

	<p><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 8 March 2016</b></p>
<p style="text-align: center;"><b>Title</b></p>	<p><b>Contract Award for provision of Enablement and Home and Community Support</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Adults and Communities Director</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>Appendix A – Tender Evaluation Methodology Appendix B – Exempt report (exempt under Section 12A of the Local Government Act 1972, paragraph 3)</p>
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<p><b>Summary</b></p>
<p>This report summarises the tendering process which has been conducted for the award of new contracts for the provision of Home and Community Support (HCS) and Enablement services.</p> <p>Policy and Resources Committee agreed to Home and Community Support (Adults and Family Service) and Enablement service inclusion on the Procurement Forward Plan for procurement on 13<sup>th</sup> January 2016. Refer to section 6 for background papers.</p> <p>This report seeks approval for the award of contracts for:</p>

- One Strategic Provider for Enablement service for a period of three years (with provision to extend for one year subject to satisfactory performance and budget). Contract to begin on September 6<sup>th</sup> 2016.
- Six locality based Strategic Providers for Home and Community Support (Adults); two per locality.
- An approved Provider list for the provision of Home and Community Support for Adults, Children and Young People.

Both the above contracts are collectively referred to as HCS contracts in this report.

The HCS contracts are to commence from June 2016 with an initial term of two years with the option to extend up to a maximum of two further years.

The provision of the Enablement service is part of a preventative and early intervention service that promotes independence, reduces dependency and reduces or delays the need for longer term care and support. Enablement homecare provides intensive time limited care to adults with assessed needs to help them gain or regain a higher level of independence and improved quality of life

A Home and Community Support (HCS) service supports people to remain in their own home providing quality, enabling care and support for service users to be as independent as possible within their own home and community.

HCS services are an important part of the personalisation and prevention agenda by delivering tailored and flexible support to meet outcomes for the service user, informal carer and/or their family, e.g. enabling a child or elderly person to continue living at home or to enable a younger person to live independently.

The award of these contracts has followed a rigorous and robust tender process with the organisations awarded the contract submitting the Most Economically Advantageous Tender (MEAT).

During the lifetime of the contracts the Strategic Providers will work with the Council on the development of Outcomes Based approach for both Enablement and Home and Community Support. This will be a pilot for testing the model for future procurement of the services.

## **Decisions**

- 1. To award the Enablement contract to Provider B. as a Strategic Provider for a period of three years with the option to extend up to a maximum of one year to satisfactory performance and budget**
- 2. To award the Home and Community support contract as Strategic Providers to the following:**

**Provider T (North Locality)  
Provider H (North Locality)  
Provider W (West Locality)  
Provider V (West Locality)  
Provider L (South Locality)  
Provider K (South Locality)**

**for contract term of two years with the option to extend up to a maximum period of 2 further years subject to satisfactory performance and budget**

**3. To award the Home and Community Support contracts as Approved Providers to the following;**

**Adults: Provider S**

**Provider T  
Provider R  
Provider C  
Provider H  
Provider U  
Provider F  
Provider I  
Provider B  
Provider W  
Provider J  
Provider L  
Provider K  
Provider V  
Provider Q  
Provider N  
Provider A  
Provider E**

**Family Services: Provider R**

**for contract term of two years with the option to extend up to a maximum period of 2 further years subject to satisfactory performance and budget**

**1. WHY THIS REPORT IS NEEDED**

- 1.1 This report is required for the agreement of the recommended award of contracts to provide Home and Community Support (HCS) and an Enablement Service.
- 1.2 The current contract for Enablement Homecare ends on 5 September 2016 and the contracts for Home and Community Support end on 31 October 2016. The Home and Community Support Contracts were subject to a one year extension.

- 1.3 The existing service model for HCS services has been revised to mitigate risks presented in the market during the term of the current contracts. Please refer to Table 1 below.

<b>Table 1: Proposed Contract Model</b>			
	<b>HCS Adults</b>	<b>HCS Family Service</b>	<b>Enablement</b>
<b>Current contracts end date</b>	31 <sup>st</sup> October 2016	5 <sup>th</sup> February 2017	5 <sup>th</sup> September 2016
<b>Contract term and Extensions</b>	The initial contract duration is 2 years, with the option to extend for 2 additional 1 year terms (2+1+1).	The initial contract duration is 2 years, with the option to extend for 2 additional 1 year terms (2+1+1).	The initial contract duration is 3 years plus one possible extension period (3+1).
<b>Service model &amp; Approved List</b>	<p>There will be two elements to the approved list;</p> <ul style="list-style-type: none"> <li>• Strategic Providers and</li> <li>• approved list providers</li> </ul> <p>Two Strategic Providers for each locality area within London Borough of Barnet (the 'Council').</p> <p>For the approved list there is no limit to the number of providers. However, all contracted providers must meet the stated criteria including a minimum quality threshold.</p>	<p>Approved list providers.</p> <p>Family service providers will work across the Council</p> <p>For the approved list there is no limit to the number of providers. However, all contracted providers must meet the stated criteria.</p>	One Strategic Provider who will work across the Council.
<b>New contracts mobilise</b>	From June 2016	From June 2016	6 <sup>th</sup> September 2016

## **2. REASONS FOR DECISIONS**

- 2.1 The contract for Enablement is for three years with an option to extend up to a maximum of one further year. This length of contract is similar to other preventative service contracts.
- 2.2 The contract for Home and Community Support is for two years (with the option to extend up to a maximum of two further years)
- 2.3 The length of both contracts will;
- allow for transition of a new strategic provider subject to the tender process

- ensure the market can build and invest capacity locally for the scale of resource required
- provide the opportunity to develop and pilot an outcomes based approach during the lifetime of the contract

2.4 The Council carried out a thorough procurement process in accordance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015 to ensure that tenders are evaluated fairly and contracts are awarded to the bidders that demonstrate the most economically advantageous tender. This is determined by combining the quality evaluation and price.

2.5 The Tender Process for this decision is shown below.

2.5.1 The Table 2 below sets out a summary of the procurement timetable

<b>Table 2 Procurement Timetable</b>	
<b>Event/Stage</b>	<b>Date</b>
Advertise the opportunity	20.11.2016
Deadline for receipt of tenders	08.01.2016
Evaluation Process	11.01.2016- 12.02.2016
Notification to bidders	18.03.2016
Contract start date Lots 1: HCS	From.06.2016
Contract start date Lot 2: Enablement	06.09.2016

2.5.2 An OJEU open tender process has been followed, involving an eight stage evaluation process. The "Invitation to Tender" was issued to all organisations who expressed an interest via the Councils procurement web portal.

2.5.3 There are two elements to the approved list, one of which involves two Strategic Partners per locality (for Adults only) and a secondary list for other approved providers. The secondary approved list is for Adults and Family Services, did limit the number of providers on the list and will be used to call upon when needed.

2.5.4 Expressions of Interest: The tender was advertised on 20th November 2015 through the Council's e-procurement portal. Communications were also sent out to all providers known to the Care Quality Service in the Adults and Communities Delivery Unit. Seventy-two organisations registered an expression of interest on the web portal.

2.5.5 Tender Submissions: Bidders could apply for all lots (detailed in the table below) On the closing date 23 tenders had been submitted;

- Enablement Strategic Provider: 6 Bidders applied
- HCS Strategic Provider: 12 Bidders applied
- HCS Approved List (Adults): 23 Bidders applied

- HCS Approved List (Family Service): 3 Bidders applied
- 0 Bidders withdrew from the process

2.5.6 Tender Evaluation: The tender panel consisted of;

- Commissioning Lead, Home and Community Support
- Commissioning Lead, Enablement
- Joint Commissioning Manager, CCG
- Care Quality Service Manager
- Care Quality Contract Monitoring Officer
- Senior Commissioner, Family Service
- Head of Service, 0-25 Services, Family Service
- Contract Monitoring Officer, Family Services

Panel members were involved in the evaluation stages as appropriate to their service.

2.5.7 Two members of the established Advisory Group participated in evaluating the Bidder interview stage. This group consists of service user representatives for Adults Services.

2.5.8 Following the evaluation process contracts were awarded to Providers as noted in Table 3 below.

	<b>Contract</b>	<b>Bidder</b>
<b>1.</b>	<b>Enablement Strategic Provider</b>	Provider B
<b>2.</b>	<b>HCS Strategic Providers</b>	<b>North Locality</b> Provider T Provider H  <b>West Locality</b> Provider W Provider V  <b>South Locality</b> Provider L Provider K
<b>3.</b>	<b>HCS Approved List (Adults):</b>	Provider S Provider T Provider R Provider C Provider H Provider U Provider F Provider I Provider B

		Provider W Provider J Provider L Provider K Provider V Provider Q Provider N Provider A Provider E
<b>4.</b>	<b>HCS Approved List (Family Service):</b>	Provider R

### **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 3.1 To procure the HCS service 'as is' was not an option. There have been a number of issues with the Barnet market which resulted in lead service providers going out of business and problems with capacity and provision of services to certain areas or people with specific needs.
- 3.2 This is a key service which offers a preventative approach, delivers positive outcomes for local people and safeguards residents. The revised strategic provider model offers a sustainable approach to building capacity and aims to facilitate market development across provision in terms of quality and through delivery of outcomes based practice.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Following award of contract there will be a period of planned mobilisation for both services. The new contracts for HCS will commence from June 2016 and begin receiving referrals for packages of care. For Enablement the contract start date is 6<sup>th</sup> September.
- 4.2 There will also be a phased planned transition (following mobilisation) of existing HCS service users affected. We will work closely with service users to ensure that they are made aware, kept informed and are fully supported throughout this time to minimise any risks, keep them safe and reduce attendant anxiety that may arise as a result of any changes.
- 4.3 Service users (where appropriate) will be enabled to exercise choice during the transition. Service users that have made an informed choice to retain their current provider will be offered the option of a direct payment to facilitate this.

- 4.4 There will be separate arrangements in place for the Enablement service which reflects the short term nature of the service and the block contract provisions leading up to September 6<sup>th</sup> 2016.
- 4.5 These services will be monitored through robust contract management and subject to regular performance monitoring and review.
- 4.6 The pilot for an outcomes based approach for both the Home and Community Support and Enablement homecare services will be developed and trialled with the Strategic Providers during the lifetime of the contract.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

5.1.1 The service specifications for HCS and Enablement and award of these contracts supports the;

- vision that health and social care services will be personalised and integrated with more people supported to live longer in their own homes
- four main themes of the Barnet Health and Wellbeing strategy
- 'wellbeing principle' which underpins the Care Act 2014 and the Councils aim that 'all adults will be given the opportunity to live well, age well and stay well' and
- promotes choice and independence by supporting people to live longer in their own home, market management and the development of outcomes based commissioning.

5.1.2 The contract for these services will be robustly monitored and reviewed including the performance of the providers through the key performance indicators.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The funding for the Enablement service is from the Adults & Communities budget.

5.2.2 For Enablement the Procurement Forward Plan for 2015/16 states: Contract value is £6m over a 5 year term. This is for the delivery of a block contract of 1000 hours a week. The 2015/16 budget forecast is £1,253,436.

5.2.3 A review mechanism is in place to review the block hours on a 6 monthly basis and to increase or decrease the as necessary to ensure the council is meeting the demand and getting best value for money from the contract.

5.2.4 The funding for the Home and Community Support (Adults) service is from the Adults & Communities budget and is based on cost and volume. The Procurement Forward Plan Update for 2014 -15 (agreed at Policy and



resources Committee on 13<sup>th</sup> January 2015) states that the contract value is £60m over a 5 year term. The 2015/16 budget forecast is £7,609,959.

5.2.5 Funding for the Home and Community Support (Family services) is from the Family Services budget. The Procurement Forward Plan for 2015 -16 states that the contract value is £600k over a 4 year term. The 2015/16 budget forecast is £56,000.

5.2.6 Over the transition period the spend commitments will shift either to individual direct payments as part of a personal budget or from the incumbent lead providers contracts to the new Strategic Providers.

5.2.7 The Home and Community Support contract includes six employees employed by two Providers who are members of the Barnet LGPS. The current arrangement is that Barnet Council underwrites the liability of cost differential and this arrangement is to continue moving forward.

5.2.8 This arrangement was approved by Cabinet Resources Committee 19 July 2010. The pension deficit is being met by the Council. Agreement will be sought from Pension Fund Committee following contract commencement date when the relevant information is available. This will ensure that Pension provision is in place immediately post any relevant TUPE transfer.

5.2.9 The Enablement contract includes thirty three employees, who are members of the Barnet LGPS. The liability for pensions is the responsibility of the employer and is not underwritten by the Council. For this reason a bond has been put in place for the provider of the enablement services as required under the tender.

5.2.10 Value for money has been determined by evaluating the quality of each provider's bid. This included a pricing schedule with resourcing details. Through this process it has been possible to determine the providers that will provide both the highest quality service as well as maximising the resources available to provide direct support to service users. This maximises the potential for contract awards to be made to providers delivering a service which offers the highest quality and best value for money for Barnet residents.

5.2.11 Providers bidding for Enablement and HCS (Adults) are required to use the Council's recommended Electronic Call Monitoring system. This will support the use of electronic invoicing for the whole service, rationalise the invoicing process and reduce the resources required to manage the processes as is.

### **5.3 Legal and Constitutional References**

5.3.1 Paragraph 7.1 of the Contract Procedure Rules authorises the award of contracts over the value of £164,176 provided that the procurement has been published on the Procurement Forward Plan and that Procurement Forward Plan has been approved by the Policy & Resources Committee.

- 5.3.2 The Procurement of the Home & Community Services for Adults & Family Services and the Enablement Service has been published on the Procurement Forward Plan for 2015/2016. The Policy and Resources Committee approved the Procurement Forward Plan in their meeting on 13<sup>th</sup> January 2015.
- 5.3.3 HB Public Law has been consulted on this during the procurement process and shall assist in the preparation of the relevant contracts with the respective providers for each of the services.
- 5.3.4 As the new service is launched the existing contracts with the organisations currently delivering the service will be terminated, in accordance with the provisions of the relevant contract.
- 5.3.5 The Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE') will apply to the contract with the new provider and therefore the contract with the new provider will include appropriate obligations in respect of the provider's responsibilities under TUPE.
- 5.3.6 Council Constitution, Part 4, Council Procedure Rules – Contract Procedure Rules, Appendix 1 – Table A details the authorisation to commence a procurement process. This tendering process was authorised by inclusion on the Forward Plan (see paragraph 1.1).
- 5.3.7 Council Constitution, Council Procedure Rules – Contract Procedure Rules, require that for contracts of this value, acceptance can be undertaken by a Full Officer DPR by a Council Officer in consultation with Chairman of relevant theme Committee.

#### **5.4 Risk Management**

- 5.4.1 The award of these contracts is unlikely to raise any public concern as the services are already in operation.
- 5.4.2 The risk register for the procurement project identifies a number of risks and appropriate mitigation and contingencies are in place. The main risks identified are:

##### **Business Failure and Financial Risks**

- 5.4.3 Past issues with quality and capacity created by Lead Providers managing sub-contracting arrangements with other providers to deliver additional capacity required.
- 5.4.4 In order to mitigate the risks associated with the previous model, the revised model has a two level Approved List; an increase to two Strategic Providers per locality and the move to Approved providers from sub-contracting arrangements and spot provision.

- 5.4.5 The Barnet market place faces pressures in terms of capacity (i.e. meeting demand in specific postcodes and needs (two Care Workers required for one Service User) and sustainability.
- 5.4.6 The revised service model and specification requires that Strategic Providers support Approved Providers in their localities through working together to develop, improve and deliver service provision.
- 5.4.7 There are also risks attracting providers and recruiting Care Workers to operate in Barnet when more attractive terms may be available in neighbouring authorities. In order to mitigate this risk Bidders were requested to provide a breakdown of their proposed unit cost which would consider their requirements as an employer balanced with the need to price competitively and sustain their business.
- 5.4.8 There is a risk of that Providers' financial position may place public money or services at risk. The evaluation process has included financial standing assessments for Bidders, carried out by the Finance Team. Where there was clear evidence of unacceptable risk, the Bidder has been ruled out in line with the financial evaluation methodology.

### **Managing the transfer of services and TUPE**

- 5.4.9 There is a risk that the Service users will be adversely affected by the transition to new contract arrangements. Risks have been assessed and a transitions approach and plan has been agreed in order to mitigate the risks identified. Consideration was given to ensure the safe and streamlined management of transition on behalf of current services users during the implementation of the new contracts.
- 5.4.10 Sufficient timescales have been planned following the contract award to mobilise the new providers and ensure a safe and appropriate transfer of care from incumbent providers who failed to proceed to contract award.
- 5.4.11 Transitions will be used to create opportunities to maximise the use of personal budgets in accordance with the wishes of service users and an individual assessment of risk.
- 5.4.12 In order to mitigate any risks to the Council with regards to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") the Council is only acting as a facilitator in the process. The Council is not a party to any such arrangements, nor can it determine if TUPE does indeed apply in any given circumstance, however will work to support the transfer of any necessary information if required to support the continued delivery of services.

## **5.5 Equalities and Diversity**

- 5.5.1 An Equality Impact Assessment was completed prior to the procurement of the services. The procurement of these services does not impact in a negative /disproportionate way on residents.
- 5.5.2 The contract will require the service providers to have a high standard of equitable behaviours. This includes compliance with Equal Opportunities legislations operating an equal opportunities policy observing Codes of Practice issued by the Commission for Equality and Human Rights and giving appropriate consideration to each customer's race, nationality, cultural or ethnic background, marital status' age, gender, sexual orientation and disabilities.
- 5.5.3 The Council's Procurement Equalities policy has been followed in the management of the tender process, including evaluation of tenderers' equalities and diversity policies concerning employment practice and service delivery. The contract for the new services will include explicit requirements fully covering the council's duties under equalities legislation.
- 5.5.4 The services being procured will operate inclusively for all care groups covering all postcodes in the Borough. The service specifications state that providers must take local demography, diversity and needs into consideration with regards their workforce and service provision. For example, recruiting Gujarati speaking Care Workers. This also relates to building capacity through sharing skills, training and working together in partnership, to facilitate responses to any niche areas of demand which may relate to, for example, diagnosis which is unable to be covered within the main contract.
- 5.5.5 An analysis of customers over the last year shows no significant change in profile in respect of gender, culture / faith or ethnic profile. Equalities data in relation to phase 2 will continue to be captured to further inform the equalities impact assessment.
- 5.5.6 The Public Services (Social Value) Act 2012 requires local authorities to consider more widely the economic, environment and social benefits of service procurement. To demonstrate the Council's commitment to this the specification set out a requirement for bidders to set out their approach to ensure additional social value can be gained from the contract.

## 5.6 Consultation and Engagement

- 5.6.1 A co-design ethos has been used throughout the process to encourage involvement and ownership.
- 5.6.2 Consultation and engagement has been ongoing throughout 2015 and has included;
- Advisory Group for Home and Community Support /Enablement
  - Experts by Experience
  - Market Events for Providers

- Workshops for Providers
- Attendance at Service Delivery Unit Team Meetings and Feedback
- Attendance/updates at Partnership Boards

5.6.3 Input from stakeholders has been utilised to inform the market approach and the service specification.

5.6.4 The key messages from the Advisory Group and Experts by Experience were

- a) The need to join up services across health and social care
- b) Issues with the hospital discharge process
- c) The need for more flexible provision

Issues were/ will be addressed as appropriate through;

- development of the service specifications
- ongoing joint initiatives between Health and Social Care
- improvements to the Hospital Discharge and triage service
- Provider quality forums and service improvements
- work with the providers to pilot an outcomes based approach

5.6.5 The feedback from the Enablement service market event indicated concerns regarding how providers would manage demand and ensure the resources necessary to meet demand without guaranteed hours. This is part of the rationale for the decision to remain with a block contract for enablement but with a reduced block of hours to ensure value for money from the delivery of actual hours.

5.6.6 The market event for HCS raised a number of issues. For service users: consistency, continuity and quality of care; for Care Workers: pay, regular hours and travel time and for Providers: price/rate pay and recruitment /retention.

5.6.7 Family Services held an engagement event in August. Providers were positive about the model and the approach overall. Providers did express a preference for guaranteed volumes of work; however, this would not be feasible for the Council given the small volume of work commissioned by Family Services at present and the move towards direct payments. Providers were confident to offer services within a commissioned and direct payment model.

5.6.8 Providers discussed current issues relating to staff recruitment and retention. Some providers expressed concern about a requirement to introduce electronic call monitoring system and the associated costs, given the small volume of work currently commissioned within Barnet. Following this feedback, the requirement for Family Service HCS providers to operate electronic call monitoring was removed.

## 6. BACKGROUND PAPERS

- 6.1 The Enablement Home Care Commissioning Strategy was agreed by Adults & Safeguarding Committee on 12<sup>th</sup> November 2015. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=698&MId=8362&Ver=4>
- 6.2 Home and Community Support Strategy was agreed by Adults and Safeguarding Committee on 20<sup>th</sup> November 2014. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=698&MId=8098&Ver=4>
- 6.3 The procurement of Home and Community Support (Adults and Family Services) and Enablement service was agreed as part of the Procurement Forward plan by the Policy and Resources Committee on 13<sup>th</sup> January 2015. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7864&Ver=4>.

## 7. DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

## 8. OFFICER'S DECISION

### I authorise the following action

- 8.1 To award the Enablement contract to Provider B as a Strategic Provider for a period of three years plus one subject to satisfactory performance and budget

To award the Home and Community support contract to the following strategic providers:

<b>North Locality</b>	Provider T Provider H
<b>West Locality</b>	Provider W Provider V
<b>South Locality</b>	Provider L Provider K

for a contract term of two years plus one and one subject to satisfactory performance and budget

To have an approved Provider list for Home and Community Support. Please refer to Table 3 (3.and 4.)

**Signed**      Mathew Kendall

**Date**        08-03-2016

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