



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**5 SEPTEMBER 2022**

**COMMISSIONING AND PROCUREMENT OF HOME CARE SERVICES**

**REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

**Purpose of report**

- 1 To provide an update on progress made on the procurement of home care services as previously requested by the Committee.
- 2 This report also summarises the outcome of the recent tender for integrated home care services in partnership with the NHS Clinical Commissioning Groups (CCGs) for the County to create additional capacity through a Framework of providers with effect from 1 November 2022. This will be in addition to the provision that commenced on 1 November 2021.

**Policy Framework and Previous Decisions**

- 3 On 7 February 2020, the Cabinet approved the procurement of a new Home Care Service for Leicestershire. Prior to this, the Committee considered two reports which outlined the proposed way forward to re-procure the Service at its meetings in September and November 2019.
- 4 In June 2020, the Cabinet agreed to defer the procurement of the new Home Care Service due to the impact of the Covid-19 pandemic. Further to this, the Committee considered reports at its meetings in January and September 2021 on the progress made with the Home Care for Leicestershire procurement following the pause in activity and re-profiling of timelines.
- 5 Having selected 49 bidders to be appointed to the Home Care for Leicestershire Framework, on 26 October 2021, the Cabinet approved a proposal to make interim awards to current home care providers who were unsuccessful or who chose not to bid under the Framework, initially for a six-month period with an option to extend for a further six months to 31 October 2022. This ensured service capacity was maintained and provided continuity of care for people already receiving services where there might be insufficient provision under the framework.
- 6 The interim awards were approved on the basis that the Framework would re-open to allow providers working with the Council under this arrangement, along with any other interested care agencies, to apply to join the main Framework.

## **Background**

### **First Round of Procurement**

- 7 The initial implementation of Home Care for Leicestershire (HCL) - a home care service jointly commissioned by the County Council and the NHS CCGs - commenced as planned on 1 November 2021. Of the 49 successful bids, 45 are providing care across Leicestershire and the remaining four have yet to mobilise and be in active service.
- 8 The HCL model of service delivery is based upon an open Framework of providers who have bid to work in Leicestershire. The County has been strategically divided into 14 geographic zones, each requiring at least two providers but having no upper limit of providers.
- 9 The first round of the Framework procurement enabled 49 providers to be successfully added to the Framework. The procurement was a success and met the intended outcomes. The Council's Transformation Unit led a 'lessons learnt' exercise to ensure the achievements continued to be built upon such as market engagement, continuity of care and the procurement process. The exercise also provided an opportunity to identify areas of challenge and importantly how these challenges can be addressed. These challenges include recruitment and retention of workers and incentives for providers to work in rural and isolated locations.
- 10 Trend analysis also clearly identified that the number of packages of care required were increasing as set out in the table below:

<b>Care delivered</b>	<b>1 April 2020</b>	<b>1 April 2022</b>	<b>% Change</b>
People receiving services	1,778	2,269	27.6%
Weekly care hours	23,519	31,909	35.7%

- 11 Between 1 April 2020-31 March 2022, the number of home care services commissioned by the Council increased by 27.6%. The same period saw an increase of 35.7% in care hours delivered to individuals receiving home care services.
- 12 On 26 October 2021, the Cabinet approved a proposal to re-open the framework for a second time to address the challenges and issues identified through the lessons learnt process. This also provided an opportunity for providers who narrowly failed the first round to try again; this move was welcomed by the market.

### **Second Round of Procurement**

- 13 The Framework was therefore re-opened on 11 January 2022 to give a further opportunity to existing non-framework and new providers to apply to join with a deadline for tender submissions of 3 March 2022.
- 14 Following completion of a successful procurement exercise, contract award letters were issued on 17 June 2022. The procurement resulted in an additional 42 providers being awarded contracts to join the Framework. This has also been a success and met the intended outcome to have a larger supply of providers across

all zones in the Framework. This will ensure that the Department can continue to meet the demand of increasing home care packages, provide choice to people using the services and to sustain the market.

- 15 Mobilisation of providers joining the Framework commenced on 20 June 2022, aiming to prepare providers to commence on the Framework on 1 November 2022.

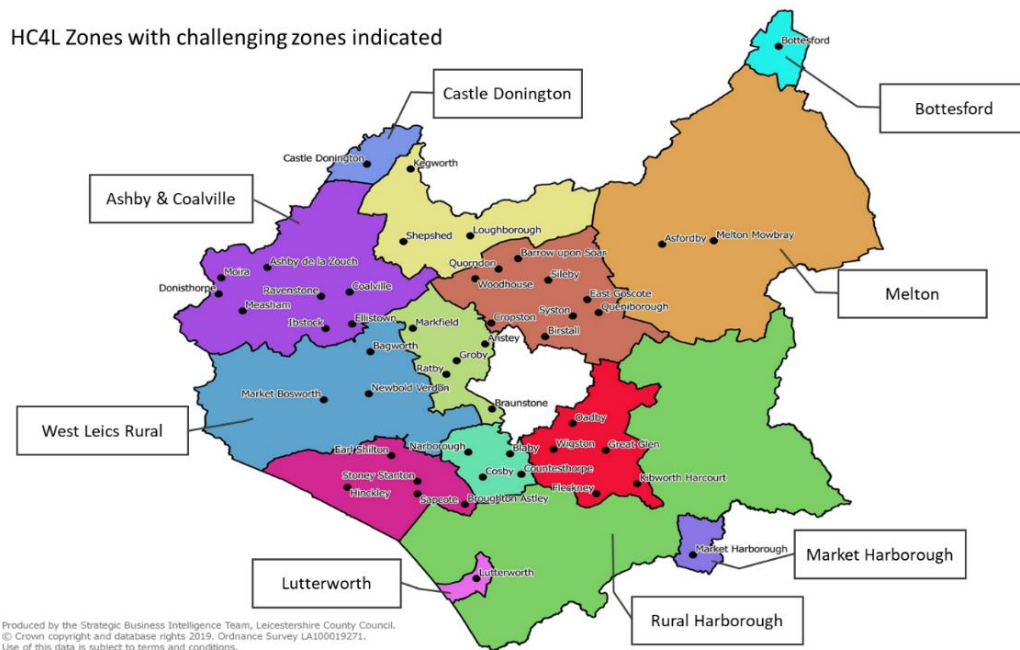
#### Award summary

- 16 The recent re-opening has been successful with a further 42 providers joining the Framework of which 27 are new providers and 15 are existing suppliers who have now joined the framework.
- 17 Eleven existing suppliers working under interim contract arrangements are not joining the Framework. Of these, seven did not submit a bid and four were unsuccessful in the tender process.
- 18 Care being delivered by the remaining existing suppliers will continue after 31 October 2022, but after this date they will not start new packages unless under exception arrangements.
- 19 This increases the HCL Framework provider capacity in the County from the current 45 Framework providers to 87 when mobilised.

#### Impact of the procurement exercise

- 20 The impact of the procurement exercise can be summarised as follows:
- 86% of the current market capacity will be with HCL Framework providers;
  - 14% of the total current market capacity will **not** be on the HCL Framework;
- 21 The volume of successful providers in this round of HCL procurement suggests that the stability and sustainability of the market has been significantly bolstered. However, caution must be shown because it is likely that not all the providers will actually mobilise in all of their areas of stated interest, for a range of reasons including lack of workforce capacity in a particular area, or keeping business options open. Furthermore, although care packages already in place will continue with the current provider, some existing providers that currently hold care packages and that are not joining the Framework may hand their care packages back to the Council and alternative care will need to be found for those individuals.
- 22 There are currently a small number of people awaiting care and the number of home care weekly hours has increased in the last two years. This illustrates that the market is meeting demand in most areas. The problematic areas remain in the zones in which it is traditionally hard to source care. These are predominantly the isolated and rural areas.

23 The map below shows the Home Care zones identified as challenging:



24 The insufficient supply in more challenging zones will, without intervention, require continued reliance on non-Framework and exception providers for care delivery.

#### Managing care delivered by providers not joining the Framework

- 25 Three zones, Bottesford, Castle Donington and Melton face significant risks from contingency providers that deliver substantial volumes of care not joining the Framework.
- 26 Risks come from the potential reduction in Framework capacity in these zones to take new referrals and the potential for these providers to give notice on packages they deliver.
- 27 It will be imperative to work with these providers to ensure that they continue to deliver care to people in receipt of services.
- 28 As well as supporting all new Framework providers to mobilise in their areas of interest, there is a need to support providers to build their business in these zones to ensure capacity is maintained and grows to meet demand.

#### Home care workforce pressures and trends

- 29 Home care providers continue to experience difficulties recruiting and retaining staff. This is a recognised nationwide problem and not unique to Leicestershire. The Inspired to Care programme is assisting providers to reach applicants.
- 30 The Council continues to work with home care providers to implement Unison's Ethical Care Charter. The objective of the Charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions and stabilise the workforce.

### Planned further work

- 31 As outlined in this report, there are positive signs that the Leicestershire home care market is stabilising and meeting demand. The introduction of the new providers on 1 November 2022 will increase availability, choice and innovation within the market.
- 32 Providers will embed themselves into the market whilst options are worked up to address shortage of supply in challenging areas. This approach will:
- Generate trust, transparency and legitimacy in the procurement process and enable providers to see that the Council's priority is to work with Framework providers;
  - Ensure that the Government's plans to reform social care are thoroughly planned for in terms of increased demand from the self-funder market.
  - Allow the Fair Cost of Care analysis, being undertaken as part of the Social Care Reforms, to be completed to determine future pricing approaches.
- 33 To provide confidence in this approach the following supporting measures are also planned:
- Monitoring performance of the Framework using key indicators for six months while new providers establish themselves in the zones across Leicestershire to determine if the re-opening has delivered benefits in all zones.
  - Developing options to address shortfalls evidenced through performance monitoring.
- 34 For the more challenging zones officers will:
- Support new Framework providers selecting Bottesford, Castle Donington, Melton, Harborough Rural and Lutterworth to mobilise and establish their business in these zones to pick up new referrals as early as possible.
  - Closely monitor provider mobilisation in Ashby, West Leicestershire Rural, and Market Harborough and provide additional support to new providers as required to build a presence in these zones.
  - Seek provider intelligence (through engagement) on delivering in these zones; identify barriers to delivery, identify successes and how this is achieved, identify potential local opportunities.

### Market Shaping

- 35 Alongside the other proposals to stabilise the home care market, officer time will be increased to monitor zone pricing to ensure it is fair:
- Encourage providers in neighbouring local authorities to consider working in partnership in the long term as part of a strategic commissioning plan across the region;
  - Continue to work with recruitment and retention Inspired to Care Team to increase workforce capacity within home care;
  - Work with hospital discharge teams to ensure their requirements are heard and met;

- Work with operational commissioning teams to train teams on the HCL processes;
  - Engage with Framework providers to establish how we can support them better and implement their suggestions where possible;
  - Encourage existing providers to look at taking packages in neighbouring zones, providing support to their business models where required;
  - Engage with the Home Care and Assessment Reablement Team to ensure information and advice supports their methodology.
- 36 The Adults and Communities Department is engaged in a regional working group to consider and pilot innovative, partnership-based and outcome-driven models of home care. Such approaches require detailed consideration of legal, procurement, and operational aspects. The value of a regional initiative includes developing operating and payment models together, and learning from other councils' lessons as well as sharing the Department's own.

### **Risks and Issues**

- 37 Insufficient capacity continues to be a problem in zones where it is challenging to source suitable care, in particular the rural areas which will continue to see the use of providers not on the Framework.
- 38 If non-Framework and Framework providers give notice on significant numbers of packages, it may be difficult to source alternative provision.
- 39 The full impact of the Social Care Reform Programme is unknown and the implications including from the outcomes of the nationally mandated Fair Cost of Care and Market Sustainability Plan exercises and estimated increases in demand for home care services will require consideration (alongside the work of the Framework and further analysis the Department is undertaking to ensure that there is sufficient market capacity to meet current and future demand across all zones), when more is known over the coming months, to inform future service delivery.

### **Resource Implications**

- 40 The full financial and workforce impact of the Social Care Reform Programme is not yet known. However, work has been undertaken locally and by the Department to assess the information available so far and develop responses to the Government's Fair Cost of Care and Market Sustainability Plan exercises which are expected to conclude in this financial year. Further detail is set out in a separate report on the Social Care Reform Programme also being presented to this Committee meeting.
- 41 The Director of Corporate Resources and Director of Law and Governance have been consulted on the content of this report.

### **Conclusions**

- 42 This report provides assurance that steps have been taken to ensure a successful implementation of the HCL Service and mobilisation of the providers joining the Framework. It also includes the results of the second round of procurement and the intended subsequent measures to ensure sustainability in the market.

- 43 The Department's Commissioning and Quality Team is undertaking further analysis to ensure that there is sufficient market capacity to meet current and future demand across all zones.

### **Background papers**

- Report to Adults and Communities Overview and Scrutiny Committee: 2 September and 11 November 2019 – Domiciliary/Home Care Service: Post November 2020  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=5689&Ver=4>  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=5690&Ver=4>
- Report to Adults and Communities Overview and Scrutiny Committee: 20 January 2020 and 18 January and 6 September 2021 – Commissioning and Procurement of Home Care Services: Post November 2020  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=6167&Ver=4>  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=6460&Ver=4>  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=6463&Ver=4>
- Report to Cabinet: 23 June 2020 – Commissioning and Procurement of Home Care Services Post November 2020 – Proposed Deferral Arising from Covid-19  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5996&Ver=4>
- Report to Cabinet: 26 October 2021 – Proposed Interim Arrangements  
<https://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6447&Ver=4>

### **Circulation under the Local Issues Alert Procedure**

- 44 None.

### **Equality and Human Rights Implications**

- 45 A draft Equality and Human Rights Impact Assessment (EHRIA) was undertaken in tandem with the design process and this was shared with the January 2020 report. The EHRIA concluded that:
- There will not be any negative impact on protected groups;
  - The service model will address current geographical issues, improving the quality, sustainability, responsiveness and consistency of the service and improving service user outcomes;
  - The service model will ensure that service users' will get the right level of support and maximise their independence;
  - A focus on achieving individual outcomes will support the equality of the service delivery.

### **Environmental implications**

- 46 Following the declaration of a climate emergency at the full County Council meeting in May 2019, targets for carbon reductions have been set, which the department will need to meet during the period of the new home care service. Potential impacts on the environment and climate, will come from the activities of both the Department and its service providers. Whilst this impact is largely unknown at present, it is likely to be significant given the number of journeys made on a day to day basis.
- 47 The Department is committed to
- Reducing the amount of waste produced during a service being delivered;

- Increasing the level of recycling across County and departmental sites and with providers;
- Reducing the amount of paper used within the Department and by providers, for example using electronic methods of submitting financial information;
- Reducing the amount of business mileage, for example planning service routes and encouraging car shares, public transport and enabling routes to be walked;
- Working with providers to reduce their environmental impact;
- Increasing the number of staff that have completed Environmental Awareness E-Learning and implementing any mitigation measures identified in the Corporate Climate Change Risk Register;
- Encouraging providers to undertake free training available to them about reducing their environmental impact

### **Partnership Working and Associated Issues**

48 Health colleagues from 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.

### **Officer to Contact**

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