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# CABINET

# 15 NOVEMBER 2022

# GATEWAY 1 PROCUREMENT COMMENCEMENT – INTERMEDIATE CARE AND REABLEMENT SERVICE


Portfolio Holder: Councillor David Brake, Portfolio Holder for Adults' Services

Report from: James Williams, Director of Public Health

Report Author: Emma Joy, Senior Commissioning Officer


## Summary:


This report seeks permission to commence the procurement of the Intermediate Care and Reablement Service Contract. The report was previously considered by the Procurement Board on 19 October 2022.

Procurement Overview
Total Contract Value (estimated): £28.742m (Better Care Fund)
Regulated Requirement: Yes – based on whole life costing
Proposed Contract Term: 84 months (36 months with two 24-month extensions)


## 1. Budget and Policy Framework

1.1. This report sets out how the Better Care Fund (BCF) could be used to keep residents' needs central to any arrangements associated with the provision of intermediate care and reablement.

1.2. The Intermediate Care and Reablement Service (ICRS) enables discharge from acute hospitals, mainly Medway NHS Foundation Trust (MFT), with through Pathway 1 (home-based intermediate care with reablement) and Pathway 2 (bed-based intermediate care with reablement) in line with the national discharge model[1].

1.3. The service sits between the demand from acute hospitals referring into the service and Adult Social Care. It provides packages of care for those patients who have the same / reduced or new levels of care

[1] https://www.gov.uk/government/publications/hospital-discharge-and-community-support-guidance/hospital-discharge-and-community-support-guidance

requiring a package of care. The aim of the service is to prevent, reduce or delay the need for a package of care.

1.4. It supports the Medway Council Strategy and Plan outcome of “Older and disabled people living independently in their homes”

1.5. It has links with and reflects the related plans of the Medway and Swale Health and Care Partnership ’s strategic priorities, who are the Integrated Care Board (ICB) for the Kent and Medway Integrated Care System (ICS).

## 2. Background Information and Procurement Deliverables

2.1. The current ICRS contract was approved by Cabinet on 12 July 2016 and was for a term of 5 years, running from 1 October 2016 to 30 September 2021, with an extension term of 24 months. It was extended for 2 years up to 30 September 2023.

2.2. The service model has been successful in meeting its targets:

- Across 2019-20 and 2020-21 an average of 80% of service users were discharged from ICRS with no care needs or a reduction or removal of a care package.
- This correlates with the average 78% of patients whose independence shows an improvement between admission and discharge.
- An average of 94% Service Users surveyed at discharge have rated the service as good or excellent up to March 2022.
- The aim for the service was to manage 35 referrals per week rising incrementally to 39 per week from October 2019. This rose to 42 referrals per week in 2021-22.

2.3. For Pathway 1, the original BCF funding was aimed at meeting the demand of ambulatory patients needing between approximately 1 and 3 single-handed care visits each day with reablement.

2.4. This provision has been challenged by the impacts of Covid and the change to national discharge policy on patient numbers. The introduction of restrictions led to an initial decrease in patient numbers, followed by a sharp increase in the patient admissions across England. The introduction of the national discharge policy led to a further peak in ICRS referrals prior to the impact of the 2nd Covid peak. As restrictions were lifted and elective admissions picked up, the number of patients has continued to increase.

2.5. The impacts of these two factors have been:

- Increased number of patients
- Increased complexity of patients’ needs in relation to independence

- Increased number of daily hours needed for the contract to meet the above

2.6. The provider has reported anecdotally that there has also been an increase in patient complexity. While ICRS originally aimed to support the reablement of those with non-specialist needs, a broader range of needs is being met:
- Reablement Potential (Pre-Existing Baseline – original aim)
- Rehabilitation (New Baseline)
- Complex Cases (Bowel and continence, Co-Morbidity, Frailty, Neurological Trauma, Non-Weight Bearing, Obesity, Mental Health)

2.7. Where the provider has been meeting the increased demand, the additional costs were met through Covid funding from NHS Kent and Medway ICB. This funding concluded at the end of June 2022, from when the ICB have adopted discharge processes that best meet local needs.

2.8. Since the government funding for the 4-week health pathways stopped on 27 June 2022 the local arrangements have been re-framed to include a triage of the Pathway 1 patients by the integrated discharge team in Medway Council (MC IDT) following the initial pathway assessment determined by the integrated discharge team in Medway Foundation Trust (MFT IDT).

2.9. There is no formal method of monitoring capacity and demand placed in Medway.

2.10. For the Medway and Swale Health and Care Partnership (M&S HCP), a Discharge Dashboard has been developed that comprises an overview of discharge activity and a comparison of discharge pathways from Medway NHS Foundation Trust (MFT), as the local acute hospital.

2.11. At the end of June 2022, there were 32,075[2] patients waiting to start treatment at MFT. Commissioners have not had access to plans for how the elective backlog is to be addressed and the predicted level of demand to come from MFT.

2.12. For the ICB level and NHS acute provider levels, NHS England have been developing the Discharge Pathways Model Analytical Tool. This will enable systems to better understand the needs of the local population and the Pathway1 and Pathway2 capacity required to meet local population health. It allows systems to use this information to inform the allocation of resources and configuration of their workforce to achieve the best outcomes for individuals. It allows ICBs to track how care is being managed at a local system level and offers peer comparison, benchmarking, and scenario modelling.

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[2] RTT Overview Timeseries Jun22 https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-data-2022-23/

2.13. A Virtual Wards project is to be implemented by M&S HCP. It is understood that the current plan is to increase the approximate number of patients per month incrementally in the Medway and Swale - SMART (Surgical Medical Acute Response Team) and Frailty Virtual Ward. The proposed rise increases from 84 in April 2022 to 430 in December 2023. Similarly, from 0 in April 2022 to 94 in December 2023 for the Medway and Swale Acute Respiratory Illness Virtual Ward. Confirmation has been received from the programme that most patients will be discharged on Pathway 0. Pathway 0 is where the patient returns home with no additional care required and therefore unlikely to have any affect this contract.

2.14. It should be noted that the contract will also receive referrals from Out Of Area (OOA) acute hospitals and the ICB will have no influence on discharge policy in this instance.

2.15. A new contract will give the opportunity for relative normalisation as a broad spectrum of external change continues to influence the service, such as:

- Establishment of the ICB and its discharge policy, commissioning strategy and digital strategy
- Development and delivery of a national intermediate care framework with a focus on commissioning and management including patient outcomes and best practice in service models and interventions
- "Business As Usual" development of health and Adult Social Care (ASC) reporting and data sharing – Kent & Medway Care Record and My Record
- Living with Covid, its management and viral evolution, with a possible further wave from BA4 and BA5 variants.

2.16. The tender for a new intermediate care and enablement contract will include:

- Flexibility in the specification to meet demand, complexity (with a specific exclusion of mental health), and service development
- Reporting granularity to inform service development and implementation of Technology Enabled Care Services
- Review and co-production to help commissioners "to build evidence to understand what's helped people return home with the right support and what barriers still remain"[3].

## 2.17. Importance of Report

2.17.1. This Gateway 1 Report and the associated decision is a matter of high importance for Cabinet because the current contract will expire on 30 September 2023 as the final extension period expires. Notice has been

[3] https://www.scie.org.uk/care-providers/coronavirus-covid-19/commissioning/hospital-discharge-admissions#commissioning-lessons

given by the current provider, who has indicated that tenders are unlikely to be submitted for both Lots. It is therefore imperative that commissioners commence a procurement process imminently to ensure that a new service is in place prior to the expiration of the current contract.

## 2.18. Parent Company Guarantee/Performance Bond Required

2.18.1. Yes

# 3. Procurement Dependencies and Obligations

## 3.1. Project Dependency

3.1.1. This procurement project is dependent upon and connected to other procurement projects and programmes, and services, across Medway.

3.1.2. The below are key dependencies for ICRS provision within Intermediate Care and are not included in the scope of this procurement.

3.1.3. Crisis response is provided by the K&M ICB and delivered by Medway Community Healthcare through its Urgent Care team.

3.1.4. The Wellbeing Navigation Service is provided by Imago. The service supports the individual's journey to navigate the health and social care system and has Navigators in place within hospital discharge at Medway Foundation Trust. The service is currently in the re-commissioning process with a new contract starting on 1 April 2023.

3.1.5. This project is a demand source for the Medway Integrated Community Equipment Service (MICES) contract. The aims of MICES are to provide and support service users with the appropriate equipment that meets therapeutic, rehabilitation, mobility, and independence needs.

3.1.6. Strode Park Foundation hold a configurable block-bed contract with Medway Council, which includes bed provision for reablement purposes.

3.1.7. Intermediate Care is defined as comprising 4 parts: crisis response, reablement, home-based intermediate care and bed-based intermediate care.

3.1.8. The ICRS contract focuses on the reablement, home-based intermediate care and bed-based intermediate care elements.

## 3.2. Statutory/Legal Obligations

3.2.1. The provision of intermediate care and reablement is a statutory obligation which Medway Council must comply with as set out in The

Care Act 2014 (Section 2)[4], The Care and Support (Preventing Needs for Care and Support) Regulations 2014[5], The Care and Support (Charging and Assessment of Resources) Regulations 2014 Section 3(3)[6].

3.2.2. Also, a quality commissioned ICRS will align with the guidance and policies from government, NHS and LGA detailed in the Background Papers.

## 4. Business Case

4.1. This is set out on the next page.

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[4] https://www.legislation.gov.uk/ukpga/2014/23/contents
[5] https://www.legislation.gov.uk/uksi/2014/2673/made
[6] https://www.legislation.gov.uk/uksi/2014/2672/contents/made

## 4.2. Procurement Project Outputs / Outcomes

4.2.1. As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process:

| Outputs / Outcomes | How will success be measured? | Who will measure success of outputs/ outcomes | When will success be measured? | Why is this being measured? |
|---|---|---|---|---|
| **SERVICE LEVEL OUTCOMES** | | | | |
| 1. Change in the level, amount and cost of care packages required by Service Users that have experienced an ICRS episode | • **Preferred** is a **decrease** or **no new**<br>• **Desirable** is **no increase**<br>• **Undesirable** is an **increase** | Medway Partnership Commissioning supported by ICRS provider, Medway Adult Social Care | Monthly and reported quarterly to JCMG | On-going business case for the service |
| 2. Timely and safe discharge from hospital by Service Users that have experienced an ICRS episode | • **Preferred** is **early**<br>• **Desirable** is **on-time**<br>• **Undesirable** is **delayed** | Medway Partnership Commissioning supported by ICRS provider, acute hospitals | Monthly and reported quarterly to JCMG | Contributes to NHS Long Length of Stay Discharge Patient Tracking List[7] |
| 3. Change in the number and proportion of Service Users that have experienced an ICRS episode who are re-admitted to hospital within 91 days of being discharge from hospital | • **Preferred** is **no re-admissions**<br>• **Desirable** is **decreasing** or **less than 20%**<br>• **Undesirable** is **increasing** or **more than 20%** | Medway Partnership Commissioning supported by ICRS provider, acute hospitals, and Medway Adult Social Care | Monthly and reported quarterly to JCMG | Contributes to ASCOF 2020-21 measure **2B(1)**[8] |

[7] https://digital.nhs.uk/data-and-information/data-collections-and-data-sets/data-collections/long-length-of-stay-discharge-patient-tracking-list
[8] https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-outcomes-framework-ascof/england-2020-21

| Outputs / Outcomes | How will success be measured? | Who will measure success of outputs/ outcomes | When will success be measured? | Why is this being measured? |
|---|---|---|---|---|
| 4. Change in the number and proportion of Service Users that have experienced an ICRS episode with care and support needs who are admitted to long term care | • **Preferred** is **no admissions**<br>• **Desirable** is **decreasing** or **less than 20%**<br>• **Undesirable** is **increasing** or **more than 20%** | Medway Partnership Commissioning supported by ICRS provider, Medway Adult Social Care | Monthly and reported quarterly to JCMG | Contributes to ASCOF 2020-21 measures **2A(1)** and **2A(2)**[8] |
| 5. A change in the achievement of personal goals for independence, confidence, strength by Service Users that have experienced an ICRS episode | • **Preferred** is **surpassing**<br>• **Desirable** is **achieving**<br>• **Undesirable** is **missing** | Medway Partnership Commissioning supported by ICRS provider | Monthly and reported quarterly to JCMG | On-going business case for the service<br><br>Contributes to ASCOF 2020-21 measures **4A** and **4B**[8] |
| **SERVICE LEVEL OUTPUTS** | | | | |
| 6. High-level intervention and setting | Number and proportion of Service Users referred and accepted for each high level intervention type (reablement and intermediate care) at each setting (home, and specific residential care home) | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **2B(2)**[8] |
| 7. Referrals and quality | Number and proportion of Service Users referred and declined for ICRS | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **2B(2)**[8] |

| Outputs / Outcomes | How will success be measured? | Who will measure success of outputs/ outcomes | When will success be measured? | Why is this being measured? |
|---|---|---|---|---|
| 8. Service User transition | Number and proportion of Service Users stepping up and stepping down | ICRS provider | Monthly to commissioners | On-going business case for the service |
| 9. Duration | Length of engagement with ICRS in days and hours | ICRS provider | Monthly to commissioners | On-going business case for the service |
| 10. Patient outcomes | Number and proportion of Service Users receiving a personalised assessment and goal setting | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **3A**[8] |
| | Number and proportion of Service Users receiving a regular reassessment / review | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **3A**[8] |
| 11. Inward demand | Number and proportion of Patients being referred and accepted from acute hospitals | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **2B(2)**[8] |
| 12. Onward demand | Number and proportion of Service Users receiving a referral on to community support / voluntary sector support, home care, supported living, extra care, and residential care homes | ICRS provider | Monthly to commissioners | Contributes to ASCOF 2020-21 measures **2A(1)** and **2A(2)**[8] |
| 13. Safeguarding | Number and proportion of Service Users receiving a referral under local adult safeguarding procedures | ICRS provider | Monthly to commissioners | Supports delivery of the Medway |

| Outputs / Outcomes | How will success be measured? | Who will measure success of outputs/ outcomes | When will success be measured? | Why is this being measured? |
|---|---|---|---|---|
| | | | | Adult Social Care Strategy[9] |

4.2.2. Among other factors, the ICRS is also a key contributor to the BCF metrics, listed below, and the Adult Social Care Outcome Framework measures .

- Avoidable admissions: Unplanned hospitalisation for chronic ambulatory care sensitive conditions
- Length of stay: Percentage of in patients, resident in the HWB, who have been an inpatient in an acute hospital for i) 14 days or more and ii) 21 days or more
- Discharge to normal place of residence: Percentage of people, resident in the HWB, who are discharged from acute hospital to their normal place of residence
- Residential admissions: Long-term support needs of older people (age 65 and over) met by admission to residential and nursing care homes, per 100,000 population
- Reablement: Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services

[9] https://www.medway.gov.uk/downloads/file/1066/medway_adult_social_care_strategy

## 4.3. Procurement Project Management

4.3.1. The management of this procurement process will be the responsibility of the Category Management team.

4.3.2. To ensure the needs of the requirement are met and continuously fulfilled post award, the following KPIs are likely to be included in the tender (subject to further consultation in developing in the specification) and will form part of any subsequent contract.

| # | Title | Short Description | %/measurement criteria | Why is this being measured? |
|---|---|---|---|---|
| 1 | Inward Referrals | Rejected inward referrals due to lack of provider capacity | Target = <5%<br>Acceptable minimum = 10% | Contributes to ASCOF 2020-21 measures **2B(2)**[8] |
| 2 | Independence improvement | % of users exit the service by the end of the six week period | Target = 100%<br>Acceptable minimum = 90% | On-going business case for the service |
| | | Length of stay in days | Target = 42<br>Acceptable minimum = 28 | On-going business case for the service |
| | | % of service users engaged with the service for less than four weeks (excluding deaths) who left the service without service user considering there is demonstrable progress towards goals | Target = <5%<br>Acceptable minimum = 10% | On-going business case for the service |
| 3 | Care Needs at Discharge | Service users were discharged from ICRS with no care needs or a reduction or removal of care package | Target = 80%<br>Acceptable minimum = 5% | On-going business case for the service |
| 4 | Service User satisfaction | % of Users upon discharge from the service who consider that demonstrable progress has been made towards achieving the outcomes stated in the Reablement Plan | Target = >80%<br>Acceptable minimum = 70% | On-going business case for the service |

### 4.4. Post Procurement Contract Management

4.4.1. The management of any subsequent contract will be the responsibility of the Head of Adults Partnership Commissioning and their team.

4.4.2. The contract pricing will be scheduled to maximise flexibility to provide potential providers and commissioners of budget impacts that may come from increases and decreases in demand, as well as ensuring that unused capacity is not paid for, and commissioners can begin to propose service development pilots from Year 2.

4.4.3. The current contract has confirmed that a HomeFirst discharge model is both workable and desirable at a local and regional level, with further real-life testing at a national level with the experiences of Covid. The post contract management of the new service will build evidence and assess future service development, such as:

- **Home Care, Care Homes, and Urgent Response Care contracts integration**, starting with alignment of contract dates and break clauses with the current re-procurement.
- **Joint Procurement across Medway and Swale HaCP:** The service for Swale residents is delivered by a different provider to Medway.
- Expansion to include a **Community Reablement** service that residents could be referred for new and existing packages of care in home and residential settings alongside the Targeted Review project. The Platters Farm contract would be well-placed to support bed-based reablement for this type of service subject to the timing of a review of the bed provision model within this contract.
- Expansion to possibly include a **Transition Capacity** team within the service, adapting the Capacity Care team pilot carried out in Redcar and Cleveland. This could potentially be fulfilled by a team of 6-8 care workers employed on an enhanced rate for 12hr shifts. The team would be flexibly deployed across the Pathways 1 and 2 provision, as well as providing capacity for the transition of service users from ICRS to ASC packages of care whilst encouraging the engagement of home care providers.
- Effectiveness of **intervention periods and types** in relation to onward take up of social care and patient outcomes.
- The use of **Technology Enabled Care Services** in the intermediate care services.

4.4.4. Commissioners are aware, through informal networking, that NHS England & Innovation (NHSE&I) are awaiting an official commission from government via the Department for Health and Social Care to start work on a National Intermediate Care Strategy and Framework. The aspiration is for this to be agreed by ministers within 6 months and to cover a period of between 3 to 5 years. NHSE&I are at the very early stages, and commissioners are liaising with them to inform development and exploring the possibility of any pilot opportunities. The work is a recognition that, unlike Medway with its HomeFirst

forerunner[10], a lot of health and social care services may have only started the provision of a discharge model as part of their intermediate care service from the release of the national discharge model.

4.4.5. The Local Government Association (LGA) is working on developing further guidance on how acute hospital staff can describe, rather than prescribe, the care and equipment requirements of patients following discharge.

## 5. Market Conditions and Procurement Approach

### 5.1. Market Conditions

5.1.1. There is significant potential interest from providers delivering services across the South- East leading to some competition for each lot.

5.1.2. Lot 1 – The Provision of Pathway 1 services. Pathway 1 is defined as where a patient upon discharge, returns to their normal place of residence and is entitled to six weeks reablement care.

5.1.3. For Lot 1, there are the existing providers of this service for Medway and for Kent, as well as the possibility of large local or national home care providers operating in Medway and providing reablement services.

5.1.4. Lot 2- A patient is entitled to up to six weeks intermediate care and reablement within a residential setting. They are expected to return to their normal place of residence.

5.1.5. For Lot 2, the situation is similar though potential bidders are naturally restricted by the need to provide care home facilities beyond those beds in the Platters Farm contract.

5.1.6. By offering two lots, providers are able to bid for one or both of the lots. This safeguards that the market is diversified while retaining the possible economies of scale from having a single provider.

### 5.2. Market Engagement Event

5.2.1. A Market Engagement Event was held on 27 September 2022 and supported by the Portfolio Holder Cllr David Brake with 22 providers in attendance. As well as receiving an overview of the vision and context for the ICRS contract and procurement timelines, attendees were invited to attend breakout sessions focusing innovation, flexibility, continuous improvement, data, support from the Council and ICB and the voice of the service user.

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[10] https://www.nhs.uk/NHSEngland/keogh-review/Documents/quick-guides/Quick-Guide-discharge-to-access.pdf

5.3. Benchmarking

5.3.1. Due to the amount of resource required to undertake such benchmarking, NHS England and Improvement are leading on this with support from the Better Care Fund at a national level.

5.3.2. The National Audit of Intermediate Care was last undertaken in 2019. There are no published plans to re-start this work.

5.3.3. Service Model Benchmarking

5.3.3.1. Benchmarking for this service is particularly difficult because of the variety of models adopted by each area:

- Differing combinations and separations of the urgent response, home-based intermediate care, and bed-based intermediate care elements
- Approaches of in-house and commissioned services
- Alignment with homecare and residential nursing home services
- Use of rapid discharge teams
- Use of "highly trained care workers" supported by Adult Social Care therapists or in-contract therapists
- Inclusion or not of bed costs for bed-based services
- Use of spot-purchasing, frameworks, and block payments
- Focuses on community intermediate care or are discharge based
- Funding by local authorities or ICBs or joint commissioning as in Medway
- Effects of inflation from when the contract was initially tendered

5.3.3.2. 46 Freedom of Information requests were sent to the ICBs and local authorities in the geographical and commissioning neighbour ICPs (Integrated Care Partnerships). This was because of the factors listed above. There were 26 ICBs and local authorities that responded. Of these 3 had a similar commissioning and funding practice, none of which were looking to re-commission soon.

5.3.4. Cost Benchmarking

5.3.5. The "Find a Tender" service was used to find 30 recent and on-going tenders that related to "reablement". From these, pricing information was obtained for 3 home-based and 4 bed-based intermediate care and reablement contracts from other areas that were procured or are being procured. From contacts with other areas, costs for a further 4 bed-based contracts were obtained. There was a wide range of costings shown below as this supports that some facilities are owned by the NHS or Local Authorities whereas beds are having to be hired in facilities owned by the incumbent provider.

5.3.6. The aggregated results are shown in the table below:

| | **Low** | **Average** | **High** |
|---|---|---|---|
| Costs Per Person | | | |
| Home-based | c. £205 | £954.97 | c. £1,809 |
| Costs Per Bed Per Week | | | |
| Bed-based | c. £670 | £1,230.66 | c. £2,800 |

5.3.7. An average cost per service user of £954.97 for home-based care. The benchmarked costs ranged from c. £204.99 and c. £1,809.

5.3.8. An average cost per week of £1,230.66. The benchmarked costs ranged from c. £670 and c. £2,800.

## 5.4. Procurement Options

5.4.1. The following is a detailed list of the options considered and analysed for this report:

5.4.1.1. **Option 1 – Out of Contract**: This would see services continue without a formal contract in place as commissioners have already exercised the option to extend.

5.4.1.2. **Option 2 – Restricted market procurement (single lot):** A single provider is sought for the delivery of a single ICRS that supports patients at all levels of need on Pathway 1 at home as well as a Pathway 2 bed-based service. This option is most reflective of the current ICRS contract.

5.4.1.3. **Option 3 – Restricted market procurement (two lots):** Between one and two providers are sought to deliver the ICRS across two lots.

- Lot 1 – Patients at all levels of need on Pathway 1
- Lot 2 – Pathway 2 bed-based intermediate care and reablement

**Option 3 is the recommended option.**

5.4.1.4. **Option 4 - Restricted market procurement (three lots):** Between one and three providers are sought to deliver the ICRS across three lots.

- Lot 1 – Low complexity patients at all levels of need on Pathway 1 at home
- Lot 2 – Low Pathway 2 patients for bed-based intermediate care and reablement
- Lot 3 – High complex patients on Pathways 1 and 2 with needs relating to Bowel and continence issues, Co-Morbidity, Frailty, Neurological Trauma, Non-Weight Bearing and Obesity; excluding Mental Health

5.4.1.5. **Option 5 - In Bring the service in-house to the Adult Social Care Service** The service is delivered in-house by staff across the Adult Social Care service. This option would not be suitable as the facilities or staffing to mobilise an in-house model to a standard of existing providers are unlikely to be available by the end of the current contract.

The table on the next page sets out the detailed advantages and disadvantages of each option:

| Advantages | Disadvantages |
|---|---|
| **Option 1 – Out of Contract** | |
| • Allows more time to design, commission and procure services. | • If a service is provided outside of a tendered contract there is a risk of provider challenge, and a lack of contractual controls means quality cannot be assured.<br>• If the ICRS does not remain in place, there is significant risk of increased demand in acute hospitals as discharges are hampered and in ASC from direct referrals and presentation of lower levels of independence by service users.<br>• Possibly rephase to say how expensive this would be to spot purchase this level of care and this will cause delays |
| **Option 2 – Restricted market procurement (single lot)** | |
| • Like option 1, allows for additional analysis and review of existing demand and effectiveness of interventions<br>• Lower procurement cost from a single process for tendering and evaluation.<br>• Lower contract management cost from needing less resource, time, and effort to manage properly than a single provider.<br>• A lower need for clarity for referring patients to the correct pathway.<br>• Lack of complexity for moving patients between pathways for “step-up” or “step-down” post discharge.<br>• Providers will have greater flexibility to manage resource and patients across each pathway.<br>• Greater potential economies of scale through purchasing larger quantities. | • Increases social value by encouraging small and medium-sized enterprises to bid for public contracts by improving accessibility.<br>• Increases competition in procurement by allowing providers that focus on either bed-based or home-based provision to bid as well as those who provide both<br>• Long term market stimulation is encouraged with more suppliers being engaged.<br>• Increased quality as suppliers can specialise in specific areas of service delivery.<br>• Reduced capacity for innovation and experimentation in specific areas with minimal impact on the wider service. |

<table>
<tr><th>Advantages</th><th>Disadvantages</th></tr>
<tr><td colspan="2">Option 3 – Restricted market procurement (two lots):</td></tr>
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<ul>
<li>Like option 1, allows for additional analysis and review of existing demand and effectiveness of interventions</li>
<li>Increases social value by encouraging small and medium-sized enterprises to bid for public contracts by improving accessibility.</li>
<li>Increases competition in procurement by allowing providers that focus on either bed-based or home-based provision to bid as well as those who provide both</li>
<li>Long term market stimulation is encouraged with more suppliers being engaged.</li>
<li>Increased quality as suppliers can specialise in specific areas of service delivery.</li>
<li>Capacity for innovation and experimentation in specific areas with minimal impact on the wider service</li>
</ul>
</td><td>
<ul>
<li>Higher procurement cost from multiple processes for tendering and evaluation.</li>
<li>Higher contract management cost from needing more resource, time and effort to manage properly than a single provider.</li>
<li>A greater need for clarity for referring patients to the correct pathway.</li>
<li>Increased complexity for moving patients between pathways for “step-up” or “step-down” post discharge.</li>
<li>Providers will have less flexibility to manage resource and patients across each pathway.</li>
<li>Loss of potential economies of scale through purchasing smaller quantities.</li>
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</td></tr>
<tr><td colspan="2">Option 4 - Restricted market procurement (three lots)</td></tr>
<tr><td>
<ol start="6">
<li>As Option 3 in relation to social value, competition, market stimulation and quality.</li>
<li>Increases flexibility across services switch on and off services where new services may be amalgamated, commissioned or de-commissioned for more complex patients.</li>
<li>Reduced risk for service delivery as suppliers may be able to step in if a provider is failing.</li>
<li>Increased capacity for innovation and experimentation in specific areas with minimal impact on the wider service.</li>
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</td><td>
<ol start="10">
<li>As Option 3 in relation to procurement cost, contract management cost, clarity, complexity, flexibility, and economies of scale</li>
<li>If the local discharge policy being discussed is accepted, then this option would no longer be valid</li>
</ol>
</td></tr>
</table>

| **Advantages** | **Disadvantages** |
|---|---|
| **Option 5 – In-House** | |
| • Greater control and flexibility on service design and delivery<br>• The Council's existing Joint Venture partner has other care contracts and may employ nurses. | • Local authorities are not permitted to directly employ qualified staff in roles where they would be acting as registered nurses, which are required for clinical oversight of the service.<br>• Adult Social Care are currently re-shaping their service making it not possible to introduce a new in-house service by the end of the current contract.<br>• The reframing of the local discharge policy is being discussed, which may evolve over the remainder of the contract, which combined with the above, mean that it would not be possible to mobilise by end of current contract |

## 5.5. Procurement Process Proposed

5.5.1. Procurement Board has indicated a preference for option 3. Given the number of providers in the market a Restricted Procurement procedure is considered the best option to avoid excessive quantity of tenders needing to be evaluated and ensuring that only compliant providers will be invited to tender. This provides the best mix security of service and market diversification.

5.5.2. It is recommended that Option 3 is the preferred option. Option 3 is where Lots 1 and 2 could be delivered by a single provider per Lot or where there are two providers, one for each individual Lot. Providers are sought to deliver the ICRS across two lots (Lot 1 – Patients at all levels of need on Pathway 1, Lot 2 – Pathway 2 bed-based intermediate care and reablement) and for the contract duration be a 36-month term with the option to extend for up to two periods of 24 months by mutual agreement. The total contract period is based on the current contract and its proven attractiveness. The specific timing of extension periods may be amended during specification development.

## 5.6. Evaluation Criteria

5.6.1. The evaluation will be weighted 30% for price and 70% for quality to deliver best value. A higher weighting is being attributed to the quality component of the service to ensure that standards are kept appropriate for this high-risk service.

5.6.2. Whilst not finalised at this stage, officers propose to evaluate bidders against the following quality criteria within the tender.

| # | Question | Weighting (%) | Purpose |
|---|---|---|---|
| 1 | Price | 30 | The price is the sum that the agency would be required to pay to the tenderer for the work or service provided. This must include all costs over the duration of the contract |
| 2 | Relevant Experience | 70 | Previous experience of the tenderer needs to be assessed in relation to the fields of expertise required to achieve the intended outcomes of the project. Recent experience is more valuable than historic experience. |
| 3 | Management and Technical Skills | | The competence of key management, professional and technical personnel that the tenderer proposes to employ on the project needs to be assessed with particular emphasis on the skills and experience in technical areas comparable to the project. |

| | | | |
|---|---|---|---|
| 4 | Resources | | The equipment, including facilities and intellectual property, which the tenderer proposes to use on the project need to be assessed. |
| 5 | Management Systems | | The availability within the tenderer's organisation of personnel with appropriate management skills together with effective management systems and methods appropriate to the successful management of the project. |
| 6 | Methodology | | The procedures or innovative methods the tenderer proposes to use to achieve the specified end results, or the special processes detailed in tender documents. |

6. Risk Management

6.1. The risks to be managed for this procurement are set out in the table below.

| | | Risk Category |
|---|---|---|
| OTHER/ICT: Data for patients is currently held on the provider's database. This may pose a problem should the incumbent not be successful in winning the tender. It is possible that care plans, patient outcomes etc are not available to the incoming provider. This presents a health risk to the patient and difficulty in transfer of care, where required. | Begin discussions with incumbent provider before tender goes out.<br>In tender documents ask bidders their policy on receiving information from incumbent providers and passing information to incoming providers.<br>3-month mobilisation period to enable data transfer. | Impact:<br>II Critical<br><br>Likelihood:<br>C Significant |
| SERVICE DELIVERY: It is increasingly difficult for health and care services to recruit staff. Any loss of staff during the recommissioning process or who chose not to TUPE across could impact on the new service's ability to deliver. | Incumbent provider to be made aware that TUPE list will be required and obtained early.<br>In tender documents ask bidders their policy on ensuring retention. | Impact:<br>II Critical<br><br>Likelihood:<br>C Significant |
| PROCUREMENT PROCESS: Providers may choose not to submit bids for several reasons including profitability, ability to deliver, contract length. If the incumbent is unwilling or unable to | Hold additional market warming events. | Impact:<br>III Marginal<br><br>Likelihood:<br>D LOW |

| | | |
|---|---|---|
| extend contract (or places unrealistic demands on commissioners) Medway could be left without a service. | | |
| PROCURMENT PROCESS: The commissioning timeline is not met, causing a delay in service implementation and possible service gaps, as notice will have been served on current contracts. | Regular communication between commissioners and Category Management officer to ensure timelines are followed, issues/obstacles identified and mitigated prior to causing delays. | Impact:<br>II Critical<br><br>Likelihood:<br>D LOW |
| SERVICE DELIVERY: The level of acute hospital discharges per day facilitated by this contract is insufficient to meet the demand. This could lead to extended length of stay and increased elective backlog in the local acute hospital and/or excessive pressure on other commissioned and in-house services health and social care services in Medway. | Monitoring and Managing Capacity and Demand in Medway. The ICB to establish a comprehensive reporting system to monitor capacity and demand. Medway as a distinct area is used as a pilot with a roadmap to move from existing databases and additional reporting where required to use of the Kent and Medway Care Record's data lake; and from a Medway focus to Medway and Swale and then to the remaining Health and Care Partnerships and the whole of the ICB. | Impact:<br>II Critical<br><br>Likelihood:<br>C Significant |

# 7. Consultation

## 7.1. Internal (Medway) and External Stakeholder Consultation

7.1.1. This report is based on the experience of the Intermediate Care and Reablement Service delivered by MCH, commissioning officers from across Adult Partnership Commissioning as well as engagement with colleagues from Adult Social Care.

7.1.2. NHS Kent and Medway ICB colleagues have been engaged with.

### 7.2. Patient Voice

7.2.1. Patient voice will be included from MCH and MFT resident experience surveys, front door activity and analysis assisted by Healthwatch Medway.

7.2.2. A Diversity Impact Assessment (DIA) has been completed and includes consideration of health inequalities and protected characteristics.

## 8. Financial Implications

8.1. The procurement requirement and its associated delivery as per the recommendations will be funded through the Better Care Fund (BCF).

## 9. Legal Implications

9.1. The statutory basis for this service is set out in paragraph 3.2. above.

9.2. Under the Council's Contract Procedure Rules, the proposed procurement is a high-risk procurement, and the process set out in this report meets the requirements for such procurements. The proposed procurement must also be advertised on the Kent Business Portal, in compliance with rule 3.3 of the CPRs.

9.3. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter contracts in connection with the performance of its functions.

9.4. The process described in this report complies with the Public Contracts Regulations 2015 and Medway Council's Contract Procedure Rules.

## 10. Other Implications

### 10.1. TUPE Implications

10.1.1. TUPE will apply during this procurement. This will only apply to eligible posts within the current commissioned ICRS.

### 10.2. Procurement Implications

10.2.1. Due to the potential number of providers in the market, particularly for Lot 1, the Restricted procedure is recommended for the procurement.

### 10.3. ICT Implications

10.3.1. There are no ICT implications associated with this procurement.

## 11. Social, Economic & Environmental Considerations

11.1. The Public Services (Social Value Act) 2012 requires all public bodies to consider how the services they commission might improve the economic, social, and environmental wellbeing of the area. As part of this procurement, social value themes, outcomes and measures will be set out in the service specification and tender documents. Provider commitments will be captured in tender responses and verified through performance monitoring.

11.2. Medway Council has a climate change action plan[11] which will develop further over the coming years. Providers will be required to implement and adhere to the plan's recommendations.

11.3. Providers will be required to have an environment policy that aligns with Medway's declared ambition to become carbon neutral by 2050.

11.4. Recommissioning of supported living services is not expected to adversely affect Medway Council's Local Plan priority for a clean and green environment[12].

## 12. Recommendation

12.1. The Cabinet is asked to approve the recommendation, to pursue the procurement of the Intermediate Care and Reablement Service identified in paragraph 5.4.1.3 of the report (Option 3).

## 13. Suggested Reasons for Decision

13.1. A new Intermediate Care and Reablement Service is expected to deliver a more flexible service across the Medway area with more granular insight on demand and effectiveness.

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## Appendices

Appendix 1 – Diversity Impact Assessment
Exempt Appendix 1 – Financial Analysis

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[11] https://www.medway.gov.uk/climatechangeplan
[12] https://www.medway.gov.uk/info/200387/council_plan

## Background Papers

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

| Description of Document | Location | Date |
|---|---|---|
| Department of Health "Intermediate Care: Halfway Home: Updated Guidance for the NHS and Local Authorities" | https://www.scie-socialcareonline.org.uk/intermediate-care-halfway-home-updated-guidance-for-the-nhs-and-local-authorities/r/a11G00000017sWXIAY | 2009 |
| NICE Guidance NG27 "Transition between inpatient hospital settings and community or care home settings for adults with social care needs" | https://www.nice.org.uk/guidance/ng27/ | December 2015 |
| NICE guidance NG74 "Intermediate care including reablement" | https://www.nice.org.uk/guidance/NG74 | September 2017 |
| Developing a capacity and demand model for out of hospital care | https://www.local.gov.uk/publications/developing-capacity-and-demand-model-out-hospital-care#the-learning-from-phase-one-do-we-have-the-right-services | September 2021 |
| Hospital discharge and preventing unnecessary hospital admissions (COVID-19) | https://www.scie.org.uk/care-providers/coronavirus-covid-19/commissioning/hospital-discharge-admissions#commissioning-lessons | January 2022 |
| Department of Health and Social Care "Hospital discharge and community support guidance" | https://www.gov.uk/government/publications/hospital-discharge-and-community-support-guidance/hospital-discharge-and-community-support-guidance | March 2022 |
| Care and Support Statutory Guidance issued under the Care Act 2014 | https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance | Updated June 2022 |
| Referral to Treat (RTT) Overview Timeseries Jun22<br><br>Download Waiting Times by Hospital Trust Jun22 | https://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-data-2022-23/ | August 2022 |