

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	4 March 2021
<b>Subject:</b>	Domiciliary Care Contracts		
<b>Report of:</b>	Executive Director of Adult Social Care and Health	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Adult Social Care		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To seek approval to extend existing Lead Provider Domiciliary Care contracts and to provide an update on work taking place on this sector.

### Recommendation(s):

It is recommended that;

- (1) Current Lead Provider contracts for Areas 1, 2, 3 and 6 are each extended for a further twelve months (from 1<sup>st</sup> August 2021 onwards) as is provided for in the Contract (see 1.3 below);
- (2) Decisions on making any final twelve-month extension period (after this proposed extension period) are delegated to the Cabinet Member – Adult Social Care in consultation with the Executive Director of Adult Social Care and Health; and
- (3) Cabinet note the work taking place on the Domiciliary Care sector.

### Reasons for the Recommendation(s):

To ensure that Lead Provider contract arrangements remain thus ensuring that current services and commissioning processes are maintained.

### Alternative Options Considered and Rejected: (including any Risk Implications)

1. **Not extending current Lead Provider contracts and re-procuring services** – this option was considered and rejected as there is a need to ensure market stability at a time where the sector is dealing with the COVID-19 pandemic and there is uncertainty around both the duration of the pandemic and the longer-term ramifications of it. In addition, should the tender for Areas 4 and 5 of Sefton commence, then any further procurement exercises may impact on the stability of the

sector. It is also recognised that the current situation has identified opportunities to review new ways of working that have been implemented to respond to the pandemic, which could then be permanently implemented into new models of service, both for Domiciliary Care but also wider models of service linked to further supporting strategic aims around creating and maintaining Service User independence.

2. **Extending contracts for the permitted two-year period** – this option was considered and rejected as it was viewed that this extension period option was too long and that should new ways of working (as outlined in point 1 above) be identified, then they could be implemented as soon as practicable.

### **What will it cost and how will it be financed?**

#### **(A) Revenue Costs**

Revenue costs with respect to the period of extension will be met from existing Domiciliary Care budgets. Contracts will be extended based on pre-existing contractual and financial arrangements and so costs will be contained within existing budget provision.

Based on current fee rates paid and typical four-weekly payments made to the Providers, the combined annual value of the contracts for the four areas is £2.4m.

#### **(B) Capital Costs**

None

### **Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
<b>Legal Implications:</b>  Care Act 2014 Care and Support Statutory Guidance Public Contract Regulations 2015
<b>Equality Implications:</b>  The equality implications have been identified and mitigated.

### **Contribution to the Council's Core Purpose:**

Protect the most vulnerable:

The awarding of the contract extensions will secure the ongoing delivery of Domiciliary

Care personal care services to vulnerable people.
Facilitate confident and resilient communities:  The awarding of the extensions encompasses the continuation of the current model of service which aims to achieve greater outcomes for Service Users and to support them to work towards greater independence.
Commission, broker and provide core services:  The awarding of the extensions will ensure that statutory services will continue to be delivered to vulnerable Service Users and also so that existing commissioning arrangements in place whilst the Council deals with the COVID-19 pandemic and explores future commissioning options.
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6300/21.) and the Chief Legal and Democratic Officer (LD.4451/21) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Consultation has taken place with Knowsley Metropolitan Borough Council as the joint commissioner of services under the Pseudo Dynamic Purchasing System (PDPS) established with them under Liverpool City Region joint working arrangements.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

<b>Contact Officer:</b>	Neil Watson
Telephone Number:	Tel: 0151 934 3744
Email Address:	neil.watson@sefton.gov.uk

## Appendices:

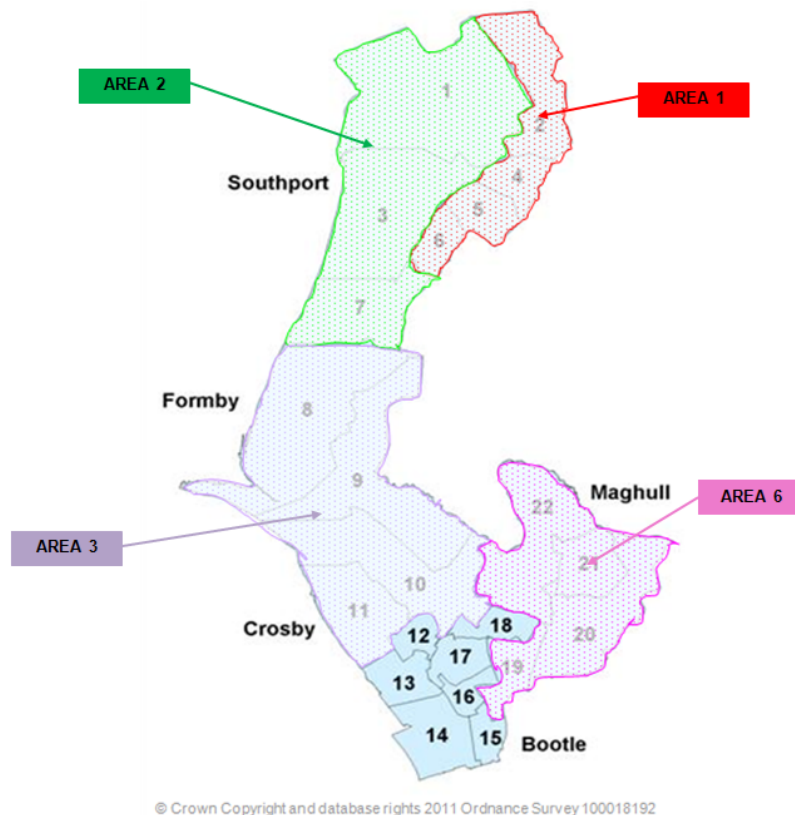
There are no appendices to this report.

## Background Papers:

There are no background papers available for inspection.

### 1. Introduction/Background

1.1 In 2018, the Council, working in partnership with Knowsley Metropolitan Borough Council established a Pseudo Dynamic Purchasing System (PDPS) which created a list of providers who were willing to work in Sefton and demonstrated that they meet the criteria to be able to deliver domiciliary care in Sefton. There was then an immediate “call off” of the PDPS to award contracts for Lead Providers to work area 1,2,3 and 6 of Sefton as detailed in the following map;



1.2. Contracts commenced from the following dates;

- Area 1 – 1<sup>st</sup> August 2018
- Area 2 – 1<sup>st</sup> October 2018
- Area 3 – 3<sup>rd</sup> September 2018
- Area 6 – 1<sup>st</sup> August 2018

- 1.3. The contracts were for an initial three-year period, with the option to extend them for a further two years either in a single extension or via two separate twelve-month extension options.
- 1.4. The current combined annual value of the four contracts (based on current fee rates paid and typical payments made to the Providers) is £2.4m.
- 1.5. The Lead Provider contracts encompass the Providers being required to accept the majority of new referrals / care packages and deliver the full requirements of the service specification.
- 1.6. As indicated on the above map, the remaining areas of Sefton (classed as areas 4 and 5) have separate contractual arrangements in place and at the time of the PDPS procurement exercise were not included. However subsequent to the commencement of the PDPS, Areas 4 & 5 have been included in the PDPS and in October 2019 Cabinet approved the commencement of a procurement exercise to secure Lead Provider/s in these areas, utilising the PDPS as the mechanism to conduct any such exercise. To date, this procurement exercise has not commenced and an update on this issue is provided in section 3 of this report.

## **2. Extension of Existing Contracts**

- 2.1. It is recommended that the existing Lead Provider contracts are extended for a twelve-month period from the expiry date of their initial three-year period.
- 2.2. These extension periods have been recommended as the sector (as with other Adult Social care service sectors) is operating during unprecedented times due to the COVID-19 pandemic, and at this current time it is unknown how long the pandemic will last for and also what the longer-term ramifications of it will be. It is felt that any potential re-procurement exercise could further destabilise the market, especially with respect to the workforce (as TUPE transfers may take place), but also for Service Users.
- 2.3. The contracts will be extended under the current terms and conditions. However, in October 2020, the Council (in line with developments outlined to Providers at the time of the tender) implemented revised payment arrangements, principally with respect to paying Providers based on actual services delivered, which in turn ensures that Service Users are charged based on the actual level of service they received. The implementation of these new payment arrangements is currently being reviewed and it could be the case that any further changes are incorporated into the contract extensions.
- 2.4. In line with the Council's contract procedure rules, an evaluation of the contracts has in part taken place, however the COVID-19 pandemic has impacted on this work. In addition, current contractual requirements, principally with respect to targets around acceptance of referrals, have had to be relaxed as the primary focus has been to support the wider Health economy with issues such as timely discharges from Hospital. This has meant that resources have had to be focussed on supporting these requirements and putting in place Domiciliary Care packages as soon as possible.

2.5. However, it will be the case that contract monitoring will continue to take place and the Lead Providers will be advised of this and that this work will be used to inform future commissioning and contract decisions.

2.6. It is also recommended that any decisions on further extensions to the current Lead Provider contracts are delegated to the Cabinet Member – Adult Social Care, in consultation with the Executive Director of Adult Social Care and Health.

### 3. Associated Work Taking Place on the Domiciliary Care Sector

3.1. It is also important to highlight that both currently and during the period of the proposed contract extensions, a significant amount of work will be taking place relating to the sector.

3.2. In order to respond to the pressures that the COVID-19 pandemic has placed on the Health and Social Care sector, new ways of working have been implemented and whilst these are still being developed and configured, it is anticipated that they can be assessed and used to inform future commissioning decisions.

3.3. The COVID-19 pandemic has also heralded further integration work between the Council and the Sefton Clinical Commissioning Groups but is recognised that there is scope to explore further integration such as joint commissioning and contractual arrangements. This includes, but is not limited to, expanding the provision of Reablement and short-term intervention services in order to support wider strategic objectives and the Independence at Home agenda.

3.4. Running parallel with this work will be engagement with Providers, Service Users and Stakeholders to gather their views on how the COVID-19 pandemic has impacted on them and how services could be reconfigured within any future re-commissioning exercises.

3.5. All of the above will inform future decisions on contractual and service delivery arrangements and should Lead Provider contracts not be extended beyond the proposed extension period, leading to services being re-procured, then it is envisaged that the following timeline will be implemented;

Commissioning / Procurement Activity	Timeframes
<p><b>Commissioning and Scoping Work, including, but not limited to;</b></p> <ul style="list-style-type: none"> <li>• Deal with ongoing COVID situation, assess impact on markets,</li> <li>• Further review work (including Reablement etc)</li> <li>• Develop new model of service</li> <li>• Conduct assessment of current commissioning routes (i.e. current PDPS) to inform decisions on any new procurement / framework arrangement</li> </ul>	<p>March 2021 – January 2022</p>

<p><b>Potential Re-Procurement Exercise</b></p> <ul style="list-style-type: none"> <li>• Development of tender documentation</li> <li>• Tender advertised / Providers submit tenders</li> <li>• Tender Evaluation exercise</li> <li>• Awarding of Contracts</li> <li>• New Contracts Implementation Work ([potential TUPE transfers etc)</li> </ul>	<p>February 2022 – August 2022</p>
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- 3.6. With respect to Areas 4 & 5 of Sefton, engagement with the current Provider in these areas is still taking place, however it is envisaged that a procurement exercise may commence imminently to secure new Lead Provider/s in these areas.
- 3.7. Further engagement with the current Provider will take place in order to discuss the process for any such procurement exercise, but also to explore any potential alternative options for the current services and how such options could link to the issues outlined in section 3.3 of this report.