

Item No.	Classification: OPEN	Date: 19 JULY 2018	Meeting Name: Strategic Director of Children's and Adults' Services
Report title:		Gateway 3 – Reablement Contracts NRS Transitional Arrangements	
Ward(s) or groups affected:		All	
From:		Genette Laws, Director of Commissioning	

RECOMMENDATION(S)

1. That the strategic director of children's and adults' services approves the extension of the existing contract with Medacs Healthcare (Medacs) for the delivery of New Reablement Services (NRS) from 31 July 2018 to 31 March 2019 at an estimated cost of £874k, making the total estimated contract value of £2.089m.

BACKGROUND INFORMATION

2. Reablement is a key focus of the Future Vision for Adult Social Care and a service model which will enable the council to achieve efficiencies within its social care budget, by sustaining individuals to retain their independence skills and thereby delivering a reduction in residential and nursing care placements.
3. The council currently commissions two Reablement services from Medacs, an organisation registered with the Care Quality Commission (CQC). These services are:
 - The therapy led New Reablement (NRS) model through which the council commissions Medacs to provide Reablement Support Workers (RSWs) to work within an integrated team of council and NHS staff from Guys' and St. Thomas' (GSTT) as referenced in this paper.
 - A time based Old Reablement Service (ORS) commissioned in the same way as the general Homecare contract based on actual support hours delivered to service users. The Council is in the process of decommissioning this contract, which is anticipated to be completed by September 2018 as the New Reablement service model is mobilised.
4. The NRS contract award was originally agreed by the Strategic Director of Children's and Adults services by way of a gateway 2 report dated 14 June 2017, to cover the period from 1 April 2017 to 31 March 2018 with the provision to extend for a further year.

5. The New Reablement service (NRS) forms part of group of services under Intermediate Care Southwark(ICS) aimed at supporting people to remain independent safe and well at home and prevent or delay the need for long term care. Aligned to the Southwark Local Care Networks, it is made up of two multi-disciplinary components:
 - Urgent Response including @Home; and
 - Rehabilitation and Reablement.
6. The ICS is a multidisciplinary approach comprised of physiotherapists, occupational therapists, administrative staff, nurses, social workers, assistant practitioners and RSW's (both GSTT and Medacs). The teams work together to deliver a support programme based on identified reablement outcomes agreed with the service user.
7. On 1 April 2018 the contract was extended by way of delegated emergency action powers for 4 months to 30 July 2018 to allow the department time to review the current arrangements. This was where it had been recognised that the original service model had experienced operational complications, due to lack of clarity on responsibility and accountability of quality assurance of service delivery.
8. Commissioners have worked closely with the Provider and Operational leads to redesign the operational delivery arrangements, and have negotiated a variation to the service specification that provides stability and quality assurance for the required interim period, prior to future procurement arrangements for the service commencing.

KEY ISSUES FOR CONSIDERATION

Key Aspects of Proposed Variation

9. The proposal is for an 8 month extension of the existing contract which enables the council to meet the statutory duty under the Care Act to ensure continuity of provision to vulnerable service users.
10. As part of arrangements for implementing the newly formed integrated model (Intermediate Care Southwark- ICS), an outcomes-based service specification has been negotiated with the provider, to establish a performance monitoring framework that will ensure continuous improvement in service delivery.
11. This has included establishing a new contracting requirement of increasing the Reablement Support Worker (RSW) staff resource employed by Medacs, from 28 RSWs to 40 full time equivalent staff by end of June 2018.
12. The overall responsibility for the management and performance of the Reablement Support Workers will be resumed by the Provider as their employer. The ICS Service will be responsible for the clinical direction of

the service provision, the overall case management and the day-to-day therapeutic direction of the RSWs.

13. The spend for the original contract period of 1 April 2017 to 31 March 2018 was £848k. The value of the emergency extension from 1 April 2018 to 30 July 2018 was an additional £400k. The cost of the extension covered in this report for the period 31 July 2018 to 31 March 2019 is £874k; making a total value of the contract of £2.089m

Reasons for Variation

14. A review of the current arrangements within ICS has indicated a need for a redesign of the multi-agency service model prior to commencing the recommissioning of the reablement service in 2018/19.
15. The contract extension is therefore required to:
 - ensure continuity of the service to allow the council the time to plan for the recommissioning of the reablement service as part of Intermediate Care Southwark (ICS); and
 - provide the council with an opportunity to fully understand the required contract capacity and service model through a further 'test and learn' phase from July-September 2018 with the revised service specification now in place.
16. The unit costs paid to the provider has increased in line with the uplifts to the LLW. It is important to point out there is no additional cost to the council as this increase is contained within the existing budget for the reablement service for 2018/19.

Future Proposals for this Service

17. The recommended contract variation offers the opportunity to fully understand the required contract capacity and the service model through a further 'test and learn' phase under a revised service specification now in place.
18. The learning will inform the new procurement strategy for the community-based Rehab and Reablement service as part of Intermediate Care Southwark.
19. The commissioning plan is for a competitive tendering process for a new community-based Rehab and Reablement service as part of Intermediate Care Southwark to be in place in for 2019/20. A Gateway 1 report planned for October 2018 cabinet, will set out the contract capacity required and the recommended procurement strategy and timeline. It will be necessary to seek approval of a further extension by way of a fresh Gateway 3 report early in 2019 to enable the conclusion of the procurement of a new service.

Alternative Options Considered

20. A number of other options have been considered:

Do Nothing	This is not a viable option as the council must maintain continuity of service for the existing service users who are vulnerable. The reablement service is used by the council as a means to comply with its statutory duties under the Care Act 2014 to support older and disabled people to retain as much independence at home as possible. If the council is unable to provide this service it will be in breach of its statutory duties
A competitive procurement	It is not feasible to run a competitive procurement exercise at this stage. By extending the contract as per the recommendations the council will have adequate time to design and procure a new reablement service model based on verified service need ensuring effective outcome focussed service delivery and value for money.
Bring in house	The council does not currently have the infrastructure to deliver these services in house and the costs are likely to be prohibitive within budget constraints.

Identified risks for the Variation

21. The following risks have been identified:

Risk	Risk Level	Mitigating Action
Funding not available	Low	There is budget identified for the extension period as the service forms part of the 2018/19 BCF funded programme.
Disruption during the transition from ORS to NRS	Low	The same provider delivers both services and staff are being redeployed from the old to the new reablement contract to ensure continuity of provision.
Provider not able to meet the requirements of the new service model	Low	The Provider is working in partnership with the council in the redesign of the service model, and will be subject to robust contract monitoring arrangements as part of the agreement to extend the contract.

Policy implications

22. The reablement service is used by the council to comply with its statutory duties under the Care Act 2014 to support older and disabled people to retain independence at home for as long as possible.

23. Reablement complements the aims of the Health and Wellbeing strategy to promote resilience within the population and support the most vulnerable people.
24. Reablement is important to the council's commitment to delivering the objectives of integrated care with the NHS as set out in the Southwark Better Care Fund (BCF).

Contract management and monitoring

25. Medacs is rated by CQC as Requires Improvement in all areas except caring. Medacs is one of our 5 care@home providers. Council officers, in Performance and Quality team, Commissioning as well as operational managers, are working with the provider to ensure the areas of improvement are addressed and all improvements made are sustained.
26. The extended contract is now part of the Intermediate Care service model whilst the Old Reablement contract is being decommissioned with utilisation in May 2018 reduced to 554 hours from the original 2000. This has been achieved through increasing the Reablement Support Worker (RSW) staff resource under this separate contract.
27. The revised service specification provides the framework for the delivery of the service by Reablement Support Workers (RSW) and the Coordinators as part of a multi-disciplinary approach within Intermediate Care Southwark.
28. The contract quality assurance will continue to be monitored and managed by the contract team with support from ASC operational teams as well as the Partnership commissioning team.

Community Impact Statement

29. There is considered to be no disproportionate impact through extending current contract arrangements 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.
30. 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. This service help to deliver this aspiration as well as equipping people with independent living skills, as far as possible to avoid requirements for more intensive or long term care.
31. The majority of staff engaged in delivering the contract are women and there is a relatively high presentation from Black African and Caribbean

communities. A significant proportion of the workforce are local residents providing the added social value of reducing unemployment. The Council requirement of payment of the London Living Wage has a positive impact upon this group of workers as well as the local economy.

32. Medacs Healthcare Ltd holds acceptable equalities policies and codes of practice as part of their registration requirements with the CQC.
33. A full Equality impact analysis will be carried out as part of the future procurement of the service that will be considered by cabinet in October 2018.

Social Value considerations

34. 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 contract (as outlined in the Gateway 2 report) are set out in the following paragraphs.

Economic considerations

35. The majority of RSWs live locally and therefore the continuation of the current contractual arrangements and payment of the London living wage will support the local economy and continue to reduce unemployment within the borough.

Social considerations

36. The council is an officially accredited London Living Wage Employer and is committed to ensuring that, where appropriate, our contractors and subcontractors pay staff at a minimum rate equivalent to the LLW rate. The Gateway 2 report approved in 14 June 2017, confirmed payment of LLW was an appropriate and best value requirement for this contract as well as recognition of the Southwark Ethical Care Charter (SECC) including payment for travel time. Compliance to the SECC is monitored as part of the contract monitoring process.
37. Medacs Healthcare has a long track record of working in partnership with the council and Guys' and St. Thomas' (GSTT), and continues to deliver services to a diverse group of service users as well as a positive recruitment track record.

Environmental/Sustainability considerations

38. The provider has demonstrated it has an acceptable environmental policy in relation to the delivery of services. The majority of the service workforce use public transport to travel between visits to service user's homes. Medacs uses electronic mail as standard and use a database for managing resources as far as possible, to eliminate the unnecessary use of paper.

Financial Implications

39. The total budget for 2018/19 for the two reablement contracts (NRS and ORS) is £1,675k which is contained within the existing Reablement and Hospital discharge budgets.
40. The contract value for the 8 months extension is £874k. This is assumes there are 40 RSW's are in place for the 8 months. The hourly rate used to calculate the budget is £18 which includes 2018/19 inflationary uplift for the contract. The contract value also inclusive of mileage allowance.

Legal Implications

41. The services delivered by Medacs fall within one of the categories of "light touch" services under the EU procurement regulations, and in view of the estimated value of the proposed contract extension it is necessary to consider whether a modification of this nature is permissible under the regulations without the need for a new procurement procedure. Officers are advised that the proposed extension meets one of the permitted statutory grounds. The further extension of the contract with Medacs is also consistent with the variation provisions contained in the council's Contract Standing Orders.

Consultation

42. Consultation on the recommended contract extension has been conducted with key stakeholders including the performance and quality team, finance, procurement and legal colleagues, as well as the CCG and GSTT. This has demonstrated support for the proposed extension of this service to allow adequate time for the council to procure a new service model for the Reablement service.
43. A new service specification has been developed for the new reablement service. This has drawn upon the extensive consultation undertaken with the service users and community, in collaboration with Healthwatch Southwark, for the care@home service. The key messages from that consultation and particular the "I statements" will be extrapolated and incorporated in monitoring the delivery of the new reablement service.
44. 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. The new service model will be developed under the

direction of the newly formed Southwark Intermediate Care Programme Board.

Other implications or issues

45. No other significant issues to note.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (11EN201819)

46. The Strategic Director of Finance and Governance notes the contents of this report. Funding has been identified as detailed in the Financial Implications section of the report.

Head of Procurement

47. For the purposes of CAB/DCRB review and Strategic Director approval I confirm that the report has been reviewed and that advice/comments/suggestions for amendments have been included. The report sets out the relevant procurement issues accurately and there are no further procurement implications arising at this stage

Director of Law and Democracy

48. This report seeks approval to extend an existing contract with Medacs Healthcare (Medacs) for the delivery of New Reablement Services as detailed in the Background Information section. The relevant legal implications arising from the recommendation of this report are confirmed as set out within paragraph 41.

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



Date 1 August 2018

David Quirke-Thornton

Designation **Strategic Director of Children's and Adult's Services**

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
N/A

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
<i>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.</i>
N/A

6. DECLARATION ON CONFLICTS OF INTERESTS
declare that I was informed of no conflicts of interests.
Signature  Date: 1 August 2018
David Quirke-Thornton
Designation Strategic Director of Children’s and Adult’s Services

BACKGROUND PAPERS

Background Papers	Held At	Contact
Gateway 3 Emergency Extension of New Reablement Contract Gateway 2 Reablement Contracts	Children's and Adults' Services Department	Juliet Alilionwu 020 7525 2339

AUDIT TRAIL

Lead Officer	Genette Laws, Director of Commissioning	
Report Author	Juliet Alilionwu, Joint Commissioning Manager	
Version	FINAL	
Dated	19 JULY 2018	
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
Director of Exchequer (for housing contracts only)	N/A	N/A
Cabinet Member	N/A	N/A
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	No	No
Cabinet Member	No	No
Date final report sent to Constitutional/Community Councils/Scrutiny Team	1 August 2018	

Details	Original	Extension 1	Extension 2
Contract Name	Reablement Contract "New"	Reablement Contract "New"	Reablement Contract "New"
Contract Description	Reablement Support Worker contract	Reablement Support Worker contract	Reablement Support Worker contract
Contract Type	Variable – with expanding levels of activity	Variable – with expanding levels of activity	Variable – with expanding levels of activity
Fixed Price or Call Off	Call Off	Call Off	Call Off
Lead Contract Officer (name)	Juliet Alilionwu	Juliet Alilionwu	Juliet Alilionwu
Lead Contract Officer (phone number)	020 7525 2339	020 7525 2339	020 7525 2339
Department	Children and Adults	Children and Adults	Children and Adults
Division	Commissioning PCT	Commissioning PCT	Commissioning PCT
Procurement Route	Single Supplier	Single Supplier	Single Supplier
EU CPV Code (if appropriate)	N/A	N/A	N/A
Departmental/Corporate	Department	Department	Department
Supplier(s) Name(s)	Medacs Healthcare	Medacs Healthcare	Medacs Healthcare
Contract Total Value	£848K	£400k	£874k
Contract Start Date	1.4.17	1.4.18	31.7.18
Initial Term End Date	31.3.18	30.7.18	31.3.19
No. of Remaining Contract Extensions	1	1	0
Contract Review Date	December 17	July 2018	March 2019
Revised End Date	N/A	N/A	N/A
SME/ VCSE (If either or both include Company Registration number and/or registered charity number)	N/A	N/A	N/A
Comments	N/A	N/A	N/A
London Living Wage	Yes	Yes	Yes