

DYNAMIC PURCHASING SYSTEM FOR HOMECARE & OUTREACH SERVICES

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Cabinet Portfolio	Deputy Leader of the Council / Education and Children's Services Social Services, Housing, Health and Wellbeing.
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Papers with report	None

1. HEADLINE INFORMATION

Summary	This report seeks Cabinet approval to establish a Dynamic Purchasing System (DPS), in conjunction with Hillingdon CCG, to call off spot contracts for the supply of Home Care and Outreach care packages. A DPS is similar to a framework agreement, however, new providers who have successfully completed and met the entry requirements, are able to join at any time. If approval is given, it is intended that Hillingdon will source package providers using Connect To Support as an e-brokerage system.
Putting our Residents First	This report supports the following Council objectives of: <i>Our People and Financial Management</i> . The report also supports the delivery of the Health and Wellbeing Strategy and Hillingdon's 2017/19 Better Care Fund Plan by helping to support the independence of residents in the community.
Financial Cost	The Dynamic Purchasing System will be provided as part of the Council's existing Capital E-Sourcing application at no additional cost.
Relevant Policy Overview Committee	Social Services, Housing and Public Health
Ward(s) affected	All

2. RECOMMENDATIONS

That Cabinet:

- 1. Authorises the establishment of a Dynamic Purchasing System (DPS) in conjunction with the Hillingdon Clinical Commissioning Group for Adults' and Children's Home Care and Outreach Services.**
- 2. Authorises officers to procure spot care packages by "calling off" (sourcing) from the Dynamic Purchasing System (DPS).**

Reasons for recommendations

1. Hillingdon Council has a statutory duty to meet the care and support needs of vulnerable adults and children in the Borough based on an assessment of need and where the eligibility criteria are met. The CCG has responsibility to meet the needs of patients who meet Continuing Health Criteria and purchase this support from the same market as Hillingdon Council. This joint working arrangement will enable the market to be managed across Hillingdon for the benefit of Hillingdon Residents. These needs are met via the purchase of Home Care and Outreach Services. The value of business for Spot Contracts for Hillingdon Council is approximately £7,900k and for Hillingdon CCG is approximately £4,500k.

Alternative options considered / risk management

Retain the Current Process

2. Under current arrangements, the separate Brokerage Teams for Hillingdon Council and Hillingdon CCG conduct a labour-intensive process of contacting care agencies to discuss individual packages where a spot purchased placement is required. In addition to the substantial amount of officer time involved, there can sometimes be a delay in identifying a suitable provider able to meet the needs of the service user.

3. Whilst there are arrangements in place to assess the quality of agencies used, neither the Council nor the CCG currently have an established list of providers from which to spot purchase Home Care or Outreach support. There is also the risk of challenge by not operating an open and transparent procedure.

Establish a Traditional Framework

4. Although a traditional framework arrangement would be a compliant process in procurement terms, it does not provide the flexibility of a DPS. For example, once closed it would not allow for new entrants to the marketplace to join. Neither would it be responsive to other changes in the market such as the impact of legislation on care workers' wages.

5. In terms of risk, the DPS manages quality by establishing a series of entry criteria that providers must pass in order to join and be considered for spot purchased care packages. Furthermore, the call off criteria includes both external ratings from OfSTED / CQC as appropriate and internal data from the Council's Quality Assurance Teams. The system is also responsive to changes in quality status once providers have joined.

6. With regards to financial risk, this is being mitigated by establishing a minimum staffing element to the pricing structure in order to help stabilise the market. The automated assessment

criteria established for call off from the DPS has a ratio of 40:60 (Price:Quality) given the vulnerable nature of the client group.

7. Financial risk is also managed through the use of the e-brokerage online referral tool to ensure the prices achieved are the best competitive market prices available from the marketplace at the time of referral.

8. The DPS offers a more efficient process, providing transparency and confidence that best value has been secured, although it is accepted that there will be occasions, such as emergencies, which will require direct award.

9. The DPS is an effective procurement model which will allow the Council to undertake these procurement functions efficiently and effectively whilst also offering a truly transparent, competitive procurement process that supports the provision of good quality care and support.

Policy Overview Committee comments

10. None at this stage

3. INFORMATION

Background

Current Arrangements

11. Contracts for the provision of Homecare services were awarded and came into place in November 2014. The contracts were for a period of 5 years initially. Homecare services provide personal care support to people in their own homes to enable them to continue to live independently in the community.

12. The Borough was divided into 4 zones with a lead provider chosen for each area. One of those providers gave up the contract in May 2016, since when care packages in the zone concerned (Central) have been referred initially to two of the other lead provider agencies.

13. In addition to the lead provider arrangements, homecare is arranged on a spot purchase basis for cases which the contracted providers are unable to accept.

14. There are currently around 20 agencies providing spot purchased care, some with a small number of packages, others with significant numbers.

15. In total around 1130 people receive homecare support each week. Of these, 450 people (6,200 hrs pw) receive support from the main contracted services with around 450 people (6,200 hrs pw) from spot purchased agencies. The annual spend on spot purchased homecare is approximately £5.900k

16. Many of the homecare agencies also provide Outreach support to assist service users to access community based daytime activities (approximately 30 agencies providing 3,850 hrs pw for 390 people). All these packages are spot purchased. The annual spend on Outreach support for adults is approximately £1,900k.

17. Outreach support is also commissioned for children. In the 2016/17 financial year, 7 children

received outreach support, at an approximate annual cost of approximately £25k.

18. Homecare is also purchased by Children's Social Care for children with disabilities. 5 providers are used offering support to 33 service users at an approximate annual cost of £130k. All packages are spot purchased.

19. In addition, the CCG purchases homecare, mainly for end of life care. Many of the agencies used by Adult Social Care also provide services for the CCG but there are also some more specialist nursing care agencies used for complex health support in the home. All packages are spot purchased and the approximate annual cost is £4,500k.

20. The current arrangements for purchasing spot homecare packages can result in the Council and CCG competing within the local market to secure provision which can have the effect of increasing prices.

Proposals for the Future

21. During 2016/17, the current homecare arrangements have been reviewed. Regular monitoring of the 3 contracted providers has been fully implemented and a number of meetings held with spot purchased agencies to discuss provision and the rates paid.

22. A project group was also established to review Outreach provision.

23. Discussions have also been held with the CCG concerning homecare provision which features within Better Care Fund (BCF) plans as an area for increased joint working.

24. The reviews and discussions with the CCG and Children's Social Care services have highlighted opportunities to better co-ordinate commissioning and provision of homecare services across the Borough. More joined up approaches would streamline and consolidate fee rates and also facilitate more effective management of the market locally to ensure the on-going availability of good quality provision at affordable costs.

25. It is therefore proposed that a joint exercise be undertaken covering Adult Social Care, Children's services and the CCG to establish an 'approved provider' list of homecare and outreach agencies to be used to provide spot purchased homecare and outreach support.

26. In terms of adult social care, the contracts awarded following a tender exercise in 2014 will remain in place with the three selected agencies continuing to be the lead provider for their original zones. The two agencies which have been covering the Central area since the original provider gave up the contract have struggled to meet demand in that area.

27. The Central zone will in future be covered through spot purchase arrangements. Care packages in the other areas which the lead providers are unable to accept will also be spot purchased.

28. For Children's services, all care will continue to be spot purchased across the Borough but this will, in future, be based on an 'approved list' established through the proposed procurement exercise.

29. For CCG funded homecare, all cases will also continue to be spot purchased across the Borough but again this will, in future, be underpinned by an 'approved list'.

30. Similar arrangements will also apply to the provision of Outreach support to enable vulnerable people to access community based services. These will also continue to be spot purchased across the Borough.

31. The procurement exercise will establish an 'approved' list of providers who will be required to meet quality and price standards established through the tender. This will formalise arrangements, ensure greater consistency in approaches, stabilise pricing and reduce variances in costs.

32. Homecare support will be available to cover a wide range of needs ranging from relatively simple tasks such as assistance with bathing, dressing and meal preparation to more complex tasks such as administration of medication using specialist techniques or provision of nutrition through feeding tubes. To reflect these different levels of care the homecare service specifications clearly define the tasks to be performed and the training and skills required to carry them out.

33. There are four 'care tiers' identified in the specifications, and agencies will be required to identify which levels of care they can provide.

34. The tiers (including examples of support provided) are:

- Care tier 1 - non specialist care - basic tasks such as prompting to take medication, assistance to dress , wash and eat,
- Care tier 2 - non-specialist care - as above but also including administration of medication, use of feeding tubes, more complex moving and handling,
- Care tier 3 - specialist care - administration of medication using specialist techniques, care for people with ventilator dependency,
- Care tier 4 - registered nursing specialist care - support that must be provided by a registered nurse.

35. Most care commissioned by Social Care will be at levels 1 and 2 with CCG funded care being mainly levels 3 and 4. The proposed integrated approach to the commissioning of homecare across Social Care and the CCG will ensure seamless service provision based on need rather than funding responsibility.

Procurement Model

36. The proposed procurement initiative will establish a Dynamic Purchasing System (DPS). A (DPS) is a procedure utilised for procuring contracts of works, services and goods available from the marketplace. It has similar aspects to a framework agreement, but allows an unlimited number of providers to join the scheme at any time.

37. If approved, Hillingdon's planned 'go live' date will be 1 October 2017. The DPS will initially last 2 years (with the option to extend for a further 1+ 1 years). These timeframes will align the proposed DPS spot purchase model with the homecare lead provider contracts awarded in 2014. These arrangements will be kept under review over the next two years to inform decisions on longer term approaches to the provision of homecare.

38. Officers have undertaken market engagement activity to ensure that our key providers and as many local providers as possible are interested in being part of the DPS. Providers need to recognise that registering and agreeing to be part of the arrangement is an important and

positive step in building their relationship with the Council and the CCG.

39. The DPS will:

- Establish a bank of quality assured providers (by service category),
- Deliver best 'market value' in terms of cost and quality of the service,
- Standardise the minimum pay rate for carers who work in community settings,
- Eliminate competition between Hillingdon Council and Hillingdon CCG,
- Include a competitive electronic process for running mini-competitions,
- Provide improved business processes for both the Council and providers.

Entry Process

40. Providers wishing to join the DPS are invited to access the Tender documents online and submit a completed response to the Invitation to Tender (ITT) via the Capital E-sourcing portal. Documents received by any other means will be rejected.

41. There will be mandatory self-certification of pass or fail questions which sets out the qualification criteria for all potential providers to assess whether they meet the minimum entry requirements.

42. The Tender documents providers are required to submit are the Form of Tender, Confidentiality Undertaking, Non-Collusion Certificate, the Spot Terms and Conditions of Contract, and completion of the service category Pricing Schedule.

43. The ITT will detail the rules for joining, and the process for calling-off from the DPS.

44. Evaluation of Tenders will be completed and all successful providers notified of their inclusion onto the DPS. Successful providers are required to set-up online accounts at: www.connecttosupporthillingdon.org

Call-Off Process

45. Hillingdon will call-off from the DPS via an e-brokerage system, Connect to Support, using a series of requirement domains outlined in the ITT document. The process allows for call-offs from the DPS categories on a spot basis, details of which are set out in the Invitation to Tender (ITT).

46. The Council will undertake an electronic evaluation to determine the final nominated provider on the basis of quality and price. The criteria to be used will be:

- a) **Quality (60%)** based best match in meeting assessed need
- b) **Price (40%)** based on the best price or quotation submitted

47. Care Package award decisions will be recorded for audit purposes and submitting providers notified of the final outcome.

48. Care Package agreements will be issued to the successful provider detailing all the agreed final arrangements via the Connect to Support e-brokerage function.

49. The DPS will be open for new providers to join at any time, with subsequent applications

wishing to join during the term of the DPS notified of the outcome 10 days after submission of their application.

Monitoring

50. Providers approved for the DPS will be monitored using a number of Key Performance Indicators based on a homecare quality standards self-assessment template that has been developed by a combination of NICE, CQC and London ADASS.

51. Quality ratings awarded by the CQC and an annual quality assessment of providers carried out by the Council's Quality Team will also inform monitoring.

52. Monitoring of individual agencies will be proportionate to the amount of hours provided by each agency through the spot purchase arrangements.

Financial Implications

53. There are no additional costs associated with the use of the DPS system as this will be provided as part of the Council's existing Capital E-Sourcing application. Changes required to processes within Protocol and Controcc, the Social Care client system, are expected to be covered within existing resources.

54. Over the last year Hillingdon Council has been working with local Home Care and Outreach Providers to stabilise the market, this has seen an increase in prices paid as wages for staff have increased to enable providers to recruit and retain staff. This additional cost has been funded via the inflation provision set in the 2017/18 budget.

55. The DPS system will build upon the work done to date by providing a tool to purchase from pre-approved providers who will be signed up to using Electronic Call Monitoring which enables better contract management of the service. The joint working with Hillingdon CCG will assist with the market management across the whole sector by removing the competition between the Council and the CCG.

56. The current level of business for the market that will be accessed via this DPS is approximately £7,955k for Hillingdon Council and £4,500k for Hillingdon CCG. The budget for Hillingdon Council is within the Social Care community placements and Children's Placement budget. It is anticipated that these budgets will be incorporated in the Better Care Fund.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

57. The integrated model using a DPS approach will facilitate the availability of a range of good quality providers to meet the assessed homecare and outreach needs of Hillingdon's residents. It will also ensure seamless provision of support based on need rather than funding responsibility that will support continuity of care as people's needs change over time.

5. CORPORATE IMPLICATIONS

Corporate Finance

58. Corporate Finance has reviewed this report and concur with the comments set out above in the financial implications , noting that the Home Care and Outreach spot purchase budgets for

both the Council and the Hillingdon CCG will be managed within the 2017/18 BCF.

Legal

59. The Borough Solicitor confirms that the use of a Dynamic Purchasing System is authorised by the Public Contracts Regulations 2015 and by the Council's Procurement and contract standing orders.

BACKGROUND PAPERS

60. NIL