

Report for: Cabinet – 6 February 2024

Title: Extension of contracts for the provision of bundled hours home support and reablement services

Report authorised by: Vicky Murphy – Service Director, Adult Social Services

Lead Officer: Rebecca Cribb – Service Manager, Adult Social Care Commissioning, Brokerage and Quality Assurance
Rebecca.cribb@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1. This report seeks approval for the execution of an 18-month extension to twelve (12) Call-Off contracts for the provision of bundled hours home support and reablement services (listed in Appendix 1 of this report), as provided for in the original tenders.
- 1.2. Beginning in 2020, with a second tender in 2021, Haringey Council introduced, through the award of twelve Call-Off contracts, a new and ambitious model of home support and reablement. The model draws on best practice from other local authority areas as well as being coproduced with Haringey residents and their families/carers, a range of health and social care professionals, and home care agencies and their staff.
- 1.3. The model is designed on a localities footprint, with a small number of providers contracted to deliver up-to 70% of Haringey's home support and reablement care hours within each of the three locality areas (East, West, and Central Haringey). The contracts and associated service specification, set out an ambition for providers to work in a person-centred and outcomes-focused way, enabling and promoting personal independence wherever possible to support people to live as independently as possible for as long as possible. The localities design increases the opportunities and ability for collaborative working between the service providers and other health and social care professionals working within those locality areas, and thereby better enables achieving outcomes for residents.
- 1.4. The value of contracting providers in this way is that we can build better relationships with providers and strengthen the outcomes achieved. The

alternative would be to 'spot purchase' individual care based on availability which would result in a larger number of providers and less ability to manage the outcomes and quality of the services provided.

- 1.5. On 10 March 2020 and 9 February 2021, the Cabinet approved the award of twelve (12) Call-Off Service Agreements (contracts) for the provision of Home Support and Reablement services to successful tenderers with an option to extend for a further two years to 31 August 2025 (if extended).
- 1.6. Contract reviews to date indicate that we are beginning to see the positive changes expected from these contracts, including: a higher volume of care hours being provided by fewer providers; stronger relationships between providers, Commissioners and Quality Assurance, and an ability to deal effectively with quality assurance concerns; a reduction in delays putting care in place across the borough and across all levels and types of need; more residents benefiting from a period of enablement-based care; and better conditions for care staff including higher rates of pay and more guaranteed work hours.
- 1.7. It is anticipated that the extension period will allow sufficient time for the fuller benefits of the contracts to be realised. These timescales also align to some key dependencies to realising the fuller benefits including; an investment in Quality Assurance and Contract Management capacity which is being implemented through the Adult Social Care Commissioning Peer Review; and the move to localities-based working for adult social care services which is already underway with new work allocated on a locality basis and defined locality teams due to be in place by April 2024, and will enable greater collaborative working with the service providers.

2. Cabinet Member Introduction

- 2.1. Since the introduction of the contracts there has been measurable improvements in the home support and reablement offer to Haringey residents. A larger proportion of care hours are being delivered by a smaller number of providers, which we know enables a more unified approach between care providers, social care and health professions, and the voluntary and community sector. We have also seen more effective contract monitoring and quality assurance through less Council resource needed to ensure efficacy in delivery outcomes, which has enabled us to support providers to remain in the care market. Amongst providers delivering these contracts we have seen fewer packages handed back and fewer complaints about consistency and continuity of care. Importantly we have been without seeing the waiting lists that other London boroughs and parts of the country are experiencing. A significantly higher proportion of clients are receiving a period of reablement to enable as much independence as possible. For our valued care workers the contracts have led to improved contractual terms for care workers with providers required to pay LLW and guarantee care hours.

3. Recommendations

3.1. For Cabinet to approve, pursuant to Contract Standing Order 10.02.1 (b) , the extension of twelve (12) contracts for the provision of bundled hours home support and reablement service, for an 18-month period, from 1 March 2024 to 31 August 2025. The twelve contracts are listed in Appendix 1 (exempt) of this report.

3.1.1. The maximum cost of extending for 18 months, if all care hours are utilised, is £15,064,920, taking the combined total contract values to a maximum of £42,786,315. For the avoidance of doubt, payment will be made on services called-off and delivered only, and the estimated likely spend for the 18 month period, based on current utilisation, is £12.3m.

4. Reasons for decision

4.1. Haringey's model of care for home care support was developed using a co-design process that engaged with front line care workers, provider agencies, service users, and social care staff, and reflected best practice in delivering home support and reablement services from across the country.

4.2. The contracts have been running for between two and three years, and a review of performance across the contract shows the contracts are performing well:

- between 70 and 80% of the contracts' care hours are being utilised. The ambition is to increase to 90-100% within the contract extension period.
- 89% of packages are commissioned with a few hours of referral; and most packages are commissioned within 24-48 hours
- Package hand backs are low with just a handful of packages handed back since the start of these contracts where it was felt that the provider could not meet the needs of the client or at the client's request.
- Client satisfaction is reported as top quartile, with the council receiving fewer complaints from clients, family or social care staff.
- Around 90% of planned visits are made and continuity of care provider is good.
- Although workforce recruitment and retention issues persist, as they do regionally and nationally, providers have reported that the ability to offer greater pay, more care hours and in defined geographical areas that limit the need for travel, has perhaps shielded them from the worst effects of the prevailing climate, has allowed them to increase their employment of Haringey residents and has facilitated some overseas recruitment. All providers are reporting use of fixed hour contracts and payment of London Living Wage (LLW).

4.3. Although there have been issues with several providers being CQC rated Requires Improvement, leading to a suspension in new packages, one of the strengths of the new model, with a smaller number of providers, has meant we have been able to target our finite Provider Quality Assurance (QA) resource to work intensively with these providers to ensure their improvement plan is implemented in a timely manner. To date, five providers

have been suspended, and three of the five providers have had their suspension lifted.

- 4.4. Areas for focus moving forward are reporting and achievement of reduction in care hours and delivery of outcomes-based care, and supporting clients to connect into their local community and networks.
- 4.5. As part of the implementation plan for the Adult Social Care Commissioning Peer Review undertaken in Autumn 2022, a Quality Assurance and Contract Monitoring Framework (QACMF) has been launched, and we will also be increasing the number of officers working in these areas. This will ensure that going forward regular contract monitoring and on-site provider visits will take place; these providers will also receive at least two Contract Monitoring meetings and two QA visits a year. This will enable a more proactive approach to addressing and resolving contractual performance and quality assurance issues.
- 4.6. The move towards adult social care service localities will further assist efficacy of service delivery for these contracts, as it will facilitate area knowledge and enable greater collaborative working with social care professionals. care workers to more easily reduce travel time for care workers and the move to localities-based working for adult social care services which is already underway with new work allocated on a locality basis and defined locality teams due to be in place by April 2024, and will enable greater collaborative working with the service providers.

5. **Alternative options considered**

- 5.1. **Do nothing:** the contract would end on 28 February 2024 and would undermine all the progress the Council has made with the successful providers to-date. It would also put at risk continuity of care for clients as providers may choose to hand back packages of care.
- 5.2. **Go out to tender:** It would be possible to go back out to tender but given the imminent expiration of the contract, will not allow for a full procurement process to be undertaken. It would also disrupt the good relationships and progress made with the providers to date. Given the challenges in the market and our duty to ensure sustainable fee rates, it would be unlikely to produce a reduction in cost.

6. **Background information**

- 6.1. Domiciliary care is a vital, regulated service which is needed to enable the local authority to fulfil its duties under the Care Act 2014. There are three main ways in which Haringey makes support available to local residents:
 1. Reablement is short term support offered to people in their own homes.
 2. Direct Payments offers a route to enabling people to remain in their own homes with greater choice and control.

3. Home support is the third way the Council helps residents in the need of additional help to remain as independent as possible in their own home for as long as possible.
- 6.2. There are currently around 1,520 Haringey adult social care service clients receiving home support or reablement, which equates to almost 25,589 hours of care a week. Haringey spends in excess of £24m a year (gross cost) on home care and externally provided reablement services, projected for 2023/24 representing around 20.5% of Haringey spend on packages of care for adult social care clients.
 - 6.3. Prior to the introduction of these contracts, all home care packages and externally provided reablement packages were commissioned on a spot purchase basis via Haringey's Dynamic Purchasing System (DPS). At any one time approximately 70 providers were delivering services, most of which were small or micro, including not-for-profit organisations and Small and Medium Sized Enterprises (SME's). Whilst flexible, this method of commissioning was found to be not conducive to market sustainability and was impacting on providers' ability to recruit and retain care staff and to provide continuity of care. It was also impacting on the Council's ability to source care particularly in hard to serve areas of the borough, as well as its ability to effectively manage quality and performance of such a wide range of providers.
 - 6.4. A local review of home support was carried out and at the time, the London ADASS home support commissioning review, identified the following challenges facing Haringey home support.
 - a) Sustainability in the market and the workforce
 - b) Carer career progression
 - c) Efficiency and market plurality
 - d) Price sustainability, including the balance between moving forwards to LLW and achieving best value.
 - 6.5. The model introduced in 2020, is based on findings from a co-design process, which followed the review outlined in 6.4, which engaged with front line care workers, provider agencies, users, carers and social care staff.
 - 6.6. It was anticipated that the new model of care would deliver improved outcomes, offer a more sustainable service, and create better conditions for the workforce. Some of the features of the new model include:
 - a) 70% of home care and reablement packages would be purchased through the 'bundled hours' arrangement.
 - b) 30% of home care packages would remain as spot purchases and would be sourced using the Dynamic Purchasing System (DPS) to ensure that opportunities were there for smaller and medium sized providers to remain or enter the market.

- c) Providers are required to pay all care workers London Living Wage (LLW) meeting the Council's commitment to LLW.
- d) Providers operate across a wide range of health and care needs.
- e) Improved workforce recruitment and retention through improved contractual arrangements.

6.7. The tender process and contract extensions to date

6.8. On 10 March 2020, the Cabinet approved the award of three (3) Service Agreements (contracts) for the provision of Home Support and Reablement services to successful tenderers for a period of three years with an option to extend for a further two years.

6.9. A variation of commencement date was subsequently approved to postpone the commencement date to 1 September 2020, due to delays in implementation caused by the Covid-19 pandemic. Contracts were awarded to three organisations but only two accepted the contract, the third provider withdrew their offer post award.

6.10. On 9 February 2021, the Cabinet approved the award of a further ten (10) contracts for a period of 29 months commencing from 12 April 2021 to 31 August 2023 with an option to extend for further period of up to two (2) years.

6.10.1. On 6 December 2023, the Cabinet Member for Health, Social Care, & Wellbeing, agreed to an initial 6-month extension whilst contract reviews were undertaken, and noted that a subsequent report would be prepared to consider whether the council should exercise its option, under the original tender, to extend the contracts for up to a further 18 months.

6.11. Current Bundled Hour Contract and Market Position

6.11.1. Currently providers are delivering around 70-80% of the maximum value of the contracts. Regional challenges in recruitment and retention of workforce have prevented being able to reach the 90-100% desired for these contracts, which we anticipate being able to achieve during the extension period, with more capacity to support providers in their workforce challenges including access to support provided as part of the North Central London (NCL) Workforce Programme. Whilst there is not a significant issue with capacity in the overall home care market, a larger proportion than desirable continue to be delivered through spot purchase contracts via Haringey's Dynamic Purchasing System (DPS), which means that we continue to work with a large number of providers to enable the development of effective strategic relationships.

6.11.2. Although there has been a shift in policy to delivering more reablement "in-house" which has led to a reduction in the number of reablement packages purchased through the Bundled Hours Providers, projections nevertheless indicate that there are still sufficient home care hours to meet the minimum number of guaranteed hours from the Service Providers each year. Nevertheless, the Bundled Hour Providers continue to work in an enabling

way and promoting personal independence wherever possible to support people to live as independently as possible for as long as possible.

- 6.11.3. In line with our contractual terms and procedures, the Council shall continue to suspend the service providers whose CQC rating is dropped to 'Requires Improvement' and support the provider to implement its Improvement Plan. No new cases will be allocated to suspended providers, and existing cases will be monitored within our Adult Social Care Quality Assurance and Contract Monitoring Framework.

6.12. Contract Management and Performance Monitoring

- 6.12.1. Key Performance Indicators (KPI's) and methods of measurement were integrated into the contract requirements and were to be monitored through contract monitoring meetings and reports. Most of this activity is now taking place, with identified contract managers and monthly contract monitoring in place. Haringey's recent Commissioning Peer Review is also addressing the need to have more Contract Management resources in place to undertake robust monitoring and thereby ensuring value for money, outcomes based contracting and compliance.

- 6.12.2. Since the introduction of the contracts, analysis shows that a larger proportion of care hours are being delivered by a smaller number of providers, which we know has several benefits: a more unified approach between care providers, social care and health professions and the voluntary and community sector; more effective contract monitoring and quality assurance as it requires less Council resource to ensure efficacy in delivery outcomes, as well as allowing the Council to develop crucial partnerships with Providers to assure quality and continue to improve value.

- 6.12.3. The contracts have also led to improve contractual terms for care workers with providers required to pay LLW, Travel and Waiting Time, and forgo their use of zero hours contracts. The commissioning review will consider the consistency with which these requirements of the contract are being adhered to.

6.13. Adult Social Care Commissioning Peer Review

- 6.13.1. The Peer Review for the statutory Adult Social Care Commissioning team took place in September to October 2022. It used an evaluation format from the Public Sector Transformation Academy (PSTA) called the "Commissioning Playbook". In addition to the 8 evaluation areas of the Playbook, a ninth strand, Structure was also evaluated.

- 6.13.2. The outcome of the Peer Review's report was a series of Recommendations, falling within four areas of a balanced scorecard: Workforce; Residents & Community; Foundations & Information; and Finance.

- 6.13.3. A programme plan to transform and develop the statutory Commissioning Function has been in place since May 2023, in order to deliver the Recommendations of the Peer Review.

- 6.13.4. Workforce deliverables, which include increased resource in both Commissioning and Quality Assurance, will ensure that proactive contract management and quality assurance reviews of more providers are possible.
- 6.13.5. Foundations & Information deliverables have included the delivery of the Quality Assurance and Contract Monitoring Framework (QACMF), which implements a monthly, interdisciplinary QACM Board to review those providers within the Framework; a referrals process; a quality monitoring process (which incorporates the current Establishment Concerns process) and a dashboard for review by the Board, to proactively monitor providers with quality concerns within the Framework. The QACMF also provides methods to de-escalate providers as they demonstrate tangible improvements through the quality assurance process.
- 6.13.6. As highlighted above, the contract management elements of the QACMF will build on the KPI-setting work of the current Commissioning team, and will support proactive contract management of providers who support twenty or more clients, have an annual spend of £500k per year or more, or who fit both of these criteria.
- 6.13.7. Within the Residents & Community deliverables, a Commissioning Co-Production Board has recently launched. One of its first tasks will be to establish how the resident voice will be proactively involved in both Contract Management and Quality Assurance. One way the Commissioning Co-Production Board might do this, is by setting up a resident auditing team, to gather information about providers due for their twice-yearly contract monitoring review, or by developing interactive methods of gathering feedback with residents using statutory adult social care services. This might include video feedback, interviews and surveys of people using services and their family carers.
- 6.13.8. In time, the Commissioning Co-Production Board will also support engagement with residents about how this contract might be re-commissioned in future.
- 6.13.9. The Finance recommendations of the Peer Review have led to the establishment of the Commissioning Co-Production Board, which, among other things, is responsible for identifying and realising value-for-money in current or future contracts, to maximise use of resources to meet the Council's Care Act duties.
- 6.13.10. The Commissioning Co-Production Board will keep under review this contract, in consultation with commissioning colleagues who undertake the regular contract management functions with the providers of this contract.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'

- 7.1. The proposal supports Theme 4 'Adults, Health and Welfare' of the Corporate Delivery Plan 2022/23 and 2023/24 in particular Outcome 1: Healthy and Fulfilling Lives - All adults are able to live healthy and fulfilling lives, with dignity, staying active, safe, independent and connected in their communities.

8. Carbon and Climate Change

- 8.1. Each contract is restricted to one of three small geographical areas "Localities"; this is designed reduce travel time between homecare visits across the borough.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

9.1. Finance

- 9.1.1. This report is seeking to extend the contracts for a further period of 18 months from 1 April 2024 to 31 August 2025. The cost of extending for an additional 18 months is a maximum of £15,064,919 taking the total contract values to a maximum of £42,786,315. It is anticipated that total spend across the 18-month period will be around £12.3m, based on current client utilisation levels.

- 9.1.2. The contracts provide statutory services for Adult Social Care clients. There are pressures on existing Adult Social Care budgets, with an overspend of around £13m currently being forecast for 2023-24. The revenue budget proposals for 2024/25 contains growth of £16.247m to address the overall pressures on the care placement costs. There are also plans to mitigate these overspends through a number of savings proposals to deliver a balanced budget that take into account the proposed contract extension.

9.2. Procurement

- 9.2.1. This provision falls within scope of the Light Touch Regime; Schedule 3 of the Public Contracts Regulation 2015 (PCR) and was duly tendered at the outset via a Dynamic Purchasing System in line with the requirements of the Regulations

- 9.2.2. Usually, a change in a contract post award requires a new tender process unless it falls within the provisions of Regulation 72 of the PCR. The request for extension may be authorised under Regulation 72.1(a); the extension was provided for as part of the initial procurement in precise and unequivocal terms and did not include provision to alter the nature of the contract.

- 9.2.3. This request complies with the requirements of CSO 10.02.01

- 9.2.4. Commissioning reports that providers are delivering satisfactory services that meet contractual outcomes. Moreover, to underpin current practice as set out at 6 above the commissioning team has developed a new contract monitoring framework with specific contract managers to ensure robust contract monitoring and tracking of outcomes and quality standards are met and maintained throughout the remainder of the term along with mechanisms to manage and improve any shortcoming in service delivery. Importantly, commissioning is also aiming to give voice to service recipients who will also be part of the quality monitoring process and can provide valuable feedback about service delivery, outcomes, and the future direction of this provision

9.3. Legal

- 9.3.4. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.
- 9.3.5. The services are Schedule 3 Services for the purpose of the Public Contracts Regulations 2015 (the Regulations) and are above the threshold where the modification rules set out in Regulation 72 applies.
- 9.3.6. The Council carried out a procurement process for the original contract and its Corporate Procurement Team has confirmed that the original tender included an option to extend for two years. The Council may therefore avail itself of Reg 72 (1) (a) i.e where the modifications were set out in the initial procurement documents in clear precise and unequivocal review clauses including price revision clauses.
- 9.3.7. Cabinet has power to approve the extension under CSO 10.02.1 (b) (extension valued at over £500,000).
- 9.3.8. The extension is a Key Decision and, as such, needs to comply with the Council's governance requirements in respect of Key Decisions including publication in the Forward Plan.
- 9.3.9. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet Member for Health, Social Care and Wellbeing from approving the recommendations in this report.

9.4. Equality

- 9.4.4. The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share protected characteristics and people who do not;

- Foster good relations between people who share those characteristics and people who do not.

9.4.5. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.4.6. This report seeks approval for an 18-month extension to twelve call-off contracts for the provision of bundled hours home support and reablement services. There have been no known equalities-related concerns with the contracts in 2023/24.

9.4.7. An Equality Impact Assessment was completed at the time of the contract award in the original Cabinet Report 'The Award of contract for the provision of bundled hours, home support and reablement service' in March 2020. The EQIA outlines that the impact of the contract awards is positive as they aim to improve the quality of home support by delivering an outcomes-focused, person-centred service.

9.4.8. Analysis indicates that the make-up of the home support and reablement cohort remains broadly unchanged since the 2020 Equality Impact Assessment.

9.4.9. As an organisation carrying out a public function on behalf of a public body, the Contractors will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

9.4.10. Appropriate contract management arrangements are established to ensure that the delivery of the service does not result in any preventable or disproportionate inequality. This involves regular contract and performance monitoring and quality assurance visits.

10. Use of Appendices

10.2. Appendix 1 (exempt) - List of Providers and their contract value.

This appendix contains exempt information under the following category: (identified in the amended schedule 12 A of the Local Government Act 1972 (3)) information in relation to financial or the business affairs of any particular person (including the authority holding that information).

11. Local Government (Access to Information) Act 1985

11.2. None