

SURREY COUNTY COUNCIL**CABINET****DATE: 27 OCTOBER 2020****REPORT OF: MRS SINEAD MOONEY, CABINET MEMBER FOR ADULTS AND HEALTH****LEAD OFFICER: SIMON WHITE, EXECUTIVE DIRECTOR ADULT SOCIAL CARE****SUBJECT: ADULT SOCIAL CARE HOME BASED CARE RECOMMISSIONING OCTOBER 2021****SUMMARY OF ISSUE:**

The provision of a Home Based Care (HBC) service to vulnerable adults in Surrey is a statutory requirement of the Council under the Care Act 2014.

HBC services enable and support people to remain independent and living in their own homes for longer and involves a range of social support services for all user groups. HBC includes personal care which involves supporting people with things like washing, bathing or cleaning themselves, getting dressed or going to the toilet.

HBC services also play an important role in providing reablement to people who have left hospital, improving their individual wellbeing and reducing long term care needs. Certain providers will provide specific healthcare activities and end of life care.

The current contracting arrangements agreed by Cabinet in February 2017 end on 30th of September 2021. A new contract needs to be in place with selected providers effective from the 1st of October 2021.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Agree the commissioning and procurement strategy set out in this paper;
2. Give approval to procure the proposed tender and service specification for Home Based Care services which will be issued in January 2021. Contracts will be awarded in June 2021 with a start date of the 1st of October 2021 to allow for a period of contract mobilisation;
3. Agree to the continuation of joint arrangements to purchase services with the NHS in Surrey;
4. Agree that there should be limited service interruption to residents receiving a home based care service package. If a provider does not form part of the new contract arrangements from October 2021, they can continue to support any existing residents with home based care until the package ends or there is a suitable change point for the provision of care.

REASON FOR RECOMMENDATIONS:

The current contract is set to end in September 2021. It is necessary to release the tender opportunity to the care provider market in January 2021, in order to allow for a thorough review and evaluation of the responses received and for an appropriate mobilisation period of up to 3 months between June and September 2021. This provides an adequate timeframe to facilitate robust procurement and implementation.

Providers will be bidding to join the new Dynamic Purchasing System (DPS).

Cabinet approval is being sought alongside approval from Surrey Heartlands Clinical Commissioning Group (who hosts Continuing Healthcare on behalf of the three Surrey CCGs) to continue the joint arrangements for the operation of the approved provider DPS with the NHS.

The existing procurement and framework have proved successful and the options appraisal for the re-commissioning of the service in 2021 indicates that this remains the preferred approach. The re-commissioning will see changes to the contracting terms and business rules driving further improvement and enhancement to the current arrangement.

It is envisaged that there will be no interruption of services for residents receiving home based care provision at the point where new contracting arrangements commence. There will be no requirement for a provider to cease providing support to existing residents if they are not continuing to provide further support under the new contracting arrangements.

DETAILS:

Current situation

1. The current contract (Awarded Provider Status (APS)) for the purchase of Home Based Care (HBC) ends on 30th of September 2021. In order to ensure adequate provision is in place from the 1st of October 2021, HBC providers will be asked to submit their bids to provide HBC to eligible Surrey residents in January 2021 to commence services from the 1st of October 2021.
2. Eligible Surrey residents are individuals assessed as requiring adult social care support with personal care at home and those residents eligible to receive NHS Continuing Healthcare (CHC) requiring specialist health support or end of life care at home.
3. As of the 1st of July 2020, there were 173 HBC providers registered on the APS framework to provide HBC with active packages of care purchased from 138 of these. SCC was purchasing 3,823 HBC care packages mostly for older adults (2,730), with 705 packages supporting people with physical disabilities, 272 packages supporting older adults with a learning disability, 45 packages supporting younger adults with a learning disability (ages 18-25) and 71 packages supporting people with mental health conditions. Providers are required to be registered with the Care Quality Commission (CQC) to provide the regulated activity of personal care.
4. In recent months there has been a slight decline in HBC numbers due mainly to Covid 19 and NHS funding arrangements in place to facilitate hospital discharges. We envisage that the need for HBC will only increase as SCC continue to develop reablement and discharge to assess pathways which should keep people in their own homes for longer and reduce the requirement for some bed based care placements.

5. Social Care locality teams and the NHS Continuing Healthcare placement team use the online system called 'E-brokerage' to issue requests to framework APS providers for expressions of interest to provide support in line with assessed needs as detailed on individual referrals. Providers who respond positively are chosen by the social care team or NHS placement team based on level of skill of provider, availability of staff and price of service being provided. Providers have agreed prices on the framework and costs are therefore known before the package is agreed to commence.
6. Providers who are on the framework are allocated packages of care on a postcode area basis. This means that only providers who have said that they are able to deliver services in a specific postcode area are able to respond to individual service requests for those residents. Service requests are generated by social care teams and the NHS placement team.
7. The current framework is closed to new providers and we therefore have some 'spot purchase' arrangements with providers not on the APS in order to manage demand in more challenging areas.

New arrangements proposed from 1 October 2021

8. It is proposed that a Dynamic Purchasing System (DPS) under the light touch regime will be established. HBC providers who wish to be on the new DPS from the 1st of October 2021 will be invited to submit a bid via the SE Shared Services Procurement Portal and be subject to evaluation for quality and price as part of the tender process. Providers will have to submit a bid to access new work even if they are providing services under the current contract arrangements ending in September 2021.
9. Providers who are successful will be invited to join the DPS which will run for up to 6 years, with the contract open to new providers to join throughout the term. This will enable SCC to work with the market to address outliers in pricing and tackle areas where demand is high, or care and support is harder to source. There will be review periods within the contract to ensure that recommissioning can take place within the 6 years if required.
10. The new contract will include inflationary clauses that give providers certainty about a minimum level of uplift in framework rates each year, while at the same time enabling annual price discussions about the level of increase to take account of emerging market factors. Providers' quality of care and performance will be considered during these annual price discussions and this process will be separate to inflationary clauses relating to annual uplifts.
11. Commissioners and the Adult Social Care Quality Assurance team (QA), with support from Social Care Development Coordinators, will review all new applications and make a personal visit to the premises of any provider who bids that has been established for less than a year, i.e. their CQC registration commenced between 1 January 2020 and the bid close date in January 2021. Providers who are rated 'Inadequate' by CQC will not be accepted onto the DPS until their rating has improved, subject to evaluation. We have taken on board feedback from Select Committee regarding providers who are rated 'Requires Improvement' by CQC. When such providers apply to join the DPS they will need to submit evidence to

commissioners and QA of the action plan they have put in place to address the concerns raised by CQC. Evidence will need to be verified by QA that the improvements that have been detailed on the action plan are underway or completed before the provider is invited to join the DPS. Providers rated 'Requires Improvement' will also be visited in person by a QA Manager as part of the evaluation process.

12. The rationale to use providers who are rated 'Requires Improvement' by CQC is as follows. The SCC provider market currently has approximately 30% of HBC providers rated as 'Requires Improvement' meaning that were we to apply a blanket exclusion it would limit our ability to purchase the levels of care required for residents. There are differing measures used to rate providers and SCC will only work with providers requiring improvement if care delivery is not a factor in the overall service rating. Working with these providers is also a statutory function for Local Authorities in respect of supporting and nurturing a diverse and robust market from which to purchase care.
13. SCC recognise that CQC ratings reflect a 'moment in time' for a provider and understand that occasionally issues will emerge that need to be rectified. Through the Provider Support and Intervention Process SCC will work with providers who receive a poor rating during the term of the contract to support improvements to be made and a good quality of support to be provided to residents. Providers who do not show improvements towards agreed plans or where concerns raised are of a significant nature will be removed from the framework and not accepted back on until improvements to services are clearly evidenced.
14. Given the Covid-19 pandemic it is also pertinent for Cabinet to note that the CQC will be focusing much more attention on providers rated as inadequate and those with multiple outbreaks demonstrating potential issues with staffing and infection control during this period. It is therefore likely that normal CQC re-inspection of providers rated RI will not take place as soon as they would normally where there are not ongoing concerns. As such home care agencies will be waiting longer than normal for a new rating to confirm improvement has been made or conversely standards may have slipped. It is therefore recommended that we draw on our own and more robust Quality Assurance processes to determine whether it is appropriate to permit providers rated RI onto the DPS for them to remain active on the DPS if their rating changes.
15. Providers who are accepted on to the new DPS from October 2021 that are rated 'Requires Improvement' will be required to participate in the SCC Provider Support and Intervention process overseen by a senior SCC Commissioning manager. This will enable oversight to be maintained on the standard of services being provided for an agreed period, up to six months. Similarly, providers who are accepted on to the DPS that have not had a rating from CQC because they are a new provider or because there has been a change to their registration status for any reason will also be required to participate in a managed process under the Provider Support and Intervention protocol for up to six months to give support and guidance to the provider as they develop their business in Surrey.
16. Visits to providers will serve to educate them on the terms of the contract and process for awarding, accepting and delivering HBC in Surrey. This will also allow us

to better understand their business model and any potential risks relating to growth and also provide further assurances that services are of good enough quality.

17. If a provider that delivers HBC services under the current contract is not successful and not chosen to join the new contract, or they choose not to bid for the new contract, they will be able to continue to deliver support to residents so long as there are no issues regarding service delivery. They will not be able to pick up any new packages of care from October 2021. Providers will not be required to hand back packages if they are not chosen for the new contract, however if a provider chooses to give notice on packages, arrangements will be made under the *SCC Care Provider Support and Intervention Protocol* to source suitable HBC support arrangements from an alternative supplier. We will work with these providers to understand why they have chosen not to continue to work with Surrey under the new arrangements.
18. A new service specification will be issued for the new contract, with clarity about the size of the market, demand areas by postcode and requirements for providers who wish to deliver specialist services. For example, there will be detailed specifications for end of life care, live in care, homecare for people with challenging behaviours and homecare for people with mental health needs and people with learning disabilities and autism.
19. There will be a new referral process for sourcing packages of care, as it is envisaged that the Joint Central Placements Team (JCPT) will start to source and purchase packages of homecare using E-brokerage on behalf of the SCC locality teams and NHS. The JCPT will focus on working with providers and commissioners to develop services in 'hard to reach' postcode areas and ensure effective management and oversight of pricing at the allocation stage which is integral along with the quality of care offered to residents. The JCPT will also review operating efficiencies for example where there are multiple providers delivering services in a postcode area and staff could be used more effectively by helping develop 'runs' to maximise use of scarce workforce.
20. The new contract will offer providers the ability to become a 'trusted reviewer' for homecare packages. Providers will be encouraged to share the results of reviews for people that they support and consult with SCC and NHS placing teams regarding any adjustments to care packages that are required, especially where it is felt that a person needs less support and is able to live independently according to their strengths. This is part of developing 'strength based' practices with the provider market.
21. The new contract will continue to be a joint arrangement with NHS Continuing Healthcare in Surrey and providers who are successful will be able to respond to referrals from the CHC Placements team seeking general homecare for those with primary health needs, specialist healthcare and end of life care at home as well as social workers seeking support for people needing social care at home.
22. The new contract will continue to work on postcode areas, with providers asked to identify which of the 94 Surrey postcode areas they are able to provide services in. Providers will be asked to consider carefully which areas they have capacity in and encouraged to take on new services in hard to reach areas.

23. Rates for services will be agreed during the evaluation of bids, with rates applicable to individual postcode areas. SCC and the NHS will not commission calls less than 15 minutes and following feedback from providers will not stipulate that providers are required to submit 'minute by minute' billing. Outcomes for individuals from the home based care services provided will be reviewed using submissions from electronic contract monitoring, and e-invoices submitted. We want to move away from a focus on time and task towards a more person centred outcomes based model of HBC delivery.
24. There is no intention to harmonise rates at the beginning of the contract. Packages of home based care purchased pre-October 2021, referred to as 'legacy business', will remain at previous prices. This decision has been proposed in order to minimise disruption to the start of the new contract. There will be opportunities, following 'go live' for legacy business to be moved onto the new contract either through natural change points (hospital admission) or through targeted conversations with providers. These targeted conversations will take place where legacy business constitutes high cost in relation to new contractual arrangements and where providers have not been accepted onto the DPS we will look to re-broker these packages where this will not adversely affect the quality of care for individuals in receipt of care.
25. Providers will be required to submit invoices electronically for adult social care funded packages, and new providers will be helped to set this system up during the evaluation period. As previously stated, the new contract will give clarity on annual uplifts and how rates can change during the life of the contract.

Reablement

26. A key element of service delivery to help people live independently at home when they leave hospital is reablement. This service, which is free to residents for up to six weeks, helps people regain skills and confidence to live back at home following an admission to hospital.
27. Reablement is provided in Surrey by the SCC service delivery team who are registered with CQC as homecare providers. To help the SCC service delivery team meet the increasing demand for reablement, collaborative reablement schemes have been established in Surrey, whereby private HBC agencies have been commissioned to provide reablement support to residents in addition to the services provided by the SCC teams.
28. We will be looking to offer a separate opportunity to the market for a Collaborative Reablement Framework, we are looking for this contract to also begin in October 2021. Providers who are interested in providing reablement will be offered the chance to bid for the opportunity to provide this type of support across the County.

Alternative purchasing methods reviewed

29. An options appraisal (available at Annex 1) was completed to look at all options for the purchase of homecare. The continuation of the current APS framework and DPS model across postcode areas was chosen as this option has worked well over the last three years. This approach allows SCC to purchase from a wide range of providers utilising the best available price in each postcode area agreed with providers in advance. This ensures that a wide range of providers are consistently available across the whole of the county for social workers and healthcare placement officers to use.

30. High level overview of alternative options considered but not taken forward for consideration were:

- a. Strategic Partners – this is where a small group of selected providers are used to provide care and support.
- b. Two-tier system – where a small group of strategic partners pick up the bulk of referrals, with a range of other providers picking up remaining referrals. This was the purchasing method used by SCC for HBC between 2014 and 2017.
- c. Block purchase – purchase a regular number of hours in specific areas to guarantee provision.
- d. Spot purchase – purchase care and support hours on an ‘as needed’ basis.

These options were discounted as they have either not worked effectively in the past (strategic partners) or are not considered to offer the best opportunity to source sufficient capacity of care services at the best available price.

CONSULTATION:

- 31. Consultation plans have been affected by the Covid-19 outbreak. An initial series of face-to-face workshops were held with providers in January and February 2020. Further work was delayed due to the pandemic until June 2020 when a webinar was delivered with virtual attendance from around 60 providers. A series of provider workshops covering key elements of the HBC tender were held in July and August 2020 and were well attended. Feedback from these is being used to help draw up the new service specification.
- 32. In June, several local third sector groups were invited to feedback on the current provision of homecare and to advise on views for the areas to be addressed in the new specification. Healthwatch Surrey, Action for Carers and Surrey Disabled People's Partnership have all been in contact with the project team and their views and feedback will be used to update the service specification.
- 33. In October, the project team will seek feedback from residents who receive HBC services through a Surrey Says questionnaire. Current providers on the framework will also be asked to share their customer surveys they regularly complete with the project team.
- 34. The Adults and Health Select Committee were updated on the proposals via a briefing on 21 September 2020.

RISK MANAGEMENT AND IMPLICATIONS:

- 35. The main risk is that not enough HBC providers submit a bid to join the DPS and that there are service shortages in some areas. This risk is mitigated by the high number of homecare branches that are currently operational in Surrey and surrounding areas. We are also proactively working with the market to ensure, where possible, we can stimulate interest in areas of greatest need.
- 36. A further risk is the impact a second wave of Covid 19 will have on the homecare workforce in Surrey. This risk is mitigated by the support SCC has given local HBC providers including goodwill grant payments, infection control funding, payments on

account to help cashflow, premium payments for hospital discharges and provision of PPE.

37. Providers may also submit bids which are not affordable for SCC. This risk is mitigated by giving providers clarity on the expected rate levels and the development of a wide range of providers to provide support in key areas, avoiding the over reliance on a small number of providers for the bulk of homecare packages.
38. Financial risk and capacity will be managed throughout the life of the contract as we will proactively work with providers to shape markets, support business growth where appropriate, review legacy or high cost placements and take appropriate action and centralise the placement process to ensure consistency in practice when selecting providers through E-brokerage.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

39. Commissioning of this new DPS will be essential to maintain a sufficient capacity of home based care provision at affordable prices.
40. Home based care services commissioned through existing arrangements are currently in the region of £59m, with a significant 95% successfully awarded within the framework.
41. This expenditure is within the overall Adult Social Care budget for delivery of care services. It is expected that the prices that providers bid at in the new framework will be higher than the current framework rates. This inflationary pressure combined with the potential cost of annual uplifts will be built into the Council's Medium Term Financial Strategy (MTFS), along with the opportunities that the new framework will provide in helping to source packages at the most effective rates and efficiencies derived from the use of home care providers to expand reablement service across the county.
42. Moving to a clear annual approach to forward rate negotiations, clarity on the variable pricing available across the 94 geographical area segments, and development of a wide range of providers to support key areas will mitigate the risk of it being necessary to commission services at rates that are higher than the Council can afford. ASC's management of the subsequent sourcing of packages against the new rates, commissioning at the most favourable cost whilst meeting individual's needs will also complement this.

SECTION 151 OFFICER COMMENTARY

43. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook is uncertain. The public health crisis has resulted in increased costs which are not fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.

44. In this context, the Section 151 Officer recognises the importance of tendering a new Home Based Care framework from October 2021 in order to secure sufficient capacity and quality of provision at the most affordable prices. The new framework will also be essential to enable the effective management of services within available resources in the medium term and to maximise opportunities to deliver efficiencies such as through the expansion of the provision of reablement services.
45. The outcome of the tender and the financial implications of managing the delivering services within the framework will be factored into the Medium Term Financial Strategy.

LEGAL IMPLICATIONS – MONITORING OFFICER

46. The Council has a legal obligation to provide home based care under the Care Act 2014. The proposed new contracting arrangements will enable the Council to continue to perform its legal obligations under the Act. The new contracting arrangements are more flexible in that they will use a Dynamic Purchasing System Agreement which can remain open to potential new suppliers joining the DPSA. during its lifetime. This is in contrast to a Framework Agreement which cannot accept new suppliers during its lifetime

EQUALITIES AND DIVERSITY

47. An Equality Impact Assessment (EIA) has been completed as part of the retender process. This assessment has been reviewed by the internal Department Equalities Group. Impacts have been identified in the areas of 'Age', 'Disability', 'Gender Reassignment', 'Race', 'Religion or Belief', 'Sex', 'Sexual Orientation' and 'Carers'.
48. Actions have been identified where relevant to mitigate any significant negative impacts and to maximise any positive impacts. Overall, no major change to the plans to retender the HBC contract are required. The EIA has not identified any potential for discrimination or negative impact, and all opportunities to promote equality have been undertaken

OTHER IMPLICATIONS:

49. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	Set out below. <ul style="list-style-type: none"> - HBC providers will need to be aware of and adhere to safeguarding policies. They will need to demonstrate an understanding of safeguarding in the evaluation process and they will be monitored by CQC and the SCC Quality Assurance Team.
Environmental sustainability	Set out below

	<ul style="list-style-type: none"> - HBC visits to the homes of individuals are often by car, and therefore work with providers will focus on the efficient planning of delivery routes so that journeys are limited and efficiently planned, and where possible multiple visits by different providers to a single postcode area are avoided.
Public Health	<p>Set out below.</p> <ul style="list-style-type: none"> - HBC providers will need to ensure care staff follow Covid 19 infection control guidance when making visits and ensure that suitable and adequate PPE is available to care workers.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

50. HBC Providers will need to be aware of and adhere to safeguarding policies. They will need to demonstrate an understanding of safeguarding in the evaluation process and they will be monitored by CQC and the SCC Quality Assurance Team on an ongoing basis.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

51. An Environmental Sustainability Assessment (ESA) has not been completed for this item. However, as Surrey County Council has declared a 'climate emergency', providers of home based care will be asked to consider environmental issues in the delivery of their services, through organising care calls to limit unnecessary journeys by car and travelling sustainably where possible.
52. Purchasing teams at SCC and the NHS who use the DPS will analyse levels of existing usage of HBC in individual postcode areas to determine where there are opportunities when sourcing new packages to consider providers who already operate in that geographical area and could take on new work without additional care journeys contributing to road congestion and pollution.

PUBLIC HEALTH IMPLICATIONS

53. HBC providers will need to follow Covid 19 infection control procedures and guidance when making visits and ensure that care workers have sufficient PPE available to them when making visits.

WHAT HAPPENS NEXT:

54. If Cabinet approve the recommendations in this paper the final stages of the tender documentation will be prepared in November and December. The evaluation criteria for providers to meet when applying to join the DPS will be set, the service specifications will be completed, and the procurement documentation submitted.
55. The tender documentation will be issued in January 2021, HBC providers will have six weeks to respond. Responses from HBC providers to the tender will be evaluated

by the SCC Older Person's Commissioning Team, the SCC ASC Quality Assurance Team and the NHS Continuing Healthcare (Surrey) between March and May 2021.

56. Providers who meet the evaluation criteria will be sent an offer letter to join the DPS in June 2021; there will then be three months of preparation and implementation work with HBC providers so that they are ready to commence providing services under the new DPS from 1 October 2021.

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Consulted:

Adults Leadership Team

Surrey Care Association

Surrey Heartlands CCG (Surrey Heartlands Clinical Commissioning Group hosts Continuing Healthcare on behalf of the three Surrey CCGs)

Social Work Teams

Annexes:

Annex 1 – Options Appraisal

Sources/background papers:

- None
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