

REPORT TO: Executive Board
DATE: 28th March 2013
REPORTING OFFICER: Strategic Director Communities
PORTFOLIO: Health and Adults
SUBJECT: Extension of Domiciliary Care Contract
WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek agreement and approval from the Executive Board to formally extend service provision of identified Domiciliary Care contracts for a period of 1 year from 1st April 2013 to March 31st 2014.

2.0 RECOMMENDATION: That the Board:

- 1) **Approve using Procurement Standing Order 1.8.3(c) to waive Part 2 of Standing Orders which refers to contracts exceeding £1,000,000 in value, whilst preparation is being undertaken to conduct a full tender process in compliance with EU Public Procurement legislation 2006, Part 6 of Procurement Standing Orders.**
- 2) **Agree to extend existing Domiciliary Care contracts in Halton for a period of up to 1 year from 1st April 2013 to 31st March 2014.**

3.0 SUPPORTING INFORMATION

3.1 Our Domiciliary Care services are a key service to support vulnerable people to remain at home. Analysis of future demand to 2015 has identified a net increase of service use of 17%. It also illustrated the impact of the forecasted increase in the proportion of older people over 80 in the borough. This has seen a significant increase in the demand for domiciliary care to the borough and this is anticipated to continue in the coming years.

3.2 It is therefore the intention to conduct a detailed and robust tender and procurement exercise that will consider all of the challenging factors that contribute to an extremely complex area of work. Planning for the tender process is already underway and will run until the new contract is awarded on 1st April 2014.

- 3.3 The tender and procurement exercise will:
- Take account of the significant changes in the level and pattern of demand and the related financial implications identified by research and demand forecasting
 - Consider potential to introduce a generic domiciliary care contract across all social care service user groups
 - Establish an outcome-based approach to domiciliary care in Halton.
- 3.4 The following are the key tasks that will need to be completed as part of the tender and procurement task and will require significant time to ensure that the contract is delivered effectively and efficiently.
- Review of financial model to establish the 'cost of care'
 - Explore opportunities to commission on a regional or sub regional basis
 - Consultation with providers, service users, families, health, operational teams and voluntary sector.
 - Best practice review and benchmarking with other authorities
 - Development of communication strategy
 - Research future demand and needs analysis
 - Link to health colleagues to assess impact
 - Develop agreed domiciliary care model
 - Consider new duties set out in the Social Care White Paper- Reforming Care and Support. I.e. duty to promote diverse, sustainable and high quality market of care and support services.
- 3.5 It takes significant resources and time to undertake a process as detailed above in section 3.5 and in fully assessing the true costs of care. There were numerous legal challenges taking place throughout the UK on the costs/ fees LA pay to Providers. Some of the prominent legal challenges were with Sefton, Pembrokeshire, Manchester & Devon Council; a key factor in the above cases was a failure to fully consult with people using services and providers.
- 3.6 There has been substantial instability across the social care (residential and domiciliary) care market nationally. A number of the lower cost domiciliary care providers and residential care providers (most notably Southern Cross) have gone into liquidation or have demonstrated poor quality care. However, since the award of the current contract, the domiciliary care market the market in Halton has remained stable and has provided cost effective, good quality care. The extension will maintain quality and stability across the sector whilst work is undertaken to prepare for tender and fully consult with stakeholders.

4.0 **BUSINESS CASE FOR EXTENSION OF CONTRACTS**

4.1 **Value for money**

Current contracted rates were established through an open tender process and remain competitive when benchmarked against neighbouring authorities. Rates will be tested again in the tender to be conducted in 2013/14.

4.2 **Transparency**

Contracts will be recorded in the Council's Contract Register accessible via the internet together with the publication of all spend in excess of £500.00.

4.3 **Propriety and Scrutiny**

The extension of the contracts referred to in this report will be compliant with Halton Borough Council's Procurement Standing Orders. Compliance with anti-corruption practices will be adhered to and any of the contracts within the subject of this report will be terminated if there is any occurrence of corruption by any organisations or their staff.

4.4 **Accountability**

The contracts will be performance managed and service standards monitored by commissioners and the contracts team.

5.0 **POLICY IMPLICATIONS**

5.1 The Government White Paper Care and Support published earlier this year was a direct response to the recommendations of the Dilnot Commission which concluded in July 2011. The paper outlines a number of goals that care reform must deliver and will be an important element of the new domiciliary care tender. These goals include:

- The importance of early intervention in promoting independence and well-being
- Support for establishing a 'continuity of care' so that individuals have no fears of moving between local authorities
- Personal budgets to all service users who wish for more control over their provision
- Care workers will be expected to adhere to a national code of conduct and minimum training standards
- A pledge to make care, not the care provider, the central focus of reforms in order to protect service users

6.0 **OTHER/FINANCIAL IMPLICATIONS**

6.1 The Domiciliary Care contract is currently valued at £5.2million per annum. It is planned that the contract will be tendered for a minimum of three years.

6.2 The current Domiciliary care contract is designed around zones and each provider sets an indicative price that is agreed by Halton Borough Council. The current zones and agencies are as follows.

ZONE	WARD	AGENCY
1	Hale Ditton Hough Green Broadheath Riverside (split)	Local Solutions Homecare Support
2	Farnworth Birchfield Kingsway Appleton Halton View Riverside (split)	Local Solutions I Care
3	Mersey Heath Grange Halton Brook Beechwood	Just Care Homecare Support
4	Castlefields Halton Lea Windmill Hill Norton North Norton South Daresbury	Carewatch Homecare Support

In addition there are six additional providers who can be used if the

providers above have limited capacity.

- Caring Hands
- Castlerock
- Premier Care
- DH Homecare
- M-Power Activity Services
- First Call Healthcare

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None.

7.2 **Employment, Learning & Skills in Halton**

Halton's health and wellbeing priorities enable local people to maintain good health and improve poor health so they can benefit from employment, learning and skills. The delivery of an effective, high quality domiciliary care service is vital to ensure people are able to maintain a positive role within their local community.

7.3 **A Healthy Halton**

Domiciliary Care is a huge part of the service provision for older people within the borough. This is a key component of the strategic aims to keep people independent in their own homes for as long as possible. Although Domiciliary Care accounts for a significant part of the overall community care budget it is also one of the most important drivers to reduce hospital admissions and residential care placements.

7.4 **A Safer Halton**

Halton's health and Wellbeing priorities enable local people to improve their health and this can impact on the safety of local people, particularly regarding alcohol and crime.

7.5 **Halton's Urban Renewal**

None

8.0 **RISK ANALYSIS**

8.1 The current Domiciliary Care Contracts expire on 31st March 2013 and this waiver will approve the issue of a new contract for a 12 month period. This course of action is low risk in terms of procurement challenge as we can demonstrate that we are undertaking a full EU tender exercise following a service review in time to award for April 2014.

8.2 A decision in support of approval of service extensions for up to one year will ensure that there are no gaps in service provision and stability is maintained at a time of systematic change in the health care system.

8.3 Domiciliary care tender places significant risks to the Council as it poses a period of instability during any period of change. Risk Assessments must be fully completed as part of the project plan

8.4 It is proposed that progress on the project plan is available for scrutiny throughout the whole tender and procurement exercise.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 Any equality and diversity issues are addressed in the existing contracts/service specifications.

10.0 **REASON(S) FOR DECISION**

10.1 Based on current level of spend it is anticipated that the level of expenditure on domiciliary care during the proposed extension period will exceed £1m. The extension to the contract is sought in order to sustain current stability in the market and facilitate full consultation prior to a tender process in September 2013, with a view to awarding new contracts by April 2014.

11.0 **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

11.1 The option to tender in 2012/13 was considered. However, extending the contract until March 2014 will align the expiry dates of the Domiciliary Care and Adults with Learning Disability (ALD) Framework contract. This allows commissioners to explore the potential benefits of tendering for a single contract for the provision of generic domiciliary care and to carry out full consultation with stakeholders across both sectors.

12.0 **IMPLEMENTATION DATE**

12.1 The contract extension will be implemented with effect from 1st April 2013.

13.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.