

Report To: **Cabinet**

Date of Meeting: **25th June 2019**

Lead Member / Officer: **Councillor Bobby Feeley & Phil Gilroy (Community Support Services)**

Report Author: **Maria Bell (Community Support Services)**

Title: **Approval for the North Wales Regional Domiciliary Care Agreement**

1. What is the report about?

The Report contains recommendations for Cabinet to approve the acceptance / rejection of tenders in relation to a recent procurement exercise led by Denbighshire County Council on behalf of the six North Wales Councils and Betsi Cadwaladr University Health Board (BCUHB).

This is a second procurement exercise for this Agreement, re-opening opportunities in an effort to bring additional capacity in to this important care sector

2. What is the reason for making this report?

Denbighshire County Council's Contract Procedure Rules require that awarding of contracts with a value over £2M receive Cabinet approval. A decision is required on accepting / rejecting tenders in relation to a recent procurement exercise (tender) for the North Wales Domiciliary Care (Framework) Agreement.

3. What are the Recommendations?

- 3.1 That Cabinet approve the acceptance of the tenders of 23 suppliers and to reject the tenders of 2 suppliers for the reasons detailed within the Framework Agreement Award Recommendation Report (Appendix 1).
- 3.2 That Cabinet confirms that it has read, understood and taken account of the original Commissioning Form (Appendix 2) and Well-being Impact Assessment for the regional Domiciliary Care tender (Appendix 3) as part of its consideration.

4. Report details

- 4.1 Denbighshire County Council previously led on an electronic procurement exercise (tender) to establish a regional North Wales Agreement for Domiciliary Care Services for adults on behalf of the six Local Authority partners and BCUHB. This Agreement commenced on 1st April 2018 with sixty one providers approved as a result.
- 4.2 The Agreement ensures that the partners meet the requirements of the 'Social Services & Wellbeing (Wales) Act 2014' and the 'Regulation & Inspection of Social Care (Wales) Act 2016'.
- 4.3 The opportunity for new providers seeking to gain approval and for existing approved providers seeking to broaden the scope of supply they had originally been approved for was re-opened through a formal tendering exercise (led by Denbighshire County Council) in February 2019.

- 4.4 All of the 7 x partner organisations have contributed to the evaluation of the tenders against a published procedure and criteria.

Providers have been required to pass appropriate organisational due diligence checks including financial stability, health & safety and insurance requirements, and evidence how they are working to promote the wellbeing of the people that they support.

A team of over 30 professionals from across the 7 x partner organisations have been involved in scoring the domiciliary support providers' tenders.

The Evaluation Team have agreed the outcome of the evaluation – to accept the tenders of 23 suppliers (that have met all of the published qualification and quality requirements) and to reject the tenders of 2 suppliers that have not met the requirements

5. How does the decision contribute to the Corporate Priorities?

- 5.1 Domiciliary ('homecare') services support people who are ill, frail or disabled to maximise their wellbeing and should promote independence and resilience (core themes of the Denbighshire Wellbeing Plan).

- 5.2 Most domiciliary care workers work in the communities in which they live.

Employing and training people to care and support people who are ill, frail or disabled contributes to ensuring our communities are resilient, providing additional community benefits / social value.

- 5.3 This Agreement established a change to the way that fees are agreed for domiciliary care services. Previously, Councils and the Health Board set standard fee rates for all providers, irrespective of whether they were small local and / or charitable businesses, or large national private businesses.

Under this tendering approach providers are asked to identify a rate that they require to offer good terms and conditions for their employees and remain financially sustainable. The rates tendered are broken down to detail how much of the fee is paid directly to staff or in employment on-costs, and what the management, organisational and profit / surplus costs are.

Through better understanding the economic standing and financial sustainability of domiciliary care suppliers the 7 x partners are aiming to:

- i) Reduce the chance of market failure
- ii) Improve recruitment and retention of workers to ensure that service capacity is sufficient to avoid delays in hospital discharge

This aims to promote population wellbeing and ensure a prosperous Denbighshire.

6. What will it cost and how will it affect other services?

- 6.1 The cost of procuring domiciliary care and support in Denbighshire will continue to be met within the existing Community Support Services budget.

- 6.2 All costs associated with the tender exercise have been funded through contributions of all partners to the Regional Commissioning Board.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 A Well-being Impact Assessment was undertaken during the scoping and planning phases of the original tender.

The Assessment has since been reviewed and the original findings remain applicable.

7.2 The completed Well-being Impact Assessment detailed 3 stars and a score of 21/24; having a positive impact on all of the Well-being goals for Denbighshire.

8. What consultations have been carried out with Scrutiny and others?

The Lead Member has been kept briefed on the commissioning project and the tender planning and signed off the original Commissioning Form (document required by Contract Procedures Rules in order to commence a tender exercise).

The requirements of the 7 x partners have been collected via the Regional Commissioning Board.

9. Chief Finance Officer Statement

The tendering and evaluation process complies with regulations. The regional framework approach provides the opportunity to understand and assess providers' costs in more detail and should help to inform whether rates proposed for packages or care are reasonable and provide value for money. Moving away from a defined rate should help to sustain the provider market across the region but close scrutiny of the cost of individual care packages and the average cost of domiciliary care packages should be maintained so that the medium/longer term cost implications of the changed approach are fully understood.

10. What risks are there and is there anything we can do to reduce them?

10.1 A full project risk assessment has been completed and mitigating actions agreed by all of the partners.

10.2 The main risk at this stage of the procurement exercise is receiving a challenge to the notification of rejection of tenders. In order to minimise this challenge, full feedback will be given to the unsuccessful providers detailing the areas of the tender which they passed and failed and reasons why certain responses did not meet the pass criteria (This is standard procedure).

10.3 In order to impact on the award of the Agreement a legal challenge would have to be made. We are confident that the evaluation has been conducted in line with the published evaluation methodology and so any challenge would likely be unsuccessful.

10.4 In appointing 18 new approved providers, and approving an extension to the scope of supply of 5 previously approved providers, the region (and its citizens) is now better served by providers that have been appropriately assessed / quality assured, and partners / citizens have access to greater choice.

11. Power to make the Decision

Denbighshire Council's Contract Procedure Rules require that awarding of contracts with a value over £2M receive Cabinet approval.

Appendices:

Appendix 1: Framework Agreement Award Recommendation Report

Appendix 2: Commissioning Form approving commencement of tender

Appendix 3: Wellbeing Impact Assessment