



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
2 JUNE 2025

HOME CARE FOR LEICESTERSHIRE PROCUREMENT

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of the Report

1. The purpose of this report is to seek views of the Committee on the approach to procurement of home care for Leicestershire residents with eligible social care needs. The current Home Care for Leicestershire (HCL) Framework ends on 31 October 2026. It is not possible to extend the current Framework beyond October 2026.

Policy Framework and Previous Decisions

2. The Cabinet approved the procurement of a new home care service for Leicestershire on 7 February 2020.
3. On 23 June 2020, the Cabinet agreed that the procurement of a new home care service for Leicestershire be deferred for 12 months due to the Covid-19 pandemic. The procurement was completed in August 2021 and the current Framework commenced on 1 November 2021.
4. The commissioning and procurement of the Home Care Service post-November 2021 were agreed by the Cabinet on 26 October 2021.
5. Services highlighted in this report contribute to both the County Council's Strategic Plan and Adults and Communities Department 2020-2024 'Delivering Wellbeing and Opportunity in Leicestershire' Strategy and this continues to be so in the draft Strategy for 2025-29 being presented to today's Committee.

Background

6. Home care, also known as domiciliary care, provides care and support to individuals with eligible social care needs in their own homes. It involves trained carers who visit the person to help with daily activities (getting in and out of bed), personal care (washing, dressing, toileting), and household tasks (laundry, putting shopping away), allowing them to maintain their independence and stay in their familiar environment. Following an assessment by the Council, a personalised support plan will be generated with the person, and this will stipulate the care and support they require. Individual care arrangements are then brokered between the Council and independent providers.
7. A Framework is a list of pre-approved suppliers chosen through a competitive procurement exercise to produce goods or services. The HCL Framework commenced on 1 November 2021.

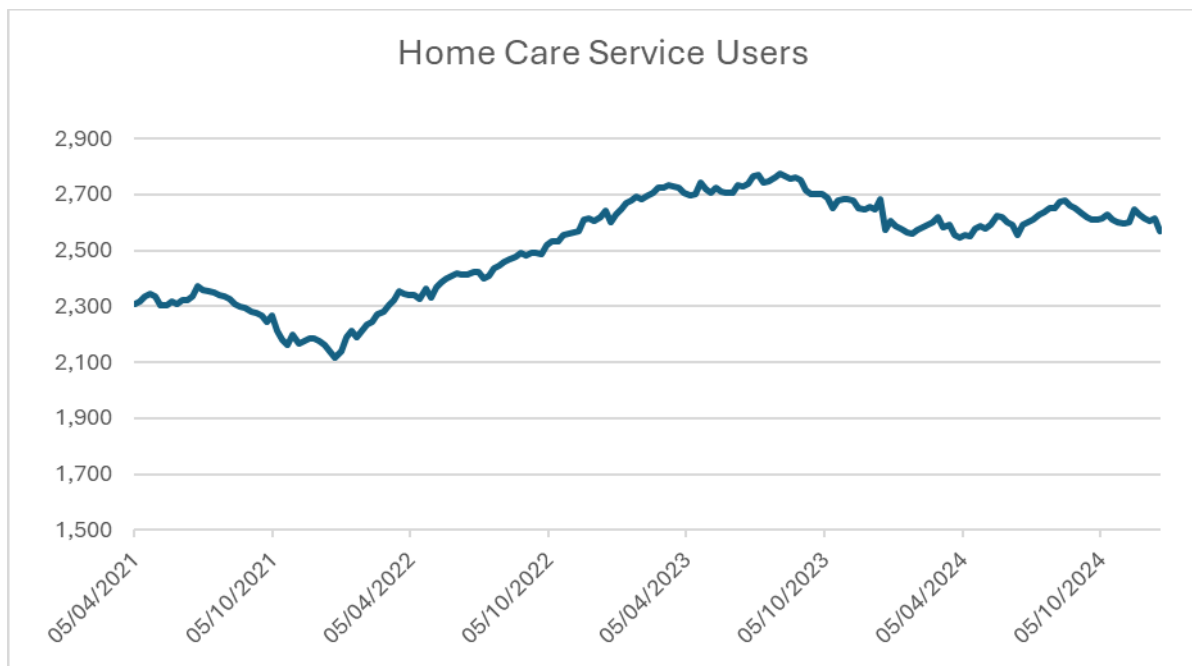
8. The Framework was reopened on 11 January 2022 to give a further opportunity to existing and new providers to apply to join the Framework with deadline for tender submissions of 3 March 2022. Following completion of a successful procurement exercise, contract award letters were issued on 17 June 2022.
9. A total of 87 providers in total were appointed onto the Framework.
10. The HCL Framework has worked well and the number of people who are waiting for care is low, with the average being less than one day. The efficient pricing mechanism means that providers are incentivised to work in all areas of Leicestershire, including very rural areas.

Home Care 2025

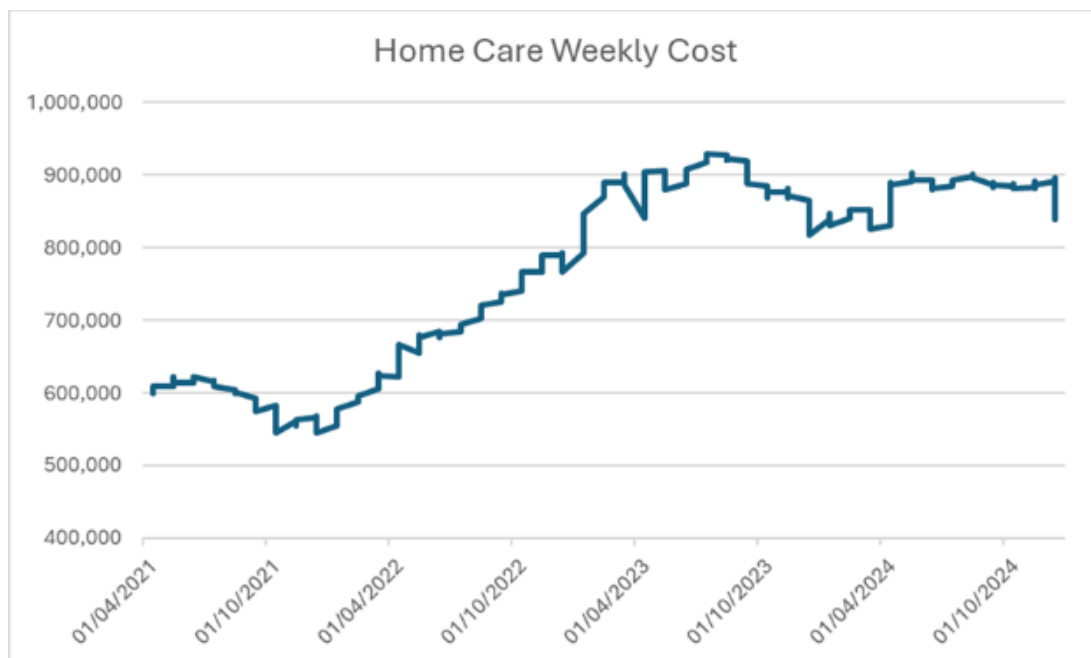
11. During 2024-25, 80 providers, on average, were operational on the Framework and as of 8 May 2025 2,736 people were being supported by care providers, equating to 37,925 hours of care delivered per week at a weekly cost of around £900,000. This has significantly increased since 2021 with more people being supported at home with a relatively stable home care market across Leicestershire.
12. The current commissioned providers are a mixture of local and national organisations, some of which operate across a wider geographical area (for example, Leicester City/Nottinghamshire/Lincolnshire).
13. It should be noted that in addition to home care provided by the local authority, providers also support people through private arrangements and this is also a significant area of delivery for a number of providers.
14. The HCL Framework has been successful in being able to deliver the required capacity and services needed to support Leicestershire residents in need of local authority funded home care. The Framework is utilised following a period of reablement by the Council's reablement service (HART).
15. The annual cost of home care throughout the current Framework has been as follows:

Financial year	Spend
2021-2022	£33.31m
2022-2023	£40.31m
2023-2024	£46.82m
2024-2025	£46.22m

16. The costs have increased due to inflationary cost increases and rising demand amongst the population of Leicestershire.
17. The following graph illustrates the rising demand in the number of people receiving home care during April 2021-December 2024:



18. The number of clients with home care has increased since the current Framework commenced in November 2021. The cohort reached a maximum around August 2023. Between April 2024 and December 2024 there was an increase of just over 2% which is only slightly above expected population growth.
19. The following graph illustrates the rise in the cost of home care:



20. Weekly costs have risen from £600k per week to approximately £900k per week over the last four years. These have been relatively stable during 2024-2025 and over the period April to December averaged £890k.
21. Over the lifetime of the contract, eight providers have exited the Framework through owner retirement, businesses sale and contract termination.

22. Substantial engagement between providers and the Council takes place regularly including monthly home care forums, contract monitoring visits, one to one meetings between the Lead Commissioner for home care and providers, a Diversity in Home Care Group and the Engagement Panel.

Population growth

23. In February 2025, an independent market analysis organisation was commissioned by the Department to conduct a health check on home care in Leicestershire and produced forecasts regarding the aging population and its impact on rising demand for services. The older adult population in England is growing, with the fastest proportionate growth in the most elderly age groups. The health check reviewed the approach to pricing to ensure value for money.
24. The older the person, the more likely they are to require care and support as a proportion of the overall population in that age group. The forecast growth in the population aged over 85 years in the next 20 years is therefore particularly significant. People aged over 85 are around ten times more likely to receive council-commissioned home care than adults aged 65-74, whilst people aged 75-84 are roughly 3-4 times more likely to receive council-commissioned home care than adults aged 65-74.

Pricing Model

25. The current HCL Framework is based on four pricing levels, which have been calculated to cover the different levels of providers' costs, whether care is delivered in rural, small town or urban settings. Price band definitions are as follows:
- *Urban* - areas with concentrated demand in towns and clusters of nearby villages with good travel routes and relatively high numbers of care hours;
 - *Fringe* - smaller, more isolated towns or villages fairly close to towns with good travel routes, but lower population density;
 - *Rural* - areas that are reasonably accessible by car, but have longer travel times between visits than urban and fringe areas;
 - *Isolated* – “hard to reach or source” areas likely to involve significant travel to and from/between visits.
26. The prices have been set by the Council at levels which enable providers to pay their workers above the National Living Wage (NLW) and their travel costs. The rates are set out in the table below across the four geographical descriptors:

	Urban	Fringe	Rural	Isolated
2025/26 hourly rate	£25.27	£26.36	£29.39	£32.71

27. ‘Zones’ have been created to categorise areas of Leicestershire according to their demography and availability of workers along with transport routes. These factors are considered to ensure the most difficult to access areas of Leicestershire have a higher price point to account for travel time, mileage and workforce availability. There are 14 zones in total, each having at least two providers, but there is no upper limit of providers on a countywide list.

28. The zone size and areas covered are set out in the table overleaf. A map is also included as an Appendix to this report which sets out the 14 main zones and the price bands for the urban, fringe, rural or isolated areas within them.

Zone Size	Zone area
Large Zone (6)	Coalville and Ashby (including Ibstock, Measham, Ravenstone and Ellistown)
	Charnwood North (Loughborough, Shepshed and Kegworth)
	Charnwood South (Quorn, Barrow upon Soar, Mountsorrel, Birstall and Syston)
	West Leicester (Braunstone, Markfield, Anstey, Ratby and Groby)
	Oadby and Wigston (including Great Glen, Fleckney and Kibworth Harcourt)
	Hinckley (including Earl Shilton, Sapcote, Stoney Stanton and Broughton Astley)
Medium Zone (3)	Melton (including Asfordby and Harby)
	South Leicestershire (including Narborough, Blaby, Countesthorpe and Whetstone)
	Market Harborough
Small Town Zone (3)	Castle Donington
	Lutterworth
	Bottesford
Small Rural Zone (1)	West Leicestershire rural (Market Bosworth, Desford, Newbold Verdon and Bagworth)
Larger Rural Zone (1)	Harborough rural

Proposals

29. To ensure home care continues to support people and that the provider market remains sustainable, a number of changes are proposed to the new home care Framework. This is also essential to continue to offer value for money services and ensuring fair wages to carers. Key changes to the commissioning model include the:
- i. Changes to zones of care delivery across Leicestershire;
 - ii. Commissioned as an 'open' Framework;
 - iii. Introduction of a sessional rate for longer duration care calls;
 - iv. Specific 24 hour/live in carer fixed rates;
 - v. Clearer work allocation process;
 - vi. Approach to pricing;
 - vii. Improving quality standards across the market;
 - viii. Mandatory training requirements for manual handling.

Each aspect is explored in more detail below.

(i) Changes to zones of care delivery across Leicestershire

30. The following table illustrates the proposed changes to the boundaries of some price zones. The price per hour is dependent on the zone the post code is in, with more

isolated areas attracting a higher hourly rate to account for travel time and mileage. The zones were last updated in 2019/2020 since then the road networks, housing estates, dispersal of care services, transport links, and workforce have changed. Some areas should now be reclassified. The Parish of Asfordby will be changed to a higher cost price zone, with all other areas in the table below changing to a lower price priced zone due to the reduced travel time element of the hourly rate:

Subzone	Parish	Care Analytics Commentary	Hours
Melton Mowbray	Asfordby	Increase from urban to fringe	236.75
Harborough West	Gilmorton	Lower from isolated to rural	66.75
West Leicester Fringe	Markfield	Lower from fringe to urban	367.82
Isolated West	Witherley	Lower from isolated to rural	96.25
Rural West – four villages	Barlestone, Desford, Market Bosworth, Newbold Verdon	Lower from rural to fringe	1070.1
Charnwood South Rural	East Goscote	Lower from rural to fringe	101.25
Castle Donington and Charnwood NW	Kegworth	Lower from rural to fringe	191.45
North West Leics	Measham	Lower from fringe to urban	379.25
Charnwood South Rural	Queniborough	Lower from rural to fringe	83.5
Total			2593.1

(ii) Open Framework

31. The Procurement Act 2023 became operational on the 24 February 2025 and for the first time the home care Framework will be tendered under this legislation. It is proposed to utilise an open Framework, which is a scheme of successive Frameworks on substantially the same terms, with a total term of eight years. Although the total term of the scheme comprising the open Framework, is eight years, there is a possibility for the Council to end the Framework sooner should circumstances require it and in accordance with the terms of the written agreement and public law.
32. There will be no cap on the number of providers within the Framework, as this is not required under the Procurement Act. However, the proposal to keep the Framework

open to all eligible providers was made to ensure the Council can effectively meet Leicestershire's care needs in a timely manner.

33. The new Framework will consist of three Lots:
 - Lot 1 - home care maintenance (providers must stipulate which zones they want to work in – with no restrictions);
 - Lot 2 – Continuing Health Care;
 - Lot 3 - Live in care/24-hour care.
34. An option to include a children and young people's Lot is being considered in line with joint arrangements across the two Directorates. This would entail commissioning home care for children and young people through the HCL Framework and drive further demand for the service. It is proposed that this will be an efficient way to meet the supply and demand of these services.
35. The successive Frameworks that will comprise the open Framework will cover the period from July 2026 to June 2034. The effects of Local Government Reorganisation (LGR) are currently unknown and it is recommended to include a clause in the Framework agreement to allow for any changes deemed necessary to continue the provision through LGR. Further legal advice will be taken once the precise impact of any LGR related changes become clearer.
36. An open Framework must be:
 - Opened at least twice over the eight-year period covering the total term;
 - Opened within the first three years;
 - A gap between openings must not be for longer than five years.
37. Providers will be expected to enter into and sign a new contract following each opening of the Framework.
38. A series of successive Frameworks covering a period of eight years, will increase the lifetime spend in this area to an estimated £480m (final figures will be published within the procurement documents).

(iii) Sessional rate

39. The independent analyst recommended a further Countywide sessional rate should be introduced for any visit that is 90 minutes or longer. An example of this would be 'waking nights' support where a person requires observation in their own home so that informal carers (such as family members) can sleep. These packages may be over six hours long. The rate reflects that no travel costs will be incurred between visits and so is lower than the Urban rate.

(iv) 24 hour/live in care

40. 24 hour/live in care is commissioned by exception when circumstances require it.
41. There are currently 15 users receiving a 24 hour/live in care service:

Number of people currently receiving live in/ 24 hour care	15
Cost per week	£29,116.19
Net cost to local authority per week (deduction of Health contributions)	£21,393.00
Average cost per person, per week	£1,941.01

42. Where this service is deemed appropriate, the Council will award the package to the provider offering best value. The provider will receive a copy of the persons Support Plan to assess the likely staffing and skills required. Local supervision will ensure the care is appropriate. (This will be Lot 3 in the Framework).

(v) Clearer Work Allocation Processes

43. A 'call off' process is the term used to describe how care will be awarded to a provider. To continue to ensure fairness and transparency within the Framework, a new 'call off' process will be implemented and included in the published Tender documentation.
44. The process will be administered by a team of experienced Brokers within the Council.

(vi) Pricing

45. The pricing from July 2026 (when the new Framework will commence) will be modelled on the existing zone structure. The prices stipulated in the tender documentation will be the 2025/2026 prices and may be subject to an inflationary uplift in April 2026. The prices will not be below the current prices. The lowest prices from July 2026 will therefore be:

	Urban	Fringe	Rural	Isolated
2025/26 hourly rate	£25.27	£26.36	£29.39	£32.71

46. Hourly rates reflect additional travel times and employment costs for delivering in non-urban areas; incrementally from Fringe through to Isolated areas.
47. The home care hours over the last 12 months across the four bandings are shown in the table below:

	Urban	Fringe	Rural	Isolated	Total
Annual Hours	1,315,244	284,820	153,748	32,103	1,785,915
Percentage	73.6%	16.0%	8.6%	1.8%	100%

48. Home care is a significant contract for the Council and is key in supporting the wider Adult Social Care system. Market stability and growth are crucial to ensure future provision across the duration of the contract.

49. The price range across the East Midlands region over the past 12 months is an average of £20.09 to £25.97. Leicestershire rates are in the upper range across the region which has ensured that the home care market is both healthy and sustainable for providers. County Councils typically pay higher rates than more urban areas due to the geographical spread of residents which increases the cost of delivering care services.

(vii) Quality Standards

Provider contract visits

50. A significant amount of quality assurance is conducted through the activities of the Adult and Communities Department's Quality and Contracts team. Its remit includes the contract management of all home care providers on the Framework, non-Framework providers (operating under a legacy agreement) and exception providers (who meet very specialised needs). Of the 87 current active Framework providers, the Quality and Contracts team have assessed 69 are compliant with the contract requirements.

Total Home Care Contracted	Registered in Leicestershire	Outcome of last Quality and Contract visit		
		Compliant	Not Compliant	No Outcome
96	37	69	12	15*

*15 home care providers have no work for over 12 months or have never picked up any packages.

51. The Care Quality Commission (CQC) is the regulator for Adult Social Care provision across the country. The most recent ratings for home care providers the contracted by the County Council are as follows:

CQC rating – Home Care				
Outstanding	Good	Requires Improvement	Inadequate	Not rated
0	66	19	0	11

52. During contract monitoring, people using the service are contacted by officers by telephone for their feedback. The questions asked are based on key areas within the contract such as timeliness of provision, if people being supported in the way they want to be, and if people are given choices. As this is a conversation further questions can be asked if the person indicates dissatisfaction with any aspect. The feedback is anonymised in the contract monitoring report given to providers.
53. As a result of the feedback, changes have been made in the way providers work, including collecting feedback from people on the service they have received, improved punctuality of calls, changes in how staff support people including people being given more choices over their care and support provider. Furthermore, questionnaires will be available for people to feedback at any point to the Quality and Contracts team. This can be used as part of intelligence gathering about a provider, prior to a Contract visit being completed.
54. Providers rated as 'Inadequate' by the CQC will not be awarded a place on the Framework. Providers already on the Framework which are subsequently assessed

as 'Inadequate' will be suspended until they have made the necessary improvements (to be determined by the CQC). People in receipt of care from those providers will be given the option to be transferred to a different provider on the Framework or to move to the direct payment option (where funding is paid directly to them to purchase support) in which case they may choose to remain with the existing provider.

(viii) Mandatory training requirements for manual handling

55. Engagement has taken place with people who use home care as part of the recommissioning process (please see Engagement section below). One issue arising from this was a request that manual handling training is conducted in the first instance in person to ensure safety and quality this element. Subsequent training can be delivered by e-learning.
56. People have asked that carers experience the practical implications of being hoisted and repositioned themselves. Being moved in this way causes anxiety for many people and it is crucial that it is done carefully and with dignity and respect. The Council's Learning and Development Team have committed to ensuring sufficient courses are available to implement this change.

Engagement

57. Engagement with users and providers of home care is part of an ongoing commitment to improvement.
58. The Diversity in Home Care Representative Group is a local group, composed of individuals who use home care services, carers, officers, and providers. The group is dedicated to promoting cultural sensitivity in home care while advocating for enhanced training, dignity in care, and stronger communication between service users and home care workers.
59. The provider Engagement Panel comprises current Framework providers as well as those not presently operating within the system. This Panel conducts in-depth discussions on specific areas of change, ensuring providers can share their perspectives on proposed developments.
60. The Provider Forum is a regular meeting open to all home care providers. It serves as a platform for discussion, collaboration, and updates on key industry and market developments.
61. The Adults and Communities Department uses Continuous Satisfaction Monitoring to engage with individuals receiving services, which includes:
 - *Mandatory Service Reviews* – Regular assessments of care and support provided to service users, to ensure quality and effectiveness;
 - Enhanced Review Forms on the Council's adult social care case management system.

62. Other engagement activities include:

- *Partner Collaboration* - Regular updates and engagement are maintained with key partners such as the Integrated Care Board and Leicestershire Partnership NHS Trust particularly on cross-cutting matters like delegated healthcare tasks.
- *Voluntary Sector Involvement* - this has been facilitated through Voluntary Action Leicestershire, which has disseminated key messages.
- A series of procurement engagement sessions have taken place, attended by a diverse range of voluntary sector organisations.

63. Overall, the recommissioning of home care has been positively received. Stakeholders acknowledge the focus on continuous improvement and value for money, reinforcing a commitment to enhancing service quality and effectiveness.

Resource Implications

64. It is expected that the changes detailed in the report will ensure that a more financially effective and efficient contract is procured which will enable the Directorate to manage within allocated budgets across all commissioned care services.
65. The proposals are expected to generate cost efficiencies across the contract ranging from £0.7m to £1.3m per year.

Procurement implications

66. The estimated contract spend for this procurement is £480m over eight years (2025/26 price points) although it is expected that annual inflation will inevitably take this spend above this figure.
67. The previous home care tender in 2021 attracted over 150 bids, and it is anticipated that a similar number will be received during this procurement and evaluation again very resource intensive.
68. Bidder sessions will be held with interested parties. The bidder sessions will be an opportunity for prospective providers to ask questions about the opportunity, and these will be added to a publicly accessible clarification log.
69. With the support of the Engagement Panel, work is underway to co-produce questions to ask in the method statements (the name for questions asked in a Tender for services). They will also provide an explanation of what a good response will look like. This will enable officers to evaluate the responses on their behalf. The question(s) will be prioritised and if a provider fails the co-produced question, they will not be able to progress with the Tender. Method Statements are an opportunity to ask providers how they will deliver the service, ensure safety and value for money and are one of many ways used to either pass or fail a potential provider from the Tender.
70. Providers who pass the finance, General Data Protection Regulation and method statement stages will be invited to a short interview with representatives from the Council along with carers and people in receipt of home care. The interviews will help to ensure the provider has a good understanding of the needs of people across

Leicestershire and how to deliver safe, reliable and good quality care. The time allocation for this approach has been accommodated in the implementation timelines.

71. Where current providers do not bid or are not successful being awarded a place on the Framework, they will be able to retain their current care packages until the person is reviewed. At this point the person can consider a direct payment to continue with the incumbent provider or have their care moved to a provider on the Framework.

Legal Implications

72. The Council has statutory duties under the Care Act 2014; the commissioning of home care services plays a significant part in fulfilling those duties.
73. The Council's Legal Services is drafting the Framework agreement under the new provision of the Procurement Act 2023 and providing legal advice.
74. The Director of Corporate Resources and Director of Law and Governance have been consulted on the content of this report.

Timetable for Decisions

75. It is intended that the Cabinet will be asked to approve the procurement of home care contracts for the period 2026 to 2034 at its meeting on 15 July 2025. Subject to the Cabinet's approval, the tender will be published in August 2025 for commencement in July 2026.
76. Key stages for the recommissioning include:
 - Advert Published: Late summer 2025;
 - Advert closed: Late autumn 2025;
 - Contract award letters issued: March 2026;
 - Provider Mobilisation: April 2026;
 - Contract Commencement Date: Early July 2026.
77. The Cabinet and this Committee will be updated with the result of the procurement exercise following the award of contracts.

Recommendation

78. The Committee is asked to comment on the approach to procurement of the home care Framework.

Background Papers

- Report to the Cabinet: 7 February 2020 – Commissioning and Procurement of Home Care Services Post November 2020 - <https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5992&Ver=4>
- Report to the Cabinet: 23 June 2020 – Commissioning and Procurement of Home Care Services Post November 2020 -Proposed Deferral Arising from Covid-19 <https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5996&Ver=4>

- Report to the Cabinet: 26 October 2021 – Commissioning and Procurement of Home Care Service Post November 21 – Proposed Interim Arrangements – Exempt report <https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=6447&Ver=4>
- Care Act 2014 - <https://www.legislation.gov.uk/ukpga/2014/23/contents>

Circulation under the Local Issues Alert Procedure

79. A copy of this report will be circulated to all Members of the County Council.

Equality Implications

80. A comprehensive action plan has been developed as part of the Equality Impact Assessment (EIA), ensuring it is informed by the experiences and needs of people who use home care. The EIA was approved in April 2025. The assessment concluded that the proposals would have a neutral impact on people with protected characteristics as home care is accessible to all people with eligible social care needs. The accompanying action plan will ensure continuous improvement to services including accessibility to support and developing the workforce.

Human Rights Implications

81. There are no human rights implications arising from the recommendations in this report as people with eligible social care needs will remain eligible for home care.

Health implications

82. A 'Health in All Policies' form has been completed and considered to ensure health inequalities are tackled wherever possible through this commissioning process.
83. People who receive home care often have health needs in addition to social care needs. The Framework for Integrated Personalised Care is a joint approach by the Leicestershire, Leicester City and Rutland Councils and the Integrated Commissioning Board to delegating support tasks from health to social care. The approach sees a multi-disciplinary approach to support planning. This requires training to be delivered consistently to home care providers so that they may support people with tasks such as applying steroid based creams, administering eye/ear drops, monitoring the condition of skin, assisting people to eat who are at risk of choking, using NHS provided equipment to lower the risk of pressure sores, managing stoma, colostomy, ileostomy and urostomy care systems, and undertaking blood sugar finger pricks for the management of diabetes.
84. In addition, where a person has Continuing Health Care needs, the ICB has jointly commissioned home care providers to support demand for certain patient pathways for example end of life, where they need to implement a service quickly.

Environmental Implications

85. The delivery of home care requires workers to travel from a base to the persons home and subsequently to other home care calls. This is rostered by the provider to maximise efficiency of resources such as time, mileage and cost.

86. The home care Framework is designed to support working in particular zones to be as efficient as possible and in principle the zone working approach incentivises working locally.
87. Providers are encouraged to use car sharing, electric vehicle lease schemes, walking and cycling between care runs wherever possible to reduce their carbon footprint and to make care runs as efficient as possible.

Appendix

Map of Current Price Zones across Leicestershire

Officers to Contact

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