

**Cabinet – 12 September 2012**

**Support for Living at Home Services (SLHS)**

**Portfolio:** Councillor McCracken, Social Care, Health and Housing

**Related Portfolios:** Councillor M Bird

**Service:** Adult Social Care and Inclusion

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

**1. Summary**

1.1 Walsall Council, working in partnership with NHS Walsall is in the process of establishing a new Contractual Framework for Support for Living at Home Services which will give individuals much more choice and control over the services they receive. This report provides an outline of progress made and makes recommendations to Cabinet.

**2. Recommendations**

2.1 That Cabinet notes the developments in relation to the award of Support for Living at Home Services Framework Agreements/Contracts as set out in Section 3.2 to 3.8 of this report and delegate authority to the Executive Director – Social Care & Inclusion to :

2.1.1 Award Transitional Contract 1 as detailed in section 3.11 of this report

2.1.2 Award Supplementary Support for Living at Home Services Framework Agreements/Contracts following a further procurement exercise as required and set out in section 3.16 of this report

**3. Report detail**

3.1 In March 2010 a report was presented to Social Care and Inclusion Scrutiny Panel, which identified a number of shortcomings in the contracting arrangements for domiciliary care provision in Walsall. The implementation of personalisation of adult social care services also creates a need to revise the contracting arrangements so that individuals can choose their own care services and so a major exercise has been undertaken that changes the arrangement

from being based upon a traditional block contracting approach to a model whereby:

- a procurement exercise will result in the establishment of an open Framework Agreement/Contract, which accommodates and enables providers to become an approved contracted Provider of the Council via a robust assessment process
- there is no guaranteed income for providers
- the process will not close, thereby maximising choice and control for citizens
- there will be no set market price
- the individual service user will normally choose the provider to deliver personalised services (except for CHC cases that are not yet receiving Personal Health Budgets)
- the Council will only broker services when the citizen cannot or refuses to do so, and will follow a published procedure to ensure transparency both for the Council and providers

### **Progress to Date**

- 3.2 A Project Group commenced work on the design of the new service specification and evaluation criteria approximately 18 months ago with input from a range of multi-agency and multi-disciplinary internal and external stakeholders, including service user engagement.
- 3.3 On 1 July 2011, the Council commenced a procurement process, through which 95 tender submissions were received and evaluated by a range of multi-agency and multi-disciplinary internal and external stakeholders, including service user engagement.
- 3.4 During the evaluation, lessons were learned about the market response which resulted in a review of the pass thresholds and other components of the evaluation criteria in order to ensure successful progression of the tender through to a point of award.
- 3.5 **Contract Award** – Intention to award notices were issued on 20 January 2012, with a ‘Standstill Period’ which is in line with EU Procurement regulations. This ‘standstill’ time period enabled the market place to question, clarify and challenge the process that has taken place. Multiple appeals/clarifications were received from which common themes emerged. The Council’s Procurement Manager acted in the capacity of the Council’s nominated appeals officer to consider all communications received during this period. As a result of the appeals/clarifications received, the Council initiated a comprehensive review of the full process and evaluation, which resulted in corrective action to ensure that the Council conducted the procurement process in an open, transparent, fair and equal manner.
- 3.6 During the period of this review the Council received a legal challenge which effectively suspended progression of the procurement through to award until the issues raised had been satisfactorily dealt with. The Council successfully managed the challenge and as a result were able to progress through to a 2<sup>nd</sup> stage intention to award.

- 3.7 **2<sup>nd</sup> Stage Intention to Award** – Following the standstill period review the Council issued revised 'Intention to Award' Notices which were again followed by the mandatory 'Standstill Period'. In response to issues raised during the first standstill period the Council published much more information about the outcome evaluation undertaken, a detailed written feedback and offered an in person debrief to those providers that wished to receive one.
- 3.8 **Contract Award & Implementation** - The Council received no challenge to the 2<sup>nd</sup> stage Intention to Award Notices and a decision was made to proceed to the next phase of the procurement – Contract Award. 39 providers were successful to be awarded Framework Agreements/Contract for Support for Living at Home Services.
- 3.9 Due to the fundamental change in the Operating Model (OM) for Adult Social Care a number of infrastructure requirements needed to be implemented in order for the new Contractual Framework to 'go live' ie:
- improvements to information and advice services to enable people to make informed choices about their use of their individual budget and their care arrangements;
  - changes to social work practice;
  - changes to brokerage arrangements; and
  - changes to business support financial administration and payments systems.
- 3.10 Much of this work is running in parallel with the development and implementation of the new contractual framework which has resulted in a delay in implementation from the original planned date of 1 April 2012.
- 3.11 In order to ensure synchronised and stable implementation, transitional contracting arrangements are in the process of being established, which will enable the new Support for Living at Home Services Contract to be phased in between September 2012 and 31 March 2013. Subject to cabinet authority and agreement from providers, contracts will be established for the continuation of existing services and the provision of new services as set out below:
1. Support for Living at Home Services Framework Agreements/Contracts, as set out in section 3.2 to 3.8 of this report for the provision of new SLHS care packages/services
  2. Transitional Contract 1, as set out in section 3.16 of this report - For the continuation of existing services with providers that were contracted under the previous 2008/12 Domiciliary and End of Life Care Contracts. These contracts will run up to a maximum of 12 months from the start date of this transitional arrangement.
  3. Supplementary Support for Living at Home Services Framework Agreements/Contracts as set out in section 3.16 of this report, for the provision of new SLHS care packages/services

#### **Impact on the local provider market**

- 3.12 The impact on the local provider market at present is primarily one of anxiety due to the delay in contract award and the requirement to move away from the delivery of traditional task based services

- 3.13 Providers are advising that the delay in the award of contracts is leading to difficulties with retention of staff and cash flow and it is therefore imperative for the Council to complete the award of Contracts referred to in this report in order to stabilise and safeguard provision of services
- 3.14 The introduction of the transitional contracts, both for existing packages and new packages will give the provider market confidence and alleviate the uncertainty around the date for the framework commencement.

### **Future Supplementary Support for Living at Home Services (SLHS) Framework Agreement**

- 3.15 Throughout each stage of the SLHS procurement process “lessons learnt” have been compiled with the learning applied.
- 3.16 To maximise choice and control for service users no cap has been put on the number of providers to go onto the SLHS Framework Agreement. Work on a new supplementary procurement exercise has commenced, which will seek to award additional ‘Supplementary Support for Living at Homes Services Framework Agreements’ to those providers that are successful in the SLHS Supplementary Framework Procurement Exercise
- 3.17 To support providers who were unsuccessful in the previous SLHS procurement exercise and those who have expressed an interest in applying for the Supplementary SLHS Framework, workshop sessions have been offered to all providers to help support capacity building of the market.
- 3.18 The workshops took place in May with 50+ providers represented and covered the following topic areas:
- The tender application process
  - How self aware is your organisation?
  - Action planning to success
  - Walsall’s approach to Personalisation

## **4. Council priorities**

- 4.1 The new contract arrangement means that individuals will be able to purchase their own care and support and thus have much greater control over their daily living. This in turn will help to sustain their independence, health and well being and thus prevent a need for a higher level of service.

## **5. Risk management**

- 5.1 A full analysis of risk has been undertaken as part of the project approach, with regular monitoring and escalation/mitigation by project board members as required.

- 5.2 As the project moves from a procurement process through to the transition and implementation phases, risks are being systemically mapped and managed through project board governance arrangements.
- 5.3 Main risks are around minimising the risk of challenge to the procurement process and a failure of the market to respond to new ways of working. This risk is being mitigated through the application of the Walsall project management approach.

## **6. Financial implications**

- 6.1 Expenditure on the current contracts for 2012/13 is forecast to be £20,719m. No new resources are required to implement this procurement exercise however; efficiencies will be achieved by the merging of the funding streams historically used to commission services for individual client groups.
- 6.2 This will be achieved by reviewing current client eligibility and reducing the use of costly residential and nursing care, thus supporting clients' preference to remain living independently in their own homes.

## **7. Legal implications**

- 7.1 Throughout this exercise, officers have remained committed to ensuring that the arrangement and delivery of care and support services comply with equality legislation and that the procurement process is in compliance with the Council's Contract Rules 2010 and procurement legislation. An officer from Legal Services has been an active member of the SLHS project board. This approach not only mitigates the risk of challenge it also ensures the project complies with all legislation and is conducted in a transparent, fair and equitable manner.
- 7.2 The use of a framework agreement provides flexible contracting arrangements. Service provision is only "called off" as and when required. There is no guarantee to any service provider of the level of work.

## **8. Property implications**

- 8.1 These services are provided in people's own homes and so there are no property implications.

## **9. Staffing implications**

- 9.1 All staff of services that are the subject of this procurement exercise are employed within the external/independent sector and there are no TUPE implications.
- 9.2 As the social care operating model promotes service delivery in the home setting, it is likely to have a positive impact on employment growth opportunities in the future.

## 10. Equality implications

10.1 Replacement of the current contracting arrangements with a framework agreement will mean the market is better placed to meet individual needs regarding race, gender, disability or other equality issues, with personalised services ensuring compliance with all relevant equalities legislation.

## 11. Consultation

- 11.1 There has been extensive consultation with key stakeholders including:
- Citizens (present and future) inclusive of carers, Black and Minority ethnic representation
  - Providers, inclusive of voluntary and community sector
  - NHS partner agencies
  - Internal stakeholders including Legal, Finance and Procurement

### Background papers

Cabinet reports – September 2010, February 2011, and December, 2011  
Social Care Scrutiny & Performance update paper on 12<sup>th</sup> July, 2012



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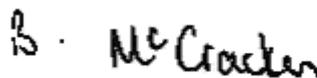
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For Paul Davies  
Executive Director

20 August 2012



Councillor Barbara McCracken  
Portfolio Holder

04 September 2012