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| Cabinet            | <b>FP/858/06/12</b> |
| Date: 17 July 2012 |                     |

### **Award of Contract for Domiciliary Reablement Services**

Report by Cabinet Member for Adult Social Care

Enquiries to Officer: Will Patten - ext: 40869

#### **Purpose of Report**

- To approve the award of contracts for domiciliary reablement services for all 5 lots covering the whole of Essex to the winning bidder, Essex Cares.
- The restricted tender process agreed at Cabinet in January 2012 has been completed and evaluated resulting a single winning bidder for all 5 lots
- Contracts will be awarded on 30 July 2012 (subject to Alcatel) and the new contract will commence by 1 November 2012.

#### **Decision Areas and Recommendations**

- Cabinet agrees that the contracts for domiciliary reablement services for all 5 lots covering the whole of Essex can be awarded to the winning bidder, Essex Cares.
- The contract is for 3 years with a break point at the end of year 2 should requirements for this service change.
- ECC is the lead commissioner with Health, for this jointly commissioned / jointly funded reablement service which will operate on a locality basis (Mid, North East, South East, South West and West) covering the whole of Essex.

## **Background, context, and area of the County affected**

The current contract to provide domiciliary reablement services in Essex expired on 30 June 2012. In January 2012 Cabinet approved a tender process for domiciliary reablement services and a three month extension to cover service transition to a new provider.

ECC is the lead commissioner with Health, for this jointly commissioned and jointly funded service which will operate on a locality basis (Mid, North East, South East, South West and West) covering the whole of Essex.

Reablement is a suite of interventions which support vulnerable adults to be as independent as possible within their own homes. It is commonly used after an episode in hospital or other event which resulted in a loss of life skills and/or confidence. The service is legally classed as an interim service and therefore can't be charged for as all interim services must be provided free of charge at the point of delivery. It is available to Essex residents over the age of 18 for up to 6 weeks to improve their independence.

There is very clear evidence both nationally and in Essex that reablement not only greatly improves quality of life for customers, but, in Essex, also realises a net saving each year in reduced care packages.

## **Options/Proposals**

In January 2012, 3 options for reablement services were presented to Cabinet:

1. To discontinue commissioning Reablement Services. This is not preferred due to the greatly improved quality of life provided to our customers, the fact that Reablement Services are the national standard of care and that this investment represents a significant return in reduced care packages.
2. To automatically renew with EssexCares. This is not preferred as this is an excellent opportunity to run a transparent procurement process and introduce competition to the market to secure best value and to integrate with health partners.
3. To run a competitive tender process allowing the market to present high quality affordable Reablement Services to benefit the citizens of Essex. This option is highly recommended.

Option 3, the recommended option was approved by Cabinet. The outcome of the tender process is summarised below.

## **Conclusions**

A restricted tender process has been completed and evaluated, resulting in a single winning bidder for all 5 lots. The tender exercise was a competitive tender based on the restricted procurement procedure for part B services. The tender was based on 40% price and 60% quality.

Over 1,000 providers were invited to participate in the pre-qualification stage and 66 responses were received. 32 providers passed the pre-qualification stage and were

invited to tender for the domiciliary reablement service. 11 providers submitted tenders.

The payment model aligns with the commercial approach and is based on a start fee for every reablement package and a payment by results fee for achievement of outcomes for Service Users. A single county wide target of 70% of people who complete reablement remaining independent with no care package 91 days after entering reablement has been set. The results fee comes into effect when performance exceeds this benchmark target of 70% and is only paid for people in excess of the 70% target. Payment deductions will apply if performance consistently drops below 65%. The contract will be based on indicative volumes with no guarantees of volume or hours.

The evaluation was carried out by a cross functional team of people including representatives from Health and Service Users. The evaluation team members evaluated the bid responses separately and allocated individual scores to the questions. Each evaluator evaluated a sub-set of the questions; no-one evaluated the responses to all of the technical questions. Moderation/consensus meetings were then held to allow the groups to discuss the evaluation and to reach a consensus score and comments for each question for each supplier. For this procurement suppliers were given a bidder number to anonymise their bids. The technical evaluation team did not know the identity of the bidders.

The scores for service quality were the same across all 5 areas but some suppliers submitted different price bids for different areas resulting in some differences in the overall scores. Some suppliers submitted bids for all 5 areas whilst others only applied for some of the areas. The Essex Cares bid covers all 5 areas and achieved good scores for both service quality and price resulting in them being the outright winner in each area.

That Cabinet approves the award of contracts for domiciliary reablement services for all 5 lots covering the whole of Essex to the winning bidder, Essex Cares. Contracts will be awarded on 30 July 2012 (subject to Alcatel) and the new contract will commence by 1 November 2012.

## **Relevance to ECC's corporate plan and other Strategic Plans**

This proposal supports the people focused priorities of the Vision statement. In particular it addresses the statement 'We want to look after our elderly..., ensuring that they have the protection, support and care they need so that they too have the choices to determine their own future, achieve their ambitions, and play a meaningful role in society'.

This proposal supports both the Essex Works Commitment and Corporate Plan 2012 – 2017 directly, in relation to the following overarching principles:

- Putting our residents first
- Increasing choice
- Delivering value for money

### **Priority: Protecting and Safeguarding Vulnerable People**

Work with individuals, charities and the private and public sectors to ensure that those in greatest need of our protection are safeguarded. The Reablement Service is an intermediate intervention which aims to improve customers' skills and confidence to allow them to avoid potentially intrusive care services for as long as possible.

Working with our partners, we will focus on the following outcomes:

- enabling vulnerable people to enjoy a better quality of life
- protecting Essex residents from harm and injury.

Our key activities will include:

- Ensuring the physical, mental and emotional wellbeing of people receiving social care services.

### **Priority: Improving Public Health and Wellbeing**

We want Essex citizens to enjoy healthy lives and to live them to the fullest extent possible. This proposal is a joint exercise with Health partners, with Essex acting as the lead commissioner to benefit service users. Key benefits to the service user are safe discharge from hospital, the avoidance of hospital admission / readmission from home where Reablement can support people in the community and increased independence for the future.

Working with our partners, we will focus on the following outcomes:

- helping Essex residents to live full and independent lives
- encouraging healthy and active lifestyles and tackling the wider causes of ill health.

Our key activities will include:

- ensuring that people receive the support they need to regain or maintain their independence;
- supporting people to live active lives.

This tender was led by the AH&CW Commercial Team supported and advised by ECC Transformation Support Unit, ECC Procurement Services, Essex Legal Services and ECC Finance.

ECC and its Health partners are committed to delivering services that support personalisation. The required outcomes from the reablement service are:

- Maximised independence with people being able to stay in their own home and access their community
- Maximised regaining or improvement of life skills
- Minimised dependency on long term care and health services
- Minimised inappropriate acute admissions/readmissions and OPMH psychiatric admissions/readmissions
- Appropriate and effective hospital discharges
- Maximised choice and service user autonomy

Significant financial benefits are accrued through delivering these outcomes and this contract is expected to deliver:

- Savings through fewer / reduced on-going care packages
- Savings through reduced hospital admissions / re-admissions
- Savings through lower cost reablement services.

### **Internal and External Consultation**

The project has consulted with the Older People's Commissioning and Delivery Board, the AH&CW Directorate Leadership Team, The Operations Board (in its role as Procurement Steering Group) and Political Leadership Team. All of these groups have agreed the award recommendations.

The project also engaged with the market to ensure a strong and successful response to the tender.

Service user representatives participated in the design of the tender questions and their evaluation.

No further consultation is required. The project is supported by an on-going communications plan which will continue to inform both internal and external audiences. Transition to the new service will include appropriate communication with service users and staff

### **Legal Implications (Monitoring Officer)**

The proposed reablement services are Part B services for the purposes of the EU and UK procurement regulations and whilst the full regulatory regime does not therefore apply, the Authority is still required to comply with EU competition treaty principles of transparency and non-discrimination. The procurement has been conducted as a restricted procurement and is considered to be compliant with relevant EU Directives, UK procurement Regulations/ laws and Authority Regulations.

The contract is in a suitable and appropriate form for the subject matter in question based on the Regional Standard terms and conditions of contract for adult social care and housing support services in the East of England with amendments. It is considered to contain commercially appropriate and no duly onerous terms and

conditions for the Authority. The contract includes a project specific payment mechanism which specifically links payment to successful reablement outcomes.

Since the contract is to be awarded to the incumbent provider there will be no TUPE transfer of affected staff.

### **Finance and Resources Implications (Section 151 Officer)**

The estimated annual contract value is £4.2million. This is based on service volumes at the top of the expected range. No additional requirement for funding is being sought for this contract as future costs are expected to be maintained within the AH&CW annual budget.

The commissioning of a Reablement Service not only promotes independence but enables the council and partners in health to realise substantial savings by reducing the cost of care as referred to previously in this report.

Further detailed information regarding the financial implications of awarding this contract is included in the report which appears on part II of this agenda.

### **Human Resources Implications**

There are no staff employed by ECC to deliver reablement services so no impact on ECC human resource. TUPE does not apply because the winning bidder is also the incumbent service provider. Service transition will allow for the winning bidder to consult with staff over any proposed workforce changes.

### **Equality Impact Assessment**

An EqIA screening was carried out at the start of the tender and determined that the equality and diversity impact of re-procuring reablement services is LOW. The service specification incorporates equality and diversity in the core principles underpinning the delivery of services. Service delivery will continue to be monitored by the contract management team to ensure that the service is available to all client groups.

### **Background papers**

The Cabinet report in January 2012 giving approval to:

- extend the current contract with Essex Cares in order to allow sufficient time for Essex Cares to meet its own legal obligations to staff prior to any possible transfer to a new incoming contractor
- agree to tender for the Reablement Service for a 3 year contract to commence upon the expiration of the current contract in 2012.



