

Report to: Cabinet

Date of meeting: 30 September 2021

By: Director of Adult Social Care

Title: Home Care and Extra Care contract re-tender

Purpose: To seek approval to re-tender for Home Care and Extra Care service provision commencing January 2023 when the current contracts end.

RECOMMENDATION

Cabinet is recommended to:

- 1. agree to go out to tender for Home Care and Extra Care services in January 2022 with new contract start dates in January 2023;**
 - 2. approve of a contract term of six years with the option to extend for up to 48 months; and**
 - 3. agree to delegate the contract award decision to the Director of Adult Social Care, once all submitted bids have been evaluated.**
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1 Background

1.1 East Sussex County Council (“the Council”) commissions home care from a range of providers, delivering in the region of 28,000 hours of care in people’s own homes every week. Approximately 2,400 people are in receipt of Council funded home care services and the number of clients receiving home care is steadily increasing as more people are being supported to stay living in their own homes.

1.2 Extra Care housing enables adults to continue living independently in purpose built rented accommodation with the rights and obligations of a tenancy. Individuals can access care and support including for personal care as well as benefitting from communal areas and activities. In East Sussex, we commission care under three contracts for the six Extra Care schemes comprising a total of 228 rental flats which Adult Social Care refer people to, with an additional 47 flats part-owned by private customers.

1.3 The annual value of the Council’s commissioned home care provision is approximately £31m (including care provided in Lewes prison and carer’s respite provision), and commissioned support provided in Extra Care housing which amounts to a further £3m per annum. These services combined, represent a significant proportion of adult social care provision, accounting for 16% of the spend on support provided during Quarter 1 of the 2021/2022 financial year.

1.4 The current Home Care and Home Based Carers Respite contracts were commissioned in 2014. One Extra Care contract was commissioned in 2014, whilst the remaining two were commissioned in 2018. All contract end dates have been brought into line to conclude in January 2023. This will enable the Council to tender for all of the home care services at the same time as service provision across these care delivery settings has the same core requirements.

1.5 The proposal is to commence the formal tender process for all services in January 2022. This combined approach has been adopted in order to stimulate market interest and to ensure that there are alternative qualified providers available, should they be needed. Other benefits of a

combined tender include aligning opportunities to better enable providers to plan their longer-term business development and to make the most effective use of the Council's resources required to undertake such a significant tender.

1.6 Consultation and engagement has been undertaken with a range of internal and external stakeholders including home care and extra care providers, care workers, clients and carers to determine the new service model and procurement approach.

1.7 A comprehensive Equalities Impact Assessment has been carried out and an action plan developed. The groups directly affected by the tender are adults (clients and carers) with eligible care and support needs and staff and managers of home care services. The proposed changes are not expected to negatively impact any groups on the basis of their protected characteristics. The action plan identifies ways to further promote equality, equal opportunity and improve relations within equality target groups.

2 Tender approach and timetable

2.1 An Approved List will be established jointly for Home Care, Home Based Carers Respite, Extra Care and Her Majesty's Prison (HMP) Lewes care arrangements. It is anticipated that approximately 50 providers will be accepted on to the Approved List, which is in line with the current provision. The Approved List will also be opened up on an annual basis to allow new providers to become Approved Providers throughout the duration of the Approved List.

2.2 The number of geographical areas for the provision of Home Care and Home Based Carers Respite across the County will increase from the current six areas to nine areas as outlined in Appendix 1. This increase will maintain stability in the market but address the issues in the areas of the market where it is most difficult to arrange provision, e.g. the Lewes and High Weald area, offering more choice of providers to the Council. Lead Providers will be expected to support 80% of new packages in each area.

2.3 Three of the nine areas have been designated Primary areas and the remaining six as Secondary areas. Primary areas represent those parts of the county with particularly high demand for homecare and generate sufficient levels of activity to sustainably support two Lead Providers whilst still benefitting from economies of scale and providing some mitigation to the Council in respect of the potential risks of business interruption and failure. Secondary areas will have one Lead Provider.

2.4 Once the Approved List has been created, a series of mini-competitions will be undertaken between successful providers to award call-off contracts for the following:

- The Lead provider(s) for Home Care and Home Based Carers Respite in each area.
- HMP Lewes care arrangements.
- Care arrangements in the six Extra Care schemes.

2.5 The proposed timetable purposely allows considerable tender and transition lead in time, given the scale of the tender process and the additional pressures on the market due to ongoing COVID-19 challenges, as follows:

- Market engagement on service model and procurement approach - October / November
- Issue invitation to tender - January 2022
- Award contracts - June to August 2022
- Transition period - July 2022 to January 2023
- Contract start - January 2023

3 Contract term and value

3.1 It is proposed that Home Care and Home Based Carers Respite and Extra Care services will be contracted for six years with the option to extend for up to 48 months. This would increase stability in the market while allowing for a review and re-tender of the contract after a maximum of

ten years when the landscape and issues facing the market are likely to be significantly different. Optimising stability within this sector is a particular priority for the tender, particularly in light of the challenges faced over the last 18 months, and ongoing, due to COVID-19.

3.2 The contract end date for HMP Lewes care arrangements will be aligned with the NHS England healthcare contract for HMP Lewes which ends on 31st March 2027, in case there are future opportunities for joint commissioning.

3.3 Contract mobilisation for the HMP Lewes care arrangements and support in Extra Care Schemes will involve any new provider(s) taking on all existing packages of care, with annual values of £125,000 and £3m respectively, with effect from January 2023 in addition to any new packages after that date.

3.4 In respect of Home Care and Home Based Carers Respite, existing packages of care will remain with their current providers until the package ends to ensure continuity and stability for clients. Any new provider(s) will take responsibility for new packages commencing after the contract start date in January 2023.

3.5 The total value of the combined commissioned services for the Agreement period, including potential extension, is in the region of £340m and will be funded from the existing provision contained within the Community Care budget.

4. Conclusion and reasons for recommendations

3.1 Independent sector Home Care and Extra Care services represent a significant and important element of the Council's statutory care provision and it is essential that the services that are commissioned are of a high quality, person centred and represent value for money. Careful consideration and wide stakeholder engagement has been undertaken to ensure the tender will deliver sustainable services for both clients and providers.

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