

---

<b>Report To:</b>	<b>Health and Social Care Committee</b>	<b>Date:</b>	<b>1st September 2015</b>
<b>Report By:</b>	<b>Brian Moore Chief Officer Inverclyde Health and Social Care Partnership (HSCP)</b>	<b>Report No:</b>	<b>SW/11/2015/BC</b>
<b>Contact Officer:</b>	<b>Beth Culshaw Head of Health and Community Care</b>	<b>Contact No:</b>	<b>01475 715283</b>
<b>Subject:</b>	<b>Implementation of the Homecare Contracts</b>		

---

## **1.0 PURPOSE**

- 1.1 The purpose of this report is to provide an update on the progress of the implementation of the Homecare Contracts.

## **2.0 SUMMARY**

- 2.1 The tender for homecare services was advertised in November 2014. The tender process was concluded in March 2015 with successful providers informed following Committee approval with a commencement date of 1 May 2015. There was an agreed implementation period of 3 months up to the end of July 2015. The phased implementation was agreed to enable the transition from the existing service providers to the new successful providers in the tender process. The Council is working with all new and existing providers for a smooth transition and as little disruption to service users as possible.
- 2.2 The tender contained 7 geographical lots and an additional lot (8) that is intended to be used when hours are refused by the successful providers for lots 1 to 7. The contract was divided into smaller, local lots due to the transportation costs linked to geographical dispersion and to create competition amongst smaller suppliers who would otherwise have been unable to bid.
- 2.3 Across Inverclyde a total of 452 people receive homecare service provided by third sector organisations. There was a total of 255 service users affected by the implementation of the new homecare contracts. All service users have received information about the introduction of the new providers explaining the reasons and benefits of the new contractual arrangements. A home visit has been carried out with each service user, in addition to written communication and contact with carers and family members.
- 2.4 With the introduction of Self Directed Support all service users had the opportunity to decide about the level of choice and control over how their support is planned and provided. Of the total service users 34% have chosen to remain with their current provider enabling people to take more control over arranging their care and the HSCP will organise payment on their behalf. A total of 294 service users now receive support from providers within the new contract with the Council continuing to organise their support.

2.5 A key benefit to the HSCP is the ability to electronically monitor the external purchased service. This results in improved monitoring and quality of the homecare service. This will enable an increase in continuity and punctuality ensuring providers are meeting agreed targets.

### **3.0 RECOMMENDATION**

3.1 The Committee is requested to note progress and impact regarding implementation of the contracts for the provision of homecare services.

**Brian Moore**  
**Chief Officer**  
**Inverclyde HSCP**

## 4.0 BACKGROUND

- 4.1 An independent review of homecare services was conducted in 2011. The review process looked at both internally provided services and at services commissioned from the independent sector and concluded that the external provision should be tendered. This proposal was accepted by Committee and the associated services were then put to tender.
- 4.2 Tenders were advertised on the basis of a 3 year contract with a potential 1 year extension. Committee approved a proposed change to the weightings applied to the tender of 40% cost and 60% quality in October 2014 and the tender was subsequently advertised. The tender contained 7 geographical lots and an additional lot (8) that is intended to be used when available hours are refused by the successful providers for lots 1 to 7. The contract was divided into smaller, local lots due to the transportation costs linked to geographical dispersion and to create competition amongst smaller suppliers who would otherwise have been unable to bid.
- 4.3 Tenders were advertised in late 2014 after an extensive period of communication with both existing and potential providers. This work ensured that all potential tenderers were aware of the strategy for homecare, the requirements around software and could be comfortable in making a sustainable bid. Tenders were received from 10 suppliers. The overall completed evaluation indicates the lowest tender for each of the 8 lots was £2,504,380.00 per annum.
- 4.4 The most economically advantageous tenderers for all 8 lots are detailed in the table below.

Table 1

<b>Lot</b>	<b>Geographical Location</b>	<b>Ranked</b>	<b>Providers Name</b>
1	Greenock West & Gourock		Allied
2	Greenock East		Allied
3	Port Glasgow		ICDT
4	Kilmacolm & Quarriers – East		RLO T/A 1 <sup>st</sup> Homecare
5	Kilmacolm & Quarriers – West		RLO T/A 1 <sup>st</sup> Homecare
6	Greenock South West (Inner)		Evergreen
7	Greenock South West (Outer), Inverkip & Wemyss Bay		No award
8	Inverclyde Wide – Adhoc	1 <sup>st</sup>	Allied
		2 <sup>nd</sup>	ICDT
		3 <sup>rd</sup>	Evergreen
		4 <sup>th</sup>	Carewatch
		5 <sup>th</sup>	Blackwood

## 5.0 OPERATION AND IMPLEMENTATION OF THE CONTRACT

- 5.1 The purpose of the tender was to provide flexibility with 1 provider per lot of supply for each geographical lot. A tender for all of the available hours would have led to a limited number of bids from suitable providers and a potential for vastly increased costs as smaller providers did not have the capacity to contract.
- 5.2 The tender was put together with the knowledge that costs were likely to increase. National press coverage has highlighted the cost pressures involved in external homecare provision. In order to incentivise providers to submit a sustainable offer, the tender was advertised on the basis of 65% of the current hours being provided in each lot guaranteed to the successful provider. Where a client chooses option 2 Self-

Directed Support, the associated hours will be deducted from the total and the 65% guarantee will be measured against the balance of hours that are left.

- 5.3 Where a provider in any lot has their Care Inspectorate grade reduced below 3, in all quality themes, the contract will allow for a percentage of hours to be re-allocated using a provider from lot 8. The Council also has the right to withdraw business from any provider who persistently refuses the hours on offer.
- 5.4 The contract commenced on 1 May 2015. There has been a phased implementation in order for existing service users to transition to new providers that gain business as a result of this tender exercise. The Council is working with all new and existing providers for a smooth transition and as little disruption to service users as possible.
- 5.5 Across Inverclyde a total of 452 people receive homecare service provided by third sector organisations. There was a total of 255 service users affected by the implementation of the new contracts. All service users have received information about the introduction of the new providers explaining the reasons and benefits of the new contractual arrangements. A home visit has been carried out with each service user, in addition to written communication and contact with carers and family members.
- 5.6 With the introduction of Self-Directed Support all service users had the opportunity to decide about the level of choice and control over how their support is planned and provided. Of the total service users 34% have chosen to remain with their current provider enabling people to take more control over arranging their care and the HSCP will organise payment on their behalf. A total of 294 service users now receive support from providers within the new contract with the Council continuing to organise their support.
- 5.7 A key benefit to the HSCP is the ability to electronically monitor the external purchased service. This results in improved monitoring and quality of the home care service. This will enable an increase in continuity and punctuality ensuring providers are meeting agreed targets.
- 5.8 Information with regard to the new homecare providers has been circulated throughout Community Care teams within the HSCP and more widely in the community through Your Voice and Inverclyde Carers Centre.

## 6.0 IMPLICATIONS

### Finance

- 6.1 There are no additional financial implications from this report.

One off Costs:

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

### Legal

6.2 None

**Human Resources**

6.3 None

**Equalities**

6.4 None at this time, although recognition will be given to the wider and associate equalities agenda.

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 CONSULTATION**

7.1 The Head of Legal and Property Services has been consulted.

**8.0 BACKGROUND PAPERS**

8.1 None.