



CABINET – 23 JUNE 2020

**COMMISSIONING AND PROCUREMENT OF HOME CARE SERVICE
POST-NOVEMBER 2020 - PROPOSED DEFERRAL ARISING FROM
COVID-19**

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

PART A

Purpose of the Report

1. The current (and forecasted) impact of the coronavirus pandemic on all health and social care services has necessitated a review of the proposals for the new Home Care service, which were previously agreed by the Cabinet in February.
2. This report sets out proposals for delaying the procurement and implementation of the Home Care for Leicestershire (HC4L) service following the outbreak of the coronavirus pandemic and its impact on the provision of home care within Leicestershire.

Recommendations

3. It is recommended that procurement of the new Home Care service for Leicestershire previously agreed by the Cabinet on 7 February 2020 be deferred for 12 months, subject to agreement by the East Leicestershire and Rutland and West Leicestershire Clinical Commissioning Groups' Governing Bodies.

Reasons for Recommendations

4. Due to the current pressures arising from the coronavirus pandemic, it is deemed unlikely that an Invitation to Tender (ITT) for a new Home Care service would elicit a positive or significant response from the care market at the present time.
5. There is a significant risk, that the current Covid-19 crisis would either not be over or reduced sufficiently in this period to enable either the procurement to start or to ensure a safe roll-out of the new service.

Timetable for Decisions (including Scrutiny)

6. In the absence of a meeting of the Adults and Communities Overview and Scrutiny Committee, this report will be circulated to all members of that Committee and any comments will be reported to the Cabinet.

7. The Adults and Communities Overview and Scrutiny Committee received reports on 2 September and 11 November 2019 on the re-commissioning of home care in Leicestershire and on 20 January 2020 the Committee considered the proposals that were subsequently agreed by the Cabinet.
8. As explained in Part B of this report, the new service is being commissioned jointly with the West Leicestershire and East Leicestershire and Rutland Clinical Commissioning Groups (CCGs). A report will be considered by the CCGs' Governing Bodies on 14 July 2020.
9. Subject to agreement of the Cabinet and the CCGs' Governing Bodies, it is intended that the project would re-commence in January 2021, with consideration by members and the CCGs in the early part of the year, followed by a procurement exercise in late spring 2021, and the new service beginning from late summer 2021.

Policy Framework and Previous Decisions

10. The Care Act places a duty on the local authority to:
 - ensure there is a market of high-quality provision able to meet the needs of the resident population whether they are funded by the Council or purchasing their own services;
 - provide support for people if they have unmet, eligible, assessed care and support needs.
11. On 7 February 2020, the Cabinet approved the proposals for the new Home Care service, to be commissioned jointly with the West Leicestershire and East Leicestershire and Rutland CCGs.
12. The current Help to Live at Home (HTLAH) service contracts (including the Supplementary and Contingency frameworks) have already been extended for one year to November 2020. A further option to extend to November 2021 is permissible under the same contract terms. Beyond this point a further extension is not permissible without an exception being agreed by the Director of Corporate Resources and the Director of Law and Governance.

Resources Implications

13. Financial modelling prior to presentation of the previous report to the Cabinet in February, indicated that paying a sustainable provider rate which would allow the Real Living Wage to be paid to care staff for all working time would result in higher average rates than those currently in place. Additional costs to the Authority at current demand were expected to be in the region of £1.0m to £1.1m per year. This will need to be reviewed and taken into account in the preparation of the revised Medium Term Financial Strategy.
14. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

15. None.

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PART B

Background

16. As explained in the report to the Cabinet in February, the domiciliary care service (Help to Live at Home) was designed to help service users achieve maximum possible independence at home. It aims to help service users manage their own care wherever possible, improve their resilience, and give better social outcomes. The main priority for any new service is to continue to help people to live as independently as possible, taking into account the views of service users, carers and professionals to deliver a quality service.
17. The impact of the coronavirus pandemic on all health and social care services has necessitated the review of the proposals for the new Home Care service. The Cabinet at its meeting on 24 May considered a report on the financial impact of the pandemic which included reference to potential changes to the care home market.

Impact of Covid-19

18. According to a recent report (Covid-19 Insight Report) from the Care Quality Commission (CQC) a survey of Domiciliary Care Agencies in the Midlands stated that:
 - Morale is low in adult social care and care staff have felt undervalued compared with their health care counterparts;
 - Some registered managers of adult social care services are suffering from burn out and extreme anxiety;
 - Some providers may now face a shortfall in people using their services due to increased deaths and not being able to admit new admissions;
 - Some providers are struggling financially with the cost of Personal Protective Equipment, including having to pay inflated costs to source what they desperately need.
19. The CQC has also heard concerns over insurance companies informing providers that, if they knowingly take COVID-19 positive patients, they are in breach of their insurance. Other providers have also been unable to renew their insurance, posing a risk to their ability to care for people.
20. The findings in this CQC report, back up the concerns raised within the Department and the need to allow for a sensible period of recovery, in order to ensure that the marketplace is on a firmer footing, prior to going out to procure a new service.

Proposed Changes to the Procurement Timetable

21. A number of alternatives were considered in order to determine the most likely timeframe in which the new service could be procured and safely rolled-out. The alternatives considered were a delay of six, nine, 12 months or longer, the key criteria being:
 - The avoidance of a procurement during the peak service pressure periods;

- The avoidance of an implementation during the peak service pressure periods;
 - A realistic postponement period to secure a sustainable market response and minimise the risk of needing a further postponement.
22. It is considered that a six-month delay would result in pushing the procurement into the winter pressure period. A nine-month delay would result in the implementation starting in late June/early July 2021 and thus be affected by the usual summer pressures primarily relating to workforce availability.
23. A deferral of between six to nine months would also mean that there would be less time to reconvene the project team to restart any final checking/preparations prior to starting the procurement, given that several team members would likely still be actively engaged in managing the coronavirus response in both the County Council and the CCGs.
24. A 12-month delay would effectively mirror the current timeframe, but 12 months into the future and, as now, avoid both winter and summer pressure periods. Whilst there is still a significant risk that there will be ongoing outbreaks of the coronavirus, the additional time allows for the peak impact to have passed, greater resilience to have developed in the local home care market, and an effective exit strategy from the Covid-19 pandemic to be in place.
25. Delays greater than 12 months but less than 24 months would, as indicated above, result in a procurement, implementation or both, falling into one or both of the seasonal pressure periods. Whilst this ultimately may have to happen to avoid an even longer deferment, it is not currently recommended.

Design of the new Home Care Service

26. Should the home care market fundamentally change as a result of the pandemic e.g. significant reduction in the number of home care providers and/or home care workforce, additional costs to cover the provision of new safety measures; it may result in wholesale changes to the proposed design of the new service. Notwithstanding this, the conclusions set out in the previous report to the Cabinet in February currently stand, namely:
- a) The proposals for the new service aim to address key concerns with the current service and thus incentivise providers to pick up packages of care in a timelier way across the County, including the more rural and remote areas.
 - b) Pre-setting price levels at rates determined by detailed market analysis will ensure bids are assessed purely on the quality of service being offered and robust evidence of provider performance, thereby removing the risk of unsustainably low or poor quality bids being submitted.
 - c) Retaining control of the allocation of packages of care within the Authority's brokerage function rather than with the current lead providers, as tried and ceased in the HTLAH model, is intended to build on an established and effective operating model and incentivise providers to deliver a responsive, quality service.

- d) Using a pricing model which supports the Authority's ambition to ensure providers pay the Real Living Wage and HMRC-recommended mileage rates will help to create a more sustainable workforce and reduce turnover in the sector, which should enhance the quality of provision.

Views of CCGs and Care Home Providers

27. Both East Leicestershire and Rutland CCG and West Leicestershire CCG have been consulted with regard to this proposal and supported the proposals when tabled at the project board. As a result, it is anticipated that the CCGs' Governing Bodies will also be supportive of this request. Regular dialogue with current home care providers is maintained through the Department's Commissioning and Quality Team and formal notification with regards to the deferment have been issued.

Views of the Adults and Communities Overview and Scrutiny Committee

28. This report will be circulated to all members of the Committee for comment on the proposed deferral, and any feedback will be reported at the Cabinet meeting.

Revised Key Milestones

29. Subject to deferment of 12 months being approved, the proposed revised key milestones are as follows:

Milestone	Date
Officer Project Board reviews next steps	13 October 2020
Preparatory work for restart completed	31 December 2020
Formal restart of project timetable	4 January 2021
Report to the Adults and Communities Overview and Scrutiny Committee	January 2021
Reports to the Cabinet and CCG Board	February 2021
Procurement starts	March/April 2021
Mobilisation begins (no later than)	August 2021
Mobilisation ends (no later than)	November 2022

30. Subject to agreement of the deferral, communications will be issued to all Elected Members, staff, and providers advising of the postponement along with the above timetable for recovery. A revised communications plan will be prepared ready for the formal restart of the project.

Equality and Human Rights Implications

31. The Equality and Human Rights Impact Assessment (EHRIA) previously attached to the report to the Cabinet on 7 February 2020 has been submitted to the Departmental Equalities Group. It provides a good picture of the current position and anticipated impacts of the planned approach, which gives a positive basis for assessing the impact of any proposed changes to the model, should these be required. This will allow the integration of actions to mitigate any potential equalities issues identified throughout the process (including during workshops and co-production). The EHRIA will need to be reviewed in line with any fundamental changes to the home care market as a result of the Covid-19 pandemic.

Partnership working and associated issues

32. Colleagues from both CCGs continue to be fully engaged with the project to ensure that both health and social care needs of service users living in Leicestershire are met.

Environmental Implications

33. Environmental implications were considered in the design of the new Home Care service and if as a result of the deferment there are any substantive changes to this then it will be addressed in subsequent reports to members.

Risk Assessment

34. An initial risk assessment was carried out and the resultant risks logged. The key risks identified were:
- Limited resource in the marketplace restricting the ability of providers to tender for the new contract
 - New providers may be adversely impacted by additional demand at short notice if current provider(s) exit abruptly from the market during the transition period
 - The procurement and possibly implementation timelines due to the potential impact of Covid-19 i.e. impact on the elderly and at risk groups and on the carers.
 - limited resources within the marketplace may restrict the ability of providers to take up service requests.
35. The current risk log has been preserved, along with other key project documentation, as at the time work stopped on the project and this will form part the review prior to restarting the procurement process. Whilst a full review of the risk log will take place prior to restarting the procurement process they key areas of risk are:
- The home care market may have been adversely impacted by Covid-19 e.g. workforce reduces due to the increased in risks associated with the work.
 - New legislation may increase costs beyond a point that many providers consider to be viable. A further wave/outbreak of Covid-19 may result in further delays to the proposed deferment.

Background Papers

Report to the Adults and Communities Overview and Scrutiny Committee: 20 January 2020 – Commissioning and Procurement of Home Care Services Post November 2020

<https://bit.ly/2Gchvso>

Report to the Cabinet: 7 February 2020 – Commissioning and Procurement of Home Care Service Post-November 2020

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5992&Ver=4>

Report to the Cabinet on 22 May 2020: Coronavirus (Covid-19) Financial Implications

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5995>