

Forward Plan reference number: FP/327/03/22

Report title: Procurement of Additional Reablement and Bridging Services Capacity	
Report to Cabinet	
Report author: Cllr John Spence, Cabinet Member for Adult Social Care and Health	
Date: 19 April 2022	For: Decision
Enquiries to: Moira McGrath, Director Strategy Commissioning	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1. Intermediate care services are provided to help people either recover after spending time in hospital or avoid having to go into hospital in the first place. As such, they are a crucial part of the support Essex County Council provides, helping people to live the best life they can, independently, and in their own home for as long as possible. As part of this provision, bridging services enable same-day discharge home from hospital or same-day support in the community, for people before other services can begin. These other services, including reablement, support people to improve the quality of their lives and regain independence following a hospital stay or period of increased need.
- 1.2. Providing intermediates care services, which are available for all adults who need them, is crucial for our ambitions for health, wellbeing and independence for all ages, which are set out in Everyone's Essex, as well as our levelling-up agenda. It is also a statutory responsibility for the council which further demonstrates how important this service is to our residents.
- 1.3. Reablement services are primarily contracted to Essex Cares Ltd (ECL) but over the years we have sought to add additional capacity to the intermediate care system to best support our residents and utilise a diverse range of suppliers in the provider market. This has resulted in numerous contractual arrangements with varying contract end dates, as well as a lack of consistency of outcomes for adults.
- 1.4. We are working with NHS partners and the provider market on a medium to long-term approach for re-shaping the intermediate care system and bringing together reablement services, bridging services, short-term care home provision, as well as NHS intermediate care services, to improve outcomes for people and ensure a joined up and integrated approach to service delivery.
- 1.5. In the short-term this requires an interim step to secure additional reablement provision to replace in-lieu-of-reablement (ILOR) services across the county and to procure bridging services in North-East Essex and West Essex. This will drive consistency and improvements in our reablement and bridging capacity. Contracts will run from September 2022 to September 2024 with existing

arrangements extended to ensure continuity of service whilst this procurement process is undertaken.

- 1.6. This decision will allow the alignment of contract expiry timelines across this provision and secure necessary system capacity whilst we continue to work with our NHS partners to develop our longer-term strategy and drive further improvements through the rollout of our Connect Programme which has already delivered significant improvements in the reablement contract with ECL. This strategy and the longer-term plans for intermediate care will be presented back to Cabinet during 2023.

2. Recommendations

- 2.1. Agree to undertake an open procurement process to appoint providers to deliver additional reablement and bridging services across seven lots as set out in paragraph 4.1 of the report commencing in September 2022 for a period of 2 years, with the option to extend for a further 12-month period at a maximum two-year cost of £16.5m.
- 2.2. Agree that the high-level evaluation criteria for the procurement will be 35% price and 65% quality, and that the Executive Director, Adult Social Care, is authorised to agree the detailed evaluation criteria for the procurement.
- 2.3. Agree that the Cabinet Member for Health and Adult Social Care is authorised to award the contracts to the successful bidders following completion of the procurement process.
- 2.4. Agree to extend the six current contracts for in-lieu-of-reablement services and two contracts for bridging services in North-East Essex and West Essex for a period of three months at a cost of up to £1.6m to ensure continuity of service during the mobilisation and commencement of the new services.
- 2.5. Agree that ECC will establish local arrangements with NHS partners to ensure delivery to the specification as part of ECC's continued ambition for health and care integration.
- 2.6. Agree to vary the S75 agreement that is in place between ECC and Basildon and Brentwood Clinical Commissioning Group to reflect the terms of an extension to a contract entered into between Basildon and Brentwood CCG and Mid and South Essex Foundation Trust, for the provision of bridging services. This is a service that is commissioned by Basildon and Brentwood CCG on behalf of ECC at a cost of £5.4m until September 2024.

3. Background and Proposal

- 3.1. As part of ECC's commitment to helping people either avoid going into hospital, or have a smooth journey out of hospital and back into independence, the Council provides a reablement service. This forms part of the Council's statutory

responsibility to provide intermediate care services. Currently Essex Cares Ltd (ECL) deliver this service and is contracted to do so until May 2024.

- 3.2. Given the increasing demand for reablement services, additional capacity was required. As a result, five contracts for In-Lieu-of-Reablement services (“ILOR”) were tendered and awarded in March 2020, with a further contract awarded in December 2020. These contracts deliver 4300 hours of support capacity per week and expire on 18 June 2022.
- 3.3. The aim of replacing the above ILOR contracts when they expire with a new service is to ensure consistency with the main reablement service delivered by ECL, which means that new providers will be required to:
 - Work with individuals to achieve their goals and maximise their outcomes.
 - Work with, and implement, the ways of working established by the Connect Programme
 - Work collaboratively with other reablement providers and community services.
- 3.4. The capacity to be procured remains the same as the current provision, with a total of 4300 hours per week being available across 5 lots. The split of the lots will align with each CCG.
- 3.5. As part of the Connect Programme, officers have been working with ECL and current ILOR providers to increase the throughput, efficiency, and effectiveness of services. Connect has so far supported ECL and Adult Social Care to ensure more people can access Reablement and, when they do, that they have a stronger recovery. This learning will form the basis for the new specification.
- 3.6. Due to the timelines and the financial envelope, therapies (which are an integral part of the ECL offer) will not be included in the base specification for the new services at this time. Instead, to support our longer-term ambitions for Intermediate Care, they will be commissioned separately as a ‘wrap around’ service and will be available to people receiving these additional reablement services and those who are receiving ‘spot’ purchased domiciliary care, where sufficient reablement capacity is unavailable.
- 3.7. In addition to the additional reablement capacity, bridging services are required to support the pace of response needed from providers to facilitate timely hospital discharge. The bridging service contracts include:
 - A rapid response hospital avoidance service that supports adults in the community;
 - A rapid response bridging service that supports adults to be discharged from hospital and supported in the community;
 - A reablement ethos in delivery of all aspects of service provision.
- 3.8. In order to ensure effective mobilisation and commencement of the new services, it is proposed that the six current contracts for in-lieu-of-reablement services and two contracts for bridging services in North-East Essex and West Essex are extended for a period of up to three months at a cost of up to £1.6m.

- 3.9. North Essex and West Essex bridging services will also be re-tendered as part of this procurement process. They will have their own lots. Commissioning activity for the Mid and South Essex (MSE) bridging services will continue to be led by Basildon and Brentwood CCG as part of our integrated service offer. The existing Section 75 agreement that is in place between ECC and Basildon and Brentwood CCG will be varied to reflect the terms of an extension to an existing contract that is in place between the CCG and Mid and South Essex Foundation Trust who provide these services.

4. Procurement Approach

- 4.1. It is proposed to run a single-stage procurement process, conducted in accordance with Regulation 27 (Open Procedure) of the Public Contracts Regulations 2015, to award a contract for two years (with the option to extend for a further 12 months) in five geographic lots with an additional two lots for Bridging Services in North-East and West Essex.
- 4.2. The contract will block purchase 100% of the expected annual activity levels (based on current ILOR block capacity and usage) for each of the seven lots (to include bridging).
- 4.3. The contracts will be awarded to the bidders who achieve the highest overall score using a Price / Quality split of 35%:65% with 10% of the quality score assessing social value and climate consideration. However, to ensure stability across the County, no provider will be able to win more than 2 lots.

5. Links to our Strategic Ambitions

- 5.1. This report links to the following aims in the Essex Vision:
- Enjoy life into old age
 - Develop our County sustainably
 - Connect us to each other and the world
 - Share prosperity with everyone
- 5.2. Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:
- Renewable energy use where possible
 - Optimised route planning
 - Increasing use of hybrid and other alternative vehicles
- 5.3. This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':
- A strong, inclusive and sustainable economy
 - A high quality environment
 - Health wellbeing and independence for all ages

6. Options

6.1. **Allow current In-Lieu-of-Reablement contracts to expire and commission any shortfall from the Long-Term Care market**

This option is not recommended. 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 support urgent hospital discharges and adults deemed to be 'at risk' in the community.

This option does not guarantee capacity, and current market pressures significantly increase the risk of high levels of unmet needs. It also may reduce capacity in the long-term domiciliary care market, which in turn reduces capacity in the reablement pathway.

6.2. **Allow the In-Lieu-of-Reablement contracts to expire and increase the capacity of the main Reablement contract awarded to ECL**

This is not recommended as ECL have, to date, been unable to meet all the demand. The use of subcontractors would increase capacity but could increase the risk of an unstable and inconsistent service.

6.3. **Run a competitive process to appoint providers to deliver additional Reablement Services, including a separate lot for Bridging Services for North-East and West Essex – recommended option**

This is the recommended option. It will ensure that there is sufficient capacity within the service to meet demand and to ensure that adults are achieving the best possible outcomes for living independently. It will ensure consistency by stabilising the market.

A contract period of 2 years will allow for permanent staff recruitment, better staff retention and development opportunities. A revised specification will allow for improvements to be delivered, including those within the Effectiveness Workstream. The aim will be for providers to collaborate and work closely with the wider system and other providers towards the longer-term future of Intermediate Care. Bridging services for North-East and West Essex will be tendered as part of this process, with a slightly revised specification to ensure consistency across Essex.

7. Issues for Consideration

7.1. **Financial implications**

7.1.1 The maximum cost of the recommendations in this report is £23.4m, which spans three financial years. This is based on the current 4,300 weekly reablement hours and the current level of bridging services across Essex. The breakdown by service and financial year is set out in the table below.

Service	2022/23	2023/24	2024/25	Total
Reablement	£4.8m	£6.7m	£3.2m	£14.7m
Bridging*	£3.0m	£3.9m	£1.8m	£8.7m
Total	£7.8m	£10.6m	£5.0m	£23.4m

* Includes £5.4m commissioned by Basildon and Brentwood CCG

7.1.2 The actual unit rates paid will depend on the outcome of the competitive tender process. This is expected to vary across the 5 reablement and 2 bridging lots, as is the case with the current arrangements. The values above are based on current contract prices and applying higher-end estimates of inflationary growth in line with the cost of care model for domiciliary care. It should be noted that the estimates do not include commercial insight as to the impact of the revised specification and market behaviour, which will be addressed as part of the procurement process.

7.1.3 The cost of the reablement and bridging services will be funded through the iBCF grant as part of the overall Better Care Fund, which is set out in agreement with health partners and subject to national planning guidance, once published. This relies on drawing on funds released from the additional contributions received from CCGs in 2021/22, a planned £3.6m of the £8.2m total receipts.

7.1.4 The iBCF grant is not confirmed beyond 2022/23, although the Council's Medium Term Resource Strategy (MTRS) assumes continuation of this funding stream, or equivalent, in future years. If funding is withdrawn or reduced, this would need to be managed within the overall Adult Social Care budget.

7.1.5 There will continue to be a reliance on non-recurrent resource to fund bridging services. The growth of these services was supported in the 2021/22 financial year by the NHS hospital discharge programme funding (which ended on 31 March 2022) and iBCF balances brought forward from the previous year. The balance brought forward from 2021/22 will support the extensions and initial 2-year contract period.

7.1.6 There is a risk of a funding shortfall after the initial contract period, should the wider redesign of Intermediate Care Services not happen as planned, and if alternative funding streams cannot be identified. Putting these contracts in place allows time to focus on the goals of an integrated offer, providing better value for money and quality of care, established on a stable financial footing.

7.1.7 The purchase of block provision has an inherent risk of paying for void capacity. 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 will be included in 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 expenditure.

7.1.8 If these services 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 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.

7.2. Legal implications

7.2.1 Reablement services and bridging services are “Light Touch” for the purposes of the Public Contract Regulations 2015 (the Regulations). Although not a requirement, it is proposed that the standard open procurement procedure is used to tender these services, which is permitted by the Regulations.

7.2.2 Social value considerations should be relevant and proportionate to the contract and only relate to the metrics set out in the Public Services (Social Value) Act 2012. Evaluation criteria should be linked to the subject matter of the contract.

7.2.3 Therapy services are not being procured as part of the procurement and therefore the new contracts should contain provisions that help facilitate the new providers’ engagement with separately commissioned therapy services.

7.2.4 A variation to the s75 agreement with Basildon and Brentwood CCG will be required to reflect the terms of a new contract to be entered into between Basildon and Brentwood CCG and Mid and South Essex Foundation Trust, for the provision of bridging services by the Mid and South Essex Foundation Trust. This is a service that is commissioned by Basildon and Brentwood CCG on behalf of ECC.

7.2.5 The extensions to the existing contracts should be carried out in accordance with the terms of those contracts and in compliance with Regulation 72 of the Regulations.

8. Equality and Diversity Considerations

8.1. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard for the need to:

- 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
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

8.2. 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).

- 8.3. 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.

9. List of Appendices

Equality Impact Assessment

10. List of Background Papers

None declared.