

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 22 October 2013	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval Reablement Home Care Services	
<b>Ward(s) or groups affected:</b>		All wards, elderly and disabled	
<b>Cabinet Member:</b>		Councillor Catherine McDonald Cabinet Member for Health, Adult Social Care and Equalities	

## **FOREWORD – COUNCILLOR CATHERINE MCDONALD CABINET MEMBER FOR HEALTH, ADULT SOCIAL CARE AND EQUALITIES**

‘Reablement’ is a service that helps people regain physical skills after a change to their physical abilities, for example following a fall or a stroke, so they regain independence, and can stay living in their own homes and communities for longer. Reablement can mean people have no, or reduced, ongoing social care needs, and can prevent avoidable hospital admissions and delay or prevent people’s need for residential care – in line with what people tell us they want. In short, reablement makes a huge difference to people’s quality of life and their ability to live well for longer.

The procurement strategy outlined in this report will deliver two reablement home care providers who will assist the council in its commitment to support the most frail in Southwark. The contracts are being procured after the council has worked closely with the NHS to develop a reablement model, that will continue to deliver the existing services in a more integrated and effective way. These new contracts will be providing care to those, mainly older people, who have experienced a period of ill health, or experienced a traumatic episode such as a fall.

We are placing quality at the heart of the service that we procure, recognising the dignity and respect that older people in Southwark deserve. These services will also provide value for money for the council, given that they will prevent much more expensive residential care or intensive packages of care for many. These services will be delivered in a true partnership, with the providers’ staff being co located with our social workers and occupational therapists; this will ensure that we will be working together in the best interest of the vulnerable service user.

## **RECOMMENDATIONS**

1. That the cabinet approve the procurement strategy outlined in this report, to undertake a competitive tender to establish 2 reablement contracts (with a north/south split) which will be for a term of 3 years from 1 May 2015, with provision to extend the contracts for a further 3 years by one year extensions.
2. That the cabinet note that the projected maximum estimated annual contract value for each of the 2 demand-led contracts is £1m, and therefore the estimated total contract value (for both contracts) for the initial 3 year term is £6m, and £12m if all extension options are exercised.

3. That the Cabinet agree that the procurement will be open to London Borough of Lambeth as detailed in paragraph 37, and to note that the estimated contract values relate to Southwark only.

## **BACKGROUND INFORMATION**

4. Reablement is a short rehabilitative service that can help people “get back on their feet” after a period of sickness or incapacity. By supporting people to relearn the skills necessary for independent daily living it effectively reduces the need for long term support. The Department of Health is actively promoting the expansion of reablement by local authorities as a means of delivering a financially sustainable model of community based support. Southwark has placed reablement at the heart of its transformation of services.
5. The council has made a clear commitment through its fairer future promises to the principle of supporting people to have choice and control and live independent and fulfilling lives. Reablement services play a critical part in delivering these commitments and supporting the aspirations of older people in the borough who consistently express the wish to remain in their own homes for as long as possible.
6. In Southwark a range of reablement services have been piloted over a number of years commissioning home care agencies to provide Reablement Support Workers (RSWs) who are responsible for working with people either from the community or following hospital discharge to maximise their independence. Reablement is typically provided for a period of six weeks and are provided free at the point of access.
7. Reablement is also a key part of the new social care customer journey and is the default option for all people that may need ongoing care, providing a period of assessment and rehabilitation before determining the need for long term support.
8. The council currently holds four separate contracts with four different organisations. These are summarised below.
  - **Community reablement** - The council currently holds a single demand-led contract with an annual contract value of approximately £957k. This provides a community reablement service, and from September 2013 the senior RSWs from the provider will be based at the council’s premises at Queens Road, to facilitate close co working with the council’s reablement social work team.
  - **Intermediate care** - The council holds two separate intermediate care contracts with two different providers. The current annual value for these contracts is £304k (North) and £146k (South). Both of these services are hospital based, either at St Thomas’s (North Southwark) or Kings (South Southwark) The RSWs are part of integrated teams involving both NHS and council staff and they spend the majority of their time working out in the community. Unlike reablement, these services currently will work with service users who may not meet the FACS criteria, to facilitate timely hospital discharge. The RSWs in this service report daily to the hospitals to receive new referrals or provide feedback to both council social workers and NHS therapists, who oversee and direct their work. The specific NHS funding the council receives to fund these services accommodates the NHS’s requirement to support a prompt return to the community.

- **Neuro Rehab Integrated care service** –The council also holds a demand led contract with a provider for specialist RSWs. The current annual contract value for this contract is £146k. The RSWs work within the Integrated Stroke Pathway (ISP) Team within Southwark, based at Dulwich Hospital. This service provides a longer 12 week intensive home care reablement service to former patients of Kings, St Thomas’s, and Guys hospitals. The service provides reablement to service users who have experienced either a stroke or another form of neurological damage. This service is funded through a grant paid to the council from the NHS that is focused on reducing delayed discharge from acute hospital beds. As with the other integrated care service, the RSWs work within a combined council and NHS hospital team but spend most of their time in the community.
9. The functions of these contracts will continue within the approach proposed in this report, albeit through two as opposed to four contracts. The proposed approach also takes account of the work associated with the Southwark and Lambeth Integrated Care (SLIC) Programme, which is part of the wider landscape of prevention focused initiatives.
  10. One core objective of SLIC is to align the council’s hospital discharge arrangements with Lambeth and ensure that reablement has a community facing as opposed to a hospital focus. This will mean that the current integrated care RSW services linked to the hospitals that spend the majority of their time working out in the community will become integrated with the current reablement service based at Queens Road. These developments are complementary to and will interface with the reablement service for which this report seeks procurement approval.
  11. This report seeks cabinet approval for a strategic procurement approach that will put in place a longer term, more integrated arrangement that can build on the learning and successes of these pilot services and is consistent with the direction of travel of the SLIC programme and the council’s new adult Social Care Customer Journey.

## **Summary of the business case/justification for the procurement**

### **Better value for money for the council**

12. National Research<sup>1</sup> has found that 60% service users who pass through a period of reablement achieved either a reduction to their ongoing home care needs or needed no care at all, compared to those who have undergone conventional home care. The council’s pilot community reablement service has achieved an indicative success rate of just over 70% of those who have completed a period of reablement.
13. Locally financial performance data covering 2010-2011 and 2011-2012 show that there was an aggregate net reduction in package costs of between £870k and £1.3m to the council based on clients that have been through reablement. The council continues to monitor the financial and other outcomes achieved through the various piloted services and this trend is expected to be sustained.

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<sup>1</sup> Prospective Longitudinal Study 1 commissioned by the Department of Health’s Care Services Efficiency Delivery programme (CSED)

## **To deliver the council's new adult social care business model**

14. The piloting of reablement services has allowed the council to refine its reablement approach and ensure that reablement is now a key element of the council's new Adult Social Care "Customer Journey". Reablement is now the default function for all people that need a home care service, period of assessment or rehabilitation in Southwark.
15. Informed by the national research and Southwark's emerging evidence base, this procurement will create a longer term arrangement to replace the current services and facilitate the ongoing development of a more integrated approach to reablement and the wider social care offer locally.

## **Better outcomes for service users**

16. The overwhelming majority of people going through reablement are older people. Nationally and locally older people say that they wish to remain independent in their own homes for as long as possible<sup>2</sup>.
17. Reablement will be supporting older people's aspirations to maintain their independence and avoid unnecessary hospital and care home admissions, as well as helping people to be discharged from hospital promptly and safely. It will also work with the older person to regain independent living skills following an incident such as a fall or stroke.

## **Market considerations**

18. Historically the market for home care reablement services could be described as less well developed compared to the market for general home care services. The Home Care Reablement CSSR Scheme Directory April 2012<sup>3</sup> which provides a comprehensive description of reablement services up and down the country illustrates this with reablement services often using residual in house home care services and only a few being externally commissioned.
19. More recently the market for reablement has developed, although reablement services remain an evolving specialism within the home care industry. An analysis of the market undertaken by the council in both London and the South East of England has however provided the necessary assurance that the market is now sufficiently developed to deliver the outcomes this procurement is seeking.
20. Local analysis and national research has informed the procurement approach being proposed and the council will build in a strong focus on quality and outcomes for service users. The evaluation approach will robustly test this and providers understanding and ability to deliver reablement and how it differs to general home care.
21. In relation to the market price considerations, although this has not been subject to extensive market testing, the council can draw on extensive benchmarking and analysis of the cost of general home care services and recent relevant experience of negotiating the cost of current pilot reablement and intermediate care services.

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<sup>2</sup> Good care for older people: Taking a long term view" Kings Fund 2006.

<sup>3</sup> Gerard Pilkington Associates, 2012

22. The council's procurement plans have also been informed by a "soft market" testing event with Southwark's main home care providers held in August 2013.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

23. The council has been carefully considering the most appropriate service model for the different reablement and intermediate care services, alongside the procurement route required to deliver its service objectives.
24. This work involved an extensive review of the current reablement and intermediate care service models and what the future service requirements would likely to be. It engaged relevant internal and external stakeholders and undertook a cost benefit analysis exercise of the different service model options. A report was produced which included an analysis of risks and benefits and other options considered but not formally recommended.
25. The options actively considered are summarised as follows:

Option	What it entails
<b>Option 1</b> - Single service model with two providers (The adopted option)	Single service model but two providers (basically aligned to hospital areas (N and S Southwark) in order to mitigate against risk of provider failure. Clear partnership contractual arrangement including: shared aims, objectives and outcomes. Providers will be responsible for staff rosters and day to day supervision, but with senior RSWs co located within the reablement community team, to work alongside both council and NHS staff. The contract to include time for some paid RSW training, staff travel and joint supervision with both council and NHS staff. Under this option the London borough of Lambeth would have the option of commissioning services from our contract once awarded
<b>Option 2</b> - A fully operated in house service	The council would directly employ coordinators and RSWs and provide a single Reablement and ICT service in house. This would require the council to become the registered provider of reablement under CQC registration.
<b>Option 3</b> - In house service managed by senior care workers employed by the council, but using agency RSW's.	The Council would employ staff to coordinate the service while externally procuring staff to work within the service as RSWs from 2 registered providers. However the Agencies would be the registered providers
<b>Option 4</b> - No change to the status quo	Maintain current status quo of 4 separate contracts

26. Option 1 was considered for the following reasons:

- Provides sufficient volume to develop an effective relationship with provider, who can invest in the service.
  - Single service and operating model in line with SLIC objectives
  - Build up expertise in geographical patches, which means the hard to reach areas of the borough easier to cover
  - It will mitigate risk of provider failure or give opportunity to bring in a second provider if needed.
  - Establishes clear responsibilities for Southwark Council to support the provider in delivering a core business for adult social care.
  - Includes the option for Lambeth to commission from our contract
27. The procurement approach has been further developed to take account of development opportunities to quality assure the work of the RSWs by NHS therapists (Instigated through the SLIC programme) alongside how best to procure the Neuro rehab service. This has informed the proposed approach to procure a single service model to include the neuro rehab service in the south contract and that further quality assurance will be carried out by GST with two providers. The council is confident that the current needs for a distinct team of trained neuro rehab RSWs can be accommodated by the reablement south provider, and will be contained within the south contract.
28. The two contracts will both be community based, but roughly aligned to the two acute trusts operating in the borough (North and south Southwark) Reablement in Southwark will be an integrated service incorporating the three specialist home care services (ICT north, south and neuro-rehab) to form this new reablement service model.
29. In summary the procurement approach being proposed in this report will seek two providers from the open market, following a robust evaluation that will place quality at the heart of the methodology. The proposed two provider arrangement will also allow the council to better mitigate risk in case of issues with one contract or another once awarded.

### **Other procurement approaches considered**

30. A number of other procurement options were considered and summarised below .
31. **Do nothing** – This was not considered an option as the council will continue to require this service following the expiry of the current contracts.
32. **Bring the service in house** – The council unlike some other boroughs does not have an in house home care service and does not employ managers registered with the Care Quality Commission (CQC) needed to provide necessary supervision of care staff providing the service. Financial modelling also indicated that it would be far more expensive than a commissioned solution.
33. **Conduct a joint procurement with Lambeth for a single service model** – This was actively considered by both councils. The service models are broadly aligned and in line with the SLIC objectives Therefore although this report does not seek approval for a joint procurement it seeks approval to allow Lambeth to commission services from Southwark’s contract once awarded.
34. **Seek to jointly procure with other councils** – While there are other councils planning to go out to the market for reablement services their service models, timescales and approach to quality assurance differ from that of the council.

Consideration was given to working with the West London Alliance framework that covers homecare however the intended approach did not fully align to the council's requirements. In addition the initial framework procurement has been halted and although it will restart in the next few months it remains unclear whether the revised approach would align with the council's requirements.

35. **Single supplier negotiations with existing providers** – This was an appropriate route previously whilst the council was piloting different service models and the market was still under developed. The council is now clear as to its future service model and more providers have developed experience of delivering some form of reablement, therefore to now openly procure the service from the market is considered to be the approach that will deliver the best value for money for the council.
36. **Procure a stand alone neuro rehab service** Given the size of the contract required it was considered more appropriate use of the council's resources to integrate the service into one or both of the new reablement contracts. The proposed approach will however allow for a distinct team of specialist neuro rehab RSWs to be retained to continue to work within the Integrated Stroke Pathway service in Southwark as it does presently.

#### Proposed procurement route

37. This report is proposing a two stage restricted procurement in which the council will take all reasonable steps to obtain at least five (5) tenders following a publicly advertised competitive tendering process. It will be open to the London Borough of Lambeth to make use of these contracts once awarded. This procurement process will:
- Meet robust universal quality standards in relation to the delivery of homecare services
  - Have a thorough understanding of reablement with a focus on positive outcomes for the service user.
  - Demonstrate a strong commitment to partnership working
  - Have acceptable CQC registration status
  - Satisfy the council's requirements in relation to financial and organisation competence.

#### Identified risks for the procurement

38. The main risks are identified below

No	Risk	Level	Mitigation
1.	The market not being fully developed and providers are not equipped to deliver the required service.	Low	The a number of providers delivering a reablement service both locally and nationally has been increasing and the council is now confident that the market is sufficiently developed to respond to this procurement.
2.	Provider failure	Low	The council will select two providers with these contracts after a vigorous tender selection and evaluation process. These new contracts will be awarded and then managed with an emphasis on partnership and relationship centred risk and problem management to ensure the outcomes

No	Risk	Level	Mitigation
			required by the council are delivered by the providers. In the unlikely probability that even after these steps there is provider failure, the council will have the option of re negotiating with the other provider responsibility for the whole integrated care reablement service. The contracts will also contain a six month break clause that the council will have the right to exercise.
3.	Specialist skills will be lost	Low	Specialist skilled staff will be retained through TUPE and careful mobilisation planning. The service specifications will ensure that the needs of the current integrated care, neuro rehab and community based reablement services will be addressed through the single service model.
4.	Provider capacity to deliver Lambeth's require if they chose to commission from our contract	Low	The council will work actively on this issues throughout the tender process and award of contract to robustly test providers capacity

### Key Decision

39. This is a strategic procurement due to the contract value, and is therefore a key decision

### Policy implications

40. This service is used by the council as a means to comply with its statutory duties under the NHS and Community Care legislation and FACS statutory guidance.
41. The new service model for reablement will support the aims of the Southwark Council Plan "A Fairer Future for All" to create a fairer future for all by: protecting the most vulnerable; by looking after every penny as if it was our own; by working with local people, communities and businesses to innovate, improve and transform public services. The expansion of reablement services is one of the specific pledges made to support this objective.
42. Reablement will be a key vehicle through which the council will discharge its statutory duties in the future, and is being promoted within the council's vision for Health and Social Care, agreed by the cabinet in April 2011, as well as being a significant way through which the council will meet ongoing savings targets.
43. An emphasis upon integrated care and reablement are a key component of the SLIC programme agreed by the council in May 2012, as well as a significant thread through out the Social Care Bill currently passing through parliament and due to be implemented nationally from 2014.

### Procurement Plan

44. The timeline for the procurement plan is set out below



<b>Activity</b>	<b>Complete by:</b>
Forward Plan (if Strategic Procurement)	June 2013
Review by DCRB	4.09.13
Review by CCRB	19.09.13
Agenda Planning	30 September 2013
Deadline for final report	10 October 2013
Notification of forthcoming decision –despatch of Cabinet agenda papers	15 October 2013
Cabinet -Approval of Gateway 1: Procurement strategy report	22 October 2013
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	30 October 2013
Completion of tender documentation	30 October 2013
Advertise the contract	1 November 2013
Bidders briefing session	Mid November
Closing date for completed PQQs	31 December 2013
Completion of short-listing of applicants using PQQs	14. February 2014
Invitation to tender	17 February 2014
Closing date for return of tenders	31 March 2014
Completion of initial stage of tender evaluation	30 June 2014
Forward Plan (if Strategic Procurement)	June 14
Providers selected for next stage of tender evaluation	1 July 2014
Evaluation completed	31 October 2014
Gateway 1 contract extension report for current contracts	October 14
Gateway 2 contract extension report for current contracts	November 2014
DCRB/CCRB/CMT Review Gateway 2:	November – December 2014
Notification of forthcoming decision – despatch of Cabinet agenda papers	Early January 2015
Approval of Gateway 2: Contract Award Report	January 2015
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	End of January 2015
Contract award	31 January 15
TUPE Consultation period	1 February 15
Contract start	1 May 15
Initial Contract completion date	30 April 2018
Contract completion date – (if extension(s) exercised)	30 April 2021

## **TUPE**

45. No former council staff are involved in the current reablement contract and there is sufficient time built into the mobilisation plan to manage any necessary TUPE consultation and transfers to the successful bidders.
46. There are currently approximately 60-70 staff employed across the current four contracts, the majority of which choose to work part time. Since the renegotiation of the existing contracts in spring 2013, all staff are now paid at the London Living Wage (LLW).
47. Under TUPE arrangements, distinct cohorts of existing RSWs (such as those engaged within neuro rehab) will be provided with the opportunity to stay in their current roles under TUPE transfer rules.

## **Development of the tender documentation**

48. The procurement of these services will form part of a bigger transformation programme to manage the wider integration of council and NHS intermediate care services in line with the SLIC objectives. This programme governance structure will in turn report to Adults Divisional Management Team and to the Children and Adult's SMT.
49. A new service specification has already been drafted and key stakeholders from Commissioning, Contracting, Operational teams in Children's and Adults' Services and the NHS, supported by Legal, Procurement and Finance will develop the PQQ, ITT, evaluation criteria, pricing documents and methodology statements. A complete suite of tender documentation will then be issued prior to the ITT stage.

## **Advertising the contract**

50. The invitations for expressions of interest will be advertised in a range of publications and local press such as listed below:
  - Voluntary OJU Notice
  - South London Press
  - Community Care
  - Southwark Council website
  - Existing homecare providers commissioned by Southwark will be invited to attend a bidders meeting once the procurement has been advertised .

## **Evaluation**

51. Effective and targeted home care interventions have been identified as having a lowering effect on overall demand for other services and thereby a positive impact on cost and efficiency (Oxford Brookes University "Where the heart is - A review of older people's Home Care"( 2012).
52. The success of reablement services are also strongly linked to service quality and as such in order to secure the best service providers and outcomes for users this report proposes a Cost Quality Split of 80/20 – with 80 in favour of quality.

## Quality

53. The council is committed to ensuring that those in need of reablement and other forms of home care receive the best possible quality service and subsequently the quality evaluation will focus upon how the reablement contracts will deliver the outcomes required by service users, the council and it's NHS partners from the services. Evaluation will therefore focus upon a number of key areas
- The providers approach to quality assurance
  - The providers approach to partnership and continued service development of a still new area within home care
  - An understanding of reablement and how it differs from standard home care.
  - The provider's competence and organisation infrastructure to deliver the required service.
54. The quality evaluation criteria have been developed with input from both the council's and the NHS's reablement and intermediate care staff and the SLIC programme. Both council and NHS staff will be involved in the evaluation.
55. The quality evaluation will take the form of evaluation of written submissions, clarification meetings, reference requests and site visits. The bidders will also be required to demonstrate their commitment to the payment of the LLW to all staff as a means of ensuring high quality service provision.

## Cost Rationale

56. The council has undertaken extensive benchmarking of unit costs being paid for reablement and intermediate care services in London. It has also recently re negotiated it's reablement, intermediate care and generic home care contracts in order to further enhance quality assurance within these existing contracts. This has allowed the council to develop a good understanding of reasonable home care costs both locally and nationally, as well as the financial challenges currently facing the state funded home care market.
57. Bidders will therefore be required to submit a breakdown of their costs based upon the Valuing Care Evidence Based Costing template developed on behalf of the council by OLM. This will require bidders to clearly break down their hourly unit price against a set of criteria such as :
- The hourly rate of pay for staff
  - Management costs
  - Building and office costs
  - Reasonable profit for the organisation
58. This will then be assessed against a standard set of variables including
- Profit
  - A permissible level of central recharges
  - Direct Staffing costs for both care and management
  - Organisational and staff development costs
59. While only recommending 20% on cost, cost and affordability remains an important consideration the proposed approach will ensure that cost still informs the outcome of tender.

60. Building upon the council's knowledge of the true costs of providing a reablement/intermediate care service, the financial methodology will take due regard of this learning to ensure that bids will be restricted to reasonable market rates. The methodology will also ensure that cost scores are not distorted by financial outliers in submissions received from individual providers.

### **Community impact statement**

61. There are not thought to be any significant negative impact implications for the categorised groups covered by the council's equality scheme through the procurement route for the reablement service.
62. All the providers hold acceptable equalities codes of practice and policies as part of their registration requirements with the Care Quality Commission, and compliant with the standards expected by the council.
63. As part of the council's commitment to pay staff at a minimum the London Living Wage (£8.55), the new contracts will require providers to pay all staff engaged on these contracts at least this level. As the majority of these staff are local women and disproportionately from BME communities, this payment will have a positive impact upon these traditionally marginalised groups as well as the local economy.

### **Economic considerations**

64. The majority of care workers tend to live locally, and therefore the award of these contracts will support the local economy.

### **Social considerations**

65. The evaluation of the bids will ensure that providers have a good track record in delivering services to a diverse group of service users.

### **Environmental considerations**

66. Providers are to demonstrate they have an acceptable green policy in relation to the delivery of reablement services and the council expect the majority of care workers use public transport to travel between service user visits. The provider is expected to use electronic mail and use a database for resources in order to eliminate the unnecessary use of paper.

### **Plans for the monitoring and management of the contract**

67. The contracts will be monitored by the Children and Adult's contract monitoring team and provider performance will be measured against the service specification and KPIs as set out in the contract documentation.
68. There will be day to day "micro monitoring" of the provider's performance through the co-location of commissioned providers' staff within the council's new integrated reablement team.
69. The council is also in negotiations with Guys and St Thomas's NHS Trust Community Services for their OT and physiotherapists to provide training and undertake technical quality assurance of the work undertaken by the RSWs

70. The council wishes to build upon the success and learning from its partnership approach to managing the intermediate care and reablement contracts. Through regular operational steering group meetings with the providers operational practice improvements will be identified and will inform a continual process of service development linked to periodic strategic contract review meetings involving senior staff from the council and the providers.
71. The supplier's performance will also be monitored by the Care Quality Commission, with information and concerns shared with the council.
72. A number of further KPIs will be considered and agreed by Adult Social Care Divisional Management Team prior to contract award, which will place a greater emphasis upon outcomes.

#### **Staffing/procurement implications**

73. The procurement will be contained within the existing commissioning, procurement, legal, social work and finance staffing structures.

#### **Financial implications (FI:/1025)**

74. The Reablement Service is currently funded from a combination of NHS (via CCG) grant of £1.8m and the council's own resources of £2m. In total, the funding is approximately £3.8m of which £1.5m funds care contracts. These contracts are due to expire 31 March 2015.
75. This recommendation proposes increasing the budget to £2m annually over the next 3 years as part of the adult social care transformation agenda. This additional cost will be met through reductions in usage of other higher cost care services.
76. The existing contract ends in March 2015 and funding beyond this is yet to be agreed by both the NHS and the council. Future funding requirements will be identified through the budget setting process. Reablement will be prioritised as it demonstrates benefits, in both outcomes and financial savings. It is also noted that the contracts will contain a six month early termination clause should funding no longer be available.
77. The council is committed to paying London Living Wage (LLW) in its contracts and the current contracts already contain requirement to pay LLW. There are not anticipated to be any additional LLW cost pressures as a result of these new contract awards.

#### **Investment implications**

78. None

#### **Legal implications**

79. These will be considered in the supplementary advice from the council's solicitor below.

## **Consultation**

80. Consultations undertaken to inform the procurement plan outlined in this report has included Children's and Adults' Commissioners and Operations teams, Southwark 's Senior Management Team and Southwark and SLIC
81. The views of existing home care, reablement and intermediate care providers within Southwark was also sought at a soft market event in August 2013-08-28
82. Views on the council's development of reablement services have also been regularly sought from the Older People's Partnership Board.

## **Other implications or issues**

83. None

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

84. This report is seeking to approve the procurement strategy for the reablement services contracts.
85. The report confirms that reablement services have been piloted over recent years and is a growing service area for the council. Reablement services are currently delivered by four providers and this procurement will secure two contracts which will together cover the borough.
86. Paragraphs 26 – 37 outline the procurement options that were considered for these services. The proposed procurement route is in line with contract standing orders.
87. The procurement timeline is reasonable and achievable provided the appropriate resources are available.
88. Paragraph 51 confirms that a weighted model 80/20 in favour of quality will be used to evaluate the tender submissions. Whilst this is not in line with the councils current recommended split, the report provides some justification for this approach.
89. The report confirms that evaluation will involve a number of assessments including written submissions and site visits etc. The number of bidders will be reduced at each stage of the process. It is expected that this methodology will secure providers that can fully meet the council's requirements in relation to reablement services.
90. The plans for monitoring and management of the contracts are outlined in paragraphs 67 - 72. This will involve internal monitoring by council officers and external monitoring by the Care Quality Commission.

### **Director of Legal Services**

91. This report seeks the approval of the cabinet to the procurement strategy for the procurement of two (2) contracts for the provision of reablement services as is outlined in this report.

92. Contract Standing Order 5.4 requires all reasonable steps to be taken to obtain at least five (5) tenders following a publicly advertised competitive tendering process for services over the EU threshold. Paragraph 49 of this report confirms that this process is to be followed.
93. It is considered that these services are a Part B service under the Public Contracts Regulations 2006 and although there is no requirement to publicly advertise this procurement in the Official Journal of European Union (OJEU) the procurement must still comply with rules regarding non-discriminatory requirements.
94. Paragraph 36 of this Report confirms that a restricted two stage tendering procedure is proposed which will comply with EU regulations and CSO tendering requirements.
95. CSO 4.4 details who may approve decisions on procurement strategy. This contract is classified as a strategic procurement and therefore CSO 4.4.2 a) requires the cabinet or cabinet committee to authorise the proposed procurement process, after consideration by the corporate contracts review board (CCRB) of the report.

**Strategic Director of Finance and Corporate Services (FC13/066)**

96. This report seeks cabinet approval to a procurement strategy to undertake a competitive tender to establish two reablement contracts. Financial implications are detailed in paragraphs 79 to 82 and the commitment to London Living Wage is noted.
97. The strategic director of finance and corporate services notes the cost rationale in paragraphs 60 to 65. Whilst a 20:80 price/quality ratio is unusual it is recognised that the financial methodology will take in to account market rates and ensure fair price is achieved.
98. Work to evaluate the impact of reablement services will need to continue and future budget setting must ensure that the increased spend on these services from £1.5m to £2m per year is sustainable. It is noted that the contracts will have a 6 month break clause and will also be demand lead, giving some financial control.

**BACKGROUND DOCUMENTS**

Background Documents	Held At	Contact
Valuing Care Evidence Based Costing Template developed on behalf of the council by OLM. The document is available in this web link below.  <a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4551&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MId=4551&amp;Ver=4</a>	Children and Adults Commissioning	Andy Loxton 020 7525 3130

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Catherine McDonald, Cabinet Member for Health, Adult Social Care and Equalities.	
<b>Lead Officer</b>	Jonathan Lillistone, Head of Commissioning - Children, Families and Adults	
<b>Report Author</b>	Andy Loxton, Lead Commissioning Manager	
<b>Version</b>	Final	
<b>Dated</b>	10 October 2013	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		10 October 2013