


Cabinet 11 September 2024	 TOWER HAMLETS
Report of: Georgia Chimbani - Corporate Director, Health and Adult Social Care	Classification: Part Exempt
Domiciliary Care Service Contract award	

Lead Member	Councillor Gulam Kibria Choudhury
Originating Officer(s)	Noor Jahan Begum Senior Commissioning Manager - Homecare
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold & Significant impact on wards
Forward Plan Notice Published	A special urgency request has been made to Chair of Overview and Scrutiny Committee.
Exempt information	<p>This report and its appendices include information that has been exempted from publication by the Monitoring Officer:</p> <ul style="list-style-type: none"> • has deemed that the information meets the definition of a category of exempt information as set out in the Council's Access to Information Rules; and • has deemed that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. <p>The exempt information is contained in the Appendices 1-6</p> <p>The exempt information falls into these categories:</p> <ol style="list-style-type: none"> 3. Information relating to the financial or business affairs of any particular person (including the authority handling the information) 5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
Strategic Plan Priority / Outcome	Domiciliary care services assist vulnerable adults by providing high quality services for adults receiving social care to achieve their goals within their home, be connected to others and live as independently as possible. The provision of domiciliary or home care services to residents living in Tower Hamlets supports the strategic plan priority 4: boost culture, business, jobs, and leisure as the contract supports local employment opportunities and ensures that all staff employed by commissioned providers are paid at least the London Living Wage. As well as priority 5: Invest in public services by supporting vulnerable residents with care and support needs.

Special Circumstances Justifying Urgent Consideration (also known as ‘Reasons for Urgency’)

The report missed the statutory deadline due to Delays with internal consultation. The homecare procurement is ready for award. The new contracts are expected to delivery better quality and cost effectiveness. The reason for the award coming to Cabinet is to reflect the importance and value of the contracts and waiting for a further month would unnecessarily delay the award and benefits to residents.

Executive Summary

This report responds to the need to award contracts for domiciliary care services following the completion of the procurement exercise.

The reasons for this are set out in detail in this report.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Authorise the award of contracts to the providers for lots 1 and 2 as detailed in the restricted appendices.
2. Authorise in consultation with the Mayor the Corporate Director Health and Adult Social Care to instruct the sealing of all contracts and associated documents necessary to give effect to recommendation 1

1 REASONS FOR THE DECISIONS

- 1.1 Following Cabinet approval on the 22nd February 2023, a successful procurement was undertaken for Home Care Services. The estimated total value of the contract is £162,533,480 (£40,633,370 per annum) with the breakdown as Lot 1 - 80%: £130,026,784 (£32,506,696 per annum) Lot 2 - 20%: £32,506,696 (£8,126,674 per annum).
- 1.2 Following satisfactory completion of the homecare tender, approval is sought for award of contracts for LOT 1 and LOT2. Current homecare contracts come to an end on the 30th Sept 2024 and are due to be extended for a further six months to allow time for mobilisation of the new contract.
- 1.3 It is recommended that contracts are awarded in lots 1 and 2 to the providers detailed in the restricted appendices.

2 ALTERNATIVE OPTIONS

- 2.1 To not award the contracts.

3 DETAILS OF THE REPORT

- 3.1 This report summarises the procurement of contract HAC5896 Domiciliary Care Adults. Subject to the Light Touch Regime, under Section 7 Social and Other Specific Services of Part 2 of the Public Contract Regulations 2015.
- 3.2 The London Borough of Tower Hamlets (LBTH) was seeking bids to ensure high quality domiciliary care services that people value and that support people to live

well at home and in their communities. The Council wants home care support that focuses on the outcomes that are important to people in their lives and that meets the high standards that people should be able to expect.

- 3.3 The restricted appendices outline the successful and unsuccessful bidders, the procurement process timelines, evaluation of tenders (evaluation criteria for quality and social value and weighting) and evaluation outcomes.

4 BACKGROUND

- 4.1 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 approximately 2,000 adults at any one time with their care and support needs.

- 4.2 The model issued at tender retains the localities but includes two lots. Lot 1 has up to three providers per locality. These large/medium size providers will be expected to take on the existing packages of adult homecare in the mobilisation period as well as new packages. Lot 1 providers were allowed to bid for up to two localities.

- 4.3 Lot 2 providers would receive new individual packages of homecare, with the intention of allowing them to slowly build their capacity over time. It should be noted that the Brokerage Team are in process of expanding their team by one full time Broker Officer post, to deal with any increases in payments related work under the new model.

- 4.4 The brokerage team, over the life of the contract, would ensure that providers in Lot 1 had a balanced number of support hours per locality. They would also ensure the same for Lot 2 providers. With the aim, over the life of the contract, of 80% of the support hours going to Lot 1 and 20% going to Lot 2.

- 4.5 At Contract Start date, the successful Lot 1 Provider must have an office base in LBTH that is adequate for the purposes of administration, care worker training and supervision. The Provider will also demonstrate their commitment to registration of the Office as a branch in LBTH with evidence of CQC application for same.

- 4.6 Lot 2 providers, at contract start, are required to be located within the borough or bordering boroughs. There is an expectation for providers to locate an office within the borough during the first 12 months of contract commencement. The Council will work with Providers flexibly and accordingly to this aim.

- 4.7 TUPE was applicable for Lot 1 and as such TUPE information was shared with Lot 1 providers.

5 TENDERS SUMMARY

- 5.1 A provider market engagement event was held on 20 March 2023 at the Professional Development Centre, Bethal Green to solicit feedback on an earlier form of the model. This feedback helped to improve the model and better reflect market need.

- 5.2 An open tender under the Light Touch Regime was issued on 19 July 2023, with a deadline to submit both SQ, financial self-certification and Method Statements by 9 September 2023.

6 FINANCIAL BENEFITS

- 6.1 Although there are no cashable benefits it should be noted that the providers delivering homecare will be fully quality assured and provide the best value. The new contracts will also end the need for any off framework spend such as spot purchasing, as there will be a sufficient pool of providers available across both Lots.
- 6.1.1 To support better financial planning the council has set its own hourly rates for General, specialist and Waking night care. All new homecare contracts are to receive these set prices as advertised in the documentation.
- 6.2.1 Compliance with the Best Value Duty is based on the principles of local accountability to residents and planning to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness, prevention and meeting the cost of failure. In this procurement exercise, to deliver best value & ensure continuous improvement, we have incorporated themes including leadership, partnership working, community engagement, governance, culture and use of resources.

7 ABNORMALLY LOW SUBMISSIONS

- 7.1 Not applicable

8 OTHER STATUTORY IMPLICATIONS

- 8.1 No other implications:

9 COMMENTS OF THE CHIEF FINANCE OFFICER

The report seeks approval to award a 4-year contract with a total estimated value of £162,533,480 (£40,633,370 annually). The costs will be covered by current budgeted resources, but due to the demand-led nature of the service and recognised national pressures, there is a risk of overspend. The service is reviewing mitigating actions to manage these costs and pressures including the inclusion of a contractual financial cap which will serve to limit liability to each provider

10 COMMENTS OF LEGAL SERVICES

- 10.1 The information shown in the restricted appendix is Exempt Information for the purposes of section three of Schedule 12A of the Local Government Act 1972. This is because it is information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in knowing the information is outweighed by the public interest to maintain the exemption as knowledge of the information prior to award could seriously prejudice the Council's commercial position

- 10.2 The Council will be required to release certain aspects of the restricted information as part of the award process in accordance with the Public Contracts Regulations 2015 and the Council will so do at the appropriate time.
- 10.3 The Council has the legal power to make the contract awards referred to in this report. The Council also has the legal duty to deliver these services
- 10.4 The Council is legally required to deliver Best Value in respect of all its functions in terms of economy efficiency and effectiveness. The Council has carried out a procurement where the winning bidders have been selected upon scoring criteria which reflect a blend of quality and price. Making this award demonstrates strong evidence or compliance with the Best Value duty as economy efficiency and effectiveness are reflected in the evaluation criteria. The Council has also further increased resources relating to monitoring and delivery which will be supported by the terms of the written contract.
- 10.5 It is not altogether clear that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply to every member of the existing contractors staff as this will depend on the reallocation of existing service users. However, the Council has taken appropriate measures to endeavour to secure continuity of service provision where possible.
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Linked Reports, Appendices and Background Documents

Linked Report - NONE

Appendices (all are restricted)

Appendix 1: Domiciliary Care Procurement – Lot 1 and Lot 2 Outcomes

Appendix 2: Procurement Process

Appendix 3: Evaluation Process

Appendix 4: Risks and Mitigations

Appendix 5: Load Balancing Process

Appendix 6: Bidder Information

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012 - NONE

Officer contact details for documents: NA