

Cabinet Member for Adult Social Care & Health

December 2016

Procurement of Community Reablement Services

**Report by Executive Director Children's, Adults',
Health and Education and Director of
Adult Operations**

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| Ref: ASCH716.17 |
| Key Decision: Yes |
| Part I |
| Electoral Division(s): N/A |

Executive Summary

'Reablement' is the term to describe services, provided by a Local Authority, to support residents following a change in ability, most likely due to a medical condition or episode. A Community Reablement Service is essential to prevent people requiring longer term support, enabling people to retain/regain independence and remain at home.

The current Community Reablement Service consists of two elements:

- The majority is undertaken by Essex Cares Ltd (ECL) through a contract that was awarded in 2012. The contract comes to an end in September 2017 and proposals for future arrangements are set out at paragraphs 3 and 4
- In addition there is a dedicated team of Occupational Therapists (OTs) who assess individuals and develop an appropriate support plan that is then delivered through the ECL service. The OT service is NOT part of the sourcing proposal in this report and will continue to be managed by WSCC.

Recommendations

That the Cabinet Member endorse:

- (1) Initiation of a procurement process to source the externally provided part of the Community Reablement Service for a period of 3 years with an option to extend the contract for a period or periods of up to a maximum further 2 years. The total budget for the externally provided part of the Service, over the 5 years, will be planned at £13m.
- (2) To delegate the letting of the contract to the Executive Director of Adults', Children's, Families Health and Education on the basis of the most economic and beneficial tender.

1. Background and Context

1.1 'Reablement' is defined in regulation as:

“facilities or resources provided to an adult by a local authority under the Care Act which (a) consist of a programme of services, facilities or resources; (b) for a specified period of time; and which (c) have as their purpose the provision of assistance to an adult to enable the adult to maintain or regain the ability needed to live independently in their own home.”

- 1.2 Reablement is a service most commonly needed to support customers following a change in ability, possibly caused by a medical condition. The intention of Reablement is to re-skill the customer to enable them to retain or regain their independence and to prevent or reduce the need for longer term support. It can be provided to a customer following a community based assessment or upon their discharge from hospital.
- 1.3 Reablement falls within the range of duties of social service authorities under Section 2 of the Care Act (under the duty to contribute towards preventing or delaying the development by adults, in its area, of needs for care and support) and should be offered free to the customer for up to 6 weeks. The length of any service provided is determined as part of the assessment.
- 1.4 West Sussex County Council’s (WSCC) reablement service is currently provided as a two stage process following referral. A WSCC Occupational Therapy (OT) team will usually receive the referral and make an assessment. This assessment and reablement plan will then be implemented by the OT team in conjunction with the current provider - Essex Cares Limited (ECL) – an independent provider of care and support. ECL provides both traditional domiciliary care and specialised reablement care within the home.
- 1.5 The current contract for the ECL service runs until 30 September 2017 with no further options for extension. It is currently funded by Better Care Fund (BCF) monies as part of the £16.5m that the County Council receives for protection of social care services. The 2016/17 budget for the service is £2.6m for the contracted reablement service and just under £663,000 for the WSCC OT service.
- 1.6 In planning for the end of the current contract there is an opportunity for the council to consider the structure of its community reablement service moving forward, in particular to ensure that the service aligns to the new operating model being introduced across Adults Services and the move towards the integration of social care and health services by 2020 as set out in the NHS 5 Year Forward View.
- 1.7 The current pathway into the reablement service can be inconsistent and can work in isolation from the health provision of NHS provided service ‘Intermediate Care’ (Intermediate Care has a very similar function to reablement and is provided by Sussex Community Foundation Trust (SCFT), offering support to patients in their own home to recover and regain skills resulting from a medical condition).

- 1.8 The Community Reablement Service that is planned from September 2017 will therefore require some process and pathway changes, to ensure that it meets strategic priorities whilst providing the best service for customers and the most efficient and effective service within the agreed budget.
- 1.9 Some areas of the country have taken the decision to fully 'integrate' Council provided adult social care community reablement services and health intermediate care services, jointly commissioning a Health and Social Care 'Rehabilitation' service. This fits with the NHS 5 year Plan with an ambition for integration of health and social care services by 2020. Having a single joined up service with a single point of contact may lead to efficiency savings and provide a simpler approach for customers.
- 1.10 This option is not available to the County Council in the short term as commissioning plans and joint procurement planning with the NHS commissioning bodies will need more time to develop than is available before the Council has to commence procurement of the service. The development of alignment and integration opportunities will however be built into the new service specification. Steps towards greater alignment with health rehabilitation and then consideration of the development of a combined integrated health and social care commissioned Joint Rehabilitation Service will be key strategic and operational drivers for the new contracted service over the medium to longer term.
- 1.11 Other strategic influences that impact on the development of a new Community Reablement Service arise from the:
- Development of a WSCC Adults Operations Future Operating Model
 - Better Care Fund
 - West Sussex Joint Rehabilitation Strategy
- 1.12 It is also important to develop a service that will best meet the increased local demographic pressures within West Sussex. A higher percentage of older people living with more complex long term conditions means that demand for a service that enables people to retain their independence in their own home are likely to increase.
- 1.13 It is proposed that a new service will:
- support as broad a group of people as possible to access short term social care reablement services in order to achieve their maximum level of independence.
 - focus on early intervention, and wherever possible, prevent residents from becoming dependent on public services.
 - provide outcome focussed support and advice to customers and their families and carers, encouraging self-management and independent solutions.
 - provide creative, tailored short-term solutions for customers, accessible seven days a week.
 - work collaboratively with partners, communities and other stakeholders to deliver the best outcomes for customers.

2. Consultation

- 2.1 Members – Discussions and updates on the future community reablement service model have been held with Cabinet Board and with the Cabinet Member for Health and Social Care.
- 2.2 External – There has been a co-design of the top level target operating model and input into the sourcing options by officers from the 3 CCG's within West Sussex. Regular updates have also been provided to the Joint Commissioning Strategic Group. WSCC has engaged with the current provider, ECL, and SCFT in the development of the high level target operating model, however this has now stopped to ensure that neither organisation receives a competitive advantage in any future sourcing process. The County Council has also been working with SCFT around how best to align, and possibly in the future integrate, services. Market Testing and an engagement plan will be developed to ensure that providers and customers are aware of the future developments.
- 2.3 Benchmarking – A benchmarking exercise has been undertaken by the Insight Team working with seven other Local Authorities looking at processes for commissioning Reablement.
- 2.4 Internal – A robust Governance structure has been implemented throughout this project. An Overview Board comprising legal financial procurement and service related expert advice, has met on a monthly basis to discuss and sign off any decisions and assumptions since March 2016. A dedicated Human Resources (HR) Representative has also been allocated to the work to focus on engagement with staff and advising on HR issues.

3. Proposal

- 3.1 Following an options appraisal, the proposal is to source the new Community Reablement Service, currently provided by ECL, through an EU compliant procurement process.
- 3.2 This option was considered alongside others (discussed in paragraph 4) and emerged the highest scoring option. The options were scored by a matrix which balanced financial factors, non-financial factors and risks.
- 3.3 The following non-financial benefits have been identified with this sourcing method:
 - Achieves continuity of the service, whilst allowing the County Council to retain the appropriate level of control of specifications and delivery.
 - Ensures stability of delivery and stability in the wider market through ongoing service provision.
 - A legally compliant procurement process will minimise risk of challenge around any changes to the service.
- 3.4 From a financial point of view, this option provides an opportunity to create more innovative and outcome focussed payment structures based

on monitored performance against KPIs. Reablement produces a mix of cashable savings and cost avoidance, depending on whether people who receive a service become County Council customers. This option can enable maximisation of those financial benefits by improving the effectiveness of provision as well as through reducing the number of customers referred but to whom no service is offered. If both of those outcomes can be achieved, with the result that the £2.6m budget is spent in full, the financial modelling suggests that this sourcing option will generate circa an additional £1 million per year, over and above current financial benefits, in cashable savings.

- 3.5 This option can be implemented by September 2017, allowing for a sound mobilisation period, should ECL be unsuccessful in securing the new contract
- 3.6 Issuing a new contract following procurement will allow WSCC to put into place new ways of working which align with NHS provision and will allow greater consideration of an integrated health and social care jointly commissioned Rehabilitation Service, if required, towards the later stages of the contract.

4. Other Options considered

- 4.1 The Council commissioned an options appraisal of five potential options for the future sourcing of a Community Reablement Service to replace the current service.
- 4.2 The options appraisal did not consider the sourcing of WSCC OTs as it was felt that any changes to the sourcing of the OT service would lead to increased instability in OT service provision. At this time WSCC are keen to retain the stability and cohesion of a well performing team.
- 4.3 As well as the proposed option of an EU compliant procurement process, four further options were appraised:
 - Cease provision of the reablement service
 - Bring the reablement service in-house
 - Set up an alternative service delivery model
 - Draw up a partnership agreement with the CCGs for the CCGs to become lead commissioners of a combined service
- 4.4 The options appraisal was based on six high level questions:
 - What is the impact on the stability of the wider Health and Social Care Economy in West Sussex?
 - Is there sufficient capacity within the marketplace to support delivery of this option?
 - Is there likely to be a significant impact on the welfare of customers?
 - Is there likely to be a significant long term risk around the ability of WSCC to deliver against the adult social care strategy?
 - What is the likely impact on staff?
 - What are the legal implications?

4.5 Further information on the conclusions of the options appraisal can be found within Appendix A

5. **Resource Implications and Value for Money**

5.1 Reablement is a cost effective service. Under the current contract, 64% of customers who receive support leave with reduced or no care needs. The Insight Research also showed the potential for some models of reablement to save £4 for every £1 spent on providing the service.

5.2 Given this context, the County Council would wish to maximise its spending on reablement. However, competition for staff is strong because of the workforce constraints that affect the care market as a whole, and this has led to the budget underspending by up to £0.5m during the recent past. Despite that the level of budget has been maintained at £2.6m and various changes will be made to the new contract specification with the aim of increasing the number of hours that will be available.

5.3 Should there be an increase in customer throughput to a level that would be unaffordable under the current budget, increased funding will be reallocated within the portfolio to avoid expenditure being capped at a sub-optimal amount, if there is evidence that (a) levels of demand warrant it and (b) there is evidence to show that any increased budget could reasonably be expected to be funded from consequential cost savings.

5.4 Procurement is the most cost-effective option for establishing the reablement service. For the annual £2.6m budget that will be offered initially, recent modelling suggests that there could be preventative and longer term package reducing cost savings / avoidance over the duration of the contract of over £7m to the wider health and social care economy, if the new service is up to capacity. Under that scenario, £1m is estimated as the potential additional cashable saving for the County Council. This will contribute specifically towards the savings target that is expected from Focus on Prevention.

5.5 The savings predicted are modelled on Adults Services savings-however it is important to note that an effective reablement service will also have a positive impact on delayed discharges from hospital and preventing admissions, seeing financial benefits across the health and social care landscape.

5.6 ECL currently access IT systems (FWi) through an established portal and a reprourement to any winning bidder could still facilitate the existing arrangement.

6. **Impact of the proposal**

6.1 An equality impact assessment has been considered however the current service is currently considered to meet the public sector equality duty and

as no reduction in service is planned it is not expected that the procurement will have any impact on the Council's compliance with the duty. The proposal is to renew the current outsourced service through an EU compliant procurement process.

- 6.2 Many of the customers of these services will have one or more protected characteristics. With a single or limited number of providers, it is anticipated that services will be provided through a consistently trained, larger and so more resilient workforce, reflected in quality improvements. It is therefore expected that providers of services will be delivering a comparable service to all customers, including those presented as a result of their protected characteristic.
- 6.3 As services are being provided in a person's own home, there is, as a result less direct supervision and fewer people in attendance there is a consequence to evidence practice being delivered to ensure that it eliminates discrimination, harassment and victimisation. Contractual and monitoring requirements of the new arrangements will strengthen staff monitoring, improvements by adding clarity to the processes and closer working with health colleagues and the Regaining Independence Service (RIS) OT's
- 6.4 Service providers will be expected to meet Equality legislation and ensure that recruitment and staff development processes reflect the same level of equality for people with protected characteristics. In addition, in their training and staff development, providers will, through providing training and development opportunities, encourage and communicate to their staff that there is an expectation of equality of service for all customers, particularly for people with protected characteristics.
- 6.5 The service will be expected to be outcomes based and enabling in focus and provide a more holistic service, aligning with the individuals own assets as well as their local community assets. Providers will be expected to ensure people with protected characteristics are encouraged to participate more in their local community and enhance their social interaction in order to foster good relations with community members and to meet their own broader needs.
- 6.6 The reablement service is designed to allow customers to move out of hospital when ready and also to avoid going into hospital when they experience certain forms of crisis in the community. Working with customers to re-skill them enables them to remain more independent for longer, remaining at home if that is appropriate. Re-procuring the service will provide at least three further years stability and the opportunity to realise longer term cost savings through support prevention demonstrating the economic and social value.
- 6.7 The proposed procurement will enable the County Council to work with the new provider to ensure there is greater alignment to health intermediate and rehabilitation services over the term of the contract. Through this alignment, it will be possible to consider, in the medium to longer term, what an integrated health and social care jointly commissioned service

might look like. This will help support any decision making when considering future options for this service. Through greater alignment and possible joint commissioning of a future service, it is anticipated that the customer will receive a more joined up approach with single points of contact, single assessments and support plans and a coordinated approach to the delivery of health and social care services.

7. **Risk Management Implications**

7.1 This is specific to the risks around the recommended option for procuring the service:

- Lack of capacity in the market
- Length of contract may not be appealing
- Additional costs with a desire to move to a seven day service
- Risk of staff loss through instability
- Financial risk that provider comes in at a higher cost than current costs

7.2 The mitigations for these risks are explored within the options appraisal. Most importantly, the decision to move ahead with a re-procurement will allow WSCC to engage formally with the market to manage some of these risks. Officers are also working closely with Unison, the Workforce representative and the current provider to manage staff related risks.

7.3 It is considered that a change in provider of this service, or the way in which this support is delivered presents a very low risk to existing customers as service provision is for short periods – usually less than six weeks and the timeline is allowing for a three month mobilisation and hand over for a new service.

7.4 Close working with NHS colleagues over the last six months and internally with key stakeholders to ensure that any sourcing for the reablement service sits within our short, medium and longer term outcomes means that this procurement is very much a 'step change' to the full integration. As such, the risks have been balanced with the current financial envelope, the legalities of procurement and ensuring a service which is 'future fit'.

7.5 There is a risk that the budget will continue to underspend because of the workforce constraints that may face the successful provider. Since this is a reflection of wider market conditions, in the short term it is not a risk that the County Council is able to mitigate directly. Although the output specification will include changes that are intended to avert this scenario, it remains possible that underspending within the reablement budget will be more than consumed by additional expenditure on care packages.

Contingency plan

7.6 There is a risk that the market will not be able to provide enough competition for a procurement to take place. Market testing will be undertaken following this decision and will include a detailed decision analysis predicting how the market will respond to this procurement

- 7.7 Even if market testing indicates there is sufficient market to move forward with the procurement, there is a risk that no organisation will respond to the tender or be able to meet the requirements of the tender.
- 7.8 If the procurement does not proceed or is unsuccessful then a contingency plan is required as discontinuing or temporarily stopping this service could disadvantage customers, and create reputational and economical risk for the Council.
- 7.9 If required arrangements could be put in place to achieve a short term re-procurement of the service through a single tender process should the procurement process fail.

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Background Papers

None

Appendix A: Other Options

Cease provision of the reablement service

If this option were to be chosen, WSCC would immediately save the current budget of £2.6m per annum. However it has been modelled that it would lose about £7,982,000 in cost savings, each year, to the wider health and social care economy, by not offering the preventative and long term package reducing function. It would create a short term capacity drop within the wider market, and leave other Health and Social Care services to manage the gaps, which it is currently not able to do. This does not fit in with our vision to provide earlier and better preventative services for our customers.

Bring the reablement service in-house

One of the main disadvantages of this option is that it could create instability in the market place. It is not yet known whether the market can offer what is required, however to create an in house service could drain an already understaffed market of staff for this and other service areas. It is also one of the most expensive options, as it will attract additional costs such as back office and management functions and also accommodation costs for the staff teams. It would make it much harder to have flexibility with this service in the longer term future, especially when looking at full integration with health.

Set up an alternative service delivery model

Due to the timescales required to fully establish a delivery 'vehicle', it is felt WSCC did not have enough time to consider this, however, there could be some innovative models to be considered in the longer term. WSCC does not have the expertise in this field and would have to contract in external specialists. The local authority vehicle may also be required to bid for the Council's work through procurement rules which could create further instability.

Draw up a Section 75 agreement with the CCGs as lead commissioners

Under this option, WSCC would transfer the budget to the CCG's so they would become lead commissioners of the reablement service. This, again, could take a longer time than is available. It would not necessarily be cost effective as the CCG's would have to source under the same regulations that WSCC do, and therefore it could simply be a 'transfer of issues'. Agreement would need to be sought which CCG would be taking the lead and it could be argued that the specialism for reablement sits with WSCC. Furthermore, WSCC would lose a certain element of control around the service and it may make it more difficult to monitor the KPI's and data WSCC is required to gather – such as for ASCOF and SALT.