

CABINET

12 JULY 2016

GATEWAY 3 CONTRACT AWARD: MEDWAY INTERMEDIATE CARE AND REABLEMENT SERVICES – SUPPORTING PEOPLE AT HOME

Portfolio Holder: Councillor David Brake, Adult Services

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Lance Douglas, Partnership Commissioning
Richard Barrett, Category Management

Summary

This report sets out the recommendation and seeks permission to award a contract for the Medway Intermediate Care and Reablement Services – Supporting People at Home for 5 + 2 years. The provision has been tendered and evaluated in line with the Council's Contract Procedure Rules.

This Gateway 3 Report has been approved for submission to the Cabinet after review and discussion at the Children and Adults Directorate Management Team Meeting on 21 June 2016 and Procurement Board on 30 June 2016.

The Monitoring Officer, in consultation with the Procurement Board, approved the commencement of this requirement at Gateway 1 on 3 December 2015 and classified this as a Category A, high risk procurement.

1. BACKGROUND INFORMATION

1.1 Budget & Policy Framework

1.1.1 This report provides the outcome of the procurement for joint services across the Council and NHS Medway Clinical Commissioning Group (CCG) as part of the implementation programme contained in the joint Intermediate Care and Reablement Strategy.

1.1.2 The joint Intermediate Care and Reablement Strategy is within the Council's policy and budget framework and has been progressed as part of the partnership work under the Better Care Fund and the

Section 75 Partnership agreement setting up the pooled budget for the Better Care Fund.

1.2 Background Information

- 1.2.1 This report provides the outcome of the procurement for joint services across the Council and NHS Medway Clinical Commissioning Group (CCG) as part of the implementation programme contained in the joint Intermediate Care and Reablement Strategy.
- 1.2.2 The strategy was referred to the Health and Adult Social Care Overview and Scrutiny Committee for comment on 11 August 2015, prior to formal consideration and approval by Cabinet on 25 August 2015. It was also approved by the CCG Governing Body on 26 August 2015. It was presented to the Health and Wellbeing Board on 15 September 2015. Progress on implementation and the proposed procurement was referred to the Health and Adult Social Care Overview and Scrutiny Committee on 17 December 2015. An assessment then concluded the service change is unlikely to lead to a substantial variation in health services.
- 1.2.3 The procurement will enable Medway Council and CCG to improve outcomes for patients / service users who have told us they wish to be supported at home wherever possible. The emphasis of the service is to promote independence and reduce the need for long term reliance on health and social care. It is consistent with good practice and national models of integrated care.
- 1.2.4 An Invitation to Tender (ITT) was issued to 4 providers after a period of Competitive Dialogue – the first time Medway has used this process and the first time it has been used anywhere for this type of service.
- 1.2.5 A Diversity Impact Assessment has been carried out following the evaluation of all tenders as part of the implementation process this provides a positive analysis of equality issues and is attached as an Appendix to this report.

1.3 Funding/Engagement from External Sources

- 1.3.1 Funding for this service is contained within the Pooled budget for the Better Care Fund which is governed by a Section 75 agreement.

2. PROCUREMENT PROCESS

2.1 Procurement Process Undertaken

- 2.1.1 Medway Council and CCG are conducting this procurement under the Competitive Dialogue Procedure pursuant to the Public Contract Regulations 2015.
- 2.1.2 Following a market event open to all providers held on 26 November 2015, a Contract Notice (reference 2015/S248-452044) was published

in the Official Journal of the European Union (OJEU) on 17 December 2015, inviting expressions of interest.

2.1.3 Medway Council and CCG conducted a pre-qualification process utilising a pre-qualification questionnaire (PQQ), a shortlist of pre-qualified participants were produced and those participants invited to participate in a competitive dialogue.

2.1.4 There were 3 rounds of competitive dialogue;

- Round 1 concentrated on the commissioning model and clarifying commissioners' requirements.
- Round 2 provided an opportunity for providers to present some solutions to deliver the required outcomes and a further opportunity to clarify Commissioners' requirements.
- Round 3 covered incentives, performance and contingency arrangements providing another opportunity for clarifications and confirmation providers were still interested in bidding.

2.1.5 The competitive dialogue discussions were used to inform the tender documentation; this allowed items to be updated taking into account the discussions. The contracting authorities did not reduce the number of providers invited during the dialogue process, or use the dialogue process to evaluation and award the contract.

2.1.6 Final tender documents were issued on 30 April 2016 to all shortlisted participants, with proposals received back as detailed in the exempt appendix.

2.2 Evaluation Criteria

2.2.1 The evaluation criteria used was 60% quality 40% price. Full sub-criteria and individual performance can be viewed in the exempt appendix.

3. BUSINESS CASE

3.1 Delivery of Procurement Project Outputs / Outcomes

3.1.1 The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How will recommended procurement contract award deliver outputs/outcomes?
1. Improving outcomes for service users	Using a range of indicators contained within the outcome Specification	Senior Commissioner for Community Services	monthly	By supporting more people at home where ever possible
2. Improving outcomes for health and social care system	Using a range of indicators contained within the outcome Specification	Senior Commissioner for Community Services	monthly	By supporting more people at home where ever possible
3. Making better use of resources	Financial monitoring within the better Care Fund – to contain expenditure within existing budget despite rising demand	Head of Better Care	Annually	Spending less on bed based care and long term care packages

4. Delivery of Commissioning model for Intermediate care and reablement	By extent of change in services over time and outcome measures in 1	Senior Commissioner for Community Services	Annually	Appointing a lead provider to work in partnership with commissioners
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4. RISK MANAGEMENT

4.1 Risk Categorisation

1.Risk Category: Performance management and service delivery	Likelihood: Moderate	Impact: Critical
There is a risk the new provider will not mobilise and deliver the specified service and new Commissioning model		
Plans to Mitigate: <ol style="list-style-type: none"> 1. Provider and the associated sub-contractors are incentivised to deliver the outcomes contained within the contract. 2.Partnership Commissioning will put in place robust performance management arrangements 3.Terms and conditions of contract agreed 4.Risk and issues logs with mitigation already produced with potential provider for both Service delivery and for mobilisation 5.10% of the budget is for performance management and contingency 6. Additional specific programme management within Partnership Commissioning with the Lead Provider to include mobilisation and delivery 		
2. Risk Category: Commissioning/Financial	Likelihood: Low	Impact: Critical
Capacity – There is a risk the new service can not deal with demand		
Plans to Mitigate: <ol style="list-style-type: none"> 1.Contingency plans discussed and agreed during competitive dialogue with bidders 2.Spot purchasing of additional services 3.10% of budget is for performance and contingency 4.Winning bid is under budget so savings can be used as a contingency 		

3. Risk Category: Financial	Likelihood: Low	Impact: Critical
There is a risk that costs exceed budget over the life of the contract		
Plans to Mitigate: 1.5 year contract agreed fixing costs. 2. Performance and contingency fund included as part of budget (10%) 3.Recommended bid is under budget allowing for a contingency		
4. Risk Category: Commissioning	Likelihood: Low	Impact: Critical
There is a risk the new service does not improve outcomes for vulnerable service users		
Plans to Mitigate: 1.Outcome based Specification and outcome based commissioning used 2. Competitive dialogue has resulted in high level of ownership of improved outcomes from bidders 3.Performance manage contract within Partnership Commissioning		

5. PROCUREMENT BOARD

- 5.1 This report was considered by the Procurement Board on 30 June 2016. The Board supported the recommendation set out in paragraph 8 below.

6. SERVICE COMMENTS

6.1 Financial Comments

- 6.1.1 The procurement requirement and its associated delivery (as per the recommendations at Section 8), will be funded from existing revenue budgets as contained within the pooled budget of the Better Care Fund.

- 6.1.2 Further detail is contained within Section 2.1 Financial Analysis of the Exempt Appendix.

6.2 Legal Comments

- 6.2.1 All bidders have accepted the terms and conditions of the contract.

6.3 TUPE Comments

- 6.3.1 There are no internal TUPE implications for the Council or the CCG. In the event of any TUPE applying, this would be external (third party) to the Council and CCG. External TUPE information was provided as part of the Procurement Process for bidders to construct their solution on an equitable basis.

6.4 Procurement Comments

- 6.4.1 In line with Medway Council's Contract Procedure Rules, this requirement was subject to a formal EU Procedure, whereby an OJEU notice was published within the Official Journal of the European Union, an advert was issued on Contracts Finder and the tender issued and administered via the Kent Business Portal.

- 6.4.2 The Competitive Dialogue Procedure was utilised following justification of usage of the procedure.

- 6.4.3 The deadline for receipt of final tenders/proposals was 3 June 2016 tender submissions were received as detailed in the exempt appendix.

6.5 ICT Comments

- 6.5.1 Information and Communication and Technology arrangements already set up within health and social care will continue to be used and existing arrangements for Information Governance contained within the contract will apply. These have been accepted by all bidders.

7. OTHER INFORMATION

- 7.1 We are anticipating the implementation of this service will improve outcomes for vulnerable service users by supporting more people at home and less people in hospital beds/residential care homes/nursing homes. As the emphasis of this service is upon reablement we are expecting more people to become independent and less dependent upon Social Care and Health Services. Health and Social Care are therefore expecting this programme to realise benefits which will be measured through the work of the Better Care Fund.

8. RECOMMENDATION

- 8.1 The Cabinet is recommended to agree the award the contract to the supplier highlighted in section 3.2 of the exempt appendix based on the evaluation outcome contained within section 3.1 of the exempt appendix.

9. SUGGESTED REASONS FOR DECISION

- 9.1 The recommended supplier achieved the highest score in the evaluation process.

LEAD OFFICER CONTACT

Name	Lance Douglas	Title	Interim Head of Transformation
Department	Partnership Commissioning	Directorate	Children and Adults
Extension	1282	Email	Lance.douglas@medway.gov.uk

APPENDICES

Diversity Impact Assessment – Appendix 1
Exempt Appendix

BACKGROUND PAPERS

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Supporting People at Home - Intermediate Care and Reablement Strategy – report to Cabinet	http://democracy.medway.gov.uk/mgIssueHistory/Home.aspx?IId=15184	25 August 2015
Gateway 1 Paper	http://democracy.medway.gov.uk/mgIssueHistory/Home.aspx?IId=17130&PlanId=251	3 December 2015

Diversity impact assessment

Appendix 1

TITLE <i>Name/description of the issue being assessed</i>	Intermediate Care and Reablement Strategy – Implementation - Procurement of Intermediate Care and Reablement services
DATE <i>Date the DIA is completed</i>	June 2016
LEAD OFFICER <i>Name and title of person responsible for carrying out the DIA.</i>	Lance Douglas, Interim Transformation Lead Adults

1 Summary description of the proposed change

- *What is the change to policy/service/new project that is being proposed?*
- *How does it compare with the current situation?*

The Intermediate Care and Reablement Strategy proposes maintaining more people at home instead of within hospital or institutional settings when they do not need acute care. Currently there is an over reliance upon beds with more people being maintained in hospital and short term residential care and nursing care beds than is necessary. The Intermediate Care and Reablement Strategy proposes the following way forward:

Develop more community based services to support people at home including the following actions

- Make more use of and develop better reablement services
- Develop a responsive Integrated Community Equipment Service
- Develop Telecare services
- Work with the Voluntary Sector to maximise the contribution the Voluntary Sector can make to supporting more people at home and to self help and community resilience
- Develop a Discharge Home to Assess scheme to keep people away from hospital and get them back home sooner
- Place the care around the individual in the setting they choose which will usually be their home
- Shift the balance of care away from institutional settings towards supporting more people at home.

In order to progress the implementation of new services a procurement using the competitive dialogue procedure has been carried out. The procurement has been completed and 3 bids were evaluated. All bids propose the provision of Bed equivalent services in such a way as to support more people at home when it is safe to do so and less in bed based services. This DIA considers all bids following an evaluation process and the likely equality implications of proceeding with them.

Diversity impact assessment

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

Consultation with Stakeholders including a simulation event in July 2014 at Priestfield Stadium. The following were invited

For MFT

- ED consultants
- MFT Management
- Consultant Geriatrician / Care of elderly consultant
- Specialist for Cardiology and Diabetes
- AMU – ward staff – nursing input

Integrated Discharge Team reps, GPs, Medway Council's Intake Team, Social Work Team representatives, Quality and Safety Team representatives, Medway Council OTs, MCH – Community nurses OTs, Physios, Single Point of Access, Kent and Medway Partnership Trust, Public Health – Dr Saloni Zaveri, Colin Thompson, Residential and Nursing Care Home representatives, Domiciliary Care Agency representatives, Age UK, Stroke Association, Alzheimers Society, Carers First, PALS, South East Coast Ambulance Trust, Visiting Medical Officers (VMOS), Health watch, Carer representatives, Patient / Service User representatives, Partnership Boards, CCG representatives, Partnership Commissioning and Adult Social Care representatives.

The event was well attended with some extensive feedback. A summary report is available. The feedback supports the general direction of the Intermediate Care Strategy with overall support for customer choice and an emphasis upon supporting people in their own homes where they can be.

The Intermediate Care Strategy has since been circulated to officers within Health and Social care and been updated in line with the partnership work which has taken place as part of the Better Care Fund.

The strategy includes information on Medway's demography and the national policy and good practice for these services. Good practice has been examined and evidence collected from other places. This supports the view Medway has an over reliance upon institutional services including beds and there is capacity to support more people at home and in community settings.

All bids received contained solutions to support more people at home and provided the required amount of "bed equivalent services" during the competitive dialogue process and as part of the tender process. All bidders were required to meet equality standards in line with good procurement practice. All bidders passed the equality thresholds required. The evidence used to assess this included written tender responses from bidders.

Diversity impact assessment

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age		X	
Disability		X	
Gender reassignment		X	
Marriage/civil partnership		X	
Pregnancy/maternity		X	
Race		X	
Religion/belief		X	
Sex		X	
Sexual orientation		X	
Other (eg low income groups)		X	

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

Patients and service users who require care and support will be more likely to receive care and support at home.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- Are there alternative providers?
- What alternative ways can the Council provide the service?
- Can demand for services be managed differently?

Diversity impact assessment

The alternative providers don't provide such good value for money as the bids received.

The new services to be implemented from this procurement will provide a reablement service to better support the new Home First scheme, (Discharge Home to Assess) which supports people at home. At the moment we do not have enough capacity to do this effectively for all clients who are being discharged from hospital. This is resulting in needing to support some of these people with ordinary home care services. There is a risk these people will be not become independent as they are not receiving true reablement. In the first 11 weeks of Home First, 346 clients have been supported at home with nearly a third of these receiving traditional home care instead of reablement.

The alternative way of providing the service is to provide more beds. This will not support more people at home, is not the choice most patients/service users would make and will cost more. There is no more funding to support additional beds. In order to produce a sustainable Health and Social Care system more people need to be supported at home as this makes more efficient use of resources.

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
Select recommended provider	LD	June 2016
Deliver implementation and commissioning plan and work in partnership with health through the Better Care Fund	LD	Aug - Oct 2016
Ensure use of risk and issue logs during mobilisation and implementation	LD	August – October 2016

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change, implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

To proceed with the selection of the recommended provider as outlined in report to Procurement Board.

Diversity impact assessment

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Helen Jones

Date

29 June 2016

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: annamarie.lawrence@medway.gov.uk

C&A: (Children's Social Care) contact your normal P&I contact

C&A (all other areas): phone 1481 email: paddy.cahill@medway.gov.uk

BSD: phone 2472/1490 email: corppi@medway.gov.uk

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Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication
(corppi@medway.gov.uk)