



City of Westminster

# Cabinet Member Report

**Decision Maker:** Cabinet Member for Adult Social Care, Public Health and Voluntary Sector

**Date:** 25 October 2023

**Classification:** Part Exempt

The Part B report is exempt from disclosure on the grounds that (i) it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under paragraph of Schedule 12A of the Local Government Act 1972; (ii) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**Title:** Home Care Services - Direct Award of Contracts

**Wards Affected:** All

**Policy Context:** Fairer Communities

**Key Decision:** Yes

**Financial Summary:** The total contract values are £19,986,650

**Report of:** Deputy Chief Executive and Bi-Borough Executive Director for Adult Social Care and Public Health

## 1. Executive Summary

- 1.1 This report seeks approval from the Cabinet Member to directly award home care contracts currently in place in Westminster.
- 1.2 The agreement and provision of direct awards will help regularise existing arrangements which are currently operating on an implied basis. Contracts did have provision to extend which was requested in time June 2020. Unfortunately, the process wasn't finalised in 2020 due to attentions being directed elsewhere. Paperwork was completed and signed off by directors, however, energy and attention was fully turned towards the pandemic and so business as usual (BAU) ceased for a period. Learning from this will reflect the fact that BAU is actually critical to the delivery of emergency measures, so capacity has to be built in for key functions such contractual extensions etc.
- 1.3 These direct awards will give sufficient time to finalise the re-design and re-development of the new model for home care in time to re-procure services. The new model offers greater strategic relevance and will enable the council to better meet its Care Act duties e.g. prevention and personalisation and offer efficiencies which will result in greater value for money and help to meet forecast budget pressures.
- 1.4 The mobilisation may take a few months due to potential changes to the model. Providers are struggling with meeting contractual requirements to pick up 100% of referrals and have fed back that they are unable to fully meet capacity needs within their patches. We are exploring the options to mitigate this with the wider market and some tested personalised approaches.

## 2. Recommendations

- 2.1 The Cabinet Member for Adult Social Care Public Health and Voluntary Sector is recommended to authorise:
- (i) the direct award of contracts to four patch home care providers in Westminster for a for total contract period covering dates and costs associated with each contract are set out in table 1 below.
  - (ii) a waiver of the Contract Regulations from the requirement to undertake a competitive tendering exercise in order to directly award the above contracts.

**Table 1: Proposed Direct Awards costs.**

WCC		
Provider	Extension period	Total financial cost request for approval (including both actuals and estimates)
Vincentian Care Plus (South Patch)	25 January 2023 -	£5,881,110 (£1,283,850 – actual, £4,597,960 – estimate)

	November 2024	
Health Vision UK Ltd (NW Patch)	25 September 2023 - November 2024	£3,887,593 - estimate
Sage Care Limited (NE Patch)	25 January 2023 - November 2024	£4,551,693 (£958,459 – actual, £3,593,236 – estimate)
London Care Limited (Central)	25 January 2023 - November 2024	£5,666,254 (£1,055,888 – actual, £4,610,366 – estimate)

2.2 The Cabinet Member is asked to note the expenditure from 25 January 2023 to 25 October 2023.

### 3. Reasons for Decision

3.1 The Council has a statutory duty under the Care Act 2014 to:

- Ensure appropriate personalised care and support to meet the individual assessed needs of Service Users
- Maximise independence, focusing on choice and control for people in receipt of Home Care
- Ensure consistency and continuity of care, minimising service disruption for vulnerable adults and younger adults with disabilities receiving home care.

3.2 Over the last year commissioning has been working on developing the new model for home care and the transformational strategy. As these are some of the most significant social care contracts that the Council lets, sufficient time has been needed to develop a new, innovative, and sustainable home care model. In the short term it provides consistency of providers and carers to ensure the continuation of positive outcomes for people in receipt of home care and offer stability to a volatile market during a period of extreme unrest due to the pandemic.

3.3 The transformation strategy for homecare is a five - seven year plan with ambitions to radically change all aspects associated with care in the home including the way the provider market is structured offering a wider choice of providers including commissioned, personal assistants, self-employed and micro organisations; a new onboarding processes for vetting and setting up suppliers quickly; a tiered approach to the types of interventions being delivered so the complexity of the activity delivered is paid accordingly and

staff have the right training and skills; and new arrangement and payment of care and support and a greater use of digital technologies.

#### **4. Background, including Policy Context**

- 4.1 The Council puts residents at the heart of what we do. User experience, involvement and voice is central in the approach taken by the Adults in the design and provision of services. This way we can be sure that what we do is going to improve the users experience and lead to better outcomes for the individuals so they can maximise their independence and live well in their own homes and in turn offer improved outcomes for the boroughs.
- 4.2 Robust contract monitoring and Service Development and Improvement Plans delivered by Council Officers: Quality Assurance, Commissioning and Contracting, Operational colleagues (social workers, safeguarding and customer feedback) and commercial colleagues, and a refreshed strategic focus on quality and relationship management through the Provider Partnership Forums, has led to positive outcomes for residents.
- 4.3 The overall status of the home care providers on Patch contracts is variable with one out of three contracts being on a Good rating from CQC - Health Vision, and two City and County providers - Sage and Mi Home Care being on a Requires Improvement rating. Sage's rating is unfortunately due to having their office registered with another borough's service which was rated RI which negatively impacted the Westminster rating. Officers have been working with Patch Providers through contract meetings and corrective work is nearing completion with Mi Home Care. We have the evidence and confidence to recommend direct awards for these contracts.
- 4.4 The contracts for externally purchased home care are classified as Platinum due to their strategic relevance, spend, potential significant negative reputational or political impact and potential loss of critical functions for more than 2 days in the event of a service or provider failure. There is a dedicated contract management regime for the service provided by officers in the Care Markets team. They carry out as a minimum the mandatory tasks as prescribed within the Council's Contract Management Framework. Details of these tasks can be provided on request. The contract management function is complemented and enhanced by regular engagement with other internal functions – Assessment and Care Management, Quality Assurance, Brokerage, Safeguarding, complaints/customer feedback and finance where feedback is sought and validated.
- 4.5 All contractors are required to complete monthly performance returns and performance is reviewed on a Bi-Annual basis. The reviews are conducted with representatives from the aforementioned functions and contractors. Contractors are requested to self-assess against the contract's Business Critical Measures and objectives and the evidence is validated.

- 4.6 These contracts operate in a challenging and complex environment. Notably, rising demographic pressures coupled with increasing complexity has created additional pressures on an already strained market. Addressing the rising demand of the ageing population with long-term conditions is one of the key drivers that increase hospital admissions and Home Care demand. National evidence shows that nearly 60% of complex patients are aged 65 and on average have six admissions a year with three long-term conditions.
- 4.7 Building market resilience is a key priority for the Council. Over the last two years Commissioning and Commercial teams have taken positive measures to address capacity and capability has been taken forward through robust contract management and hosting the local Home Care market at Provider Partnership Forums.
- 4.8 Despite all work undertaken by officers and providers the homecare market remains one that is operating in a challenging context. The delivery of social care has been impacted upon by Brexit and staff shortages, and since early March 2020 has been impacted by the COVID 19 pandemic. Although initially thought of as a “once in a Century pressure” activity over the last 24 months has shown that this will be with us long term, and which has set the context for the future delivery of care services and has ultimately been the shaping force of service structure for the future. The impacts of COVID-19 have primarily meant home care providers needing to respond to service users with much greater need especially at the point of hospital discharge. This higher acuity and needs include double handed, sensory and physical disability, delirium, cognitive, increased hypertension, weight loss, weight bearing needs. The list is not exhaustive and the “enabling approach” is critical to the success of building confidence and offering the right support to service users to regain skills they may have lost.
- 4.9 Work undertaken last year as part of our response to these pressures included need to review our policies, procedures, and protocols in response to COVID-19, a renewed focus on business continuity and changes to the model for home to accelerate work around more personalised packages of care and funding as some users have indicated they remain reluctant to share workers with anyone else for fear of transmission.

## **5. Proposal and Issues**

- 5.1 These direct awards are proposed so Westminster officers have sufficient time to take the new service design and transformation through governance and to complete a procurement exercise.
- 5.2 Current provision offers valuable support to vulnerable residents; however, it needs modernisation and could better help to deliver against personal care plans and enable communities to stay fitter for longer and orientate towards new and increasing levels of need with regards COVID-19 the aftereffects of which are having an impact on capacity. Services also need to be better aligned to the six strategic priorities for ASC and ready to meet requirements around ASC reforms when they gather momentum, particularly around evidence to

demonstrate how effectively we are meeting our Care Act requirements – particularly a vibrant market that offers true choice and control for service user and individualised options and provision that promote people’s health and wellbeing and maximises independence.

5.3 Over the last two years officers have undertaken ‘transactional’ and ‘transformational’ work around home care to improve the ‘now’ and prepare for the future. Transactional work includes contract and provider performance management (see above 4.2-4.3 to ensure that services are delivering good quality provision and that the Council’s money is being well spent. Transformational work includes engagement, analysis and research to understand what our residents want for the future and how we can, through service redesign and market shaping, offer provision that meets their aspirations alongside strategic requirements. Work to pave the way for transformation has been extensive and is ongoing. Key activities undertaken are set out below:

5.3.1 The home care transformation programme is being carried out using a new approach to service development. Over the last 24 months Commissioning have been developing a new framework for service modelling. Service models start with a basic blueprint and a strategy to underpin service development over contract term. This method will enable residents to be involved in shaping provision meaningfully and give providers sufficient flexibility to help to take account of new developments as they come online.

5.3.2 Need modelling the complexity of needs is increasing as people are living longer and by definition, they will have a greater need for support with more health focussed interventions so services work more closely with health to ensure provision is holistic. Unfortunately, finances do not increase alongside need and we need to find more creative ways to support people.

5.3.3 Digital developments include the Bi-Borough ASC NHS Pathfinders Digital Project which has completed its pilot around sharing health and social care data using digital means. The project has received £500k funding from NHS Digital to make modifications to an existing NWL patients’ health records database called the Care Information Exchange (CIE) so that it can show social care data as well as health data and provider records. Work is also taking place to expose GP data. It will be a single place for all information to be held on our residents. The use of this system will offer a means to transform the way that social care, health, providers, and residents can work together.

5.3.4 The implementation of the Adult Social Care Direct Payments Strategy and DP agency pilot has developed the infrastructure around direct payments. The main outcome is to increase the uptake so over the contract lifetime they are the care currency of choice.

5.3.5 Extensive engagement and codesign activities with our current and future service users to understand what is working well and where good

outcomes are being achieved but also where there are areas for improvement and change.

- 5.3.6 Market analysis work – looking at performance data and engaging our current and future service providers around their commercial plans and ambitions for the future, testing out the feasibility of different models and planning actions for change; benchmarking costs against other local authorities to see how we compare; undertaking a needs analysis looking at current and future needs; evaluating different models for home care and identifying best practice. Providers have highlighted that there are pressures around the recruitment and retention of care staff and, as there is increased turnover, problems with staff continuity is impacting on satisfaction with services. This is not entirely to do with money but also with work life balance, career progression and developmental opportunities within agencies. The development of a new, customer centred model will help address this. Unsurprisingly, the difficulties with information sharing between Health and Social Care impacts on providers' ability to deliver a holistic service to residents. Going forward then, all homecare services will be supported to use the CIE system and expectations for this will be expressed in any tender and future contract to correct this issue.
- 5.3.7 Implemented new digital systems such as a Digital Care Coordination and PA platforms.
- 5.4 Our overarching vision is to ensure people in receipt of homecare under any delivery component are and feel safe in their own homes and can achieve their aspirations. A remodelled service will also ensure that the Council meets its statutory duties under the Care Act (2014) as well as fulfilling the principles of Prevention, Personalisation, Integration, and, where possible, that local services are used. We have evaluated a range of different options to meet these aspirations and are reviewing these against the above intelligence and strategic requirements and identifying which are most feasible to proceed with and taken forward as part of the homecare strategy. Below are the key considerations for the strategy.
- 5.5 It goes without saying that provision must be outcomes driven with a clear focus on the following values – promote wellbeing, prevention, promoting independence and keeping connected to communities – so people can remain in their own homes and be supported to do things themselves; person centred caring for needs in an integrated way; asset based approaches valuing and involving the wrap around community that surround residents; consistent by limiting the number of care workers to a few as possible and ideally one person; caring and compassionate so a relationship can be built with the cared for individual and their community; reliable and flexible so the care wraps around the person and not the other way round; and well-trained and skilled.
- 5.6 We plan to retain the commissioned patch model as it offers guaranteed delivery of care across a geographical boundary and improved quality, but we want to change the offer to move to more outcomes focussed options and widen the menu of delivery vehicles, so the market is buoyant and so that users have

ample choice but over the contract length we will aim to reduce this and for provision to be delivered across wider range of models.

- 5.7 Over the contract term we will increase the use of Personal Assistants and self-employed care workers. COVID had highlighted some residents no longer want workers from large organisations due to concerns about infection control but rather workers who will support just them and perhaps one or two other individuals. Increasing the volume of Personal Assistants in the Community to deliver people's care will help to achieve this and guarantee consistency of worker which is not always possible with larger services.
- 5.8 To meet the above requirement, we have implemented Personal Assistant and Digital Care Coordination platforms to offer greater options and job opportunities for local people. This will also address some of the issues with recruitment and retention of staff.
- 5.9 Providers delivering services will be integrated better with ASC and health via the use of integrated systems such as the CIE will enable integration with Health especially primary and whole systems integrated care offering efficiencies and reducing overlap of care and support due to better information sharing.

### **The strategy**

- 5.10 The strategy to achieve this is ambitious and will consist of:

From April 23 – February 2024

- Extend contracts to facilitate strategic remodel.
  - Continue with the Direct Payments' pilots, outcomes, and volunteer pilots.
  - Finish consultation on specification and develop procurement documents.
  - Develop mobilisation plan.
  - Seeking agreement on the Commissioning and Procurement strategy.
  - Brief members and seek authorisation to commence procurement.
  - Finalise procurement documents.
  - Launch tender on or before February 2024.
- 5.11 In order for Westminster to do this work this report recommends the four providers are given a direct award as set out in section two of this report. These contracts will allow consistency in provision for service users and time to finish and implement a personalised model for home care.

## **6. Options and Analysis**

- 6.1 In determining these recommendations for the four contract awards, four key options have been explored:



## 6.2 **Option 1 – Maintaining the status quo (Do Nothing)**

This has been discounted as this is not a viable option as the Lead/patch Provider contracts expired in January 2022. Therefore, this option could compromise the consistency and continuity of service:

**Advantage:** By not awarding these contracts, the Council can engage the spot market and possibly find willing and capable Home Care providers with the necessary skills, knowledge and experience of delivering contracts of this significant financial value and high-quality expectations.

**Disadvantage:** Our local business intelligence shows that there is insufficient capacity (infrastructure) and capability in the spot market that is willing to accept and deliver the contract, with its significant size and scale, within the given timescale, at the set the price and to the required quality standards.

## 6.3 **Option 2 – Undertake a competitive tender exercise.**

This has been discounted as contracts are already running on an implied basis. Contracts need to be regularised with adequate time for the planned exercise to be completed and contracts mobilised to new arrangements.

**Advantage:** The window to undertake a procurement exercise expired some time back. A new procurement is planned for September 2023 which will enable the Council to comply with the WCC Procurement Code and the Public Contract Regulations (2015). In addition, it has the potential to attract new suitable providers to the market who may be able to deliver the Council's financial and quality objectives.

**Disadvantage:** Inappropriate option given that current contracts are already running on an implied basis. In addition, pursuing this approach could come with inherent associated risks, such as, gaps in service provision and increased safeguarding concerns. Additional time is needed to develop a new, innovative, and sustainable model.

## 6.4 **Option 3 – Spot purchase Home Care**

This has been discounted as this is not a viable option.

**Advantage:** Contracting under a spot purchase arrangement could appear particularly attractive, stimulating competition and promoting choice and flexibility in order to respond to the changing needs of Service Users. Under the right market conditions, it could allow for a closer match of resources to individual needs and can represent a low risk purchasing strategy.

**Disadvantage:** However, under a spot purchase arrangement, it could lead to market instability, given the variable and unpredictable nature of Home Care activity. It is recognised that it could also result in a lack of commitment by spot providers, less market oversight, as strategic relationships tend not be developed.

## 6.5 Option 4 – Direct award contracts

### **Recommended option as set out in the body of the report.**

**Advantage:** The preferred recommendation as set out within this report. It ensures consistency and continuity of care for the most vulnerable residents in the borough.

It supports market stability, minimising disruption to Service Users. Building on the strategic relationships with the Lead Providers in the context of a fragile market. Significantly, when the Council has been exposed to business failures it has leveraged these strategic relationships to ensure the safety, security and wellbeing of residents.

**Disadvantage:** Over-reliance on a small number of Home Care providers increases the Council's risk of provider failure and could have an adverse impact on service delivery. Over the duration of the five-year contract, there have been two provider failures in the Bi- Borough, which has disrupted service delivery. It is recognised that there is limited risk of challenge from the market as there is provision to extend in the current contracts. However, it is proposed that the Council mitigates the risk of challenge by publishing a Prior Information Notice (PIN) to inform the market of its future procurement plans.

## 7. Financial Implications

7.1 The total expenditure anticipated for patch home care providers is £19.9m. The figure is for the total contract period across 2022-23 (part) to 2024-25 (part) and costs under table 1.

7.2 The overall Home Care budget for 2023-24 amounts to £19m under a range of cost centres W21417, W21630, W21710 and W21505. Actual spend on home care services in 2022-23 was £18.6m.

7.3 Spend on home care services is demand based and linked to the number of clients and hours prescribed. Actual activity hours will be monitored against planned on a monthly basis and any potential risk of overspend will be managed and offset against any one-off underspend within the overall ASC expenditure budget. The expectation is that there should be a reduction in the

number of residential/nursing placements being funded by the Council to fund any cost pressure.

7.4 It should be noted that the figures above incorporate the contract fee uplift of 8% that was awarded to the Lead Providers in Home Care in 2023/24. Following market engagement, we recognise that awarding a contract fee uplift is critical to the continued sustainability of the Home Care market in response to inflationary pressures.

7.5 Currently, there are no savings attributed to this extension request. However, there is anticipation that subsequent to the development of a new commissioning strategy and undertaking of tender across the two council financial benefits will be realised from economy of scales, cost avoidance, service remodelling and adaptation of digital solutions.

## **8. Legal Implications**

8.1 The Council has statutory duties under the Care Act 2014, as outlined in section 3 of this report, including but not limited to promoting people's wellbeing.

8.2 The recommendation in this report is seeking approval to direct award the contracts as set out in Table 1 of the report (Proposed Direct Awards). Further, the report also recommends a waiver from the Council's Procurement Code to undertake a competitive process in order to proceed with the Proposed Direct Awards.

8.3 The 4 contracts set out in the Recommendations save for Health Vision UK Ltd commenced on 26 January 2016 for a period of 5 years with the option to extend for a further period of 2 years (the Original Contracts). The contract between the Council and Health Vision UK Ltd commenced on 26 September 2016 for a term of 5 years with the option to extend for a further period of 2 years (Health Vision Contract). Accordingly, the Original Contracts expired on 25 January 2023 and the Health Vision Contract expires on 26 September 2023.

8.4 The services provided under the contracts that are the subject of this report fall under the category of 'Social and Other Specific Services' as defined by the Public Contracts Regulations 2015 (PCR 2015). The value of each proposed contract falls above the relevant PCR threshold of £663,540 and accordingly are subject to the 'Light Touch Regime' set out in the PCR 2015.

8.5 The Council should regularise the contractual relationship with the providers and formally execute contracts for the services in order to protect its legal position. Legal Services can assist with finalising the contract documents which should be executed by way of a deed.

8.6 As the Proposed Direct Awards are not provided for under the existing contracts and a competitive process is not being proposed, a waiver of WCC's

Procurement Code is required under Section 8.2. The Waiver must be endorsed and recorded by the Procurement and Commercial Services Team. As the value of the contracts are £1.5m or more approval for the waiver should be given by the Cabinet Member following a recommendation to approve from the appropriate Executive Leadership Team Member, the Director of Commercial Partnerships and CGRB.

## **9. Carbon Impact**

9.1 Not applicable.

## **10. Equalities Implications**

10.1 Consistent with the Equality Act 2010, there will be no adverse equality implications for protected groups due to these proposed contract awards. Overall, the impact on vulnerable adults and younger adults with disabilities is assessed as neutral or positive, as service continuity will be secured in most cases with the same care worker from a patch provider.

10.2 At the Commissioning and Contract meetings, the Council systematically reviews the performance of patch providers. Robust monitoring of business intelligence and enforcing the contract ensures there are no adverse equality implications on the population.

10.3 However, the Council recognises it needs to play its part in upskilling the Home Care workforce to care for people with physical needs at the same level as people with mental health needs. Effectively caring for people with challenging behaviours, dementia, depression and anxiety, and signposting where appropriate.

10.4 An EQIA has been conducted for the new service design and procurement. This has identified that there will be a positive impact across all equalities groups with the new model given increased choice for residents and the ability to create bespoke packages of care.

## **11. Consultation**

11.1 We have been co-designing the new service with service users, Bi-Borough residents and other stakeholders, to ensure that provision is person-centred and has the full involvement of local people at all stages. This has included also working with Healthwatch and the Institute of Public Care, who supported our stakeholder engagement, utilising a range of methods, and ensuring that there is critical challenge around our approach. It has been central to understanding what is working well and where good outcomes are being achieved, but also where there are areas for improvement and change.

11.2 Phase 1 included discussing with residents and service users what their 'best lives' look like, then developing the vision and exploring how the home care

service can holistically support Bi-Borough residents to live their 'best lives'. Phase 2 included reviewing the current home care service with service users, home care providers, care workers, Adult Social Care teams, Health and the Voluntary and Community sector. Following on from Phase 2, further workshops, 1:1's, partnership forums and events exploring and co-designing new elements of the home care service were held in November to finalise details.

- 11.3 From the engagement work, User Personas have been drafted and findings reports produced, the themes from which are informing the new home care service design. In addition, there has been background research with particular regard to current home care trends, innovations and best practice, and meetings held with other boroughs who are currently transforming home care. A needs assessment has also been carried out, along with independent financial modelling.

**If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:**

Marta Garcia-Farrinos, Markets Team Manager (Adult Social Care and Public Health Integrated Commissioning), [Marta.Garcia-Farinos@rbkc.gov.uk](mailto:Marta.Garcia-Farinos@rbkc.gov.uk)

For completion by the **Cabinet Member for Adult Social Care, Public Health and Voluntary Sector**

**Declaration of Interest**

I have no interest to declare in respect of this report

Signed: N. Butler-Thalassis Date: 25 October 2023  
NAME: Councillor Nafsika Butler-Thalassis

State nature of interest if any:

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*(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 - Direct Award of Contracts** and reject any alternative options which are referred to but not recommended.

Signed: N. Butler-Thalassis

Cabinet Member for Adult Social Care, Public Health and Voluntary Sector

Date: 25 October 2023

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 Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (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 and Scrutiny Committee to decide whether it wishes to call the matter in.