
Report To:	Health and Social Care Committee	Date:	11 January 2017
Report By:	Louise Long Corporate Director (Chief Officer) Inverclyde Health and Social Care Partnership (HSCP)	Report No:	SW/14/2018/AS
Contact Officer:	Allen Stevenson Head of Health and Community Care Inverclyde Health and Social Care Partnership	Contact No:	01475 715283
Subject:	Tendering of Homecare Services		

1.0 PURPOSE

- 1.1 To seek approval to change the tender weightings in relation to the forthcoming tender process for a Homecare Service in Inverclyde and to request that delegated authority be given to the Head of Legal and Property Services to accept the successful tenders as per Contract Standing Order 17.3 (ii).

2.0 SUMMARY

- 2.1 The tender for the provision of a Homecare Service in Inverclyde is being prepared for advertising. As in all cases with Social Care service provision, the quality of the care service is of paramount importance. In light of this, it is recommended that the Homecare Service contract is awarded on a 60% Quality and 40% Cost of Service weighting split to help ensure the required quality of service and best value cost of service can be procured. This is a reversal of the weighting split in Contract Standing Order 13.2.
- 2.2 The tender for the current agreements that are in place used a Quality weighting of 60%. Recent Inverclyde HSCP tenders have been conducted successfully using a 60% Quality weighting. The current contract costs are £3.6m per annum.
- 2.3 The current Homecare tender allowed for 3 year contracts to be put in place with Providers. These agreements also allowed for 1 year extensions to be agreed. However, various changes, such as the national position on the Living wage, have destabilised the market conditions and it is appropriate to re-tender now rather than enforce a further years contract on Providers. The end of the initial 3 year agreements is March 2017. New agreements would require to be in place in time for April 2018. Discussions with Providers on the procurement strategy for the proposed tender have only recently been concluded and this does not leave time in the tender process to inform the committee of the tender outcome prior to awarding the proposed framework. That being the case delegated authority for the Head of Legal and Property Services is being requested as per 3.2 of this report.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Health and Social Care Committee:

(a) approves the use of a 60% Quality and 40% Cost of Service weighting in the forthcoming tender for the Inverclyde HSCP Homecare Service and therefore suspends contract Standing

Order 13.2; and

(b) grants delegated authority to the Head of Legal and Property Services to accept the successful tenders in accordance with Contract Standing Order 17.3 (ii).

Louise Long
Corporate Director
Inverclyde Health and Social Care Partnership

4.0 BACKGROUND

- 4.1 The Homecare Service in Inverclyde is a well-established, highly regarded service, which provides for people who need assistance to live independently.
- 4.2 Inverclyde's underpinning approach, in the provision of a Homecare Service, is to support people and where appropriate, their carers, to have a good quality of life in their own homes. Successful delivery of the service involves putting the Service User at the centre of decisions about the way they want to live and the support they require. The quality of a provider's care is very dependent on the quality of the staff that they use to deliver the Service and it is key that the tender assess the resource implications in terms of quality and price.
- 4.3 A tender process is about to commence to implement the required new service contract to replace the current contract when it expires on 31st March 2018. This will facilitate the continuation and improvement on a quality service provision in a cost effective manner.

5.0 PROPOSALS

- 5.1 The tender for the provision of the Homecare Service will be advertised in January 2018. As in all cases with social care services, the quality of the care service is of paramount importance.
- 5.2 Officers from the Service, Legal and Procurement have reviewed their experience of managing the Homecare Service under the existing contract and fully recognise the need to structure the tender in a way which results in an improved service provision whilst maximising cost effectiveness.
- 5.3 The aim of the tender is to accurately describe the high quality and cost effective service required in the Inverclyde area and identify the quality service providers required to deliver the service which will ensure that all clients receive the same standard of care. An essential factor in achieving this aim is to weigh the quality aspects of the service more than cost. Where the price weighting is high, it leaves less scope to reward good quality providers.
- 5.4 It is recommended that the Homecare Service contract is awarded on a 60% Quality and 40% Cost of Service weighting split to help ensure the required quality of service and best value cost of service can be procured. This is a reversal of the weighting split in the Contract Standing Order 13.2.
- 5.5 Recent Inverclyde HSCP tenders have been conducted successfully using a 60% Quality weighting. The previous tender for this framework was lotted by geography in order that the distances travelled by the staff delivering the service on behalf of the successful providers could be minimised. This lotting strategy will be improved for the proposed tender in line with the management information that has been gathered on the service since the commencement of the present contracts. This approach will help minimise potential cost increases.
- 5.6 Contract Standing Order 13.2 requires that all contracts are awarded on the basis of a cost/quality split of 60:40. Therefore, in terms of Contract Standing Order 13.3, the proposal to reverse these weightings requires Committee approval to suspend Contract Standing Order 13.2.
- 5.7 The previous tender for these services was conducted at a time prior to policy changes to the national approach to the minimum and Living Wage within adult care. Detailed discussions have been ongoing with existing providers during the current contract agreements which are in place. The tender strategy and subsequent contracts will be focused on ensuring that providers are sustainable and that services remain within budget.

6.0 IMPLICATIONS

6.1 Finance

The Tender will be structured and managed in a way which ensures that the costs included in and the overall value of any contract award resulting from the tender will be met within the overall HSCP budget.

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
Homecare	Payments to Other Bodies		3600		

Legal

- 6.2 The Head of Legal and Property Services, the Corporate Procurement Manager and the Chief Financial Officer have been consulted on the terms of this Report.

Human Resources

- 6.3 None

Equalities

- 6.4 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy, therefore, no Equality Impact Assessment is required.

Has an Equality Impact Assessment been carried out?

	YES (see attached appendix)
√	NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

REPOPULATION

- 6.5 None

7.0 CONSULTATIONS

The Head of Legal and Property Services, The Corporate Procurement Manager and the Chief Financial Officer have been consulted on the terms of this report.

8.0 LIST OF BACKGROUND PAPERS

None