

Item No.	Classification: Open	Date: September 2015	Decision Taker: Strategic Director of Children and Adults'
Report title:		Gateway 2 - Contract Award Approval Night owls service	
Ward(s) or groups affected:		All Wards – elderly and severely ill people	
From:		Head of Commissioning - Children and Adults	

RECOMMENDATION(S)

1. That the strategic director of children and adults' services approves the award of contract for night owl services to Allied Health Care (AHC) in the sum of £460,000 for a period of six months commencing 1 October 2015 with the option to extend by a further six months, making an estimated total contract value of £920,000.

BACKGROUND INFORMATION

2. The Night Owl night time home care service was originally piloted in February 2012, initially funded through a section 256 agreement with Southwark NHS Business Support Unit - the predecessor of the Clinical Commissioning Group or CCG) The service was set up as part of a local hospital avoidance initiative that also saw the introduction of the "home ward" now known as the "@home service" provided by the Guys and St Thomas' Hospital NHS Community Services (GSTH).
3. Expressions of interest in delivering the pilot were sought at that time from local home care providers, through which AHC were commissioned to provide the service.
4. After the first six months of the pilot, it became clear that the need for the service was not so much about supporting the "Home ward" but in generally supporting timely hospital discharge for very frail people that did not involve placement into a care home. As a result the funding was then transferred to various other winter pressures funding streams paid to the council from the Department of Health. Since 2014 the funding for this service is incorporated as part of the Better Care Fund (BCF) as well as other "Winter pressures" money.
5. The initial pilot was considered at that time by the council as effective measure to reduce residential and nursing care placements. As a result in April 2013 the pilot was extended from one to two teams for a further 18 months until 30 September 2015.
6. In December 2014 as a response to the chronic shortage of acute hospital beds last winter, the council agreed to further expand the Night Owl service
7. By the end of March 2015 the service had become a key tool through which the council was supporting very frail people who may otherwise have gone into hospital or a care home. So the service was extended again for another three months, through approval given by the Strategic Director of Children's and Adults' Services under delegated emergency powers under 4.9 of the council's contract standing orders.

8. Following this time the Strategic Director of Children's and Adults Services awarded a further distinct contract to AHC for a three month period from 1 July 2015 to 30 September 2015 to cover the additional activity. This was because under the council's constitution the maximum number of extensions had already been exercised.
9. In April as a response to further temporary funding being made available by the Department of Health in the days prior to Easter, a sixth team was commissioned (again using CSO 4.9 powers) to be on stand by in case the bed situation in local hospitals reached crisis status over the four day bank holiday week end.
10. The single supplier negotiation covered through this report will consolidate the current two night owl contracts into one that will encompass all teams up until March 2016. At this time a further decision will be taken as whether to extend for a further six months depending upon allocation of funding from the CCG and a further analysis of the cost effectiveness of the service. This further extension would align night owls to the other main home care contracts held by the council. These being all subject to a major re-procurement exercise in the autumn of 2015.

Procurement project plan

11. The project plan is set out below:

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	June 2015
Approval of Gateway 1: Procurement Strategy Report	8 September 15
Completion of single supplier negotiations	10 September 2015
CAB Virtual Review Gateway 2:	12 September 2015
Approval of Gateway 2: Contract Award Report	21 September 2015
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	29 September 2015
Add to Contract Register	30 September 2015
Alcatel Standstill Period (if applicable)	NA
Contract start	1 October 2015
Contract completion date – if extension(s) exercised	31 March 2016

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

12. The single supplier negotiation has aligned the two parts of the current service contractually to the 31 March 2016 with a provision to extend for a further six

months and allow the council to align the future procurement of a night care service to the forthcoming care at home procurement.

13. The extension period will allow the council to further assess what is the most cost effective means of supporting frail people with their overnight care needs, that at the same time meets the personal objectives for people to remain in their own home for as long as possible.
14. The single supplier negotiation has resulted in the service now taking "restarts" of people being discharged from hospital all over the week end. Thus meeting national and local strategic objectives to implement seven day working across the whole health and social care economy.
15. Better value for money can be secured through providing a six month extension period in relation to the car lease arrangements. Car lease rates can be reduced as AHC will now be able to obtain better terms and conditions from the lease company. It is anticipated that this will result in a saving of approximately £100 + per month to the council on the invoices submitted by the provider.

Key/Non Key decisions

16. This report deals with a key decision.

Policy implications

17. Since the start of the contract the service has contributed to a number of key strategic drivers such as:
 - The Care Act 2015 places an emphasis upon supporting frail people in their own homes who otherwise may have been admitted to a care home or stuck in an inappropriate acute hospital bed.
 - Health and Wellbeing strategy
 - Personalisation initiatives
 - The Better Care Fund and the local and national approaches to delivering closer integration between the health and social care sectors.
 - The council's target to reduce residential and nursing care placements
 - The current development of a new vision for adult social care which will enhance the care pathway for elderly frail and other vulnerable groups who are being discharged from hospital.
 - Supporting the move towards seven day a week working across the local health and social care economy.
18. The service also supports the aspirations of older people to avoid institutional care and allows them to return home and retain independence for as long as possible.

Tender process

19. This service has been subject to a number of single supplier negotiations over the past months (December 2014, and then again in May 2015) Therefore the previous submissions made by AHC of the detailed breakdown of staffing costs was considered by both parties as still being applicable. These included the costs for the following:
 - Direct staffing costs (including the LLW)

- Management costs
 - Care lease and petrol costs
 - Training
 - Head office and organisational costs;
 - Profit
 - Quality assurance measures that will be incorporated in to the new contracts as a result of Allied Healthcare paying the staff involved in the service the London Living Wage
20. AHC also now regularly supply the details of the current users progress on the scheme and this includes them identifying those who they feel may now benefit from being moved off of the service to allow for new referrals to be made more frequently.

Tender evaluation

21. Details provided were assessed by commissioning, operational, finance and legal colleagues as required. Further clarifications were sought from AHC as needed.

Plans for the transition from the old to the new contract

22. As the service will continue to be provided by the current provider transition plans are not required.

Plans for monitoring and management of the contract

23. The supplier, a council contract manager and a social worker will from now on attend bi monthly steering group meetings. This meeting will provide both the council and the supplier with the opportunity to raise issues and to agree actions in order to resolve any problems that may arise. As night owl continues to be an evolving service these meetings will be used to help develop the service model and to evaluate existing processes and protocols accordingly.
24. Following the review the AHC Registered Manager is will attend regular weekly meetings to feed back the progress of individual service users to case work review managers at Queens Road (the extra care scheme from which the service operates)

Identified risks for the new contract

25. The main risks are set out below:

Risk	Rating of risk	Mitigation
Care packages are not appropriately case managed causing delays in reviews and blocking the pathway for new referrals	Low	AHC will feed back service users progress and stronger systems are now being implemented through which cases referred through the hospital teams are being picked up by the review team (given most service users at the time of referral are too frail to benefit from a formal reablement package)
Legal challenge from other providers	Low	The original response to the pilot when advertised amongst local providers was poor for the reasons set out above. The market is

		also unlikely to challenge the current arrangements as it is aware that wider scale procurement will be providing significant opportunities in the coming months. The services are considered "light touch" under revised EU contract regulations and a formal Prior Information Notice is in the process of being published to inform the home care market of our impending procurement plans.
Financial risk of further funding not being available via the BCF	Low	A three month break clause in the contract will be included which will allow the council to wind up the service if required.

Other considerations (For Housing Department works contracts only)

26. Not Applicable

Community impact statement

27. Of the current cohort of service users, all but three are over 65 years of age (two of these three are at are 60 plus). The oldest current user is 100 and the service has worked with people older again in the past. Given the age profile, there is a disproportionately higher utilisation by women and white people compared to the average population in Southwark (consistent to the demographic factors associated with an aging population). However the proportion of BME users who receive the night owl service is higher than the general proportion of older people from BME communities in Southwark. The one younger person currently on the caseload is a 37 year old black woman who requires assistance with toileting and managing pressure sores.
28. All recipients of the service are physically frail and likely to be considered as disabled under the relevant legislation.
29. The provider holds acceptable equalities codes of practice and policies as part of their registration requirements with the Care Quality Commission and is compliant with the standards expected by the council.
30. Taking the factors identified here into account, there are not thought to be any negative implications for the categorised groups covered by the council's equality scheme as a result of the decision being made through this report.

Sustainability considerations

31. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

Economic considerations

32. As with all home care services, the majority of the workforce expected to deliver the new service live locally, and disproportionately consist of women from BME populations who will be helped economically by the application of the London

Living Wage and the broader principles of Southwark's Ethical Care Charter (SECC).

Social considerations

33. The current provider already pays the London Living Wage and adherence to the SECC. The majority of care workers live locally and an expansion of the service will continue to offer more opportunities to recruit from the local population

Environmental considerations

34. Due to the overnight mobile nature of the service the use of public transport and foot to travel between service user visits is neither practical nor safe. Other measures are however in place to minimise environmental impact such as good use of technology for example using electronic mail and the use of database resources in order to eliminate the unnecessary use of paper.

Market considerations

35. Night owl services are an evolving specialism within the home care market.. The only other comparable mobile service the council is aware of in London is run by an in-house home care team of Hackney council. The traditional model for night time care at home is to provide more expensive waking night "sitting services" where home care workers are commissioned to spend all night at a single service user's home. This model does not usually address people who have double handed night time care needs, and is an increasing need and is more expensive to implement through waking night packages based all night in the service user's home.
36. When the council started the pilot in February 2012, expressions of interest were sought from local home care providers. Although there was some initial interest from the local market, AHC were the only provider to submit a final bid.
37. The council is currently talking to the home care market with regards to the most effective way of delivering over night care at home to inform the forthcoming procurement approach. This is involving a number of "soft market testing" events, the first of which will be taking place on 11 September 2015 with a follow up event in October. These pre procurement exchanges with the home care market will help shape the council's future longer procurement strategy in this service area.

Staffing implications

38. The management of the single supplier negotiation was contained within the existing commissioning, social work and finance staffing structures. There are no council or former council employees subject to TUPE affected by these proposals.

Financial implications (FI: 1091)

39. This report relates to the creation of a single contract for all five night owl teams until 31 March 2016 at a cost of £460,000. The funding for this contract will be from Better Care Fund (via a Section 256 agreement) which has been assigned to the council from NHS England (in agreement with Southwark CCG).
40. The six month contract tenure allows for any changes that may occur in the funding agreement beyond current financial year.

Investment implications

41. NA

Second stage appraisal (for construction contracts over £250,000 only)

42. NA

Legal implications

43. Please see the legal concurrent below

Consultation

44. Consultation has taken place with key operational, finance and senior managers within adult social care and the CCG. There have been regular updates presented to our NHS acute partners.

45. The Older People Partnership Board has previously been consulted on the efficacy of the service.

46. The views of users of the service and their families have also been sought through a number of service user satisfaction surveys and feedback with the provider which has proved positive.

Other implications or issues

47. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

48. This report is seeking approval from the Strategic Director for Adults and Children's Services for the award of a Night Owl service contract.

49. The report confirms that the procurement strategy set out in the previously approved Gateway 1 report has been followed with negotiations with Allied Healthcare satisfactorily concluded.

50. The report confirms that this one year contract has been established in order to align the future procurement of night care with the larger care at home procurement exercise that will be undertaken in the coming months. It is assumed that appropriate governance arrangements will be in place to manage the procurement project and ensure that continuity of service is maintained as necessary.

51. Paragraph 23 to 24 describes the monitoring arrangements that will be put in place including the approach to developing the service model further.

Director of Legal Services


52. This report seeks approval of the award of a contract to Allied Health Care for the delivery of the Night Owl service. The procurement strategy has been approved by way of a Gateway 1 report signed on 7 September 2015 and that report had set out the legal and governance requirements relating to a single supplier negotiation. Paragraphs 12 to 15 summarise the reasons why a single supplier negotiation is considered necessary and appropriate in this instance.
53. The report notes that the proposed award of this contract will allow the development and procurement of a new longer term Care at Home service, and officers should seek legal advice from the Director of Legal Services (corporate team) in relation to the legal and governance aspects of the new contract/s.
54. The decision to approve the proposed award to Allied Health Care is one which may be taken by the Strategic Director of Children's and Adults' Services in line with the council's Contract Standing Orders ("CSOs"). CSOs also require that no contract may be awarded unless adequate expenditure has been identified and set aside for the purpose. The report advises that the cost of this contract will be met entirely from the Better Care Fund.

Strategic Director of Finance and Corporate Services (Finance Concurrent Reference Number CAS15/006)

55. See Gateway 1 approved by Strategic Director of Finance and Corporate Services on 7 September 2015.

FOR DELEGATED APPROVAL

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 23.10.15

Designation Strategic Director

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1	Children and Adults' commissioning	Andy Loxton 0207 525 3130

AUDIT TRAIL

Lead Officer	Head of Commissioning – Children and Adults
Report Author	Andy Loxton
Version	Final
Dated	21.9.15

Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	No	No
Cabinet Member	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet	No	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	5 July 2010	

BACKGROUND DOCUMENT – CONTRACT REGISTER UPDATE - GATEWAY 2

Contract Name	
Contract Description	
Contract Type	
Lead Contract Officer (name)	
Lead Contract Officer (phone number)	
Department	
Division	
Procurement Route	
EU CPV Code (if appropriate)	
Departmental/Corporate	
Fixed Price or Call Off	
Supplier(s) Name(s)	
Contract Total Value	
Contract Annual Value	
Contract Start Date	
Initial Term End Date	
No. of Remaining Contract extensions	
Contract Review Date	
Revised End Date	
SME/ VCSE (if either or both include Company Registration number and/or registered charity number)	
Comments	
London Living Wage	

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