



**Cabinet**  
26 January 2015

## **Report from the Strategic Director Adults**

For Action

Wards affected: ALL

### **Procuring an Accommodation-Based Respite Framework Agreement**

#### **1.0 Summary**

- 1.1 Respite Care is a period of temporary replacement care for a customer usually cared for by an unpaid carer such as a friend or family member. Respite can be provided in a number of settings for example in a Residential/Nursing Care Home; replacement care going into the customer's home; the cared-for person spending a day away from home (day care); the cared-for person accessing the council's Shared Lives (adult placement) service.
- 1.2 Under the Care Act 2014, from April 2015, all carers will be entitled to a carer needs assessment and, where they are deemed to have an eligible level of need, they will be entitled to funded support and access to services from the Council as a right. In the majority of cases the services will include some form of respite care.
- 1.3 Officers estimate that this could potentially mean that an additional 1,653 carer needs assessments will need to be undertaken and 351(37%) more carers may require some form of respite per year. This is based on using Brent demographic data (from the Joint Strategic Needs Assessment) in a national Care Act impact model. This presents an increase in usage that needs an appropriate provider model to ensure that the Council's obligations can be met.
- 1.4 Officers intend to manage the increase in demand for Community-based respite care, for example services that support those cared-for at home or accessing mainstream services in the community by using the WLA Home Support Framework (WLA HSF), Day Care services, Shared Lives services (DCSLS) and Direct Payments for families to organise their own support.

- 1.5 As the WLA HSF and the DCCLS do not include accommodation-based respite care and neither is there an appropriate contract elsewhere, there will be a supply gap for those cases where residential respite placement services are needed. It is therefore proposed that the Council establishes a dedicated Framework, called the Accommodation Based Respite Framework Agreement (ABRFA) for this service.
- 1.6 In addition to ensuring that residential replacement services can be delivered, the ABRFA will also aim to deliver a 15% rate reduction by establishing standardised rates to replace the current system of ad hoc pricing. It will also ensure that we are working with a preferred list of providers to manage capacity, improve quality and reduce placement competition due to within borough shortages. Finally, it will also ensure that if family or carers want to purchase residential respite themselves, directly, they can access the prices on the framework.

## **2.0 Recommendations**

- 2.1 The Cabinet give approval to inviting tenders in respect of an accommodation based respite framework agreement on the basis of the pre-tender considerations as set out in paragraph 6.1 of the report.
- 2.2 The Cabinet give approval for officers to evaluate tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 6.1 of this report.

## **3.0 Background**

- 3.1 According to the 2011 census there are over 26,600 unpaid carers in Brent, representing nearly 10% of the overall population. Carers provide a crucial service in the community, and the unpaid care they provide assists the Council in delivering its services with decreasing budgets. The Council supports the Carers by providing a range of respite services which ensures they are able to maintain their own health and continue to deliver their caring roles.
- 3.2 The Care Act 2014 will add pressure to respite budgets by widening eligibility criteria to carer support services. At the same time, the government is forcing the Council to make budget reductions of around £54 million over the next two years.
- 3.3 The majority of respite support will be offered via community-based replacement care options, however, for people with very specific or high care needs a residential care home placement may be required.
- 3.4 The cost of a residential care home respite placement is often greater than the cost of a permanent placement and varies widely by time of year, type of need, and type of facility.

## **4.0 Current Service Provision**

- 4.1 In 2013/14 the Council spent £375k on respite in a Residential or Nursing Care Home, supporting 144 carers to have a break from caring for an average of 3 weeks during the year.
- 4.2 The service fees paid for respite care were above the average rate paid for permanent placements into Care Homes as only 12% of the 73 Registered Residential and Nursing Care Homes within Brent offer Residential dementia or Nursing dementia respite care. This type of accommodation-based respite care has therefore often been purchased outside the borough with providers who have no relationship with the Council at high and variable cost.

## **5.0 The proposed ABRFA**

- 5.1 Market testing has taken place which suggests that the ABRFA could improve supply for the accommodation-based respite care services. Ten local authorities were contacted to identify their approaches. All use a traditional range of block contracts, spot purchasing and framework agreements. In the case of Brent, a block contract is not recommended due to the risk of the council paying for services irrespective of fluctuating usage. Remaining on a spot purchase arrangement would mean continuing to pay above market rates and continuing to compete for placements on an ad hoc basis.
- 5.2 The advantages that the framework agreement model offers is that providers and the Council are working within a structured legal framework. It will support the Council to manage costs as payment is only for services used and then at a standardised rate. It will encourage diversity of local provision and create a level of provider stability which may enable them to build capacity within the market.
- 5.3 The framework will cover respite placements in the two types of registered care homes – residential care homes and nursing care homes – and cater for all adult social care client groups. It is proposed that the procurement will offer two lots: Lot A Residential Care Home Respite and Lot B Nursing Care Home Respite, with each lot divided by client group as detailed below:
- Dementia
  - OPS (Older People)
  - LD (Learning Disabilities)
  - PD/SI (Physical Disabilities & Sensory Impairment)
  - MH (Mental Health)
- 5.4 Providers will be invited to bid for all the elements within the two Lots detailed in paragraph 5.3 for which they are qualified, identifying an appropriate price for each as standalone elements. This will ensure that the framework attracts the widest range of providers and support our aim of meeting fluctuating short term needs for respite placements.

- 5.5 To support the development of a fit for purpose ABRFA specification, engagement with local providers will be undertaken to gather their views on how it is best produced to ensure that the Council's accommodation based respite services are delivered to the highest possible standards. The provider participation will also elicit their participation in the bidding process.
- 5.6 The future estimated value of the call-off contracts over the 3+1 year framework duration is £1,280,000 (based on £320k per annum). The contract fee has been calculated with an assumption that there will be a 15% reduction in the weekly fees historically paid by the Council for Residential & Nursing Care respite placements. The estimated contract saving assumes a static level of demand, but with the introduction of the Care Act this contract cost could increase. Financial modelling undertaken has indicated up to 351 additional carers may require some form of respite service that would equate to an additional annual cost of £245,000. This would equate over the course of the contract to a total estimated value of £2,260,000.
- 5.7 It cannot be projected accurately at this stage what new demand the Care Act will generate however the financial implications of this potential increase is dealt with in paragraph 7.3.

## 6.0 Pre tender considerations

- 6.1 In accordance with Contract Standing Orders 89 and 90, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response	
(i)	The nature of the service.	Provision of Accommodation Based Respite Care	
(ii)	The estimated value	£1,280,000 (based on £320k per annum and static demand)  £2,260,000 (value should full estimates of demand arising from the Care Act be realised)	
(iii)	The contract term	The framework will be established for a 3+1 year period.	
(iv)	The tender procedure to be adopted.	The contract will be procured through a two stage or restricted tender process in accordance with the Council's Standing Orders.	
(v)	The procurement timetable	Indicative dates are:  • Adverts placed	February 2015

		<ul style="list-style-type: none"> <li>• Deadline for Expressions of Interest</li> <li>• Pre Qualification Questionnaires received</li> <li>• Issue Invitation to Tender (ITT)</li> <li>• Deadline for tender submissions</li> <li>• Panel evaluation complete</li> <li>• Report recommending Contract award circulated internally for comment</li> <li>• Cabinet approval to award contracts</li> <li>• New contract() commence</li> </ul>	<p>April 2015</p> <p>April 2015</p> <p>May 2015</p> <p>June 2015</p> <p>June/July 2015</p> <p>August 2015</p> <p>October 2015</p> <p>October 2015</p>
(vi)	The evaluation criteria and process	<p>The procurement process will be evaluated in accordance with the Council's Contract Procurement and Management Guidelines taking a two staged approach. Stage 1 will require bidders to meet the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>For Stage 2, the panel will evaluate the tenders against <u>Quality and Price criteria</u>. Tenders will be evaluated on the basis of the most economically advantageous tender and the contract awarded using the following criteria</p> <p>1. Quality: Quality will consist of 40% of the evaluation weightings. The quality assessment will be evaluated using a range of criteria:</p> <ul style="list-style-type: none"> <li>• How experience in delivering similar services will be applied to the Service.</li> </ul>	

		<ul style="list-style-type: none"> <li>• How the Service will be operated to lead to improved performance</li> <li>• How the Service will be operated to achieve delivery of outcomes</li> <li>• How policies and procedures regarding confidentiality, system integration will be applied</li> </ul> <p>2. Price will consist of 60% of the evaluation weightings.</p>
(vii)	Any business risks associated with entering the contract	Save as detailed elsewhere in the report, no other specific business risks are considered to be associated with agreeing the recommendations in this report.
(viii)	The Council's Best Value duties	The evaluation criteria are based on a model where cost and quality will be distributed to ensure that provider(s) are selected on best value. The tendering documentation will also specify how the agreements will be managed to ensure on-going delivery of the outcomes.
(ix)	Considerations of Public Services (Social Value) Act 2012	See section 11
(x)	Any staffing implications	See section 10.0 below
(x)	The relevant financial, legal and other considerations	See section 7.0 and 8.0 below

6.2 The Cabinet is asked to approve these proposals as set out in the recommendations and in accordance with Standing Order 89.

## 7.0 Financial Implications

7.1 The current approximate cost for accommodation-based respite services is £375k. Based upon a static level of demand (excluding the Care Act) the estimated value of the proposed contract would be £320k per annum, a reduction in costs of approximately 15%.

7.2 The contract cost will be met from the existing budget provision within the Adult Social Care budget from 2015/16 onwards. This budget allocation is subject to the council's annual budgeting process. This contract would be a priority commitment upon the Adult Social Care budget and it will be ensured sufficient resources are available to contain contracted costs.

- 7.3 An additional budget implication surrounds the implementation of the Care Act in 2015/16. Though it is difficult to forecast accurately what the actual demand will be financial modelling has been undertaken upon the impact of the Act upon carer respite costs. Based upon additional carers who may require respite care support this would lead to an estimated additional £245k for annual respite costs were those demand levels to be realised.
- 7.4 It is expected that this cost would be partly contained within the existing budget allocation for this contract by the ongoing managing down of demand for respite care. Department of Health funding for additional Care Act costs is yet to be finalised but will also be incorporated from 2015/16 within the Adult Social Care budget. Part of this growth funding would be expected to contain new cost pressures upon respite care.
- 7.5 As part of the tender process price will constitute 60% of the panels final decision. The method by which price is evaluated will be reviewed by Finance as required.
- 7.6 Respite costs are monitored closely as part of the ongoing budget monitoring process. Likely additional costs above what is budgeted for will be identified and any appropriate remedial action agreed between finance and the service.

## **8.0 Legal Implications**

- 8.1 The estimated value of the future contracts called-off from the various lots of the framework agreement during the framework term (including possible extensions) is in excess of the relevant threshold under the Public Contracts Regulations 2006 (“the EU Regulations”) for Services contracts. The framework agreement is however for a Part B Service under the EU Regulations and as such is not subject to the full requirements of the EU Regulations (save that there must be a technical specification contained in the contract documents and on award of contract the Council must issue a Contract Award Notice in OJEU within 48 days of award). The procurement of the framework is nonetheless subject to the overriding EU Treaty principles of equality of treatment, fairness and transparency in the award of contracts.
- 8.2 The estimated value of the future contracts called-off from the various lots of the framework agreement is in excess of £250k. As such, the framework agreement is classed as a High Value Contract for the purposes of council’s Contract Standing Orders and Financial Regulations and thus Cabinet approval is required to the pre-tender considerations set out in paragraph 6.1 above and to the inviting of tenders.
- 8.3 Once the tendering process is undertaken, Officers will report back to Cabinet in accordance with Contract Standing Orders explaining the process undertaken in tendering the contract and recommending award.

## **9.0 Diversity Implications**

- 9.1 The establishment of a framework agreement aims to improve quality and diversity of local provision available and manage costs. The framework agreement is part of a wider agenda focusing on the well being of carers and the development of a range of

support options available to meet carers' need and the people they care for. An Equality Impact Assessment of the ABRFA is being undertaken, initial findings indicate a positive or neutral impact on protected groups.

## **10.0 Staffing Implications**

- 10.1 This service will be provided by external contractors and there are no direct implications for Council staff arising from tendering the contracts.
- 10.2 There are no TUPE implications arising from the award of the Framework agreement.

## **11.0 Public Services (Social Value) Act 2012**

- 11.1 The council is under a duty pursuant to the Public Services (Social Value) Act 2012 (the "Social Value Act") to consider how relevant services being procured might be structured to improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation.
- 11.2 This duty applies to the procurement of the proposed contracts as Part B Services over the threshold for application of the EU Regulations are subject to the requirements of the Social Value Act.
- 11.3 The services to be procured have as their primary aim improving the social wellbeing of some of the most vulnerable groups in Brent. The market for care services whilst being nationally large is highly specialised to client needs and geographical locations which narrows the opportunities available to the Authority in terms of procuring the framework agreement in such a way as to promote social value. However, officers will throughout the new procurement exercise take account of Social Value Act provisions and seek to implement these as appropriate.

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