



**Executive
11 August 2010**

**Report from the Director of
Housing and Community Care**

Wards affected:
ALL

**Authority to call off from a West London collaborative
procurement framework agreement for the provision of
home care for adults**

Not for publication

Appendix 1 to this report is not for publication

1.0 Summary

- 1.1 This report requests the award of call off contracts from a series of Framework Agreements, following a successful collaborative procurement exercise with other London Boroughs for the provision of home care for adults. Approval for participation in this procurement exercise was given by the Executive Meeting of 19th October 2009.
- 1.2 The collaborative procurement exercise was run through the West London Alliance Joint Procurement Unit, leading to the establishment of a series of framework agreements awarded by the London Borough of Hammersmith and Fulham acting as lead borough for the supply of home support ("home care") including personal care, reablement services, housing related support and an "integrated" service that incorporates both types of support provided by the same provider. This provision is across the older people, mental health, learning disabilities and physical disabilities sectors.
- 1.3 In addition to approving the award of contracts, this report also requests that the Executive gives delegated authority to the Director of Housing and Community Care to award further call-off contracts as required throughout the life of the Framework Agreement for the provision of home care, including reablement services and housing related support without the need to get these approved by the Executive (such approval would otherwise be required where a call-off contract exceeds £500,000 in value).

2.0 Recommendations

- 2.1 The Executive notes the result of the tender run by the West London Alliance Joint Procurement Unit, leading to the establishment of series of framework agreements by the London Borough of Hammersmith and Fulham for the supply of home care across older people, mental health, learning disabilities and physical disabilities sectors.
- 2.2 The Executive approves awards of call-off contracts using the WLA framework for Personal Home Care to London Care plc, Enara Community Care, Supporta Care Ltd, Jays Homecare and Taylor Gordon & Co Ltd trading as Plan Personnel from 1st October 2010 for 4 years.
- 2.3 The Executive delegates to the Director of Housing and Community Care authority to award further contracts in excess of £500,000 from the WLA frameworks as required throughout the life of the framework agreements, in consultation with the Director of Finance and Corporate Resources and the Borough Solicitor.

3.0 Background

- 3.1 The West London Alliance (WLA) is a collaborative body made up of the six boroughs in north-west London. The participating Boroughs are Hammersmith and Fulham, Hillingdon, Harrow, Hounslow, Ealing and Brent. On the 23rd July 2008, the West London Alliance (WLA) Leaders and Chief Executives meeting agreed to set up a West London Joint Procurement Unit (JPU) as part of the Shared Solutions Project, (SSP) following a report from Deloittes. The aim was to realise the efficiencies that could be released by exerting the aggregate buying power of the boroughs and by more expert procurement approaches.
 - 3.2 On the 7th July 2009 the JPU Programme meeting heard a report on setting up the unit and identified three main programme strands, (1) procurement, (2) policy and intelligence and (3) market engagement. The strands were broadly agreed but more information was required and the overall approval from the WLA Leaders and Chief Executive's meeting withheld until the next meeting on the 15th September 2009.
 - 3.3 Under the Procurement main programme strand, the WLA Directors meeting of the 31st July 2009 approved the final pattern of 8 workstreams. One of these workstreams was the collaborative procurement of adult home care, and pending the approval of 15th September, work was started to prepare the tender.
 - 3.4 Approval to participate in the collaborative procurement was given at the Executive meeting of 19th October 2009.
 - 3.5 Adult social care is one of the areas of interest for the WLA. They are interested in collaborating in order to achieve greater efficiencies from the care market. The two main efficiencies are cost savings and improving the quality of care for residents.
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- 3.6 The London Borough of Hammersmith and Fulham was asked to lead the procurement project for a new series of Framework¹ agreements which would supply three types of care services to residents over the next four years. There were two reasons for this. The first was that LBH&F had created a new model of service (based upon 18 months of consultation and design work) and therefore had a model ready for use by all Boroughs. The other reason was both LBH&F and LB Hillingdon' existing contracts were due to expire and new services needed.
- 3.7 Governance structures were created (an executive board and a project manager). The work of the Board was accountable to the Directors of Adult Social Care. The project was sponsored by James Reilly as Chair of the west London Social Care Directors.
- 3.8 The services that have been specified under these frameworks are:
- **Personal Home Care**
Personal services to the individual such as, help to rise and go to bed, washing and bathing, dressing and hygiene care, help with food preparation etc..
 - **Housing Related Support**
Assistance for residents to stay in their own homes. Such help could include, dealing with landlords, paying utility bills, arranging for repairs and ensuring the home is safe and secure.
 - **Short term intensive reablement service**
A six week service designed to reable residents who have been in hospital or the community and need help to rebuild their physical ability and their confidence to lead as independence life from social care as possible.
 - **An Integrated service.** This is a combination of personal care with housing support. This allows a more flexible and responsive service where people have complex and changing needs, and reduces the numbers of paid workers involved in the provision of care and support.

4.0 Procurement

- 4.1 The work carried out previously by Deloitte in 2008 indicated the scale of the expenditure on adult social care services in West London. In aggregate the West London boroughs' spend is larger than that of any other single authority in the country. This strongly suggested that there is a significant opportunity to develop a new, more proactive and productive relationship with the provider market than would be possible for individual boroughs and this has been confirmed by the result of the tender. The analysis carried out by Deloitte has been reinforced by the outputs from project 1 of the WLA efficiencies programme as set out in the table below.

¹ Framework definition – a number of providers who have been approved to provide services and who have agreed the terms of trade (including the price) before an actual contract has been formed. The contract is formed once services are called-off from the Framework

£000

2008-09 (£k)	Brent	Harrow	H&F	Ealing	Hounslow	Hillingdon	TOTAL
Homecare In-House	0	0	2,481	2,651	3,216	3,619	11,967
Homecare P&V	11,886	7,180	9,843	11,256	6,695	6,549	53,409
Direct Payments	3,566	3,028	2,955	5,818	2,425	3,130	20,922
Total Homecare & DP spend	15,452	10,208	15,279	19,725	12,336	13,298	86,298

Source: PSSEX1 (2008/09 draft returns) *Note: This excludes expenditure on LD transfers from NHS*

- 4.2 The new frameworks were let as a collaborative procurement led by Hammersmith and Fulham. They were therefore tendered according to Hammersmith and Fulham's standing orders. Brent was fully represented on the tender groups. Within the Housing and Community Care Directorate, the Assistant Director of Transformation and the Head of Service Development and Commissioning has been part of the workshops and the Head of Service Development and Commissioning is a member of the Project Group. A procurement officer and a finance officer were both engaged in the development of the specifications and terms and conditions.
- 4.3 The tender was started in the late summer of 2009 and concluded in February 2010. The initial process, led by Hammersmith and Fulham, was:
- Residents and Council leadership were consulted over the new service model
 - Permission was secured from the different boroughs according to their own internal procedures to participate in the procurement project
 - An advertising campaign was carried out to raise interest from the market

5. THE PROCUREMENT PROCESS:

5.1 Creating Interest:

Adverts were published in The Community Care magazine and the Evening Standard newspaper and on Borough Websites. Two open days were held during November 2009 to generate interest from the market.

5.2 Project documentation:

A suite of standard procurement documentation was created and signed off by the Board.

5.3 Governance

Adult Social Care Directors instructed a Project Board which in turn instructed a Tender Appraisal Panel (TAP) - led by the project manager. Every borough

was represented and support given by corporate procurement, legal and finance services.

5.4 The Pricing Model

Bidders were asked for one hourly price for each service they were bidding for. They were also asked to give discounted prices based upon the volume of business they might receive from this Framework. This simple approach enabled bidders to be ranked according to their price and any savings against current costs to be made. It was also simple for residents who were choosing to take a Direct Payment to understand the cost of the service.

5.5 Evaluation model

Bidders submitted a pre-qualification questionnaire to ensure they were fit to trade and had the requisite capacity to provide the service. Bidders needed to meet a minimum quality threshold, which was a 2 star (or above) rating from CQC² (and / or minimum level 'C' SP Quality Assessment Framework. Those invited to tender submitted statements on how they would deliver a quality service to residents Bidders needed to reach a minimum score of above 50% of the available marks for quality. To arrive at a final ranking, Providers were judged according to their price and the quality of their submission. The ratio chosen was 60/40% (price/quality). The Tender Appraisal Panel which evaluated the tenders was made up of representatives from the different boroughs. The TAP evaluated the written bids and then a moderation of their work was carried out to ensure fairness and accuracy.

5.6 Following the work of the TAP, there was a report to the Executive for Hammersmith & Fulham on 17th June 2010 which made appointments to the three frameworks on the basis of the evaluation results.

5.7 Results of the Process:

- 70 providers expressed an initial interest.
- 90 providers came to each open day.
- 91 formal expressions of interest (completed Pre-Qualification Questionnaires)
- 50 providers met the requirements and were invited to tender.
- tender returns were opened by the Mayor of LBH&F using eTendering software.
- 32 organisations tendered for personal care and 20 for Housing Related Support.
- 25 met the minimum quality threshold and were ranked according to their combined price and quality score for Personal care; and 12 did so for Housing Related Support.

5.8 The new frameworks are for a period of four years. Brent has been advised by LBH&F that they will be in place from 1st October 2010 so that Brent can do call-offs from that date.

5.9 Providers have also elected which localities they are interested in providing services. The tables below show the successful Providers and the areas they are willing to operate in.

² CQC – The Care Quality Commission is the adult social care regulatory inspectorate. They rank providers according to a star rating. 2 – good, 3 –excellent. We do not want 0 or 1 star providers in the WLA.

Personal Care (including the reablement service)

[illegible]

[illegible]

	Housing Related Support for Older People																
	Brent			Ealing				H&F			Harrow			Hillingdon		Hounslow	
	Central	North	South	Chiwick & Acton	G'ford, Northolt & Perivale	Shouthall & Hanwell	West & Central	Central	North	South	Central	North	South	Central	East	West	
Provider	Allied Healthcare Group Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Breslin Health and Social Care Limited	1		1	1	1	1	1	1	1			1	1	1	1	
	Elders Voice	1	1	1						1							
	Enara Community Care	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Family Mosaic Housing	1	1	1	1	1	1	1	1	1	1	1					
	Hounslow Homes														1	1	
	Metropolitan Support Trust	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Notting Hill Housing	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	Sagecare Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
	SJS HOMECARE SERVICES						1								1	1	
Taylor Gordon & Co Ltd t/a Plan Personnel	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Willow Housing and Care	1	1	1	1	1	1	1	1	1	1	1	1					
Grand Total	10	9	10	9	9	10	9	9	10	8	8	8	10	7	6	7	

5.10 The following pages have the final list of Providers proposed for the Framework.

Final table of providers for personal homecare (including the reablement service):

Item no	Quality Total	Quality Rank	Grand Total	Overall Rank
Health Vision UK Ltd	27.3	6	87.3	1
Sagecare Ltd	27.2	7	87.2	2
Care UK Homecare Limited	26.5	10	86.5	3
Breslin Health and Social Care Limited	23.7	18	83.7	4
Care Outlook LTD	23.3	19	83.3	5
Aquaflo Nursing and Care Ltd	22.5	21	82.5	6
Brook Street	20.35	25	80.35	7
Nestor Primecare Services	28.1	2	78.1	8
Allied Healthcare Group Ltd	27.2	7	77.2	9
Taylor Gordon & Co Ltd t/a Plan Personnel	25.6	13	75.6	10
Enterprise Care Support Ltd	24	17	74	11
SJS HOMECARE SERVICES	22.95	20	72.95	12
Home From Hospital Ltd	21.25	22	71.25	13
Gentlecare HCS Limited	20.55	24	70.55	14
Housing 21	27.9	3	67.9	15
London Care Plc	25.85	12	65.85	16
Westminster Homecare Limited	24.9	14	64.9	17
Enara Community Care	24.45	16	64.45	18
Jays Homecare	21.1	23	61.1	19
Supporta Care Limited	27.35	5	57.35	20
Hillcrest Care Ltd	24.7	15	44.7	21
United Response	29.15	1	39.15	22
Family Mosaic Housing	27.8	4	37.8	23
Prospect Housing&Support S'vs	26.6	9	36.6	24
Support for Living	26.18	11	36.18	25

Final table of providers for Housing Related Support:

item no	Quality Total	Quality Rank	Price Score	Price Band	Grand Total	Overall Rank
Provider	Final Quality score (out of 40%)	Quality Rank	Price Score Based on banding	Price Band	overall score (%)	overall Rank
Sagecare Ltd HRS4OP	22.90	6	60	Band 1	82.90	1
Breslin Health and Social Care Limited HRS4OP	20.50	12	60	Band 1	80.50	2
SJS HOMECARE SERVICES HRS4OP	21.20	7	50	Band 2	71.20	3
Enara Community Care HRS4OP	21.10	8	50	Band 2	71.10	4
Allied Healthcare Group Ltd HRS4OP	20.85	10	50	Band 2	70.85	5
Metropolitan Support Trust HRS4OP	31.65	1	30	Band 4	61.65	6
Taylor Gordon & Co Ltd t/a Plan Personnel HRS4OP	20.65	11	40	Band 3	60.65	7
Family Mosaic Housing HRS4OP	28.30	2	20	Band 5	48.30	8
Notting Hill Housing HRS4OP	24.95	4	20	Band 5	44.95	9
Hounslow Homes HRS4OP	23.75	5	20	Band 5	43.75	10
Willow Housing and Care HRS4OP	26.10	3	10	Band 6	36.10	11
Elders Voice HRS4OP	20.95	9	10	Band 6	30.95	12

Final List for Integrated Support

Provider	Final Quality Score(40%)	Final Quality RANK	Price Score	Price Band	Overall Score	Overall Rank
Metropolitan Support Trust	27.29	2	60	Band 1	87.29	1
Enara Community Care	22.71	4	60	Band 1	82.71	2
Supporta Care Limited	20.93	5	50	Band 2	70.93	3

6.0 THE FINANCIAL IMPACT OF THE FRAMEWORK ON THE CURRENT USE OF RESOURCES

6.1 Work has been completed to detail the current average weighted hourly rates across West London for comparison and financial impact purposes.

6.2 A financial analysis of the impact of the framework has been carried out.

6.3 Discounts for volumes

Providers were asked to offer lower hourly prices should they receive large volumes of hours from the Framework. The table in Appendix 8 (exempt) shows the range of prices that could be available for personal homecare and then Housing Related Support.

6.3.1 The financial model:

Each borough supplied current prices, hours of use and Providers which were put into an excel model created by the WLA analyst team. This created a current price based upon creating a compound average hourly price per borough and then comparing it to the hourly rates submitted on the Framework. We then applied the model to three scenarios which went from the academic to the more achievable in order to determine what potential savings there were by applying the constraints of a real world situation to this hypothetical model.

7.0 Use of the Frameworks in Brent

7.1 At present Brent will only make use of the personal homecare framework but will consider whether the housing-related support services and the Integrated service frameworks will be appropriate for use in the future.

7.2 The savings have been more substantial than anticipated. Calculating a future saving on a high volume high value contract such as home care requires a set of variables to be taken into account, particularly future purchasing patterns. We estimate a minimum saving of £700,000 fye from the use of the framework and believe that £900,000 fye may be achievable from the use of the Hammersmith and Fulham frameworks for the provision of homecare. This figure has been calculated following the financial modelling completed by the West London Alliance Joint Efficiencies Unit set out in the previous section. The reason for the substantial savings is not reduced hourly rate, but the change to paying for part hours on a pro rata basis only.

7.3 Brent's current pattern of provision for personal homecare consists of 7 major providers and 16 minor providers. Of the seven major providers, their contracts were due to end in either 2012 or 2013. Six of the seven have qualified for inclusion on this framework. The one that did not apply is the only 3-star major provider currently contracted to the borough, and it is intended that their current contract will run up to its expiry in March 2012; this means that the service users currently receiving services from this provider will remain with them, however no new service users will be assigned to this contract.

- 7.4 Of the six current major providers who have also been appointed to the framework, the situation of one is complicated by historic TUPE and pension issues. However for the other five, their current contracts allow termination on 3 months' notice. Accordingly notice has been given on these five contracts and approval is being sought in this report to re-appoint these five providers as contractors from the WLA framework, which means that the framework rates will apply as opposed to the current rates. We intend to transfer the business with these providers from our own contracts to the framework contracts as from the 1st October 2010, which is the first day of the implementation of the Framework Agreement. This will result in a saving to the Council of between £350,000 and £450,000 for this financial year, provided that the Council's purchasing patterns of home care remains the same.
- 7.5 Effectively this means that for these providers the current business will remain with them at the point of contract transfer, thus providing service users with much valued continuity of care. It also means that there will be no TUPE issues because the same provider will continue with the same service users, albeit under new contract terms from the Council.
- 7.6 The annual value of the business for these five providers is £6,715,000 in total. Provided purchasing patterns remain the same over the life of the contract the total value of the contract for these five providers will be £26,860,000.
- 7.7 For the providers where it was not financially or operationally advisable to give notice on our current contracts and transfer to the framework, negotiations are ongoing to reduce the contract costs. Subject to the successful conclusion of the negotiations we anticipate a further saving of £52,000 this financial year and the equivalent or higher savings of £104,000 fye from 1st April 2011. This is in addition to the £700,000 to £900,000 anticipated from the transfer to the Framework agreements. Any additional savings on top of this total depend on the resolution of complex series of TUPE issues and cannot be confidently quantified at this time.
- 7.8 New business, on an individual client basis, will be placed with providers on the Framework contract based on price and the provider's ability to meet need. Such contracts that relate to an individual's personal needs are exempt from the usual tendering requirements of Contract Standing Orders and do not require award approval from the Executive even where the proposed contract will exceed £500,000 in value. However it is likely that there will be future call-offs from the series of WLA frameworks that relate to more than one service user – although such call-offs from the framework do not require tendering, any that exceed £500,000 are High Value contracts and require Executive approval for award. These contracts could be as a result of:
- starting to utilise the other two frameworks as referred to in paragraph 7.1 above, or
 - a business failure from one of the providers recommended for appointment in this report, or
 - a provider (whether one recommended for appointment today or a current provider whose contract will continue) wants to cease providing the service or wants to reduce its contract hours.
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It may be necessary to get a new provider in place from the framework quickly in these and other circumstances, and accordingly approval is requested for the Director of Housing and Community Care to be able to award contracts by calling off one of the WLA frameworks irrespective of contract value (his normal authority is to be able to award for up to £500,000 in total value). Normally a mini-competition between the different providers on the framework will be run in these circumstances, which does allow providers to adjust their framework rates to take account of any TUPE implications; however in urgent cases this will not always be possible.

7.9 Service Improvement

The service specifications ensures that only home care providers that meet minimum standards in terms of the quality of their service can be included in the framework agreement. Brent's current policy on this is that we only place new business with those home care providers who have a two or three star rating awarded by the Care Quality Commission. The service specification is outcome based which we believe will represent an improvement.

8.0 Key Risks

- 8.1 There is no risk to current service users in this exercise at this stage, as their current care arrangements can continue.
- 8.2 Potentially there is a risk that the providers will not be able to meet increased demand through changing purchasing patterns. This risk has been mitigated by the Joint Efficiencies Unit monitoring purchasing across the boroughs and advising them of any issues about provider capacity and provider prices.
- 8.3 There is also the risk that a tenderer who wanted to be appointed to one of these frameworks but was unsuccessful will bring a challenge. Further consideration of this is set out in the Legal Implications.

9.0 Financial Implications

- 9.1 The current annual budget for Home Care in Brent is £12.5 million. Transfer of current spend onto the framework for the five providers who tendered for the framework and where there are no complex TUPE issues will produce an estimated saving of £700,00 - £900,000 per annum based on anticipated levels of home care provision.
 - 9.2 It should be noted that Brent's existing home care contracts do not expire until March 2012, with the exception of one provider's contract, that expires in March 2011. In order to realise the maximum savings, we have given providers three months no fault notice as permitted in the contracts where it has been financially advantageous and where there are no TUPE implications in doing so. This means that we will be able to access the WLA Framework from the 1st October 2010, which is the planned start day for the framework, providing an anticipated in year saving of £450,000.
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- 9.3 We anticipate further savings of £102,000 fye, based on anticipated levels of homecare provided, following the conclusion of negotiations with providers where we are not giving notice on the contracts.

10.0 Legal Implications

- 10.1 Local authorities have powers, and in some cases duties, to promote the welfare of or provide welfare services to different client groups (eg older people, disabled people) under legislation such as the Health Services and Public Health Act 1968 and the Chronically Sick and Disabled Persons Act 1970.
- 10.2 This procurement by the London Borough of Hammersmith and Fulham (LBHF) was for services that are part B services under the European public procurement regime. As such the frameworks did not need to be tendered in accordance with the European public procurement regime but the general duties of fairness and transparency still apply. Under this collaborative procurement, Hammersmith and Fulham have now awarded a series of framework agreements which other boroughs will be able to call off. However, it is possible that an unsuccessful tenderer could challenge LBHF about how procurement exercise was conducted. If such a challenge were successful, then there is the potential for the frameworks to be set aside and it is not clear what impact this would have on the contracts already called-off from the frameworks. Having said that, the risk of the challenge is low in view of the fact that these are part B services and the only challenge under the European public procurement regime would be that the procurement was not in accordance with the duties to ensure fairness and transparency. However a challenge could also be brought on the basis that LBHF had not followed their own internal procedures for award of this type of contract, and Brent has had no control over how LBHF have run this exercise.
- 10.3 In accordance with Contract Standing Orders 86(d), use of a framework set up by a public body other than Brent needs to be recommended by the relevant Chief Officer, approved by the Director of Finance and Corporate Resources and declared as legally permissible by the Borough Solicitor. As at the date of the Executive meeting, such approvals have been obtained.
- 10.4 Compliance with the procedure set out in CSO 86(d) does not avoid the normal Contract Standing Order requirement that all contracts in excess of £500,000 in value require Executive approval for award, hence this report. However in future, the great majority of call-offs from the personal homecare framework will relate only to one service user and will not require further Executive approval, because there is a specific exemption under SO 86(e)(iii) in relation to contracts for individual personal services. However any call-off that does not relate to a single service user (eg the purchase of a block of personal homecare or housing support services specified as so many hours per week) requires Executive approval wherever that call-off exceeds £500,000 in value. As explained in paragraph 7.7 above, this report is requesting that delegated authority be given to the Director of Housing and Community Care to award any such future block contracts without returning to the Executive, including call-offs from the housing support and Integrated frameworks which as yet this Council has not decided to use.
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- 10.5 Awarding new call-off contracts from this framework has also led to complex TUPE implications for the staff of current Brent contractors. Where Brent makes a call-off from the framework to replace one of the existing contracts, then TUPE will apply to transfer the current contractor's staff. However at the time of tendering for the framework, tenderers could not know of all the potential TUPE implications that could arise during the course of the framework as individual call-offs occur. The tendered prices do therefore not reflect the terms and conditions of employees affected by any particular TUPE transfer. As a number of providers have been appointed to every framework, it is be easier for Brent to manage TUPE by means of a requirement for every call-off with the potential for a TUPE transfer to be preceded by a mini-competition among the providers using appropriate TUPE information that is accurate at that point in time.

11.0 Diversity Implications

- 11.1 Proposals in this report have been subject to screening and officers believe there are no diversity implications. Home care services will be available to meet all cultural requirements. If appropriate provision for a particular service user is not available from the frameworks it will be purchased elsewhere.

Background Papers

West London Alliance Invitation to Tender

Contact Officers

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