

Forward Plan reference number: N/A

Report title: Increase in the guaranteed hours per week to be commissioned for Mid Essex via the In-Lieu of Reablement Contract	
Report to: Cllr John Spence, Cabinet Member for Health and Adult Social Care	
Report author: Dale Evans, Head of Strategic Commissioning and Policy	
Date: 21 November 2019	For: Decision
Enquiries to: Victoria Kirkby, Category & Contract Manager (victoria.kirkby@essex.gov.uk)	
County Divisions affected: Mid Essex (Braintree, Chelmsford and Maldon)	

1. Purpose of Report

- 1.1 To seek Cabinet Member agreement to increase the guaranteed hours per week to be commissioned for Mid Essex via the In Lieu of Short-Term Enablement Contract.

2. Recommendations

- 2.1 To agree to increase the guaranteed weekly hours to be commissioned for Mid Essex Quadrant (Mid) from 400 hours per week to 850 hours per week within the current live procurement process for the In Lieu of Reablement Service.

3. Summary of issue

- 3.1 On 4 November, Councillor Spence, Cabinet Member for Health and Adult Social Care gave approval by way of a Cabinet Member Action for Essex County Council to go out to market for an OJEU compliant procurement to secure provider(s) to deliver an In Lieu of Reablement service which will complement our existing Short-Term Enablement service delivered by Essex Cares Limited (ECL) (FP/529/09/19).
- 3.2 The volumes included in the Cabinet Member Action relating to the Mid quadrant were adjusted to account for ECL's ramp-up of the Short-Term Enablement Service and an exit pilot which proposes to speed up the process of exiting optimised adults from the Service ("the Exit Pilot") which would enable ECL to support a greater number of adults within the existing hours.
- 3.3 The Exit Pilot will enable ECL to submit a request for sourcing an Adult's long-term care to the Council's Service Placement Team at the same time as submitting a request for the Adult to have their Care Act assessment. Where an Adult is placed with long-term providers before their Care Act assessment is completed; the Adult's support requirements and commissioned services may be adjusted following a Care Act assessment. Due to issues relating to administration and system functionality, the pilot is likely to take significantly

longer to implement than originally planned. As a result, the number of Guaranteed Hours required for In Lieu of Reablement Services within the Mid Quadrant included in the Cabinet Member Action dated 4th November 2019 needs to increase by 450 per week, to 850 per week in total.

- 3.4 On 11th October 2019, the weekly highlight report from ECL for the Short-Term Enablement Service for the previous week ending which highlighted capacity issues within Mid as a result of a loss of a number of staff due to maternity leave and students returning to university. At this point, ECL were only able to deliver just over 75% of the commissioned volume. Whilst capacity has increased over the subsequent weeks, as of week ending 2nd November 2019, ECL were still only delivering 86% of the commissioned volume.
- 3.5 The modelling for the Exit Plot showed that ECL would be able to deliver 53% of the required capacity for Mid and therefore the hours required for the Services in Lieu of Reablement contract were reduced accordingly. Officers are concerned that the capacity issues and the exit pilot may not be fully operational prior to the commencement of the 'in Lieu of Reablement Service' in Mid, and therefore are recommending that the hours per week in Mid that are procured increase from 400 hours per week to 850 hours per week (the volume of hours required in Mid without the pilot being implemented).
- 3.6 The current contracts for the provision of in Lieu of Reablement Services are flexible which enable the Council to increase or decrease the number of Guaranteed Hours upon the provision of 28 days' written notice. This allows us to reduce the volumes of hours commissioned per week once ECL return to deliver their full contracted volume and the exit pilot completes and is fully operational.

4. Options

4.1 Do Nothing – Procure 400 hours per week as authorised by Cabinet Member Action and commission the shortfall from the Long-Term Care Market

This is not the recommended approach for the following reasons:

- The speed in which care can be sourced and started via the Service Placement Team (***this needs to be written in full, with abbreviation in brackets***) is a challenge and is not always conducive to support urgent Hospital discharges and adults deemed to be 'at risk' in the community.
- It does not guarantee capacity.
- It may reduce capacity in the long-term domiciliary care market.
- Outcomes being achieved for adults who access this provision are significantly lower than those being achieved via the current 'In Lieu of Reablement' provision. Adults who receive this service have on-going care requirements which on average are five hours per week higher than

those who have either had a service from ECL or the current 'In Lieu of Reablement' provision.

4.2 Increase the guaranteed weekly hours for Mid to 850 for the In Lieu of Short-Term Enablement service

This is the recommended approach for the following reasons:

- It will ensure that there is sufficient capacity within to meet demands and to ensure that individuals are achieving the best possible outcomes for living independently.
- It will ensure consistency in the provision of a stabilised market.
- We are able to decrease the guaranteed weekly hours once ECL are delivering their full commissioned volume in Mid and the exit pilot is embedded, and the process is fully operational with 28 days' notice.

5. Issues for consideration

5.1 Financial Implications

5.1.1 The value of the additional 450 weekly hours in Mid over the 15-month contract (3 February 2020 – 2 May 2021) is estimated to be £592,000. This will increase the total value of the 'In Lieu of Reablement' procurement across Essex from £4.1m to a revised £4.7m. The revised basis and yearly profile are outlined in the tables below:

Locality	Recommend- ed Block Hrs per Week	Equivalent Starts per Week	Weekly Cost £
North	900	19	18,225
Mid (original)	400	8	8,100
South West	700	11	14,175
South East	850	16	17,213
West	300	8	6,075
Subtotal	3,150	62	63,788
Mid (revision)	450	9	9,113
New Total	3,600	71	72,900

Estimated hourly rate = £20.25 (based on average price for current ILOR block arrangements)

Locality	2019/20 £	2020/21 £	2021/22 £	Total £
North	151,007	950,304	83,314	1,184,625
Mid (original)	67,114	422,357	37,029	526,500
South West	117,450	739,125	64,800	921,375
South East	142,618	897,509	78,686	1,118,813
West	50,336	316,768	27,771	394,875
Subtotal	528,525	3,326,063	291,600	4,146,188
Mid (revision)	75,504	475,152	41,657	592,313
New Total	604,029	3,801,214	333,257	4,738,500

5.1.2 The £4.7m estimate is the maximum cost assuming current 'In Lieu of Reablement' demand above the main Reablement service is sustained. The recommended option is to procure a flexible contract that allows the Council to

reduce the volume in line with ECL's capability to 'ramp up' their reablement activity and meet the demand initially.

- 5.1.3 The block purchasing arrangement will mean the Council is required to pay 100% of the contract value regardless of utilisation, emphasising the importance of close contract management in delivering value for money. A defined notice period of 28 days will be built into the contract to allow the volume purchased to be adjusted if contracted capacity is not being delivered. The payment schedule will also include a monthly reconciliation to reduce the block value should a provider decline a referral when capacity was available. This flexibility will assist in the control of the overall Reablement expenditure throughout the life of the contract.
- 5.1.4 The budget for 2019/20 does not specifically allow for an 'In Lieu of Reablement' service. The current block arrangement is funded through the Reablement budget within the Better Care Fund (BCF), with any spend in excess of the allocation charged against Winter Pressures through the BCF. The proposed procurement will continue this arrangement for the period that lies within 2019/20.
- 5.1.5 The current Medium-Term Resourcing Strategy similarly makes no specific provision for 'In Lieu of Reablement' in 2020/21. In addition, there is unlikely to be any residual balance in the Better Care Fund Reablement budget due to the additional costs for the 'ramp up' of the ECL contract. Block levels are expected to reduce over the life of the contract as described above, however if this were not to happen then the projected maximum funding shortfall is £4.3m (revised from £3.8m previously), as detailed in the table below:

Reablement Funding Summary	2020/21 £m
Reablement Budget within the BCF <i>(includes expected uplift of 5.1%)</i>	(10.4)
ECL Reablement contract <i>(includes ramp up & uplift)</i>	10.9
DILOR Proposed Block Contracts	3.3
DILOR Revision to Mid volumes	0.5
Total cost of Reablement	14.7
Deficit	4.3

To mitigate this financial risk, it is proposed that the 'In Lieu of Reablement' service is included within the overall Better Care Fund allocation in 2020/21, to be agreed with health partners and subject to national guidance once available. There is not currently a BCF timetable for 2020/21 planning and while detailed guidance for 2019/20 was not published until July 2019, this was exceptionally late. If at any point the utilisation of this funding stream is no longer available,

it will be necessary for a subsequent decision to be taken on proposed alternative funding arrangements.

- 5.1.6 If 'In Lieu of Reablement' contracts are not put in place, then the likelihood is that the pressure on the Domiciliary budgets would be greater. This is due to the benefits of cost avoidance in the current service through delivering better outcomes such as leaving the service with no on-going care needs and long-term packages put in place at lower levels than if this service were not available.

5.2 Legal Implications

- 5.2.1 As highlighted throughout this report, the Contracts for the provision of Services in Lieu of Reablement are flexible to enable the Council to increase or decrease the number of Guaranteed Hours paid for under the block purchase arrangement. Therefore should the full 850 hours not be utilised; the Council has the option to reduce the number of Guarantee Hours within the block purchase sum.
- 5.2.2 The procurement of Service In Lieu of Reablement authorised by the Cabinet Member on 4 November, was published on 11 November 2019. The published Tender documents already included the additional hours and so no change to the tender documents is required.

6. Equality and Diversity implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- 6.1.1 Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- 6.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.
- 6.1.3 Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for 6.1.2 or 6.1.3 although it is relevant for 6.1.1.
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

6.4

7. List of Appendices

Equality Impact Assessment

8. List of background papers

None

I approve the above recommendations set out above for the reasons set out in the report.	Date 11.12.2019
Councillor John Spence Cabinet Member for Health and Adult Social Care	

In consultation with:

Role	Date
Director of Adult Social Care	29.11.2019
Nick Presmeg	
Executive Director for Finance and Technology (S151 Officer)	26.11.2019
Stephanie Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	21.11.2019
Laura Edwards on behalf of Paul Turner	