

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 29 October 2019	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval: Additional Care at Home Provision for Adults	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Jasmine Ali, Children, Schools and Adult Care	

## **FOREWORD – COUNCILLOR JASMINE ALI, CHILDREN, SCHOOLS AND ADULT CARE**

Following on from the Annual Home Care Report, the cabinet is asked to consider additional care at home provision for adults.

In April 2018, the council awarded five contracts to care home providers to deliver home care services in Southwark.

The council had intended through the original (2017) tender evaluation process to award contracts to up to ten care home providers. Additional capacity has been achieved by securing further Care at Home services with three supplementary providers.

The additional supplementary contracts are not a sustainable option. The council is now seeking to augment current contracted Care at Home provision to the intended level of the original procurement, by undertaking a competitive tender for the provision of a framework for an additional five Care at Home providers.

It is envisaged that additional arrangements will enable small and medium enterprises (SMEs) to bid to join the council's homecare provider market and offer more choice to people using our homecare service.

The proposal is to have the framework in place for four years to align with the contract terms of the agreed five providers. The purpose is to increase capacity of homecare across the borough, with three additional providers in the north of the borough and two in the south.

The procurement process will follow the existing tendering conditions with 70% weighted on price and 30% on quality. Fairer future is 15% social value.

Cabinet are now asked to delegate this to the Strategic Director so that the Commissioning Team can get on with this exercise. The plan is to go to the market before December 2019 so that we can have the new arrangements in place by February 2020

## **RECOMMENDATIONS**

1. That cabinet approves the procurement strategy outlined in this report, with particular regard to:
  - a. Creating a North lot that will comprise of an additional three care at home providers in the area and a South lot that will comprise of an additional two care at home providers. This secures an equitable number of providers (seven) in the

north and south areas of the borough. The proposed lots are to align with the Local Care Network (LCN) boundaries and the Primary Care Network.

- b. The framework is for a period of up to four years until 2024, to align the additional five providers with the current Care at Home contracts. This alignment will provide further investment in the Southwark Ethical Charter at an estimated contract value of £7.4 million.
2. That cabinet agrees to delegate the approval of award decisions (Gateway 2) for this procurement to the strategic director of children's and adults' services.

## BACKGROUND INFORMATION

3. In October 2017, cabinet approved the Gateway 2: Contract Award Approval – Care at Home Contracts.
4. The decisions were:
- That cabinet noted the change in the agreed evaluation methodology to a cost/quality weighting of 70:30.
  - That cabinet approved the award the home care (Care at Home) contracts to the providers as detailed in Table 1, for a period of five years commencing from 4 December 2017 for general home care (Lots 1-9) and from March 2018 for the extra care and night owls service (Lot 10) with the provision to extend all contract at the council's discretion for a further two years.
  - That, given the value that cabinet place on the benefits of trade union membership, officers are to write to all the successful bidders to explain those benefits and ask them to go beyond the current requirements of the contract by offering to recognise unions across the workforce engaged on the Care at Home contacts; rather than just those with TUPE protection.
  - Officers to provide regular updates about responses to the trade union recognition request to the lead member as part of the wider briefings received in relation to the mobilisation of the contract.
  - That the homecare contracts continue to be monitored by cabinet.

## Care at Home Contract Awards

Table 1 – Care at Home Contract Awards

Service Delivery	LCN/Area	Lot	Area Name	Providers	Approx annual contract value (£s)
General Care at Home	LCN North/A	1	Bermondsey and Rotherhithe	London Care	2.82m
		2		Sage Care	2.82m
	LCN North/B	3	Walworth and Blackfriars	Supreme	2.13m
		4		Medacs	2.20m
	LCN South/C	5	Camberwell and Peckham	London Care	2.73m
				Sage Care	2.73m
				Supreme Care	2.30m
	LCN South/D	8	Dulwich	Medacs	0.86m
		9		Carewatch	0.88m
Extra Care and Night Owls	Borough-wide/E	10	Borough-wide	London Care	1.84m

5. The council had intended through the original (2017) tender evaluation process to award contracts to up to 10 Care at Home providers based upon Most Economically Advantageous Tender (MEAT) principles. The procurement resulted in contracts agreed with only five Care at Home providers.
6. Each provider submitted a detailed mobilisation plan, which covered key aspects of the pre and post contract mobilisation. Commissioners had jointly developed with the Care at Home providers, a Mobilisation Work Programme, which covered the following areas:
  - Governance and contractual requirements
  - Data Cleansing
  - Electronic billing roll out
  - Communications
  - Service user reviews
  - Workforce
  - Service user transfer.

### **Justification for the procurement**

#### **Mobilisation of Care at Home Services**

7. In April 2018, the Council awarded five contracts to Care at Home providers to deliver services in Southwark. Mobilisation which commenced in April 2018, concluding in December 2018, proved challenging for providers, initially due to the outgoing providers' staff deciding not to transfer under TUPE to the new providers.
8. As part of the mobilisation work programme, the Care at Home providers attended fortnightly mobilisation meetings with commissioners. Initially, the Council received assurances from each provider that they had sufficient capacity to mobilise and there were no issues or risks to continuity or quality of care.
9. By September 2018, commissioners identified a number of areas of concern regarding the quality of care and capacity in terms of staffing of the Care at Home providers to deliver the allocated care packages, therefore a series of announced and unannounced visits were conducted.
10. These concerns were identified with a backdrop during the autumn of 2018 of providers preparing for the EU exit, due at the time on 29 March 2019, and two national provider failures in the homecare market.

#### **Establishment of supplementary Care at Home Provision**

11. In November 2018, the Strategic Director of Children's and Adults' Services approved via emergency CSO provisions, 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.
12. It was approved that care at home provision could increase to include up to an additional five Care at Home providers. Three additional supplementary Care at Home contract arrangements have been put in place to ensure that the council can meet demand for adult social care through the winter and beyond.

13. Details of the supplementary Care at Home providers and the areas covered are detailed in Table 2 below:

**Table 2 – Supplementary Care at Home providers**

Provider	CQC Rating	Areas Covered
Profad Care	Good	All area across the borough
Thames Homecare	Good (Outstanding in Caring)	
Westminster Homecare	Good	

14. The supplementary services commenced in November 2018. A Gateway 3 report was approved in June 2019 for the purpose of extending the current contracts as follows:
1. Profad Care – to 31 March 2020
  2. Westminster Care – to 31 March 2020
  3. Thames Homecare – No extension required as the contract expires on 31 May 2020
15. A fourth supplementary provider, Southwark Disablement Association (SDA) is in the process of completing the contractual process to provide care at home services up to 31 March 2020.

#### **Market considerations**

16. A detailed market analysis has recently been completed to assess the number of care at home providers operating in Southwark and the surrounding boroughs, the analysis assessed the providers in the following areas:
- Analysis on the CQC ratings /dates of inspection
  - Analysis of MINT report for each provider
  - Review of credit score
  - Review of likelihood of failure.
17. The supply mapping exercise identified 70 homecare providers operating in the Southwark and surrounding areas.

**Table 3: Analysis of CQC ratings**

CQC Rating	No of Providers
Outstanding	3
Good	32
Requires Improvement	11
Inadequate	1
Not inspected	19
Old inspection (Over 24 months)	4

18. Further assessment of providers indicates that potentially 38 providers could be considered for a detailed financial assessment. 13 of the 38 providers currently work with the council delivering Care at Home services.
19. A benchmarking exercise was also undertaken with neighbouring boroughs to understand the level and type of financial checks that are undertaken as part of a

homecare procurement. The responses indicated that other boroughs undertake similar checks to Southwark.

### Market Engagement

20. As part of regular market engagement, a soft market testing event was held on 3 July 2019, at which 27 homecare providers attended. The attendees included:

- Large national organisations
- SME providers
- Small and newly formed local care agencies

Seven attendees currently work with the council.

21. A discussion took place regarding the needs of Southwark and this was well received by attendees.

**Table 4: Analysis of CQC ratings of attendees**

<b>CQC Rating</b>	<b>No of Providers</b>
Outstanding	0
Good	13
Requires Improvement	3
Not inspected*	11

\* Generally because they have recently registered as a Homecare provider.

### KEY ISSUES FOR CONSIDERATION

#### Options for procurement route including procurement approach

22. This procurement strategy recommends establishing a framework to call off services from an additional five care at home providers in addition to the five core providers.
23. As per the previous procurement, the additional care at home providers will be required to implement the principles of the Southwark Ethical Care Charter (SECC) including London Living Wage.
24. Southwark Council requires a high quality Care at Home service that delivers locally based services across the borough. The current arrangement for the five core providers is based on four geographical areas.
25. It is proposed to follow the geographical area model which aligns with LCN boundaries by establishing a framework agreement over two lots (North and South). North will combine Areas A and B and South will combine Areas C and D. The volume of demand for new packages of care in each lot (North and South) is approximately 50%.
26. The North lot will comprise an additional three care at home providers. The South lot will comprise an additional two care at home providers. This approach secures an equitable number of providers (seven) in the north and south areas of the borough.
27. The options which have been considered are set out below along with the recommended route.

## **Do nothing**

28. In light of the issues that the Council has managed following on from the outcome of the first procurement, this will not be an option. There is a need to increase the capacity and provide resilience to the Care at Home service, reducing the demand on the five core providers going forward. The current contracts with the supplementary providers that were put in place as an emergency measure will end in 2020 and a solution to replace this provision on a longer term basis is required.
29. If the Council does nothing, it may find in the future that the use of spot providers is needed as it seeks to meet demands for the service. This would result in a fragmented market where the Council has:
  - less influence on the cost of the services
  - difficulties in delivering consistently good quality care services and
  - limited assurance that the SECC is adopted by non-care at home providers
30. For these reasons, this option is not recommended.

## **Bring the service in-house**

31. This option would mean that service users would have limited choice if using a direct payment. Care Act legislation prevents the use of direct payments for a council service.
32. It would require significant investment and recruitment of staff to provide the service. As demonstrated during mobilisation there is no guarantee that staff will TUPE over to the Council and could place undue pressure on the current budget.

## **Undertake a competitive tender process**

33. This is the recommended approach; it is prudent to follow this procedure for the additional provision to ensure a fair and transparent process, all contracts are consistent and can be managed/monitored in the same way.
34. In consideration of the options above, it is recommended that a procurement exercise is undertaken on the same scoring criteria as the original procurement.

## **Alternative options**

35. Other options such as joint procurement with other Councils is not feasible due to timescales not aligning and does not fit within existing provision.

## **Proposed procurement route**

36. In line with the previous procurement approach, the proposal is to follow a restricted procedure to establish a framework agreement consisting of two lots (North and South).
37. This procurement exceeds the EU light touch services threshold (£615,278) and is therefore subject to the Light Touch Regime (LTR) under the Public Contract Regulations 2015.

38. The restricted procedure includes a pre-qualification stage, which will use a Supplier Selection Questionnaire (SQ) to shortlist up to 20 bidders (10 per lot). The shortlisted bidders will then be invited to submit a tender.
39. The tenders will be evaluated on 70:30 price and quality weighting. Contracts will be awarded on the basis of MEAT (Most Economically Advantageous Tender).
40. The Fairer Future Framework requirement to include up to 15% Social Value evaluation is not appropriate because it would open the council to challenge as it is a change from the original procurement.
41. The proposal is to have a framework of five providers from which the Council can call off the provision in addition to the five contracted providers. The proposed framework offers the Council a good degree of flexibility, and does not commit the Council to provide a guaranteed volume of activity to any one provider.
42. The proposed number of providers on the framework should encourage SMEs to bid to join the framework, further developing and expanding the care at home market. This is vital to ensure service users can continue to expect high standards of quality care from a wide choice of care at home providers who have adopted the Southwark Ethical Care Charter.
43. The estimated contract value of the framework will be divided between the two lots. This should encourage more SME's to submit a bid as the set minimum turnover threshold will be lower than the previous procurement.
44. The proposal is to have the framework in place for 4 years to align with the contract terms of the five providers including extension periods.
45. The tender process should result in securing three additional care at home providers to operate in the North (Lot 1) and two additional Care at Home providers to operate in the South (Lot 2). The procurement will increase capacity with an additional five individual care at home providers.
46. Bidders will be able to bid for both lots, however bidders will only be able to join one lot on the framework to ensure the council appoints five new providers. Bidders who bid for both lots will be asked to state their preference.
47. This will result in ten care at home providers (five existing core and five new supplementary) operating across the borough to provide care at home services. This arrangement will mitigate the risks relating to managing quality or safety concerns and mitigate the potential impact of provider failure.

### **Allocation of packages**

48. At present, care package referrals are sent to either the two or three contracted providers who operate in the areas they are awarded. The providers are given two hours to respond to indicate if they have the capacity and capability to meet the needs of the person. If the contracted providers decline to take the referral, this is then referred to the supplementary providers. This is known as "First Responder" approach to package allocation.
49. This procurement will continue to utilise the First Responder approach as a call-off mechanism, for the current core providers in the awarded area. The response time for the core provider will be reduced to one hour. Should the referral not be accepted by a

core provider, the referral will no longer be available to the core provider and will pass on and be made available to the supplementary providers on the proposed framework by allocated area i.e. North or South depending on the postcode of the package.

50. In light of the issues related to the core providers an additional assurance process will be completed prior to packages of care being placed with providers, to ensure that each care at home provider has the capacity and capability to deliver the referred care hours.
51. The metrics will be monitored and reviewed on a regular basis by the contracts team and there will be regular communication with the placements team on the status of the providers.

### Identified risks for the procurement

52. The following risks have been identified for this procurement:

Risk	Description	Risk Rating	Mitigation
Financial	Financial sustainability of the Care at Home providers.	Medium	This will continue to be monitored. This procurement ensures that there are more providers available to deliver the care.
Capacity of market	There are a range of providers in Southwark and the surrounding area that are keen to have contracts with the Council	Medium	A competitive procedure will ensure providers evidence their ability to deliver the services to the required standard. A soft market testing engagement event has been held.
Timescales not being met	Further delay to the procurement of the additional Care at Home provision could cause reputational risk to the Council	Medium	Commissioning and Procurement staff resource has been brought in to deliver a Programme Management approach to support the project and will be supported by a comprehensive procurement timetable, which is both realistic and achievable.
Lack of bids	A lack of bids could mean the council is not able to award the desired number of contracts	Low	Engagement with the market will ensure that there is a clear understanding of the market in terms of size and strength as well as likely interest in this opportunity.
Lack of quality bids	A lack of quality bids could mean the council is not able to award the contract due to quality concerns	Low	A robust procurement process and a clear service specification that outlines the required standards for the delivery of the service.

### Key/Non Key decisions

53. This report deals with a key decision.



## Policy implications

54. 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. The Care at Home services support people in their own homes to remain as independent, healthy and well as possible.
55. 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.
56. 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.

## Southwark Ethical Care Charter

57. In 2013, Southwark Council agreed the Southwark Ethical Care Charter, through which providers support the commitment to:
- pay the London Living Wage (LLW)
  - include travel time and
  - no zero hours contracts unless this is the preference of the employee.

## Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	01/05/2019
CCRB Review Gateway 1	08/08/2019
DCRB Review Gateway 1	18/09/2019
Brief relevant cabinet member (over £100k)	01/10/2019
Notification of forthcoming decision - cabinet	07/10/2019
Approval of Gateway 1: Procurement strategy report	29/10/2019
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	06/11/2019
Completion of tender documentation	30/09/2019
Publication of OJEU Notice	11/11/2019
Publication of Opportunity on Contracts Finder	12/11/2019
Closing date for receipt of expressions of interest	13/12/2019
Completion of short-listing of applicants	08/01/2020

Invitation to tender	09/01/2020
Closing date for return of tenders	07/02/2020
Completion of any clarification meetings/presentations/evaluation interviews	24/02/2020
Completion of evaluation of tenders	28/02/2020
CCRB Review Gateway 2:	26/03/2020
DCRB Review Gateway 2:	22/04/2020
Notification of forthcoming decision – despatch of cabinet agenda papers	11/05/2020
Approval of Gateway 2: Contract Award Report	16/06/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	23/06/2020
Debrief Notice and Standstill Period (if applicable)	06/07/2020
Contract award	07/07/2020
Add to Contract Register	08/07/2020
Mobilisation and TUPE Consultation period (if applicable)	18/08/2020
Place award notice in Official Journal of European (OJEU)	08/07/2020
Place award notice on Contracts Finder	08/07/2020
Contract start	19/08/2020
Initial contract completion date	18/08/2024
Contract completion date – (if extension(s) exercised)	N/A

### **TUPE/Pensions implications**

58. This procurement may have TUPE implications if the current supplementary providers do not take part or are unsuccessful in the tendering exercise.
59. There will not be any direct TUPE implications for Southwark Council as the services are delivered by external providers.

### **Proposed Tender approach**

#### **Development of the tender documentation**

60. The development of the tender documentation will be overseen through the Care at Home Project Board which has been established to drive the delivery of this work. The Project Board has been in place since March 2019.
61. The Project Board is chaired by the Assistant Director for Commissioning Children, Adults & Families.
62. Regular Board meetings are in place to provide strategic oversight and ensure delivery. The Board includes representation from commissioning, operational social care leads and performance. Additional support, advice and expertise are provided by Finance, Procurement and Legal.

63. The Children, Adults and Families Commissioning Team will be responsible for developing the tender documentation with assistance from legal and procurement. The service specification from the previous procurement will be reviewed and updated following the learning of the last year.

### **Advertising the contract**

64. A Contract Notice will be published in OJEU, Contracts Finder and on Southwark Council's e-procurement portal.

### **Evaluation**

65. A Standard Selection Questionnaire (SQ) will be used to pre-qualify bidders and a short list of up to 10 bidders for each lot will be invited to tender.
66. Providers will be able to bid for both lots and indicate a preference but if successful will only be awarded one contract in the North or South.
67. The evaluation criteria will be based on a 70:30 price/quality ratio. This was the ratio used in the previous procurement of care at home services. The evaluation panel will be set up with representatives from across relevant service areas and will include commissioning and finance officers. The evaluation panel will also include service users/family carers at the bidder presentation stage.
68. The Council is keen to encourage a range of bidders across a fragile market and will undertake a financial assessment that will consider credit score and minimum turnover amongst other financial factors to evaluate financial viability.

### **Price evaluation - 70%**

69. The Council is following the same process as used in the previous procurement that had undertaken extensive benchmarking of unit costs. Providers will be required to submit a full breakdown of their costs which includes:
- The hourly rate of pay for staff
  - Management costs
  - Building and office costs
  - Reasonable operating profit for the organisation.
70. The use of a floor and ceiling price banding will be used to ensure the prices that are submitted are both sustainable and affordable. The same price is to be used as in the previous procurement and will include the increases to the London Living Wage.
71. The use of the price banding means that the supplementary providers on the framework will be aligned with the prices paid to the five core providers.

### **Quality evaluation - 30%**

72. The Project board has overseen the development of the quality evaluation criteria and the method statements.
73. Method statements have been improved to cover the issues identified during the mobilisation of the five core providers and improve process to ensure there is a consistent high quality service delivered across providers.

74. The method statement themes such as service delivery and service outcomes from the previous procurement have been followed. There is the inclusion of a case study and a question on social value.
75. The bidders will be required to demonstrate their commitment to the SECC for their workforce including payment of the London Living Wage and Trade Union recognition.
76. The evaluation panel will include a range of Council stakeholders across operations, commissioning, contracts and placements. This is important in ensuring a diverse range of perspectives when assessing the quality of the bids submitted.

### **Service user engagement**

77. There has been engagement with the public through a local forum held on 30 May 2019. The feedback from the forum was positive to the proposal to have additional care at home providers and more robust management of the providers in operation. Key themes of the discussion were:
  - respect and dignity to each person
  - consistency of care
  - communication by the worker and the branch
  - training and support to the care workers.
  - the care should be enabling – focus on what people can do for themselves.

### **Community impact statement**

78. This service will 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.
79. Officers are mindful of the need to have due regard to the Public Sector Equality Duty imposed by section 149 of the Equality Act 2010, which requires the Council to:
  - Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - Foster good relations between persons who share a relevant protected characteristic and those who do not share it.
80. The health and wellbeing of Southwark residents having a protected characteristic under the Equality Act 2010 will be at the core of the work for this service.

### **Social value considerations**

81. 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 details of how social value will be incorporated within the tender are set out in the following paragraphs.

### **Economic considerations**

82. 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.

83. The successful bidders will be expected to demonstrate social value in their response to a method statement question. The provider will need to consider a range of measures that they can implement to foster social value.

### **Social considerations**

84. The successful providers will be required to pay their staff the London Living Wage (LLW). Given the need to recruit and retain high quality staff, it is considered that best value will be achieved by including this requirement, as well as ensuring that the providers adhere to the requirements of the SECC.
85. As part of the tender process, bidders will be required to confirm that they will be paying LLW and the benefits that this will provide to the council. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements, adherence to payment of LLW and any cost implications will be monitored as part of the contract review process.
86. As part of the SECC the providers will be required to provide training for the Care workers at no cost to the worker.
87. In accordance with the Fairer Futures Framework, the successful providers will be expected to recognise trade unions.

### **Environmental/Sustainability considerations**

88. The providers will be expected to ensure that the staff are rostered in as efficient a manner as possible to reduce unnecessary travel to service users.

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

89. As part of ongoing contract management the quality assurance measures regarding a providers capability and capacity, will include 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.
90. The contracts will 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 report to Departmental Contract Review Board
  - Annual Care at Home Performance Report.

## Enhanced Contract Management (ECM)

91. The purpose of the ECM is to capture immediate actions required by the commissioning service to manage service quality where issues have been identified in the services provided by the five core Care at Home Providers. The ECM took the form of:
- Detailed action plans in areas of concern
  - Fortnightly meetings with the contract management and commissioning
  - A series of announced and unannounced visits to provide assurance on the action plan progress.
92. Leadership of the ECM is by Commissioning, the purpose of which was to:
- Co-ordinate monitoring activities, intelligence and concerns
  - Manage provider concerns issues in a transparent and coordinated way
  - Ensure outstanding monitoring actions, complaints, and QAs information is collated and informs both monitoring visits and ongoing provider concerns meetings.
  - To validate provider actions where identified through provider meetings and monitoring visits
  - To determine that criteria/evidence is tested to determine stepping down providers from formal concerns processes.
93. One of the benefits realised from the procurement was the introduction of electronic call monitoring. Whilst the enhanced contract management was in place the go live date for payment by activity via the CM2000 electronic call monitoring was paused. This has operated in shadow form until April 2019; payments are now made based on CM2000 returns.
94. CM2000 will be a requirement for the supplementary providers.

### **Staffing/procurement implications**

95. The proposed procurement will require the involvement of Southwark staff across operational, placements, commissioning and contracts as part of the evaluation panel and will be key to ensuring that Southwark has quality service provision, which complements and supports operational delivery.

### **Financial implications**

96. The total estimated annual value for the proposed framework is approximately £7.4 m which is an estimated contract value based on new packages of care, existing packages of care and expected packages of care which will move on to the framework. This will be monitored and validated through the electronic call monitoring provider returns.
97. Cabinet should note that this is an estimated value, since the contracts are paid on an activity basis. The total homecare budget available for 2019/20 is £16m which funds both existing Care at Home contracts and the proposed framework. There is sufficient budget available for the proposed framework.
98. The homecare budget available is part funded from Better Care Fund funding of £2m and improved Better Care Fund funding of £7.6 m. It is anticipated that the contracted

homecare costs for future years will be subject to annual changes in London Living Wages and related employers' National Insurance and pension costs.

### **Legal implications**

99. Please see concurrent from the director of law and democracy.

### **Consultation**

100. Consultation with operational colleagues has been integral to this work and will be ongoing to ensure that the final specification is fit for purpose and reflects the key requirements for Southwark.

101. Consultation with residents has taken place previously, which informed the commissioning approach. Further engagement with service users has been undertaken to which is detailed in the report.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Strategic Director of Finance and Governance (22EN201920)**

102. The strategic director of finance and governance notes the contents of this report. Funding for the contract has been identified in the financial implications part of the report.

#### **Head of Procurement**

103. This report seeks cabinet's approval for the procurement strategy outlined in this report to undertake the procurement for an additional five Adults Care at Home providers to augment the existing providers. The total expenditure is £7.4m for a period of four years until 2024.

104. The value of the procurement for these services means that they are both subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) and the council's Contract Standing Orders. The council's proposed strategy of undertaking two restricted procedures for the reasons detailed in paragraphs 36 to 47 will meet these requirements. This procurement route should maximise competition and ensure that the council achieves the best value for money.

105. Paragraphs 65 to 77 in this report detail the proposed evaluation methodology to shortlist five providers at SQ stage to then complete ITT stage.

106. Southwark Council's procurement officers will be advising on the tender documents to be used to ensure that all relevant statutory questions are included and due diligence to ensure the successful supplier is financially stable.

#### **Director of Law and Democracy**

107. This report seeks approval of the procurement strategy for additional Care at Home provision for adults.

108. Due to the nature and estimated value of the services that the council requires the procurement of those services will be subject to the application of the European procurement regulations (those relating to "light touch" services under the Public

Contract Regulations 2015) as well as relevant domestic legislation and the council's Contract Standing Orders.

109. The report details a proposal to establish a framework comprising five service providers, following an EU compliant "restricted procedure" procurement.
110. The decision to approve the recommended procurement strategy is one which is expressly reserved to the cabinet under the council Constitution.
111. The community impact statement set out in paragraphs 92 to 94 of this report summarises the effect of the Public Sector Equality Duty contained in section 149 of the Equality Act 2010, and in making procurement decisions the council must consider and have due regard to any effects of the decision on the community at large and on people identified as possessing "protected characteristics", as defined in the Act.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 2 : Contract Award Approval – Care at Home contracts, October 2017	Children, Adults and Families Commissioning Team 160 Tooley St. London SE1 2HQ	Abigail Garraway 0207 525 7627
<b>Link (please copy and paste into your browser):</b>		
<a href="http://moderngov.southwark.gov.uk/documents/g5752/Public%20reports%20pack%20Tuesday%2031-Oct-2017%2016.00%20Cabinet.pdf?T=10">http://moderngov.southwark.gov.uk/documents/g5752/Public%20reports%20pack%20Tuesday%2031-Oct-2017%2016.00%20Cabinet.pdf?T=10</a>		
Title of document(s) Gateway 1: Homecare Procurement Strategy, March 2015	Children, Adults and Families Commissioning Team 160 Tooley St. London SE1 2HQ	Abigail Garraway 0207 525 7627
<b>Link (please copy and paste into your browser):</b>		
<a href="http://moderngov.southwark.gov.uk/documents/g4868/Public%20reports%20pack%20Tuesday%2017-Mar-2015%2016.00%20Cabinet.pdf?T=10">http://moderngov.southwark.gov.uk/documents/g4868/Public%20reports%20pack%20Tuesday%2017-Mar-2015%2016.00%20Cabinet.pdf?T=10</a>		

## APPENDICES

No.	Title
None	



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Jasmine Ali, Children , Schools and Adult Care	
<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children and Adults	
<b>Report Author</b>	Abigail Garraway, Strategic Commissioning Manager, Prevention & Inclusion	
<b>Version</b>	Final	
<b>Dated</b>	21 October 2019	
<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>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	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>		21 October 2019