

**Forward Plan reference number: FP/049/04/21**

<b>Report title:</b> Extension of In Lieu of Reablement services	
<b>Report to:</b> Councillor John Spence, Cabinet Member for Adult Social Care and Health	
<b>Report author:</b> Moira McGrath Director of Strategic Commissioning & Policy	
<b>Date:</b> 18 May 2021	<b>For:</b> Decision
<b>Enquiries to:</b> <i>Victoria Wiens, Commissioning Manager</i> ( <a href="mailto:victoria.wiens@essex.gov.uk">victoria.wiens@essex.gov.uk</a> )	
<b>County Divisions affected:</b> All Essex	

**1. Purpose of report**

- 1.1 To seek approval to extend six contracts for In Lieu of Reablement (ILOR) services for 12 months, while the post-Covid design of the future service offering is underway.
- 1.2 ILOR services are offered to those eligible for a non-chargeable enabling/reabling service, usually provided upon discharge from hospital. These contracts provide additional capacity as required when the reablement services provided by Essex Cares Ltd (ECL) are not able to meet demand.

**2. Recommendations**

- 2.1 Agree to extend the six ILOR contracts with the current providers for 12 months until 12 June 2022 to support the enabling/reabling service and hospital discharges using the extension clause in those contracts. All the extensions in aggregate would have a maximum value of £3.7m.

**3. Summary of issue**

- 3.1 The Council is obliged to provide a Reablement service. When ECL took over the Reablement contract from Allied Healthcare in December 2018, there was a significant shortfall in capacity and therefore the current ILOR contracts were procured in 2020/21 to provide such additional capacity.
- 3.2 ILOR services are offered to those eligible for a non-chargeable enabling/reabling service, usually provided upon discharge from hospital. The aim of the ILOR services is to mirror that of the main Reablement service delivered by ECL, rather than just providing Domiciliary Care. ILOR providers are required to work with individuals to achieve their goals and maximise their independence, in line with the same requirements as for Reablement services.
- 3.3 A new contract for the provision of Reablement Services in Essex was awarded to ECL for the period 4 May 2021 until 3 May 2024 (approved by Cabinet Decision FP/966/01/21). However, based on current demand for Reablement services, ECL will likely not be able to meet the full demand by the point when

the ILOR contracts are due to expire in June 2021 and therefore approval is required to extend the current ILOR contracts to ensure demand can continue to be met.

- 3.4 There are currently 6 contracts for ILOR services. 5 of those contracts were awarded in February 2020. Due to capacity issues during Covid, an additional contract was awarded in South East Essex in January 2021. All contracts were awarded following a competitive procurement process. All six contracts expire on 12 June 2021 with an option to extend for a further year. The current provision is as follows:

Locality	Provider	Block Hours
Mid Essex	Passion Tree Care Services	850
North East Essex	ECare Community	900
West Essex	London Care	500
South East Essex	Premier Care Partners SE	300
South East Essex	ECare Wickford SE	400
South West Essex	London Care SW	700

- 3.5 These contracts were procured for the Council and on behalf of North East Essex Clinical Commissioning Group, Mid Essex Clinical Commissioning Group, West Essex Clinical Commissioning Group, Castle Point and Rochford Clinical Commissioning Group and Basildon and Brentwood Clinical Commissioning Group. ECC is the primary commissioner for the ILOR contracts and will take a lead role in contract management. ECC will continue to manage local arrangements to ensure delivery of the specification with its NHS partners. These arrangements are covered by the iBCF s75 Agreement.

- 3.6 The following table is a summary, by week, of utilisation of the In-Lieu-of-Reablement (ILOR) contracts during April 2021)

Week Ending	Contracted Block							Delivered/Utilised (Average for Week)						
	M	N	SE	SE	SW	W	Total	M	N	SE	SE	SW	W	Total
	Passion Tree	Ecure	Ecure Wickford	Premier Care	London Care	London Care		Passion Tree	Ecure	Ecure Wickford	Premier Care	London Care	London Care	
02/04/2021	850	900	400	300	700	500	3650	845	960	176	672	735	336	3724
09/04/2021	850	900	400	300	700	500	3650	761	890	273	656	678	248	3506
16/04/2021	850	900	400	300	700	500	3650	744	1035	352	585	705	280	3701
23/04/2021	850	900	400	300	700	500	3650	782	1024	377	580	707	299	3769
30/04/2021	850	900	400	300	700	500	3650	810	814	396	602	699	309	3630

Largely we are utilising the block hours in every locality, and in some cases using additional hours over these levels. There have been some challenges in West Essex, due to sickness and staff recruitment. The provider is working with us on a ramp up plan to get back up to the block hours. For onward monitoring, we are working with the Connect programme to collate data to indicate the level of need and demand of Reablement and ILOR and this will be continually reviewed, and the block hours adjusted accordingly.

- 3.7 As part of the Connect Diagnostic Review in 2019, it was estimated that the impacts of the Supporting Independence and Discharge Outcomes project streams would lead to increasing demand on reablement referrals (from

community and acute settings, respectively, totalling 12% more referrals). Whilst this could be offset in time by improvements in reablement length of stay, this increase in demand, if not effectively absorbed by Reablement or ILOR, would lead to increased reliance on long term domiciliary care/residential care and create further pressures on capacity and discharges within acute settings.

- 3.8 A service redesign for the provision of all intermediate care services in Essex in line with the strategic direction of Intermediate Care and the Connect Programme is currently being undertaken. Any recommendations from such re-design will be subject to separate governance at a later date.

## **4. Options**

### **4.1 Option 1: Do nothing – let the current ILOR contracts expire and commission any shortfall from the Long-Term Care market:**

This is not the recommended approach for the following reasons:

- The speed with which care can be sourced and started via the Service Placement Team (SPT) is a challenge and is not always conducive to supporting 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 ILOR Services.

### **4.2 Option 2: Increase reablement capacity - let the ILOR contracts expire and request that ECL increase the capacity of the Reablement contract:**

This is not the recommended option as ECL have, to date, been unable to ramp up their services to meet all of the demand. The use of subcontractors by ECL, whilst increasing their capacity, could increase the risk of an unstable and inconsistent service.

### **4.3 Option 3 (recommended): Extend the current ILOR contracts for an additional 12 months, using the option to extend in those contracts:**

This is the preferred option because it will ensure that there is sufficient capacity to meet demand 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. However the work on the new service design could result in lower demand for this service over the course of the next year and therefore the contract will need to be managed to ensure that the Council is not paying for volume that it is not using.

## **5. Issues for consideration**

### **5.1. Financial implications**

- 5.1.1. The total value of the recommended extensions for 12 months is £3.7m. This is calculated based on the weekly hours and hourly rates currently in place in the ILOR contracts, which are paid on a block sum basis. This is based on 3,650 hours of care per week at an average rate of £19.68 per hour.
- 5.1.2. Expenditure on ILOR services is assumed in the budget for 2021/22 as a continuation of the arrangement in 2020/21, which is through seasonal pressures funding under the iBCF grant (part of the overall Better Care Fund). All our health partners have agreed to these extensions, subject to compliance with national guidance, once available. The risk of these conditions not being satisfied is low as officers have been in dialogue with the 3 NHS systems in Essex for this proposal and the funding route is identical to that taken for the contractual spend in 2020/21, with no major BCF policy changes expected. However, if there were a shortfall in funding then it would need to be managed within the overall Adult Social Care budget.
- 5.1.3. At current price and volumes, an estimated cost of £330,000 would fall in the 2022/23 financial year. The iBCF grant is not confirmed beyond 2021/22, although the Council's MTRS (Medium Term Resource Strategy) assumes continuation of this funding stream or equivalent. If funding is withdrawn or reduced, this would require this service to be managed within the overall Adult Social Care budget.
- 5.1.4. 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 is built into the contracts to allow the volume purchased to be adjusted if contracted capacity is not being delivered. This flexibility will assist in the control of the overall Reablement expenditure throughout the life of the contracts.
- 5.1.5. If ILOR contracts do not remain in place, then the likelihood is that the pressure on the Domiciliary budgets would be greater, due to increased long-term care needs. This is due to the benefits of cost avoidance in the current service through delivering better outcomes and ensuring more adults can maximise their independence. There would also be increased reliance on spot purchasing of ILOR from domiciliary care providers to meet demand, which would be less effective overall, as both availability and outcomes of spot ILOR services are variable.
- 5.1.6. The Council will continue to work with ECL and Newton Europe to meet the objectives of the Connect programme, including efficiencies around reablement, enabling greater volume of throughput. This is expected to allow more adults the opportunity to receive intermediate care services that would

benefit them, without increasing the total reablement and ILOR hours purchased.

## **5.2. Legal implications**

5.2.1. The current ILOR contracts contain an extension clause to extend for 12 months, which would expire on 12 June 2022. The proposed extension would be permissible under the Public Contracts Regulations 2015, as an express extension clause was included in the original procurement of these contracts.

## **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:

- (a) 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.
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) 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 (b) or (c) although it is relevant for (a).

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.

## **7. List of appendices**

7.1. Equality Impact Assessment

## **8. List of background papers**

Not applicable.

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
<b>Councillor John Spence, Cabinet Member for Adult Social Care and Health</b>	<b>28.05.21</b>

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director, Finance and Technology (S151 Officer)</b>	<b>24.5.21</b>
<b>Nicole Wood</b>	
<b>Director, Legal and Assurance (Monitoring Officer)</b>	<b>18.5.21</b>
<b>Katie Bray on behalf of Paul Turner</b>	