

CABINET

20 JULY 2010

GATEWAY 4 CONTRACT REVIEW - HOMECARE SERVICES CONTRACT

Portfolio Holder: Councillor Tom Mason, Adult Services

Report from: Rose Collinson, Director of Children and Adults

Author: Charles Kirabo-Wamimbi, Contracts Officer

Summary

To present a review of the Homecare Services contract and seek a contract extension.

1. BUDGET AND POLICY FRAMEWORK

1.1 This Gateway 4 Contract Review has been classified as high risk, therefore, this is a matter for Cabinet.

2. RELATED DECISIONS

2.1 There are no related decisions.

3. BACKGROUND/INTRODUCTION

3.1 This report seeks to update Cabinet on the contract performance and management of the above service and to highlight performance issues that are being addressed by the Social Care Commissioning Team. This report also recommends the extension of the contract up to 31 March 2012. This would allow full consultation with key stakeholders, in line with personalisation agenda in the context of the Council's policy relating to Fair Access to Care Services.

3.2 This is a key service for Medway's residents in terms of the Council's priority for vulnerable adults maintaining their independence. The cost of this service is favourable to that of a residential home and thus offers significant savings to the Council.

- 3.3 Indeed, without taking into account ancillary services such as meals on wheels or carers services, the gross expenditure for the 2874 service users who received a Home Care service in 2009/2010 was approximately £12M. This equates to just over £4,000 per service user per year.
- 3.4 In contrast, the gross expenditure for the 1461 service users in permanent residential or nursing care homes in 2009/2010 was approximately £39M. This equates to approximately £26,700 per service user per year.
- 3.5 Medway Council awarded the Homecare Contract from 1 April 2004 to 31 March 2011. The contract terms and conditions allow for the provision to be extended for a further 24-month period, if required.
- 3.6 The homecare agencies within the homecare framework contract are:
- Age Concern Medway
 - Boldglen
 - Cerebral Palsy Care
 - Guardian Homecare
 - Independent Care
 - London Care
 - Scottcare.
- 3.7 The estimated annual value of the homecare framework contract for the seven contracted homecare agencies named above is £9.6 Million.
- 3.8 Various workshops over a period of four months, involving service users, internal colleagues and providers are due to commence shortly. In addition, a review relating to an end-to-end electronic homecare invoicing system is also underway. The extension of the contract will, therefore, allow the Council to be fully confident that the services commissioned will promote people's ability to direct their own care, in line with the personalisation agenda, improve the choice of service available to people who use a homecare service, and support alternatives to residential and nursing care, helping people to stay independent in their own homes for as long as possible.
- 3.9 Recent Care Quality Commission feedback relating to Capturing Regulatory Information at a Local Level (CRILL) indicated that 99.9% of Service users in Medway received homecare from providers rated Good or Excellent, compared to an England average of 91%.
- 3.10 A recently published 2008-09 Personal social services survey of adults receiving Home Care in England report indicated that 62.8 % of those responding from Medway were either extremely or very satisfied with the help from social services. This compares favourably with an England average of 58.4%. The survey also went on to indicate that in Medway, 90.5% of respondents either felt in control of their daily life or with help they felt in control of their daily life. This was considerably higher than the England average of 85.4% and Medway ranked first when compared to its Institute of Public Finance (IPF) group.

- 3.11 The average price for an hour of care in England was estimated at £12.98 in a recent market survey undertaken by Laing & Buisson and published by the UK homecare Association. This figure should however be viewed with caution due to variations in prices across different geographical variations. In addition, whilst it is recognised that the framework's average hourly price of £13.93 is more expensive, paragraphs 3.9 and 3.10 demonstrate that the services provided in Medway are of an excellent quality as compared nationally.

4. MANAGEMENT OF THE CONTRACT/ BENEFITS REALISATION

- 4.1 The contract is managed by Contracts Officers. Performance and Compliance Officers maintain the monitoring and compliance process. The contract is monitored regularly, in respect of staff turnover, level of complaints, quality of service and training. The format of the monitoring entails face-to-face meetings, service user surveys and on-site visits.
- 4.2 Additional monitoring is undertaken in response to various issues. These vary from Safeguarding Vulnerable Adult alerts to complaints or concerns from service users. Officers ensure resolution is achieved within set timescales, in order to maintain a satisfactory standard of care to service users.
- 4.3 Provision of these homecare services enable service users to remain at home longer, thus increasing independence and is a cost effective alternative to hospitals and residential care.

5. VARIATIONS REQUIRED DURING CONTRACT TERM

- 5.1 No variations or amendments required.

6. PERFORMANCE AND CHANGE MANAGEMENT

- 6.1 During the life of the contract, the current service providers have performed to the requirements of the service specification. Where areas for improvement have been highlighted, i.e. through service user feedback, or as outcomes of contract monitoring, the service providers have been responsive in meeting these challenges, as well as changes brought about by the various changes within the social care agenda, over the years.

7. LESSONS LEARNED

- 7.1 To ensure that services within the new contract support the well-being agenda and independence, new service specifications will be developed through appropriate stakeholder consultation.

8. NEXT STEPS

- 8.1 Future Variations / Amendments Required:
- 8.1.1 No future variations or amendments required.

8.2 Contract Extension Required:

- 8.2.1 A contract extension up to 31 March 2012 is recommended. The requested extension will ensure continuity of services until new contract(s) are in place, and will also allow for a full consultation exercise to take place with key stakeholders.
- 8.2.2 This contract underpins Medway Council's value of enabling service users to maintain their independence in their own homes.
- 8.2.3 An extension to this contract would ensure continuity of care to Medway's vulnerable adults, which the current providers are well placed to provide. The cost of maintaining the homecare service is significantly less than the cost of residential care

8.3 Service Improvement Plan / Continuous Improvement Plan

- 8.3.1 The contract will continue to be monitored in line with the current contractual arrangements and obligations.

9. COMMENTS OF THE PORTFOLIO HOLDER FOR ADULT SERVICES

- 9.1 This report seeks to provide an update regarding the 2004 contract award for the provision of homecare services for vulnerable adults. The decision to appoint the preferred homecare providers was made on 27 January 2004 (decision no. 53/2004).
- 9.2 The contract commenced on 1 April 2004 and is due to end on 31 March 2011. This report provides details of the contract performance/management thus far. This report also recommends an extension to the Medway Council Homecare Contract to allow sufficient time for a full and robust re-commissioning process to be undertaken

10. PROCUREMENT BOARD

- 10.1 The Procurement Board considered this report on 30 June 2010 and supported the recommendations as set out in paragraph 12 of this report subject to additional information on value for money being presented to Cabinet (see paragraphs 3.9 – 3.11 for details).

11. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS

11.1 Comments of the Chief Finance Officer

- 11.1.1 The 2010-11 revenue budget reflects the current arrangements for provision of homecare services and the proposed contract extension will not impact adversely on the homecare budget.

11.2 Comments of the Head of Procurement or designated deputy

11.2.1 The current contract has overall performed well and delivered against the original tender objectives and specification. A robust contract management regime exists which provides sufficient mechanisms to identify and resolves issues effectively and efficiently. The client department must continue to monitor and capture contract management issues so that these can be constructively used to inform the future specification and tender process. Utilising the evident provisions to extend the current contract will provide the required time to review current contractual delivery and engage with relevant stakeholders to proactively plan a future procurement process. The client department is advised that as part of extending the current provisions, a dialogue should take place with the incumbent provider in respects to costs and service levels with a focus on delivering efficiencies and more for less over the ensuing period. However, in doing so, the client department should seek appropriate legal and procurement guidance to ensure that EU procurement rules and principles are upheld and maintained and that Medway is not exposed to risk. Consideration should also be given to reviewing either a one-year or two-year extension and the merit of each approach in the current climate and in light of any potential funding implications upon Medway. If this is entirely grants funded, then documented evidence should be sought from the appropriate grants funding body in respects to confirmation of funding.

11.3 Comments of the Monitoring Officer or designated deputy

11.3.1 Overall the services provided under the contract have been satisfactory in that they have enabled the council's core value objectives to be achieved. The proposal to extend up to 31 March 2013 is in accordance with the terms of the contract and the contract will continue to be subject to its original terms and conditions. The extension will also give the Council the opportunity to consult with stakeholders and other interested parties to ensure that the services provided under the new contract reflects both the needs of the contract's client base and the relevant Council's core value.

12. RECOMMENDATION

12.1 The Cabinet is recommended to approve the extension of the contract up to 31 March 2012 to allow for a full procurement process to be undertaken in line with the contract rules.

13. SUGGESTED REASONS FOR DECISION(S)

13.1 This will ensure that the services delivered under any new contract(s) are fit for purpose, meet the needs of the service user and reflect the core value of the Council to allow older people and vulnerable adults to maintain their independence.

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| Report Originating Officer: | Charles Kirabo-Wamimbi | ☎ 01634 333537 |
| Chief Finance Officer or deputy: | Phil Watts | ☎ 01634 332220 |
| Monitoring Officer or deputy: | Julien Browne | ☎ 01634 332154 |
| Head of Procurement or deputy: | Gurpreet Anand | ☎ 01634 332450 |

Background papers

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

Procurement Manual <http://www.medway.gov.uk/4.7 - contract rules-7.pdf>