

## AGENDA ITEM 4

### RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

#### CABINET

15<sup>TH</sup> DECEMBER 2015

#### RE-COMMISSIONING OF DOMICILIARY HOME CARE CONTRACTS

#### REPORT OF THE GROUP DIRECTOR, COMMUNITY AND CHILDREN'S SERVICES, IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER, COUNCILLOR FOREY

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#### 1. PURPOSE OF THIS REPORT

- 1.1 The purpose of the report is to seek authority from Cabinet to work collaboratively with Merthyr Tydfil County Borough Council to re-commission domiciliary home care contracts currently delivered by independent sector providers and for Rhondda Cynon Taf to act as lead authority for the procurement and contracting arrangements on behalf of both local authorities.

#### 2. RECOMMENDATIONS

It is recommended that the Cabinet:

- 2.1 Approve that Rhondda Cynon Taf work collaboratively with Merthyr Tydfil County Borough Council to re-commission the delivery of existing independent sector domiciliary care contracts due to expire in September 2016.
- 2.2 Authorise Rhondda Cynon Taf to act as lead authority for the procurement and contracting arrangements on behalf of both local authorities.

#### 3. REASONS FOR RECOMMENDATIONS

- 3.1 Current contracts in both Rhondda Cynon Taf and Merthyr Tydfil end in September 2016 and arrangements need to be made for the retender of this essential service.
- 3.2 Re-commissioning the contracts will provide an opportunity to further improve access to the service and ensure the provision of a flexible and responsive service with greater focus on a reablement approach to support more people to live as independently as possible at home. Re-commissioning the contracts will also provide an opportunity to stimulate the market for new providers to enter and to ensure ongoing Value for Money from commissioned Services.

- 3.3 The proposed single collaborative procurement process will enable new standard specifications and contracts to be issued across both local authorities, streamlining procurement, contract monitoring and electronic monitoring processes.

#### **4. BACKGROUND**

- 4.1 Rhondda Cynon Taf currently procures approximately 12,300 hours of domiciliary care from 8 independent sector domiciliary care home providers.
- 4.2 The current Rhondda Cynon Taf contracts were awarded in two stages: with stage one from July 2009 and stage two from July 2010, both for an original period of four years. Both contracts have been subsequently extended for operational reasons in accordance with Council's Contract Procedure Rules.
- 4.3 Merthyr Tydfil currently commissions domiciliary home care services from 2 independent Providers. Each week these Providers deliver approximately 3,900 hours of domiciliary home care. Merthyr Tydfil contracts were awarded in 2011 for a period of 3 years with the option to extend for a further 2 years. The contracts were subsequently extended to provide stability within the market and to support the transfer of the in house provision.
- 4.4. Both local authority's domiciliary care contracts will end in September 2016.
- 4.5 A mapping exercise has been undertaken to determine the similarities and differences between existing and proposed commissioning arrangements. The exercise indicated that whilst there were some minor differences, both Rhondda Cynon Taf and Merthyr Tydfil were intending to commission their domiciliary care services to the same service specification.

#### **5. COLLABORATIVE COMMISSIONING**

- 5.1 Initial discussions have taken place between Officers from both local authorities to consider the possibility for working collaboratively to recommission expiring domiciliary care contracts and what benefits would there be for both local authorities. The following advantages have been identified:
- Greater resilience of the domiciliary care sector to respond to changing requirements.
  - Shared skill set of officers across both local authorities to support a more robust approach to the process.
  - Strengthening of service monitoring arrangements by taking a joint approach.
  - Reshaping of domiciliary care services to support the implementation and future requirements of the Social Services and Wellbeing (Wales) Act can be taken forward on a regional basis.



- Greater value for money could be achieved through shared management and agency facilities for the Providers.
- Delivery of the commitment in the draft Joint Commissioning Statement for Older People 2015/2025, to commission services collaboratively where feasible.
- A regional approach to how domiciliary care services are commissioned will support the future development of an integrated @ home service ensuring that there is parity of the services that can be commissioned across the region.

5.2 Whilst overall a collaborative approach to commission domiciliary care services will provide many advantages there are still areas that require further work to synchronise the approach of both local authorities, these include:

- Invoicing arrangements
- Process for commissioning individual packages of care
- Implementation of electronic monitoring systems
- Future contract monitoring arrangements

5.3 It is proposed that Rhondda Cynon Taf act as the lead Authority for the procurement and contracting arrangements on behalf of both local authorities. Should this be agreed by Cabinet an inter-authority agreement to underpin this joint commissioning project will be developed.

## **6. COMMISSIONING PROPOSAL**

### **Proposed model of commissioning, arranging and delivering home care**

6.1 It is proposed that domiciliary care contracts will be allocated to 5 independent providers to provide a range of domiciliary care services to all service user groups and contracts will be split as follows:

- 2 providers responsible for delivering services across Rhondda and Taf West (Lot 1); and
- 3 providers will be responsible for delivering service across Merthyr, Cynon and Taf East (Lot 2).

6.2 Providers will be permitted to submit bids for both Lots, but will only be awarded one contract in one Lot, ensuring a sufficient number of providers are appointed to provide service resilience. Each provider will be expected to deliver services across the entire geographical area of each Lot.

6.3 The expected benefits of this approach are that providers will:

- Have increased certainty about the services they will be expected to deliver.

- Be able to focus all their resources in a particular area, building a presence in, and strong links with, the local community.
- Improve the quality of services, with greater reliability and better use of other resources in the local community.
- Improve the staff terms and conditions, by offering greater certainty and less "downtime" (e.g. through less travel).

6.4 Historically, the model of service has been one of 'to do for' with services being commissioned on a time and task basis. This has not provided an enabling culture to be developed by providers. The Social Services and Wellbeing (Wales) Act 2014 now sets a new direction for prevention and wellbeing and is a critical factor in the changing culture for social care. As such, the service model will reflect the aims of the Act of empowering service users and their carers and promoting their independence by affording them a stronger voice and giving them more control over the services they receive.

6.5 There will be greater empowerment and choice given to the individual in agreeing their outcomes, enabling them to identify what they want to be able to do for themselves and what lifestyle they want to live, focussing all aspects of their care and support towards achieving these outcomes. This may require them to maintain their current levels of ability, re-learn skills they previously had or learn new skills

### **Recommissioning process and timeframe**

6.6 It is proposed that contracts will be awarded as a framework agreement for a period of six years with an option to extend on a two plus two year basis. The expected benefits of this approach are that it will:

- reduce the uncertainty created for service users resulting from the frequent retender of services;
- offer increased security for providers and would allow them to invest in changes that may be required for new ways of working and develop more effective practices;
- provide increased flexibility with changes in demand and offer better value for money than traditional block contract arrangements.

6.7 The framework agreement will be created following a two stage restricted tender process in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

*Stage 1: pre-qualification stage:*

- 6.8 Shortlists are to be drawn up in accordance with the procurement regulations by a pre-qualification questionnaire (PQQ). The pre-qualification will test the capacity and capability of potential bidders, including quality, as well as potential bidder eligibility to take part in the procurement. There are a number of pass/fail questions within the PQQ stage. The outcome of this stage will be a list of pre-qualified bidders for the procurement and a short-list of bidders to be invited to tender.

*Stage 2: Invitation to Tender stage:*

- 6.9 For those that are selected there will follow an Invitation to Tender stage. Tenders will be evaluated on the basis of the most economically advantageous tender in order to award providers onto the framework agreement using the criteria of 50% quality (i.e. what service they will deliver and how) and 50% on price (i.e. what will be the cost of the service). This weighting will be sending a clear message to providers that in order to have a chance of being awarded a contract, they must demonstrate that they can deliver high quality and cost effective services that are suitable (in all aspects) to meet the needs of people across Rhondda Cynon Taf and Merthyr.

- 6.10 The procurement timetable summarised in the table below will support the new framework being available from October 2016:

	<b>Activity</b>	<b>Date</b>
1	Issue PQQ	January 2016
2	PQQ Return	February 2016
3	PQQ Evaluation	March 2016
4	Issue Tender	March 2016
5	Tender returns	April 2016
6	Final tender evaluation	May 2016
7	Contract Sealing	July 2016
8	Contract mobilisation	July – September 2016
9	Contract start date	1 <sup>st</sup> October 2016

**7. EQUALITY AND DIVERSITY IMPLICATIONS**

- 7.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. This exercise has shown that a full EqIA is not

required. The screening form can be accessed by contacting the author of the report or the Cabinet Business officer.

## **8. FINANCIAL IMPLICATION(S)**

- 8.1 Currently both Rhondda Cynon Taf and Merthyr Tydfil commission domiciliary care services at a very competitive price when compared to other contract rates paid across Wales. The actual financial implications of this retender will not be fully understood until bids have been submitted and the tender process completed.

## **9. CONSULTATION**

- 9.1 Consultation has taken place with providers and commissioners and informed the proposals included in the proposed commissioning model described in Section 6 above.
- 9.2 Should Cabinet agree the recommendations outlined in the report, further engagement activity will take place with providers and more specifically with service users to ensure their views are accounted for in the delivery of the new domiciliary care service model.
- 9.3 A communication strategy will also be developed to ensure that those individuals affected by the change are kept informed.

## **10. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 10.1 There is a legal obligation to retender these services through a competitive procurement process. The tender process will be undertaken in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.
- 10.2 The Social Services and Wellbeing (Wales) Act provides the legal framework for improving the well-being of people who need care and support and the recommissioning will assist both Rhondda Cynon Taf and Merthyr Tydfil in the delivery of its new statutory obligations under the Act.

## **11. LINKS TO THE COUNCILS CORPORATE PLAN/OTHER CORPORATE PRIORITIES/SIP**

- 11.1 The recommissioning of current domiciliary contracts will support delivery of the Council's corporate priority "to support vulnerable adults and older people to live independently".

### **Other information:**

**Relevant Scrutiny Committee:** Health and Wellbeing