

Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken		
	Cabinet Member for Finance and, Corporate Services and Cabinet Member for Adults and Public Health Date of meeting or formal issue (i.e. not before): <i>[insert]</i>	 City of Westminster
Report title (decision subject)	HOME CARE SERVICES – AWARD OF CONTRACT FOR THE NORTH WEST AREA OF WESTMINSTER CITY COUNCIL	
Reporting officer	Liz Bruce, Executive Director of Adult Social Care and Health	
Key decision	Yes	
Access to information classification	Public – with confidential Appendices A, B and C, which provide exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)	

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the results of a competitive tendering exercise for the contract award for a new Home Care Services for people who meet Adult Social Care (ASC) eligibility criteria in the north west area of Westminster City Council (WCC).
- 1.2. This report recommends that WCC awards a Home Care Services Contract which will provide services to customers in the north west of the City.

2. RECOMMENDATIONS

This report recommends that:

- 2.1. Appendices A,B and C be exempt from disclosure on the grounds that they contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.2 The Cabinet Member for Finance and Corporate Services and the Cabinet Member for Adults and Public Health, in conjunction with the Executive Director for Adult Social Care and Health, awards:

2.2.1 For Contract Area 6 (Westminster North West)

A Home Care Services Contract to operate in the north west area of Westminster to Healthvision from 1st October 2016 to 30th September 2021 with the option to extend for a further period of up to two years. The estimated annual contract value is £3.56 million (based on an hourly charge of £15.40) totalling £17.8 million over five years.

- 2.3 That it is a condition of award of contract that Healthvision's parent company, Healthvision (New Zealand) Limited, execute a Parent Company Guarantee in favour of the council.
- 2.4 That any contract extension is agreed in accordance with the City of Westminster Procurement Code operating at that time.

3. REASONS FOR DECISION

Most economically advantageous submission

- 3.1 In accordance with the Restricted Procedure as set out in the Procurement Strategy, the Home Care Procurement Board developed a Specification and ran a Pre-Qualification Questionnaire (PQQ) and an Invitation to Tender (ITT) to identify one provider for each of the nine Contract Areas across the London Borough of Hammersmith & Fulham, the Royal Borough of Kensington & Chelsea and Westminster City Council. The procurement resulted in the award of three contracts to operate in Hammersmith & Fulham, the award of two contracts to operate in Kensington & Chelsea and the award of three contracts to operate

in Westminster. It was not possible for officers to recommend an award of contract to operate in the north west area of Westminster, also referred to as Contract Area 6.

- 3.2 A second Restricted Procedure was commenced to allow for the award of contract for Contract Areas 6 (Westminster North West). This report explains this procurement in detail and the rationale for the report's recommendations.

WCC Procurement Code

- 3.3 The estimated financial commitment for the Contract for Contract Area 6 over an initial five year duration is over £1.5 million.
- 3.4 The City of Westminster Procurement Code and the Tri-Borough Procurement Code require that expenditure exceeding £1.5 million is approved by the Cabinet Member.
- 3.5 Discussions between the Home Care Procurement Board and senior governance officers at WCC agreed that based on the total value of contract being procured for WCC, the award of contracts for Contract Areas 6 should be made jointly by the Cabinet Member for Finance and Corporate Services and the Cabinet Member for Adults and Public Health.

4. INTRODUCTION AND BACKGROUND

- 4.1 Home Care Services are considered the main provision of a number of measures which enable people to continue to live in their own homes as independently as possible.
- 4.2 The earlier substantive procurement resulted in the award of three Home Care Services contracts, one to operate in the north east area of the City, one to operate in the central area of the City and one to operate in the south area of the City. The inability to award a contract to operate in the north west area of the City has meant a continuation of the existing arrangements for the provision of Home Care Services. The five providers who operated under the earlier Home Care Framework awarded in January 2010, and subject to subsequent extensions of which the last extension ended in February 2014, have continued to provide a large number of care packages on a spot purchased basis.
- 4.3 In an effort to reduce costs and rationalise care provision due to capacity issues with the Framework providers, home care services are also spot purchased from other providers and this accounts for a significant amount of home care provision.
- 4.4 The current delivery of home care services is fragmented and this has resulted in an absence of the development of partnership working relationships and effective contract management. The new service is specifically designed to have a reduced number of providers which will facilitate good contract management and establish effective working relationships, both with the Council, with Health partners and with other providers, which will lead to continuous improvement of service delivery over the lifetime of the contracts.

Home Care Management System (HCMS)

- 4.5 The Royal Borough of Kensington and Chelsea (RBKC) has an electronic monitoring system that tracks care worker visits and that can be viewed by ASC staff. This allows payment to be made based on the actual level of service delivered rather than the level of service ordered, thus eliminating the risk of the Council paying for care that has not been delivered.
- 4.6 Although it cannot measure the quality of the service being delivered, it does provide quantitative information and also provides information on who has delivered the care. It can also confirm whether visits have been undertaken on time or at all, thereby safeguarding Customers.
- 4.7 This system has proved efficient and effective and has enabled savings to be made on home care spend in RBKC. During the design of the new home care service it was agreed that Hammersmith and Fulham and Westminster City Council would also adopt an HCMS system to underpin service delivery and ensure accurate billing. As the nature of the service delivery will change, a system that underpins safe delivery, can assist in measuring stipulated quality measures and delivers efficiencies across all boroughs was considered vital in supporting the service design.
- 4.8 A separate procurement was undertaken to purchase a new electronic HCMS system for the three boroughs to enable these efficiencies and effectiveness to be achieved.
- 4.9 The contract for this service has now been awarded to eziTracker. The system is now operational and is currently being tailored to meet the specification requirements. It covers the three boroughs and is managed centrally at RBKC. It is a contractual requirement that the home care providers agree to use it.
- 4.10 The system will ensure customers and their families, and contract monitoring and finance staff, have information on when care workers have visited, overall monthly hours and consistency of care worker.
- 4.11 The electronic monitoring system will allow electronic invoicing based on accurate billing and automated payments, a key efficiency saving for the service.
- 4.12 A central Home Care Management Team (HCMT) has been developed from existing resources to manage referrals, ensure provision of services, monitor quality of services and payment of invoices. The functions of the team and the HCMS is based on the successful learning of the previous RBKC service, adapted to meet the new requirements of the service.

Service design

- 4.13 Soft market testing with providers as part of the specification development confirmed and shaped the direction of travel for the new service. The procurement was designed to facilitate the involvement of locally based small and medium size providers. This was either individually or as part of a consortium

bid or as a sub-contractor. The requirements of the Financial Capability test at PQQ stage were revised to increase the number of providers eligible to tender for the contracts without exposing the councils to an unacceptable level of risk.

- 4.14 The new service is a retender of an existing service, with a change to the service design. It is a key service for Adult Social Care in their strategy to support people to remain living at home as independently as possible. The service has been designed to be fit for purpose for the needs of a range of people with complex needs being supported at the current time, with an emphasis on achieving outcomes, a reabling approach and improving local connections. The service will support a reduction in numbers of people admitted to hospital or to residential care, as well as facilitating timely discharge from hospital, thus supporting the Council's strategic direction as well as the CCG Out of Hospital Strategies to increase the number of people supported in their own homes.
- 4.15 The current arrangements for the delivery of Home Care Services in the north west area of the City are not aligned with the strategies for the delivery of efficient and effective services in the future. The services are no longer fit for purpose and the needs of those living at home are changing and increasing.
- 4.16 Current activity and future projections show that Home Care Services need to be able to support more people to live at home who have increasingly complex care needs. This requires closer integration with local health services, a greater focus on supporting the whole person and forming connections with the wider community, and in some cases care workers who can undertake both health and social care tasks.
- 4.17 The earlier substantive procurement and this procurement are designed to change the way care is provided by:
- a new more fit for purpose model of provision meeting the demands of increasingly complex needs of Customers;
 - being based on improved outcomes for Customers;
 - a better working relationship with a small number of providers and shared learning across the boroughs;
 - a positive experience and increased job satisfaction for care workers as standards for employees improve;
- 4.18 A Home Care Services Board has worked together from the start of this procurement to understand concerns and issues about the current service, assess good practice models, incorporate current strategies and the move to integration, use data to forecast future needs and develop the service specification and delivery model. There has been consultation with a range of stakeholders throughout this process as to what constitutes effective and good Home Care Services.
- 4.19 The Home Care Services to be procured are based on:
- An area based service, giving a local approach to care delivery.

- A reablement approach as part of care provision with people being encouraged to do as much for themselves as possible.
- Achieving outcomes for customers and thereby moving away from 'time and task' focused provision.
- Providers working more directly with customers to agree the details of their care and how their outcomes will be achieved.
- Ensuring dignity and compassion are core values of the service.
- A more consistent service provision with regular care workers who are familiar to customers being a business critical measure.
- People being assisted to feel a part of their local community.
- The use of electronic monitoring to record care delivery, safeguard customers and enable accurate billing

4.20 There is a change in emphasis on the provision of care in the developed model to make it more fit for purpose to deliver the intended outcomes. These include:

- A mixed skills workforce, with improved terms and conditions for care workers.
- Working towards the provision of low level health tasks through the integration of care over the length of the contract.
- More regular reviews to ensure the right level of care provision.
- A greater involvement of customers in providing feedback as part of contract monitoring.
- Joint working with the commissioned providers across the three boroughs to share knowledge and improve quality.

4.21 Due to the greater focus on a skilled workforce and a reablement approach and by showing how home care can support the work of the CCG's, home care is now part of the suite of services delivered through the Better Care Fund and the CCG's are actively working with the three councils on this.

4.22 The benefits of this are:

- A better patient experience where customers only tell their story once.
- Better outcomes for the individual customer through a collaborative approach between professionals who share knowledge and problem solve together.
- A more responsive service where the whole team of professionals are aware of the changing needs of the individual customer and can respond with the most appropriate care.
- Efficiencies through reducing the total number of visits and ensuring tasks are allocated to the most appropriately skilled staff.

4.23 The Care Act requires Councils to provide Personal Budgets, including Direct Payments, to everyone who uses ASC services. The increasing popularity of Direct Payments will ensure there is a healthy market of home care providers for people to choose from and will enable smaller organisations to continue providing services. This will allow people a choice of providers to use should they not wish the Council to commission a service on their behalf.

5. PROCUREMENT PROCESS AND AWARD

Gate 1 Procurement route/OJEU approach

- 5.1 The Restricted tender process was selected on the basis that there are a large number of providers in this market and this would allow only those with appropriate experience and sufficient financial capability to be shortlisted to proceed to the Invitation to Tender (ITT) stage.
- 5.2 As this procurement commenced after 26th February 2015 it has been conducted in accordance with The Public Contracts Regulations 2015 (the Regulations). Home Care Services are listed under Schedule 3 of the Regulations as a social or other specific service. At the time of the commencement of this procurement exercise the threshold for Schedule 3 services for the purposes of the Regulations was £625,050. Accordingly as the value of the proposed contract exceeds the aforementioned threshold for this category of service a Contract Notice was published in OJEU and the opportunity listed on Contracts Finder.
- 5.3 The procurement was run on the basis of legal advice that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) did not apply on a wholesale basis as no current working arrangements were replicated by the proposed geographical Contract Area model. Although it was acknowledged that during the contract implementation period it was probable, based on the transfer of care packages, that a number of care workers would be able to assert rights under the TUPE Regulations 2006.
- 5.4 In accordance with the current procurement policy of the three boroughs, adverts for tenders are only placed on the e-tendering portal, capitalEsourcing. At two provider events held in February 2014 potential providers were told of the need to register their organisation on capitalEsourcing so they were aware when the earlier substantive procurement started. Once registered on capitalEsourcing a provider will continue to receive alerts of published opportunities for the categories of services they elected to register for.
- 5.5 The earlier substantive procurement involved all three boroughs and accordingly H&F were the lead borough as they are the host borough for Adult Social Care (ASC). As this procurement only concerned WCC it was conducted in accordance with the City of Westminster Procurement Code.
- 5.6 The Services across WCC were divided into four geographically based contract areas. These are:

Contract Area 6: WCC North West

Contract Area 7: WCC North East

Contract Area 8: WCC Central

Contract Area 9: WCC South

The earlier substantive procurement resulted in the award of contracts for Contract Areas 7, 8 and 9.

- 5.7 The contract areas were based on the then existing demand levels of approximately 3,000 hours per week. Contracts of this size are large enough for providers to achieve economies of scale and not overly large that medium size organisations are prevented from tendering.
- 5.8 Area based contracts also minimise the amount of time that Care Workers spend travelling between customers.
- 5.9 The procurement strategy was designed to award one contract for each contract area, accordingly a provider would be required to accept all referrals for the contract area they are awarded. A traditional two party contracting model will be used with each council contracting directly with the providers awarded contracts in their borough.

Gate 2 Supplier selection and award proposal

- 5.10 The Pre-Qualification Questionnaire (PQQ) comprised qualification areas and technical questions. For a potential provider to proceed to ITT they had to pass all qualification questions and score a minimum of five out of ten for all of the technical questions.
- 5.11 The qualification areas covered:
- Organisation information
 - Mandatory and discretionary grounds for exclusion
 - Financial capacity
 - Insurance
 - Contractual matters
 - Health and Safety
 - Quality Assurance
- 5.12 The Technical questions covered:
- General experience and diversity – 10% weighting
 - Workforce training and skills – 10% weighting
 - Workforce development and conditions – 15% weighting
 - Safeguarding – 10% weighting
 - Complexity of needs – 20% weighting
 - Promoting independence – 15% weighting
 - Customer engagement – 10% weighting
 - Health – 10% weighting
- 5.13 As it was anticipated that there would be a high number of PQQ's returned two Tender Appraisal Panels (TAP's) were set up, each with the responsibility to mark all returned submissions for four questions. The members of the TAP's were required to individually mark submissions and then meet to agree consensus scoring for all submissions for the question they were responsible for.

- 5.14 The qualification submissions were evaluated by ASC Procurement Team officers with input from officers from H&F Corporate Accountancy Team with regard to the evaluation of potential providers' financial capability.
- 5.15 The aggregation of the qualification and technical evaluations was coordinated by the ASC Procurement Team.
- 5.16 The PQQ was published on the capitalEsourcing portal on 26th October 2015. A total of nineteen completed PQQ's were returned by the submission deadline date of 25th November 2015.
- 5.17 All nineteen potential providers satisfied the qualification requirements listed in 5.11 above. Five of the nineteen providers scored less than five for at least one of the eight technical questions and were accordingly rejected at this stage.
- 5.18 In accordance with the Procurement Strategy and the Westminster City Council Procurement Code minimum of five tenders should be sought for contracts with a value greater than £100,000. Of the fourteen remaining potential providers those with the five highest technical scores at PQQ stage were shortlisted to proceed to ITT.
- 5.19 The ITT was published on 26th February 2016.
- 5.20 The Evaluation Methodology was based on 50:50 commercial:technical ratio, also referred to as the price/quality split. The commercial evaluation was divided into a tenderer's hourly charge, this being the amount they will charge for each hour of home care services delivered, and their minimum hourly rate, this being the lowest hourly rate exclusive of all other payments and allowances that they pay their staff.
- 5.21 The commercial evaluation would be undertaken by officers from the ASC Procurement Team as a separate exercise The lowest hourly charge submitted would be awarded the full 40 marks and the marks awarded for the other tendered hourly charges would be based on their proximity to the lowest hourly charge. The highest minimum hourly rate submitted would be awarded the full 10 marks and the marks awarded for the other tendered minimum hourly rates would be based on their proximity to the highest minimum hourly rate.
- 5.22 Tenderers were invited to submit a minimum hourly rate of at least £9.15 which would attract well remunerated staff to the borough, with an implied emphasis on living wages, as well as the overall tender giving an emphasis on recruitment and retention.
- 5.23 The tenders submitted were evaluated using the Most Economically Advantageous Tender (MEAT) methodology, which leads to an award of contract that offers the best value for money.
- 5.24 The evaluation of the minimum hourly rate is considered to contribute to a motivated and consistent workforce which will have a positive impact on service delivery.

- 5.25 It is also considered that as part of a wider best value brief, it will have a positive effect on a workforce that has traditionally been considered as being low paid as well as in this case working in a geographical area of high expense.
- 5.26 Tenderers were required to submit written answers to twelve technical questions covering the following areas:
- Implementation – 10% weighting
 - Workforce – 15% weighting
 - Service delivery – 15% weighting
 - Complexity of care – 15% weighting
 - Communication – 5% weighting
 - Partnership working – 5% weighting
 - Added value – 5% weighting
 - Health: provision of health tasks – 5% weighting
 - Health: multi-disciplinary working – 5% weighting
 - Safeguarding – 5% weighting
 - Independence and reablement – 10% weighting
 - Business continuity – 5% weighting
- 5.27 Each tenderers' technical submissions were marked independently by members of the Tender Appraisal Panel (TAP). TAP members then met to agree consensus scoring for all submissions.
- 5.28 Technical submissions were marked using a scoring model of 0 to 10. Following the application of the percentage weightings to scores, each tenderer was awarded a mark out of 100 which was then halved to give a score out of 50. A tenderer who scored less than five out of ten for any of their twelve submissions was rejected and their tender excluded from any further consideration.
- 5.29 Four out of the five shortlisted tenderers submitted a tender by the submission deadline date of 12th April 2016.
- 5.30 Each tenderers' technical submissions were marked independently by members of the Tender Appraisal Panel (TAP). TAP members then met to agree consensus scoring for all submissions.
- 5.31 One tenderer scored less than five out of ten for one of their technical submissions and was consequently rejected from the process.
- 5.32 Following the aggregation of Commercial and Technical scores of the three tenderers who submitted a tender and scored five or more out of ten for each of their twelve technical submissions, the Home Care Services Procurement Board are recommending award of the contract for the provision of Home Care Services to operate in the north west area of Westminster, on the basis it is the most economically advantageous (MEAT) tender, to Healthvision.
- 5.33 The procurement has been conducted against a backdrop of significant national media coverage of home care issues, including pay rates and overall remuneration packages of care workers. Large organisations are increasingly

using procurements to influence the pay and terms and conditions of workers delivering services on their behalf, specifically in traditionally low paid industries such as home care. The procurement strategy was designed to achieve the award of contracts based on care workers receiving an hourly rate proximate to the regional living wage and non-wage benefits contributing to their overall remuneration package. It was for this reason that tenderers' minimum hourly rates were evaluated and the remuneration package they offered care workers was evaluated under the workforce technical question.

- 5.34 The objective with regard to care workers' wage rates and overall remuneration packages also recognised the direct link between these factors and the quality of care received by vulnerable customers in their own homes.
- 5.35 Healthvision have a proven track record of providing home care services, including in Westminster.
- 5.36 Healthvision scored well on their technical submissions, both at PQQ and ITT stages, indicating their understanding of the concepts of the service design and evidencing their responses with current or previous examples of their work to show how they work in practice.
- 5.37 As stipulated, Healthvision will be paying their care workers an hourly rate reflective of the aspirations of this contract, to improve conditions for care workers.
- 5.38 Healthvision passed the Financial Capacity requirement at PQQ stage subject to the caveats referred to in Appendix A. Consequently it is a condition of the award of contract that Healthvision's parent company, Healthvision (New Zealand) Limited, execute a Parent Company Guarantee in favour of the council.
- 5.39 The new specification; more robust proposed approach to contract monitoring, including an increased involvement of customers; fewer, simple critical business measures to evaluate performance (developed with input from customers) and a planned range of provider development work alongside the contract monitoring will increase focus and emphasis on ensuring good service provision.
- 5.40 In legal discussions during the procurement, it was agreed by our legal advisers that due to the changed nature of the service provision into discrete area based patches, TUPE would not apply to the new contracts.
- 5.41 There are no in house Council staff involved in this process.

6. IMPROVING SERVICE QUALITY

- 6.1 The development of the Service Specification demonstrates the intention of stakeholders to change the nature of the relationship with Home Care Services providers to incorporate a more partnered approach to improving care provision.
- 6.2 There is a clear specified expectation that providers will work with the councils to develop the service in the following areas:

- Increased involvement of independent organisations in the evidencing of quality, including Customer feedback.
- Workforce development.
- Promoting equality, dignity and compassion, human rights and social inclusion.
- Assessing and supporting opportunities for promoting health and wellbeing depending upon levels of training achieved and ways of working within Multidisciplinary Teams (MDT's).
- Work with officers and other stakeholders on developing a set of agreed home care principles.

6.3 In addition, the emphasis on a well-supported and rewarded staff group was made clear by changing the focus of the tender from being more price driven to one with stated intentions for an improvement in quality, job satisfaction and customer experiences.

7. IMPLEMENTATION PLAN

7.1 The implementation of the new Home Care Contracts to operate in the eight Contract Areas for which a contract award has been made is progressing. The pre contract implementation stage for the contract for the north west area of the City will start once Cabinet Member approval is given and all governance is completed.

7.2 The implementation process is being developed via an implementation project group, addressing the different areas involved and relevant tasks and responsibilities.

7.3 All tenderers submitted their own proposed Implementation Plan as part of their Technical submission and officers will use the successful tenderer's Plan to monitor their progress from contract award to six months from contract commencement date.

7.4 The implementation process will be facilitated by a Programme Manager, a contract manager, a commissioner and operations staff with support from other officers including the Home Care Management Team (HCMT) and Frameworki, Business Analysis and Communications teams.

7.5 The contract manager will facilitate the various tasks around the implementation of the new contract with both the new and incumbent providers. This work will primarily involve the smooth transfer of Customers between providers. To reduce the number of Customers transferring, the new provider is contractually obliged to accept new Customers on a spot purchase basis from contract award, as opposed to the standard practice of this being from contract commencement.

7.6 The transfer of customers within the contract area will be by incumbent provider.

7.7 There will be an identified ASC Contracts Manager and a Commissioner who will be a point of contact for operations staff during the entire implementation process.

8 OPTIONS AND ANALYSIS

- 8.1 There was an option to continue with a time and task approach to Home Care Services and to procure new services based solely on the lowest unit price per hour. With this model there would be no incentive for providers to encourage independence and the Councils would face increasing budget pressures as more people with more complex needs are supported to continue living in their own homes. This model also offers limited opportunities for integration with health services or for the delivery of health tasks. For reasons of quality of service, whole systems integration, customer satisfaction and budgetary control this option is not recommended.
- 8.2 To take account of the feedback from Customers, organisations that deliver home care and the NHS, various models have been assessed during the development of the new service. These have both cost and service implications and have been previously presented to the Cabinet Member, to enable decisions to be made.
- 8.3 These options have included various rates of pay, allowance for travel time and the use of a mixed-skills workforce to provide more complex support.
- 8.4 The recommended option informally agreed prior to the procurement by ASC Cabinet Members was to offer the new service using a mixed skills workforce and with the expectation of improved employment terms and conditions for care workers. This would be supported by the evaluation at ITT of the lowest minimum hourly rates paid by tenderers.

9. CONSULTATION

- 9.1 At the initial stage of the substantive procurement consultation was undertaken to ask stakeholders how they considered a good and compassionate home care services could be achieved.
- 9.2 The consultation events concluded that people considered that the key features of any new service should be:
- Consistency of care worker.
 - A service which looks more widely at people's lives including outcomes for them.
 - A more streamlined assessment process.
 - Integrated care provision.
 - Support for people to lead good lives.
- 9.3 Two soft market testing events were held for providers to establish their views on the proposed outline model of care delivery. Subsequently and to further refine the delivery of the proposed model, questionnaires were sent to current home care providers on more specific issues of delivery.

- 9.4 Officers have also met and shared detailed information of the proposed service model with carers' organisations and voluntary community services and subsequently taken account of their feedback.
- 9.5 Operational staff have also been part of the on-going consultation and feedback process.
- 9.6 Healthwatch have been involved since the start of this work in 2012 as the representation of Customers' voices and voluntary organisations in the three boroughs. A home care group working across the three boroughs was established and has met regularly since. This is made up of Customers, carers and organisations representing people's needs. Officers attend the meetings to hear views, discuss current services and provide updates on the proposed service.
- 9.7 The group has worked with officers in delivering the consultation; helped shape the specification and informed of the priority areas that are relevant to them during the procurement process and will continue to be involved in the development and monitoring of the new service.
- 9.8 There has also been a closed confidential group established within Healthwatch to work directly with the procurement of the new service. They have been involved in agreeing the specification, agreeing the priorities to question Providers on at both the PQQ and ITT stages of the procurement, and in discussing with officers the evaluation of some responses from tenderers on the area of Communication, a key priority for Customers.
- 9.9 The main issues raised by Healthwatch include:
- People being treated with dignity
 - Consistency of care worker
 - Pay for workers
 - Timekeeping/travel
 - A more streamlined assessment process
 - Helping people link with their local community

and these have been included in the Service Specification and in assessing tenderers at ITT tender stage.

- 9.10 The Healthwatch home care group will continue to be involved in the development and implementation of the new service, working with providers on embedding good practices and what is important to customers as well as continuing their dignity champion work with Customers on their views on the service they receive.

10. EQUALITY IMPLICATIONS

- 10.1 An Equality Impact Assessment was completed at the start of the procurement process which is available if required. There are no negative equality impacts as a result of the proposed contract awards. Providers have been asked about their

ability to provide a service to a diverse population as part of the tender evaluation and the Service Specification is clear on the need for an inclusive service approach and an ability to meet the needs of people from a range of cultures and with a range of different needs.

- 10.2 Direct Payments will be available to Customers who want to purchase their care from a different provider or individual, if they wish to continue receiving their care from a current provider, or to meet a particular protected need.

11. INFORMATION, COMMUNICATIONS AND TECHNOLOGY (ICT) IMPLICATIONS

- 11.1 A Home Care Management System (HCMS) has been procured to support and assist in the digital management and monitoring of these contracts. This is Ezitracker. The HCMS will interface with Frameworki (the City's Case Management System), and providers' rostering and e-monitoring systems in order to notify providers of a request for service, and monitor the delivery and outcomes of service provision.

- 11.2 The H&F Director of Procurement & IT Strategy, as H&F were the lead procurement authority for the three boroughs, authorised the procurement and specification of this system. Information Management (IM) and Hammersmith & Fulham Bridge Partnership were also consulted and provided input to the development of the specification and reviewed the system to ensure it would be fit for purpose.

- 11.3 The Project Team completed a Privacy Impact Assessment and incorporated the IM recommendations into the appropriate documents at each stage of the process. For example, the inclusion of an information sharing agreement as an integral part of the contract with Ezitracker Ltd, use of an information security checklist and a data retrieval plan as part of the disaster recovery plan. An Individual Service Agreement will be completed with successful providers as part of contract documentation to make sure data protection issues are adhered to.

- 11.4 The IT implications of this system are limited as the solution is web-based so does not impact upon the three Boroughs' infrastructure beyond utilising the existing interfaces with Frameworki.

12 LEGAL IMPLICATIONS

See Confidential Appendix C

13 RISK MANAGEMENT AND BUSINESS CONTINUITY

- 13.1 The ASC department is responsible for ongoing risk identification and mitigation of risks (risk management), such as they may arise, that are associated with the procurement. Should any significant risks materialise they must be communicated across the three councils and inform the Adult Social Care Department level Risk Register. A project register has been completed and is kept under review that follows the Shared Services risk management approach.

- 13.2 Resilience in providing Home Care Provision is essential, as an interruption to the service could have far reaching consequences. Resilience is best achieved by looking at viable options to remove any risk associated with the provider, plus having robust and workable strategies that are able to continue the service offered.
- 13.3 Officers tested Providers financial stability at PQQ stage to ensure they have a robust financial basis for the work they will be undertaking. Advice and sign off was sought from Corporate Finance to ensure this.
- 13.4 The Care Act gives Council's greater responsibility for predicting and managing any consequences of provider failure in Adult social Care. For example this could include regular reviews of an organisations financial standing. The Head of Procurement has been working with the Bi-Borough Business Continuity Manager to address this issue in general, and specifically relating to the new home care services.
- 13.5 A Resilience strategy is being developed as part of the project group work. This will involve a range of stakeholders, including commissioning officers, contracts officers, care management as well as external providers such as CQC and other local providers.
- 13.6 Resilience, market testing (achieving best value to the local taxpayer) and managing statutory duties are corporately acknowledged strategic risks noted on the Shared Services Risk Register.

Implications completed by: Michael Sloniowski, Shared Services Risk Manager, 020 8753 2587.

14. FINANCIAL AND RESOURCES IMPLICATIONS

- 14.1 The financial implications of the proposed contract award are shown in Confidential Appendix B.
- 14.2 There are potential financial implications for WCC. The hourly charge to the Council is significantly higher under the proposed arrangements than previous home care provision in that area. This is in part due to the new requirement to pay a higher hourly rate to care workers. The allocated budget is under existing pressure due to the increased number of people supported at home.
- 14.3 The hourly charge to be paid is in line with the hourly charge being paid to the other three patch providers in Westminster.
- 14.4 The costs arising under these contract arrangements are dependent upon the volume of home care commissioned.
- 14.5 The financial modelling has been based on the hours of home care purchased in 2015/16. The following table summarises the financial position in a full year i.e. once the new arrangements have been fully implemented:

Description	£000's
Full year cost of purchasing care under the new arrangements (for northwest patch only)	3,558
16/17 budget provision (estimate for north west patch only)	2,753
Projected Overspend	805
This overspend can be broken down as follows:	
Increase in Demand	410
Increase in unit rates (following retendering process)	395
Projected Overspend before actions	805
Less estimated savings	(335)
Projected Overspend	470

** The above figures are just for WCC Northwest*

- 14.6 The budget and expenditure set out above only include figures relating to the north west patch of the City.
- 14.7 Mitigating actions are being developed by the service in order to offset the overall increase in costs, but potential pressures are being highlighted as part of the budget monitoring process.
- 14.8 The estimated savings are expected to be achieved through the electronic billing and invoicing for the service achieved through the HCMS; more frequent reviews leading to a reduction in costs; and officers working with the health service to determine whether some of the additional expenditure should legitimately be funded from health budgets.
- 14.9 Some additional temporary resources are being engaged to support the implementation process which will be undertaken over several months. Additional costs arising in 2016/17 will be funded within the overall Adult Social Care budget.

Implications completed by: Michael Taylor, Business Partner for Westminster Adults Social Care 020 7641 1469

Liz Bruce

Tri-Borough Executive Director of Adult Social Care

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

All papers pertaining to this procurement

Contact officer(s):

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**For completion by the Cabinet Member for Finance and Corporate Services
Cabinet Member for Adults and Public Health**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

**Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services /
Councillor Rachael Robathan, Cabinet Member for Adults and Public Health**

NAME: _____

State nature of interest if any
.....
.....
.....

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Home Care Services – Award of Contract for the North West Area of Westminster City Council** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Tim Mitchell, Cabinet Member for Finance and Corporate Services Councillor Rachael Robathan, Cabinet Member for Adults and Public Health

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal & Democratic Services, Chief Operating Officer and, if there are staffing implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy & Scrutiny Committee to decide whether it wishes to call the matter in.