational issues and to provide 'wrap around care' for individuals at particular risk.
- 4.22 As mitigation for the increased number of providers, as part of the tender providers will need to sign up to a 'Principle of Locality Working' agreement which will outline their roles and responsibilities as locality partners.

4.23 Recommended solution

- 4.24 The recommended solution is to implement the model outlined below, with a framework contract for 16 providers (4 per locality with the aim of no provider working in more than one locality), plus two specialist providers in Learning Difficulties/Mental Health; and a spot-purchase arrangement via a Dynamic Purchasing System to ensure the opportunity for small/micro, including not-for-profit organisations and existing Small and Medium Sized Enterprises (SMEs), to remain in or to enter the market.
- 4.25 We are committed to building an integrated service model across each locality. To do this, providers will work in a collaborative way and follow these principles:
- Focus on promoting independence and encouraging service users to remain and retain independence by working in an enabling way at all times, thereby reducing the need for care and support
 - Deliver an integrated approach to care by working in a co-ordinated manner with social workers, social care officers and health providers including community nursing, GP's, community therapists, pharmacists, and acute services.
 - Participate in or contribute to multidisciplinary meetings as required with partners from health, social care, and the voluntary sector.

4.26 **Proposed Model**

The proposed model has been designed to support small, medium and large-scale providers in delivering the types of provision needed across the Borough. It allows for the development of small and medium scale providers, building on their strengths and thereby adding a wider array of local voices to the Tower Hamlets homecare market. For service users it increases choice, whether through a council commissioned service or a service user commissioned service via a direct payment. For the Council, the model provides the stability necessary for forecasting, locality working and performance monitoring, whilst also allowing for the flexibility of on-boarding new small and medium providers throughout the lifetime of the contract.

4.27 Therefore it is proposed to award a framework contract to 16 providers, 4 in each locality with a separate lot for 2 cross-locality (NE/NW, SE/SW) Mental Health and Learning Disability providers. For each Locality, the Council will commit to commission a minimum number of guaranteed hours from the Service Providers each year. This will enable the Service Providers to organise and manage their resources.

- 80% of home care packages will be through this minimum hour arrangement.
- 20% of home care packages would remain as spot purchases, by use of an open Dynamic Purchasing System (DPS), to ensure the opportunity for small/micro, including not-for-profit organisations and existing Small and Medium Sized Enterprises (SMEs), to remain in or to enter the market.

4.28 The 20% of homecare spot purchases would cover around 500 people and provide many opportunities for smaller local providers to pick up homecare packages. Under a DPS there is no upper limit to the number of providers allowed subject to them meeting quality and safety criteria to be included in the tender. The Council will actively encourage providers to join the DPS. The 20% figure is intended as a starting point benchmark for a more robust spot purchasing system. Spot purchasing could be allowed to exceed 20% is driven by demand, provided that this does not limit the ability of contracted providers to receive guaranteed hours.

4.29 The above model would enable the Council to work with an increased number of homecare providers. This in turn would allow the Council to meet its market sustainability duty under the Care Act 2014 of 'Promoting diversity and quality in provision of services'.

4.30 The advantage of a DPS is that it is Open i.e. providers can be added to the system throughout the lifetime of the contract. In this way, throughout the life of the contract, smaller providers can be supported to meet the requirements necessary to be added to the system.

4.31 The spot purchase providers would be required to accept the same hourly rates as set out in the tender to enable consistent budget management.

- 4.32 Prices for general, specialist and overnight care will be set within tender documentation, taking into account the recent Fair Cost of Care exercise. Locality and DPS providers will receive the same hourly rate.
- 4.33 All providers will be required to sign up to the Ethical Care Charter (already in place for existing commissioned providers) which sets out the requirements to pay Carers London Living Wage and waiting and travel times.
- 4.34 All providers, including spot purchase providers, will be required to sign up to a locality agreement, covering the principles set out above.
- 4.35 Included in this option will be a separate solution to work with micro providers (small and medium sized homecare providers) to understand the nature of their services, to develop their ability to provide these services and to enable service users and family carers to choose these providers using their personal budget. This solution has been tried and implemented successfully across several Councils using the skills and expertise of a specialist organisations. The Council will support micro providers to upskill so that they can bid for framework contracts at the next commissioning round. By enabling and supporting these smaller providers to offer services to those who wish to manage their own care and support arrangements, the Council will be able to support more homecare organisations to grow sustainability and provide additional employment and support the local economy.
- 4.36 Currently a project (Personalisation / Direct Payments) is underway within the Adult Social Care Transformation Programme, to increase the number of people using Direct Payments. One of its key aims is to encourage and support the homecare providers registered in Tower Hamlets to become part of Tower Hamlets Connect Approved Provider list. Social workers will also be receiving training to ensure that during assessment they promote the benefits of Direct Payments as a first option. Through these activities, the number of people receiving homecare via a Direct Payment will increase.
- 4.37 Through working with small and medium size providers we will be able to increase both the number of services users with homecare via Direct Payments whilst also enabling providers to join the Dynamic Purchasing System.

D. An increase in the minimum guaranteed hours offered to all care workers delivering homecare to Tower Hamlets residents from the current 12 hours to either 16, 24 or 36 hours per week.

- 4.38 Tower Hamlets council is committed to supporting homecare staff. We are a signatory to the Ethical Care Charter, ensuring the recruitment and retention of a more stable workforce through sustainable pay, conditions, and training levels.

- 4.39 Some providers have told us that they would be keen to offer contracts with longer hours to their staff. However, in these cases staff would need to be more flexible with their availability to ensure they meet the guaranteed hours threshold.
- 4.40 Previous evidence from care staff and the providers indicates that increasingly those seeking homecare roles wish to limit their hours and availability to times that fit around their lives e.g., within school hours, so that they can be available to pick up and drop off their children.
- 4.41 Previously, feedback from the five current commissioned homecare providers in Tower Hamlets regarding a 25-hour fixed contract was mixed. Therefore, a survey for homecare workers regarding guaranteed hours has recently been completed and the results are set out below.

4.42 Recommended solutions

- 4.43 A survey was issued in December 2022 to homecare workers employed by both commissioned and non-commissioned (spot) providers. On the topic of guaranteed minimum hours workers were asked their preferences, recorded from 12 hours to 36 hours per week in bands, in addition to zero hours. The closing date for responses was mid-January 2023. A total of 370 responses were received (18% of the total homecare workforce). The table below outlines care workers responses in answer to the question, what minimum level contract they would prefer.

Minimum Contract Preference - Hours	0	12	18	24	30	36
Percentage	12.7%	10.3%	11.6%	15.7%	12.7%	37%
Numbers	47	38	43	58	47	137

- 4.44 The survey also evidenced that while 55% (204) of respondents were on zero hours contracts, 27.3% (101) of respondents worked between 24 and 36 hours a week on average, with 29% (107) working over 36 hours.
- 4.45 Based on the evidence of these responses, it seems more likely minimum hour contracts of 16, 24 and 36 hours would be more attractive to care workers. This offer could be included in the tender, the service specification and contract Terms and Conditions. This will assist the Council in implementing the recommendations set out in sections 1a. to 1d below.
- 1a. Require providers to offer contracts of up to 16, 24 and 36 hours per week but not to oblige staff to accept this offer. A record would be kept ensuring that this offer was genuine and had been made and whether the care worker had accepted or declined the offer.

- 1b. Agree with providers to make offers based on how many hours of homecare Tower Hamlets have purchased from them, assessed over a six-month period. Following the six-month period, analysis of data will allow the council and provider to understand how many 16, 24 and 36-hour contracts the provider can accept.
- 1c. Set incremental yearly targets for providers to decrease the percentage of staff on zero hours contracts.
- 1d. Set incremental yearly targets for providers to increase the percentage of staff on 16, 24 and 36 hour contracts.

5 EQUALITIES IMPLICATIONS

- 5.1 As part of the commissioning process, Officers will undertake an Equalities Impact Assessment to assess whether the changes to the service and contractual model could have any adverse impacts on those with protected characteristics. Mitigations will then be identified and acted on to minimise any adverse impact.
- 5.2 The Council is committed to employing a workforce that reflects the diverse communities of the borough regarding ethnicity, language, and culture, and expects homecare providers to demonstrate the same commitment. Currently, there is a large under representation of White British ethnicity in the homecare workforce in comparison to service users and the population of the Borough; 2 % of the workforce are White British when they make up 28% of service users and 22.9% of the Borough residents (2021 Census). There is also an underrepresentation of male carers in the workforce.
- 5.3 Officers will work proactively with homecare providers to target groups that are underrepresented through recruitment, retention, career development and apprenticeship initiatives.

6 OTHER STATUTORY IMPLICATIONS

- 6.1 The new contracts awarded to homecare providers will need to ensure Best Value for the Council whilst ensuring that these contracts are compliant with the UNISON Ethical Care Charter and that all care workers are paid at least the London Living Wage.
- 6.2 It will be important to ensure that all personal data processed and stored by the providers is kept secure and in compliance with the General Data Protection Regulations (GDPR). This will form part of the contract conditions.
- 6.3 Officers will seek evidence of Social Value both during the tender period and subsequently work with homecare providers to ensure this is realised including increasing apprenticeships, employment, and training opportunities for residents of Tower Hamlets. Homecare providers will therefore actively seek to improve local employment and where possible offer opportunities to local individuals. This will include opportunities for Service Users as appropriate to the outcomes they are seeking.

7 COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 Homecare services for adults are a significant part of the Adult Social Care budget. The 2022/23 budget for homecare services is projecting an overspend position against the £30.74m budget by £0.62m, with gross expenditure currently projected at £31.36m.
- 7.2 Demand and budget pressures are increasing in this area, with a rise in the number of people assessed as needing care and support and a move towards caring for people in their own home rather than in bed-based care settings e.g., care homes.
- 7.3 The current framework provides for annual inflation increases to providers based largely on London Living Wage, which is due to increase by £0.90 from April 2023 (an 8.14% increase). Further risk pressures will result from the Fair Cost of Care exercise, in addition to the financial risks highlighted in this report. These will be in addition to the existing financial challenges of meeting increasing costs within the available budget envelope and an existing overspend position.
- 7.4 Further financial risks associated with revised retender proposals identified in the report will need to be quantified, along with the impact of the potential mitigations. These will need to be assessed against available budget resources included in the Medium Term Financial Strategy (MTFS) 2023-26, including the ASC Market Sustainability & Improvement Fund and contractual inflation.

8 COMMENTS OF LEGAL SERVICES

- 8.1 The Council has a legal duty to provide this care to people who need it. Acquiring the services of contractors will allow the Council to continue to meet this legal duty. The Council also has the legal power to meet this duty in this manner.
- 8.2 The Council also has a legal duty to ensure that the way in which its legal functions are delivered represent Best Value. Acquiring these services following a tender process where bids are subjected to evaluation based on pre-advertised evaluation criteria will meet both the legal duty to subject the purchases to competition as well as to create the evidence base to demonstrate the achievement of Best Value.
- 8.3 The framework contract period including extension is a maximum of four years. This complies with the requirements of frameworks under the Public Contracts Regulations 2015.
- 8.4 The formation of a Dynamic Purchasing System against which the spot purchase providers may be found on a time for time basis also will assist the Council to achieve Best Value in the delivery of this statutory care function.

The DPS will remain open so that at any point new providers may join the DPS provided they meet certain advertised criteria.

- 8.5 Many of the stakeholders in these services are people who have a protected characteristic for the purposes of the Equality Act. Therefore, any changes will be subject to appropriate measures such as an equality assessment so that the Council can determine the impact of any changes with people who have protected characteristics prior to implementing the changes in a new specification or procurement methodology.

Linked Reports, Appendices and Background Documents

Appendices

None

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

Cabinet Contracts Forward Plan Q4 2021-22

Cabinet Report 14 December 2022 [Homecare for adults- contract extension](#)

Cabinet report 22 September 2021 [AHSCS5019 Domiciliary and Personal Care Contracts Extension](#)

Officer contact details for documents:

Ben Gladstone, Interim Head of Service, Integrated Commissioning- Ageing Well
ben.gladstone@towerhamlets.gov.uk