

# DYNAMIC PURCHASING SYSTEM FOR HOMECARE & OUTREACH SERVICES

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

## HEADLINES

<b>Summary</b>	This report seeks Cabinet approval to extend the Dynamic Purchasing System (DPS), in conjunction with Hillingdon CCG, to call off spot contracts for the supply of Home Care and Outreach care packages for a further 6 months to 31st March 2020. 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, the Council will continue to source package providers using Connect To Support as an e-brokerage system.
<b>Putting our Residents First</b>	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.
<b>Financial Cost</b>	The annual value of the Spot Market for Homecare & Outreach is approximately £10,800k for LBH and £4,300k for Hillingdon CCG
<b>Relevant Policy Overview Committee</b>	Social Care, Housing and Public Health
<b>Ward(s) affected</b>	All

## RECOMMENDATIONS

**That Cabinet authorises extending the DPS route to market by the London Borough of Hillingdon for a period of 6 months to 31 March 2020 and for officers to call-off spot contract provision within this for Home Care & Outreach services.**

### **Reasons for recommendations**

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 continues to 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 £10,800k and for Hillingdon CCG is approximately £4.300k.

The use of the Dynamic Purchasing System was previously agreed at Cabinet on 22 June 2017 for a period of 2 years with a 'go live' date of 1<sup>st</sup> October 2017 and the option to extend for a further 1+ 1 years. However, rather than implement the 1+1 extension, officers recommend extending arrangements for 6 months until 31<sup>st</sup> March 2020. This will provide sufficient time for the Council to tender homecare & outreach, together with extra care services.

## SUPPORTING INFORMATION

### **Current Arrangements**

1. Contracts for the provision of Homecare services under a DPS were awarded and came into place in October 2017. The contracts were for a period of 2 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.
2. The Borough currently has coverage across parts of the North, South and Central localities by a lead provider in each area. Care packages are referred initially to these lead providers and if they cannot accommodate, local spot providers are sought through the DPS.
3. There are currently 33 agencies on the DPS providing spot purchased care, some with a small number of packages, others with significant numbers.
4. Based on a snapshot of data mid May 2019 approximately 1,559 residents, both Adults and Children, receive homecare or outreach totalling approximately 21,613 hours of care per week.
5. The CCG uses the DPS to purchase homecare, mainly for end of life care. The estimated annual value of business for the CCG is £4,300k.
6. The introduction and use of the DPS has:

- Established a bank of quality assured providers (by service category),
- Delivers best 'market value' in terms of cost and quality of the service,
- Standardised the minimum pay rate for carers who work in community settings,
- Eliminated competition between Hillingdon Council and Hillingdon CCG,
- Included a competitive electronic process for running mini-competitions,
- Provided improved business processes for both the Council and providers.
- Provided capacity in the sector due to the number of new providers that have joined the DPS

### **Call-Off Process**

7. Hillingdon currently calls-off from the DPS via an e-brokerage system, Connect to Support, using a series of requirement domains outlined in the original 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). The Council then undertake an evaluation to determine the final nominated provider on the basis of quality and price. The criteria used are:

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

8. Care Package award decisions are recorded for audit purposes and submitting providers notified of the final outcome. Care Package agreements are issued to the successful provider detailing all the agreed final arrangements via the Connect to Support e-brokerage function.

9. The DPS remains 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.

### **Providers who have come on/off the DPS**

10. There are no areas of concern with the current process and officers are able to source packages of care to meet the needs of residents, in a timely fashion. The system ensures that the quality and finance requirements are met. Officers have refined the pricing system which will be published on acceptance of this report ensuring that the system is more efficient for financial acceptance.

11. Providers who have come off the approved list are through the Care Governance Board process and terms of the contract. Providers that have come off have been due to quality concerns and financial instability.

### **Monitoring**

12. Providers approved for the DPS are monitored using a number of Key Performance Indicators based on a template for homecare quality standards self-assessment developed by a combination of NICE, CQC and London ADASS. The Quality ratings awarded by the CQC and annual quality assessment of providers carried out by the Council's Quality Assurance Team also help inform monitoring. Contract management of individual agencies is proportionate to the amount of hours provided by each agency through the spot purchase arrangements.

## **Proposals for the Future**

13. A project is currently underway to review the three zones with a lead provider chosen for each area. Care packages will be referred initially to these lead providers and if they cannot accommodate, will be arranged on a spot basis. The 6 month extension of the current DPS arrangement will give the Council adequate time to ensure this project is fully resourced and implemented.

14. The criteria of the current DPS process will be reviewed to improve the quality of our spot provider pool and rationalise the number of agencies admitted to the DPS. This will cover Adult Social Care, Children's services and the CCG.

15. Procurement supports the recommendations set out in this report to extend the existing DPS and the Spot Contracts until 31st March 2020.

## **Financial Implications**

16. There are no additional costs associated with the continued use of the DPS system for a further 6 months as this is already embedded into existing processes and budget and will continue to be covered within existing resources.

17. The current level of business for the spot market is £10,800k. Approximately £6,600k of this has been awarded via this DPS and £4,200k with legacy packages that have been in place prior to the introduction of the DPS. The budget for this spend is contained within the Social Care placement budgets - £4,300k for Hillingdon CCG.

18. The providers are financially evaluated before being admitted to the DPS and are monitored via the Care Governance Board if concerns are raised due to either care issues and financial stability.

## **RESIDENT BENEFIT & CONSULTATION**

### **The benefit or impact upon residents, service users and communities?**

19. The current model using a DPS approach will continue to 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.

### **Consultation carried out**

20. None required.

## CORPORATE CONSIDERATIONS

### Corporate Finance

21. Corporate Finance has reviewed the report and concurs with the financial implications set out above noting that there are no additional costs arising from the recommendation to extend the use of the Dynamic Purchase System to purchase spot contract provision for Adult Social Care Clients. It is also noted that the budgets for Older Persons Homecare and Outreach are held within the Better Care Fund 20919/20.

### Legal

22. 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

23. NIL