

Item No.	Classification: Open	Date: 11 March 2022	Meeting Name: Strategic Director for Children's and Adults' Services
Report title:		GW3 Contract extension for Supplementary Care at Home services	
Ward(s) or groups affected:		All wards	
From:		Director of Commissioning	

RECOMMENDATIONS

1. The Strategic Director for Children's and Adults' Services, in consultation with the Lead Member for Health and Wellbeing, formalise his previous decision to approve a variation of the current contract with Southwark Disablement Association ("SDA"), to provide supplementary Care at Home services for seven months (1 February 2022 – 31 August 2022) at an estimated contract value of £314k.
2. The Strategic Director for Children's and Adults' Services, in consultation with the Lead Member for Health and Wellbeing, formalise his previous decision to approve a variation of the current contract with Profad Care Agency Limited ("Profad"), to provide supplementary Care at Home services for seven months (1 February 2022 – 31 August 2022) at an estimated contract value of £648k.
3. The Strategic Director for Children's and Adults' Services, in consultation with the Lead Member for Health and Wellbeing, formalise his previous decision to approve a variation of the current contract with Westminster Homecare Limited ("Westminster Homecare"), to provide supplementary Care at Home services for seven months (1 February 2022 – 31 August 2022) at an estimated contract value of £135k.

BACKGROUND INFORMATION

4. In November 2018, the Strategic Director of Children's and Adults' Services approved via emergency Contract Standing Orders (CSO) provisions, 4 additional supplementary Care at Home services as mitigation for the restrictions placed on Medacs, the voluntary suspension by London Care and the difficulties amongst the remaining contracted providers to establish their "business as usual" obligations such as an inability to accept new care packages. This followed the contract award to five Core Care at Home providers in October 2017.
5. Cabinet approved in October 2019 the Gateway One report to augment Core Care at Home services by the establishment of a Framework to include up to five additional Care at Home providers.

6. Southwark Disablement Association, Profad and Westminster Homecare provide supplementary Care at Home services across the borough, whereas Core Care at Home providers cover quadrants within the borough.
7. In order to secure immediate continuation of services in response to the Covid-19 pandemic the Strategic Director of Children's and Adults' Services exercised emergency powers under CSO to extend supplementary Care at Home services provided by Southwark Disablement Association, Profad and Westminster Homecare for the period 1 April until 31 August 2020.
8. As a result of the COVID-19 pandemic a delay to the Additional Adults Care at Home procurement resulted in the supplementary contracts being extended until 31 January 2022 via GW3 contract variation reports which was approved on 31 March 2021.
9. This report seeks to extend the current contracting arrangements so that the contracts, awarded under the GW2 Care at Home and in the Community for Adults in March 2022, are safely mobilised.

KEY ISSUES FOR CONSIDERATION

Key Aspects of Proposed Variation

10. It is proposed that the current contract be extended from 1 February 2022 to 31 August 2022.
11. The proposed variation (contract extensions) will enable supplementary providers providing additional Care at Home services to support vulnerable services users due to the Covid-19 crisis and continuity of care for their service users.
12. The average hourly rates for the contract extension can be calculated using the following:

Provider	2021-22 Hourly Rate (£)	2022-23 Hourly Rate (£)
Profad	19.44	20.02
SDA	17.84	18.38
Westminster Homecare	19.07	19.64

13. The estimated total aggregate value for the extension period will be £1.1m for seven months. For Profad the estimated cost will be £648k, for SDA it will be £314k and for Westminster Care it will be £135k.
14. The contract extension straddles two financial years, hence the average hourly rate in 2021-22 will remain at £18.77 per hour, however after 1st April 2022-23 the average rate will increase to £19.33 which takes into consideration the London Living Wage uplift.

15. Southwark Disablement Association, Profad and Westminster Homecare have indicated their willingness to further extend their contracts with the council.

Reasons for Variation

16. Supplementary Care at Home provision was put in place to provide:
 - additional capacity to the current Core Care at Home provision
 - continuity of service whilst put in place a framework is put in place
 - mobilisation of people's care from current Supplementary providers to bidders takes place.
17. Since the Gateway 1 for Supplementary Care at Home was approved, the following has occurred
18. In preparation for the procurement exercise, colleagues have progressed the completion of:
 - Method Statements
 - Pricing
 - Performance Management
 - Engagement with Core providers with regard to the procurement exercise
19. In March 2020, Covid-19 was declared a global pandemic. This declaration invoked the council's emergency planning procedures, which includes the need to provide continuity of service provision for vulnerable residents.
20. The necessary response to the Covid-19 crisis delayed the opportunity to commence the procurement. Care at Home providers were heavily involved in meeting the Covid-19 response. Care at Home providers attended a market sounding session in August 2020 where they confirmed their capacity to reengage and fully participate in a procurement.
21. A procurement exercise has been undertaken to award a two year contract (with the option to extend for a further two years) to 5 providers that is due to commence on September 1st 2022. This GW3 report extends the contract period of the incumbent providers to allow sufficient time to carry out the mobilisation of services.

Future Proposals for this Service

22. As detailed in the Gateway 1, procurement strategy, the purpose of securing supplementary Care at Home services is to provide additional capacity to the contracted Core Care at Home providers. Since November 2018 placements have been made with the supplementary Care at Home providers, successfully reducing spot placement activity. The continuation of supplementary provision is to enable the completion of the supplementary Care at Home framework procurement and mobilisation of the contract.

Alternative Options Considered

23. The council may choose to resume making spot placements. However, this is not a recommended option, as the stated aim of the original care at home procurement strategy is to reduce the use of spot placements so that contract monitoring can be focused on a small number of providers that are compliant with Southwark’s ethical care charter, will support constructive supplier relationships that collaborate on quality improvement, and achieve cost effectiveness for financial sustainability.
24. Allow current supplementary contracts to lapse. This is not a recommended option due to the need to continue to provide Care at Home services to respond to Covid-19 and provide continuity of service to current service users. The high demand for care at home services continues which is creating significant pressure on the capacity of the local providers. The supplementary care at home providers were commissioned to help meet this demand and allowing their contracts to lapse would create significant risks to service users.

Identified risks for the Variation

25. Table 1 – Identified risks for variation

Risk	Risk Rating	Mitigation
Further requests for uplift in hourly rates in addition to Annual Price Review.	Medium	Decision to be made by appropriate budget holder.
Provider Capacity	Low	Weekly provider performance reports. Weekly Care at Home provider meeting.
Refusal by the supplementary Care at Home provider to agree to the proposed variation.	Low	The supplementary Care at Home provider has indicated their agreement to the contract variation.
Risk of challenge to the proposed extension.	Low	The further extension requested is of a short term nature and is required to enable an ongoing procurement .exercise for the new service to be completed

Policy Implications

26. The Care Act 2014 references that the Council has a statutory responsibility to provide care and support to meet people’s eligible care and support needs. Care at Home services support people in their own homes to remain as independent, healthy and well as possible.
27. The Care Act 2014 requires Southwark Council to:
- Meet eligible care and support needs
 - Promote people’s wellbeing and independence

- Prevent, delay or reduce care and support needs
 - Provide information and advice on the choice of social care available
 - Support people to fully participate in assessing their care and support needs and developing their support plans
 - Join up health and social care services where this will help us do the above.
28. The Council Plan 2018-22 has a commitment to Fairer Future principles and a commitment to treat residents as if they were a valued member of our own family.
29. In 2013, Southwark Council agreed the Southwark Ethical Care Charter, through which providers support the commitment to:
- pay the London Living Wage (LLW)
 - pay travel time and
 - no zero-hours contracts unless this is the preference of the employee.

Contract management and monitoring

30. The contract continues to be performance managed by the dedicated contract monitoring officer for Care at Home in Children's & Adults' Services in conjunction with operational service leads from Social Care. Managing and monitoring of the contract will include:
- Compliance with the specification,
 - Performance measurement of the provider
 - Service user outcomes
 - Service user satisfaction
 - Stakeholder satisfaction
 - Six monthly reports to Departmental Contract Review Board
 - Annual Care at Home Performance Report
31. As part of ongoing contract management, the quality assurance measures regarding a provider's capability and capacity, includes the following metrics:
- capacity of provider
 - electronic call monitoring compliance at 90%
 - monitoring the number of missed calls
 - monitoring the number of missed double handed calls

Community, equalities (including socio-economic) and health impacts

Community Impact Statement

32. The supplementary Care at Home service continues to provide support to enable people to remain safe and well in their own home. The service is provided to some of the borough's most vulnerable residents.
33. Supplementary Care at Home providers are providing an essential service to meet the surge and wider demands in response to the Covid-19 crisis.

34. The health and wellbeing of Southwark residents having a protected characteristic under the Equality Act 2010 continues to be met by the supplementary Care at Home services.
35. Southwark Council's Borough Plan expresses its commitment to support and protect our most vulnerable residents, and to do everything possible to make it easy for residents in Southwark to lead healthy and active lives. The procurement strategy and this contract support this ambition by supporting residents to remain safe and well in their own home.
36. Of the 411 users of the supplementary care at home service between November 2020 and November 2021, approximately 72.29% were for 65 years of age and over and 58.15% were for women, which is linked to longer life expectancy for women. 46.97% of supplementary care at home service users over this period were from Black, Asian and Minority Ethnic groups in Southwark. This is similar to the overall proportion of people from Black, Asian and Minority Ethnic communities in the borough. In Southwark's adult population 18 and over, 54.11% are White and 45.89% are identified as Black, Asian, Minority Ethnic and Other.
37. The delivery of this service contract aligns with Southwark's Borough Plan, specifically promoting independence, safety, social inclusion and quality of life for residents through enabling access to care at home services and creating a fairer future for all with reduced health inequalities.

Equalities (including socio-economic) impact statement

38. The Public Sector Equality Duty under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:
 - The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and
 - Foster good relations between those who have protected characteristics and those who do not
39. 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.
40. There is also a duty under the Equality Act to foster good relations between persons who share a relevant protected characteristic and those who do not share it. Age and disability are "protected characteristics" under the Equality Act 2010 and the outcome of the proposed procurement strategy will particularly benefit older people and those living with complex conditions.

Health impact statement

41. The COVID-19 pandemic impacted all groups but particularly people from Black, Asian and minority ethnic communities, low-income households and those with disabilities. The delivery of the care at home service in the community for adults helps to improve the health of both staff and residents in Southwark.
42. By adhering to Southwark's ethical care charter, all staff employed by the supplementary care at home providers will be paid the London Living Wage, for their travel time between jobs as well as occupational sick pay. It will therefore reduce health inequalities by ensuring people from socio-economic disadvantage are better remunerated for their work and will lead to a more stable, well-equipped workforce that is able to deliver high quality, consistent care for service users.
43. One of the Borough Plan's key aims is to support and protect vulnerable residents so that they can lead healthy and active lives. The delivery of care at home services will enable many older and disabled residents to live safely and independently at home, many of whom are recovering from illness after discharge from hospital. It will provide them with the care and support they need to live healthy and fulfilled lives and prevent many from having to be admitted to residential or nursing care.

Climate change implications

44. The climate change strategy has five priorities and the social value from this procurement will contribute to the priority of 'Active & Sustainable Travel'. More specifically, the strategy's ambition is that Southwark will 'be a borough where walking and cycling becomes the default way to get around'.
45. As part of the Council's commissioning role, we will work with the current provider to maintain good environmental practice by, for example, including route planning that promotes walking and reduces carbon footprints and offering staff a 'Cycle to Work' scheme. The frontline care at home workforce is necessarily mobile and tends to be predominantly local residents and therefore walking and cycling are achievable initiatives.

Social Value considerations

46. 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 (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.
47. The service provides support to Southwark residents to enhance their independence and well-being.
48. The care at home providers have implemented a range of measures to foster social value including:

- Providing residents with employment opportunities
- Providing training placement opportunities for local residents; and
- Prioritising spending the Southwark pound in Southwark by using local produce and local suppliers of services wherever economically possible.

Economic considerations

49. The procurement of Care at Home services is a cost effective way of ensuring residents are able to remain living in their own homes. The service supports people to remain as healthy as possible and maintain their well-being.
50. Most of the providers' staff are Southwark residents, thus generating local employment opportunity. Specialist care at home service provision will involve care workers working alongside professional therapy staff and provide exposure to new ways of working and the development of a broader skills set which will support career progression for them.

Social considerations

51. The supplementary Care at Home providers are required to comply with Southwark's Ethical Care Charter (SECC), which includes paying their staff the LLW.
52. As part of the SECC the providers are required to provide training for the care workers at no cost to the worker.
53. In accordance with the Fairer Futures Procurement Framework (FFPF), providers are expected to recognise trade unions.

Environmental/Sustainability considerations

54. The providers are expected to ensure that the staff are rostered in as efficient a manner as possible to reduce unnecessary travel to service users.
55. All three providers have environmental policies in place that consider the employment of local people and compliance with the FFPF.

Financial Implications

56. The contract extension value of an estimated of £1.1m is made up of £314k, £648k and £135k for SDA, Profad and Westminster respectively. This has been calculated using the current average hourly rate of £18.78 this financial year, in which there is an expected 3% increase in in 2022/23 in line with the annual price review, with an estimated hourly rate of £19.33 for the additional six month period. The contract is a cost and volume contract; therefore, active contract monitoring will be a key role in ensuring that activity is in line with the proposed budget.

57. The supplementary care at home contracts are part funded from IBCF funding of £1m annually. There is sufficient money in the Adult Social Care budget to cover the proposed contract extension.

Legal Implications

58. Please see the concurrent report of the Director of Law and Governance below.

Consultation

59. Engagement and consultation with Care at Home providers takes place on a weekly basis through the Care at Home provider forum meetings.
60. Consultation with operational colleagues has been integral to supporting Care at Home providers to meet the demands of responding to Covid-19 crisis.
61. Engagement with service users has been ongoing through weekly welfare calls.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance 76AS2021-22

62. The Strategic Director of Finance and Governance notes the recommendations of this report to extend the existing contract with Southwark Disablement Association, Profad Care Agency and Westminster Homecare for the delivery of supplementary care at home services for 7 months from 1st February 2022 at an estimated total cost of £1.1m. Funding for the contract has been identified in the Finance concurrent section of the report in paragraph 56-57.

Head of Procurement

63. This report seeks the approval of the Strategic Director for Children's and Adults' Services, in consultation with the Lead Member for Health and Wellbeing for the variation of the current supplementary Care at Home services contract with Southwark Disablement Association, Profad Care Agency Ltd and Westminster Homecare Ltd, subject to the conditions set out in paragraph 1 of this report.
64. The Strategic Director of Children's and Adults' Services notes the key issues of consideration in paragraphs 10 to 15 as well as the rationale for seeking to vary the existing contract detailed in paragraphs 16 to 21 for an extension period of 7 months from 1 February 2022 to 31 August 2022.
65. The alternative options considered and the potential risks attached to this variation and mitigating actions are also outlined in paragraphs 23 & 24 and in the table contained within paragraphs 25 of this report.
66. The impacts for community, equalities, health, climate, social value, economic considerations and sustainability considerations are detailed in paragraphs 32 to 50 & 54, confirmation of the payment of London Living Wage and Fairer Futures

Procurement Framework (FFPF) as part of the social considerations are detailed in paragraphs 51 to 53.

Director of Law and Governance (DRAFT PENDING DCRB REVIEW*)

67. This report seeks approval to vary existing contracts with Southwark Disablement Association, Profad Care Agency Ltd and Westminster Homecare Ltd to provide supplementary Care at Home services for the period from 1 February 2022 to 31 August 2022.
68. None of the contracts contain express provision for further extension, and the estimated value of the proposed extension of the contract with Profad Care Agency Ltd is above the advertising threshold for “light touch” services set out in the Public Contracts Regulations (PCR) 2015 (which, from 1 January 2022 is VAT inclusive). This means that a fresh procurement exercise is required unless it is possible to satisfy one or more of certain limited permitted grounds for “modification” under the PCR.
69. Regulation 72 permits modifications in cases where, irrespective of their value, they are not substantial within the meaning of Regulation 72(8). The proposed further extension of the contracts is not considered to fall within any of the conditions set out in Regulation 72(8) – for example, the modification would not:
- Render the contracts materially different from the ones initially concluded.
 - Change the economic balance of the contracts in favour of the service providers.
 - Extend the scope of the contracts considerably.
70. Therefore, the likelihood of and risks arising from any challenge to the proposed variation is considered to be low. The report notes that the further extension of the contracts is required to enable the completion of a tendering exercise which has been undertaken in order to procure a new contract for the delivery of these services from 1 September 2022.
71. The proposed contract variation is consistent with domestic procurement and equalities legislation and the decision to approve the report recommendation is one which is reserved to the Strategic Director of Children and Adults, in line with the council’s Contract Standing Orders.

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 - Thornton** Date: 11 March 2022

Designation: **Strategic Director of Children’s and Adults’ 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

See paragraphs 23-24

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

None

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.

None

6. DECLARATION ON CONFLICTS OF INTERESTS

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

Signature: **David Quirke - Thornton** Date: 11 March 2022

Designation: **Strategic Director of Children's and Adults' Services**

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

Signature: **David Quirke - Thornton** Date: 11 March 2022

Designation: **Strategic Director of Children's and Adults' Services**

BACKGROUND PAPERS

Background Papers	Held At	Contact
Gateway 1 - Procurement Strategy Approval Additional Care at Home Provision for Adults	Adults and Older People with Complex Needs Team, 160 Tooley Street London SE1 2QH	Jonathan McInerny 020 7525 1687
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=6953		
Gateway 3 – Variation Decision Extension Supplementary Adult Care at Home Services - Southwark Disablement Association up to 31 March 2021	Adults and Older People with Complex Needs Team, 160 Tooley Street London SE1 2QH	Jonathan McInerny 020 7525 1687

Issue details - Gateway 3 Contract Variation Supplementary Care at Home Thames Homecare - Southwark Council		
Link: https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?IId=50023641&Opt=0		

AUDIT TRAIL

Lead Officer	David Quirk-Thornton, Strategic Director of Children's and Adults' Services	
Report Author	Jonathan McInerney, Programme Manager, Adults and Older People with Complex Needs	
Version	Final	
Dated	1 March 2022	
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
Cabinet Member	Yes	No
Contract Review Boards		
Departmental Contract Review Board	No	No
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		11 March 2022