

Item No.	Classification: OPEN	Date: 14 June 2017	Meeting Name: Strategic Director of Children's and Adults' Services
Report title:		Gateway 2 Reablement contracts	
Ward(s) or groups affected:		All	
From:		Director of Commissioning	

RECOMMENDATION(S)

1. The strategic director of children's and adults' services approves the award of a contract to Medacs Healthcare (Medacs) to deliver therapy led staff-based, New Reablement Services (NRS) from 1 April 2017 to 31 March 2018 at an estimated cost of £848k with a provision to extend by a further year at an additional cost of £1.150m, making a maximum contract value of £1.998m. The strategic director of children's and adults' services notes that this contract was commenced on 1st April for 3 months under emergency action powers until funding was agreed so the new contract will be formalised from 1 July 2017.
2. The strategic director of children's and adults' services approves the contract award to Medacs Healthcare to deliver borough-wide, residual hours based Old Reablement Services (ORS) from 1 July 2017 to 31 December 2017 at an estimated cost of £163,170, with a provision to extend by a further three months from 1 January 2018 to 31 March 2018, should this be required, at an additional cost of £54,390, making a maximum contract value of £217,560.
3. The strategic director of children's and adults' services notes that the contract will be executed by way of an extension to the existing arrangements.

BACKGROUND INFORMATION

4. The council currently commissions two reablement services through contract from Medacs. These being:
 - A therapy led New Reablement model through which the council commissions Reablement Support Workers (RSWs) to work within an integrated team of council and NHS staff. Staff are managed day to day by statutory workers but CQC registration and core required training is undertaken by the agency.
 - An hours based Old Reablement Service is purchased the same way as general home care. Rostering, risk assessment training and supervisions all remain the responsibility of the agency.
5. In line with the changes in operational structures and practice the old hours based contract is being phased out during this calendar year, and the council will only purchase a new reablement service. Given the internal structural changes required by the council and the need to complete complex negotiations with Guys and St Thomas's Community Services, operational managers consider that it was

not possible to cease the old hours contracted model from the start of the 2017/18 financial year.

6. The decision set out in this report will allow the council to phase in and test a new overarching New Reablement Service model. This service model will be fully integrated with the Guys and St Thomas' Community Services work force. (Which comprises of both fully qualified therapists and therapy support assistants, who currently have a similar role to the RSWs employed by Medacs)
7. In March 2017, the cabinet member of adult social care and financial inclusion agreed a gateway 1 interim procurement strategy; to undertake a single supplier negotiation to allow the council time to complete its assessment of long term requirements within the context of closer working with Guys and St Thomas'. This work will then inform the options to be considered by cabinet as well as a procurement strategy to tender for a long term contract. The strategic director of children's and adults' agreed a similar report for the "Old Reablement Service" also in March 2017.
8. Both of these reports approved the decision being subject to funding becoming available through the Better Care Fund (BCF) for these services.
9. As confirmation of BCF allocation had at that time not been determined, the strategic director of children's and adults' services agreed a three month extension from 1 April 2017 to 30 June 2017 under emergency provisions of the council's Contract Standing Orders (See background papers).
10. The hours based Old Reablement Service (ORS) as delivered currently will not be required in the longer term, and the New Reablement Service (NRS) presents a model of working for the future in a financially sustainable manner. Both ORS and NRS have a three month no fault break clause on the part of the council.
11. The October Cabinet report will set out the procurement strategy to select a long term supplier of RSWs, alongside the other options considered options (which will include a direct delivery option) are due to be considered at a cabinet (Currently planned for 31 October 2017).

Procurement project plan (Key Decision)

12. The procurement plan is set out below.

Activity	Complete by:
CAB / DCRB Review Gateway 1:	25/01/2017
CCRB Review Gateway 1:	20/03/2017
Cabinet Member Briefing	07/02/2017
Approval of Gateway 1: Procurement strategy report	11/04/2017
Completion of tender documentation	13/02/2017
Publication of OJEU Notice (per risk table above)	13/02/2017
Completion of clarification meetings with the supplier	16/02/2017
Emergency extension agreed for three months pending BCF allocation to 30/6/2017	01/04/2017

Activity	Complete by:
CAB DCRB Review Gateway 2: Contract award report	14/06/2017
Approval of Gateway 2: Contract Award Report	16/06/2017
Notification of implementation of Gateway 2 decision	16/06/2017
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	30/06/2017
Debrief Notice and Standstill Period (if applicable)	16/07/2017
Contract award	01/07/2017
Add to Contract Register	01/07/2017
TUPE Consultation period (if applicable)	NA
Place award notice in Official Journal of European (OJEU)	NA
Place award notice on Contracts Finder	01/7/2017
Contract start	01/07/2017
Gateway 1 Cabinet report	31/10/2017
Contract extension (if required) for "old reablement contract	31/12/2017
Initial Contract completion date	31/03/2018

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

13. The key outcomes for this procurement relate to the council having a single reablement provider, that will wind down the old reablement model whilst working with the borough and its NHS partners in building up and developing the new reablement service.

Key/Non Key decisions

14. This report deals with a key decision and is on the forward plan for a June 2017 decision.

Policy implications

15. The reablement service is used by the council as a means to comply with its statutory duties under the Care Act 2014 which came into full effect in April 2015 to support older and disabled people to retain as much independence at home as possible.
16. Reablement complements the aims of the Health and Well Being strategy to promote resilience within the population and support the most vulnerable people.
17. Reablement is paramount in the council's approach in delivering the objectives of integrated care with the NHS as set out in the Southwark Better Care Fund (BCF).

18. Reablement is a key focus of the Future Vision for Adult Social Care 2016 and also a vehicle through which the council will meet on-going savings targets required within its social care budget.

19. Reablement is a key focus of the integration agenda between the council and NHS and remains a key component of the BCF programme in Southwark.

Tender process

20. The procurement was a single supplier negotiation with an existing provider.

Tender evaluation

21. There was no requirement to develop a suite of tender documentation given that this is a single supplier negotiation and the provider is already delivering these services in Southwark. Medacs were asked to complete a finance evaluation spread sheet, which was submitted to the council taking account of any TUPE issues. The unit costs were assessed by finance officers within the council as being deemed reasonable.

Plans for the transition from the old to the new contract

22. Medacs deliver both services from their branch based in Croydon which was assessed as "Good" at its most recent CQC inspection. The provider also maintains an acceptable record in relation to its delivery of both contracts.

Plans for monitoring and management of the contract

Identified risks for the new contract

23. The main risks are identified below:

Risk	Risk Level	Mitigating Action
Legal challenge.	Low	<ul style="list-style-type: none"> The short timescales for this contract and the fact that the council is currently procuring all of its other adult care contracts makes challenge unlikely. It is considered that the risk of existing providers challenging is minimal given the circumstances set out in the business case of the gateway 1 report.
Funding not available	Low to medium	<ul style="list-style-type: none"> Most of the funding to cover the contract will be obtained through the Better Care Fund (BCF) given the challenging financial position in which the council currently faces. The contracts contain provision to be terminated with three months notice period at the total discretion of the council if required.
Disruption during the	Low	<ul style="list-style-type: none"> The transition is being phased over a

transfer from the ORS to NRS		<p>nine month period and there will be testing at different stages of the transition period to allow the council to ensure that the new model meets requirements.</p> <ul style="list-style-type: none"> • The same provider delivers both services and already staff are deployed from the old to the new reablement contract to address demands. • Given the short term nature of the service, it is unlikely that a significant number of individual service users will transfer from old to new reablement services in the middle of their reablement episode.
Risk that the current contract extension will not be sufficient to allow for a procurement of a long term contract once the service model is defined.	Low	<ul style="list-style-type: none"> • The gateway 1 report agreed in March 2017 gave a provision to extend by a further year from April 2018. • The report considered by cabinet will contain a detailed timetable of delivery for long term procurement.

Community impact statement

24. There is not understood to be any disproportional impact in relation to the following areas covered by the council's equality agenda: Race, Gender, Age, Disability, Faith and Religion, Sexuality, Gender re assignment, Marriage and Civil Partnership, and Pregnancy and Child Care.
25. An equality analysis is to be carried out as part of the long-term proposal that will be considered by October 2017 Cabinet.
26. The recipients of the service are overwhelmingly older people above pensionable age who are likely to be living with a disability or one or more chronic long term conditions. Most older people and younger disabled people aspire to maintain their independence and live fulfilling lives outside institutional care or hospital settings for as long as possible. These services help to deliver this aspiration.
27. Nearly all the staff working in the ORS and NRS models are women, and the majority are from BME populations. Payment of the London Living Wage will have a positive impact upon this group of workers as well as the local economy.

Social Value considerations

28. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender will support economic and social considerations in Southwark.

Economic considerations

29. The majority of RSWs tend to live locally and therefore the continuation of the current contractual arrangements will support the local economy through employment and continue to provide social value within the borough as the work force will contribute to the local economy.

Social considerations

30. Medacs have retained a good track record in delivering services to a diverse group of service users as well as a positive recruitment track record.

Environmental/Sustainability considerations

31. The provider has an acceptable green policy in relation to the delivery of reablement, intermediate care and neuro-rehab services. The majority of RSWs use public transport to travel between service user visits. The providers are expected to use electronic mail and use a database for resources as far as possible in order to eliminate the unnecessary use of paper.

Market considerations

32. The market for RSWs or community based intermediate care is evolving and underdeveloped due to the wide range of different models of reablement adopted up and down the country. Each of which requires different skills sets for the RSWs.

Staffing implications

33. There are no specific staffing implications. The procurement and commissioning requirements to carry out and implement this single supplier negotiation are contained within existing staffing and resources of the Partnership Commissioning Team and legal, procurement and finance corporate teams.

Financial implications

34. This arrangement should not put any pressure on the ASC overall budget, as winding down the old contract and phasing in the new contract combined, will cost slightly less than the current annual old contract cost.

Legal implications

35. See concurrent below

Consultation

36. Consultation undertaken to inform the procurement plan of single supplier negotiations outlined in this report has included commissioning, operational, finance, procurement and legal colleagues as well as Guys and St Thomas's Community Services. The strategic direction of travel for the new integrated council and NHS services has also been subject to consultation through the Adult Commissioning Development Group, which involves both council and NHS commissioning leads.

Other implications or issues

37. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (04DK1718)

38. The Strategic Director of Finance and Governance notes the contents of this report, and in particular the financial implications as set out in paragraphs above.

Head of Procurement

39. This report seeks the approval of the strategic director of children's and adults' services for a contract with Medacs Healthcare (Medacs) for a therapy led staff-based, New Reablement Services (NRS) from 1 April 2017 to 31 March 2018, at an estimated cost of £848k, with a provision to extend by a further year at an additional cost of £1.150m, making a maximum contract value of £1.998m. It is noted that a delay on funding confirmation for this service meant the strategic director of children's and adults' services approved emergency action to start this service on 1 April 2017 but will formalise this from 1 July 2017.

40. The report seeks the approval of the strategic director of children's and adults' services for the contract award to Medacs Healthcare to deliver borough-wide, residual hours based Old Reablement Services (ORS) from 1 July 2017 to 31 December 2017 at an estimated cost of £163,170. This contract has a provision to extend by a further three months from 1 January 2018 to 31 March 2018, should this be required, at an additional cost of £54,390 which would make a maximum contract value of £217,560.

41. The procurement process undertaken was a single supplier negotiation with the current provider of this service as detailed in the report, so will be executed as variations to the existing arrangements.

42. The monitoring and management of the contract will be undertaken as set out in paragraph 30 of the report.

43. This service is part of a longer term review of Registered Social Workers that is to be considered alongside the other options, including direct delivery which is being undertaken at present and is due to be considered at cabinet in Autumn 2017

Director of Law and Democracy

44. This report seeks approval of the award of two contracts to Medacs Healthcare for reablement services as summarised in paragraphs 1 and 2 and more particularly described in paragraphs 4 to 6 of the open report.

45. As noted in the Gateway 1 report the services comprising the proposed contracts are such that their procurement is subject to the full tendering requirements of the Public Contracts Regulations 2015. However, the award of these contracts through single supplier negotiation is permitted under particular grounds and circumstances prescribed by the Regulations, which apply in this instance.

46. The council's Contract Standing Orders ("CSOs") also provide that, in exceptional circumstances, an exemption from the usual tendering procedures set out in


CSOs may be sought in advance through a gateway report. The Gateway 1 report had set out the circumstances and explained why a single supplier negotiation was required in this instance.

47. The proposed awards are consistent with all other relevant legislative requirements and the report notes that officers will undertake an equality analysis, which will assist the council to demonstrate compliance with the Public Sector Equality Duty imposed by the Equality Act 2010.

48. The decision to approve the proposed contract awards is one which may be taken by the strategic director of children's and adults services or under his delegated authority. CSOs further require that no contract may be awarded unless adequate expenditure has been identified and is available, and paragraph 42 explains how that requirement will be met.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature DAVID QUIRKE-ABBENTON  Date 29.06.17
Designation STRATEGIC DIRECTOR C&A

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

1. DECISION(S)
As set out in the recommendations of the report.
2. REASONS FOR DECISION
As set out in the report.
3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
Not applicable.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION

N/A

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

N/A

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

~~I declare that I was informed of the conflicts of interests set out in Part B4.*~~

(* - Please delete as appropriate) David Quirk Florenton



29.06.17

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Title of document Emergency extension	Title of department / unit address	Andy Loxton 020 7525 3130
Link: (Insert hyperlink here)		

APPENDICES – NONE

AUDIT TRAIL

Cabinet Member	Richard Livingstone, Cabinet Member for Adult Care and Financial Inclusion	
Lead Officer	Genette Laws Director of Commissioning	
Report Author	Andy Loxton	
Version	V 3.9	
Dated	16. June 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	No	No
Cabinet Member	No	
Date final report sent to Constitutional/Community Council/Scrutiny Team		

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	Reablement Contract "Old"
Contract Description	Residual hours based reablement home care contract
Contract Type	Residual hours demand led contract
Lead Contract Officer (name)	Andy Loxton
Lead Contract Officer (phone number)	020 7525 3130
Department	Children's and Adult's
Division	Commissioning _PCT
Procurement Route	Single supplier
EU CPV Code (if appropriate)	
Departmental/Corporate	Department
Fixed Price or Call Off	Call off
Supplier(s) Name(s)	Medacs Healthcare
Contract Total Value	Maximum contract value of £217,560.
Contract Annual Value	£217,560(Maximum)
Contract Start Date	1.4.17
Initial Term End Date	31.12.17
No. of Remaining Contract extensions	1
Contract Review Date	October 17
Revised End Date	31 March 2018
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	
Comments	
London Living Wage	Yes

This document should be passed to the member of staff in your department responsible for keeping your departmental contracts register up to date.

Contract Name	Reablement Contract "New"
Contract Description	Reablement Support Worker contract
Contract Type	Variable – with expanding levels of activity in year 1
Lead Contract Officer (name)	Andy Loxton
Lead Contract Officer (phone number)	020 7525 3130
Department	Children's and Adult's
Division	Commissioning _PCT
Procurement Route	Single supplier
EU CPV Code (if appropriate)	
Departmental/Corporate	Department
Fixed Price or Call Off	Fixed price – but with provision to vary according to demand
Supplier(s) Name(s)	Medacs Healthcare
Contract Total Value	£1.998m.
Contract Annual Value	£1.150m
Contract Start Date	1.4.17
Initial Term End Date	31.12.17
No. of Remaining Contract extensions	1
Contract Review Date	October 17
Revised End Date	31 March 2018
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	
Comments	
London Living Wage	Yes