

Executive Director for Adults & Health	Ref No: OKD33 19/20
January 2020	Key Decision: Yes
Award of contract for the provision of Hospital Discharge Care services	Part I and Appendix 2 Part II
Report by Head of Commissioning	Electoral Division(s): All

Summary

Health and social care in West Sussex are working together to develop and implement a pathway for people who are medically fit for discharge from hospital but who may have continuing health or social care needs. People meeting these criteria and who do not require 24-hour care would be supported to return home through this 'Home First' pathway with any long-term care needs being assessed in their own home instead of in hospital.

Home First will provide support to meet people's immediate needs at home whilst an assessment is completed. Following this assessment the need for on-going support will then be considered. The aim will be to maximise the use of community support and to enable people to remain living as independently as possible. The service is expected to lead to improved care outcomes and as a result deliver better value for money.

Hospital Discharge Care (HDC) services will form part of a multi-agency approach to supporting people on their return home following discharge from hospital. HDC services will align with health services to provide a cohesive service across the county that collectively delivers the Home First pathway.

Following a procurement process between October and December 2019, the Council is now in a position to award contracts for the delivery of HDC services.

West Sussex Plan: Policy Impact and Context

The Home First pathway represents a health and social care system-wide approach to ensuring people are enabled and supported to return home from hospital quickly and efficiently, supporting the [West Sussex Plan](#) ambition for keeping older people 'healthy and well' and independent for longer in later life. The aim of the pathway, and the HDC services that form part of the multi-agency approach, will be to support people to remain living as independently as possible.

HDC services will directly contribute to the following West Sussex Plan outcomes as part of Independence for Later Life.

- People who use services will feel safe and secure in their own homes.
- A reduction in delayed transfers of care from hospital that are attributed to social care.
- An increase in older people (aged 65+) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services.

Financial Impact

The initial contract period will be for three years with the ability to extend for a further two years. The contract features a block number of hours with the option to purchase additional services under a spot purchase arrangement if required for each of the three service lots.

The potential maximum annual cost is £1.190m. In 2020/21 this will be funded through the Improved Better Care Fund (IBCF). Thereafter, as a minimum, it is expected to become self-financing from the benefits that will be delivered once the pathway and services are fully established.

Recommendations

1. It is recommended that the Executive Director for Adults and Health approves the award of the WSCC Hospital Discharge Care service contracts for an initial period of three years for the following service lots:
 - (1) Lot 1 – Northern – FirstCol Services Limited
 - (2) Lot 2 – Southern – Independent Lives (Disability)
 - (3) Lot 3 – Western – Agincare UK Limited

2. It is recommended that the Executive Director for Adults and Health authorises the extension of existing contracts for up to 12 weeks to enable continuity of service should any of the Hospital Discharge Care services not mobilise and be fully operational on 6 April 2020. The existing contracts and current service providers are:
 - (1) Coastal Hospital Discharge Service – FirstCol Services Limited
 - (2) Provider of Last Resort – Sussex Community (NHS) Foundation Trust
 - (3) Home First Care Northern – Agincare UK Limited
 - (4) Home First Care Coastal – Agincare UK Limited

Proposal

1. Background and Context

- 1.1. The decision to commence procurement of the HDC service was taken in August 2019 (ref [OKD15 19/20](#)).
- 1.2. In addition to the decision to commence procurement of the HDC service it was also decided to procure Home First Care services to operate on an interim basis between October 2019 and April 2020 that would allow for the Home First pathway to commence prior to the winter period. The Council successfully procured the Home First Care service and commenced delivery on 28 October 2019.
- 1.3. The Council currently has two other contracts in place that provide services to support discharge from hospital. The Hospital Discharge Service (HDS) operates in the coastal area of West Sussex whilst Provider of Last Resort (POLR) covers the northern area. Both of these contracts, along with the two

Home First Care contracts, will cease upon the commencement of the HDC service.

- 1.4. Each of the HDS, POLR and the two Home First Care services have contractual terms that allow for the Council to extend the contract duration for up to a further 12 weeks. The potential extension was included to allow for these services to be maintained should there be any delay to the procurement or mobilisation of the HDC service that will enable continuity of service for people receiving services and continued support for the Home First pathway.
- 1.5. The HDC service is split into two functions for each service lot to support both the multi-agency approach to Home First and also to provide continued support for people with eligible social care needs beyond the duration of the Home First pathway whilst an identified long-term service or solution is arranged. The HDC service will provide home based care and support including personal care.
- 1.6. The HDC service is split into three service lots in line with the Adult Services operational areas. Each service lot represents an individual contract for services and operates independently.
- 1.7. Services will be delivered under a block hours basis with the ability to purchase additional services if required. The contract contains mechanisms to flexibly adjust the level of the block hours to respond to changes in levels of demand as the Home First pathway continues to roll out.
- 1.8. A market testing exercise was undertaken in May 2019 and a market engagement event was held on 7 August 2019 to discuss the service proposals and requirements with service providers.
- 1.9. A contract notice was issued in the Official Journal of the European Union (OJEU) on 29 October 2019 (ref 2019/S 211-516868). Further promotion of the requirement was made through the West Sussex e-sourcing portal and Contracts Finder. A bidders' briefing event was held on 6 November 2019 with 19 providers in attendance.
- 1.10. A total of 58 organisations expressed interest in the opportunity on the e-sourcing portal. 8 tenders were received by the tender return date of 9 December 2019.
- 1.11. Capita Procurement Services undertook compliance checks on the tender submissions on 10 December 2019 to ensure all schedules that were required were duly submitted and that tenders were correct. One tender submission was rejected at this stage as it failed to comply with tendering criteria.
- 1.12. The tender evaluation featured both a technical and commercial element with each part totalling 50% of the total points. The technical element of the tender featured responses to 7 method statement questions to determine the ability of the bidder to deliver the required services. The technical element incorporated the use of minimum scoring requirements to ensure that bidders are able to deliver an acceptable standard of service in line with

the service requirements. Further information of the tender evaluation is detailed in Appendix 1 Tender Evaluation Summary.

- 1.13. The tenders were evaluated by the evaluation panel between 11 December 2019 and 3 January 2020 with moderation meetings held on 6 and 7 January 2020 to discuss and agree final scores. The evaluation panel comprised of commissioners and operational leads from the Council and representatives from the county's Clinical Commissioning Groups.
- 1.14. Tender submissions that achieved the minimum technical scores were then combined with the commercial element score to determine the total awarded score. Each of the three service lots was evaluated separately as per the Invitation to Tender.
- 1.15. The summary of the final moderated scores is detailed in Appendix 2 Summary of Scores.
- 1.16. In line with the Council's procurement processes bidders have submitted responses and been assessed in regard to finance and health and safety.
- 1.17. The appointed Procurement Manager has ensured that the procurement process was compliant.

2. Proposal Details

- 2.1. It is proposed that the contracts for HDC services are awarded to the following organisations.

Service Lot	Adult Services Operational Area	Awarded Organisation
Lot 1	Northern	FirstCol Services Limited
Lot 2	Southern	Independent Lives (Disability)
Lot 3	Western	Agincare UK Limited

- 2.2. The contracts will commence on 6 April 2020. The agreement is for a period of three years with an option to extend for up to two further years.
- 2.3. It is proposed that extensions to the existing Home First Care, HDS and POLR contracts be authorised for a period of up to 12 weeks. The contract extensions will enable continuity of service should any of the Hospital Discharge Care services not mobilise and be fully operational on 6 April 2020.

Factors taken into account

3. Consultation

- 3.1. Consultation through market testing and provider engagement is described in the Decision Report (ref OKD15 19/20). Further consultation work has been undertaken with health and social care organisations through the design and development of the Home First pathway for which these services form part.

4. Financial (revenue and capital) and Resource Implications

Revenue consequences of proposal

4.1

	Year 1 2020/21	Year 2 2021/22	Year 3 2022/23	Year 4* 2023/24	Year 5* 2024/25
	£m	£m	£m	£m	£m
Contract cost	1.190	1.190	1.190	1.190	1.190
Contract management staff	0.050	0.050	0.050	0.050	0.050
Pump-priming funding from IBCF	-1.240				
Potential savings	0	1.240	1.240	1.240	1.240
Estimated net cost of proposal	0	0	0	0	0

4.2 The contract for services details the purchase of services under a block hours basis with the option to purchase additional services under a spot purchase arrangement.

4.3 The table below indicates the initial requirement for block hours per week for each service lot.

Block Hours Per Week			
Service Lot / Area	Home First Care Function	Extended Home First Care Function	Total
Lot 1 Northern	100	150	250
Lot 2 Southern	100	70	170
Lot 3 Western	60	20	80
Total	260	240	500

4.4 Each of the service lots has a maximum limit of hours per week that includes both block and spot purchased hours. The contract includes the ability to flexibly adjust the volume of block hours for each service lot to reflect changing demand for services. The total amount of block hours and spot hour purchases combined may not exceed those listed below and the additional 80 hours per week contingency.

Maximum Limit of Hours Per Week (Block and Spot Hours Combined)			
Service Lot / Area	Home First Care Function	Extended Home First Care Function	Total
Lot 1 Northern	180	240	420
Lot 2 Southern	150	110	260
Lot 3 Western	90	30	120
Total	420	380	800
Contingency	An additional volume of up to 80 weekly hours to be available as contingency to be used across areas and functions as directed by the Council.		

- 4.5 The contract cost identified in 4.1 is the total maximum cost based on the full utilisation of all block and spot purchased hours and the additional contingency. The annual cost of delivery of the initial block hours is £668,200 with a total potential maximum cost of £1.190m.
- 4.6 A provision to apply an annual uplift to rates in line with the Consumer Price Index where the Council's finances allows is also included within the contract.
- 4.7 As part of the decision (ref OKD15 19/20) to authorise the procurement of the HDC service it was also decided to recruit a contract manager for the services. The cost of this post is identified in 4.1 and factored into the estimated net costs of the programme.
- 4.8 For Year 1, resources have been allocated from the IBCF to fund the cost of the service whilst it becomes established and the contract manager post. Thereafter, the costs are expected to be met from the return on investment that the HDC service is forecast to generate. The size of this will depend on activity levels, but even on cautious estimates of customer throughput and the number of people whose care packages will reduce as a result, that outcome is realistic. The nearer that volumes get to 800 hours, the greater will be the benefit and under that scenario it is anticipated that the service will help contribute towards delivery of the demand management absorption assumptions that are included in the Medium Term Financial Strategy. In order to track this, and because of the large number of factors and dependencies that will affect the development and delivery of Home First, benefits and cost savings will be closely monitored and reported throughout the term of the contract.
- 4.9 The current contracts for Home First Care, HDS and POLR contain clauses that enables the Council to extend the services beyond April 2020 if required. Should any of the HDC services not mobilise and be fully operational by the intended start date, any of the existing contracts may be extended for a period of up to 12 weeks in order to provide continuity of service to the Home First pathway and people who are receiving support.
- 4.10 The total potential maximum costs of the extensions to the Home First Care, HDS and POLR contracts are detailed below. The potential cost includes the

maximum number of block and spot purchased hours for each contract for a maximum period of up to 12 weeks. It is possible that any extensions to contracts will not be required for the full duration of 12 weeks and the volume of service will be less than the maximum amount and reduce as the new services fully mobilise.

Service	Provider	Potential Maximum Cost of 12-week Extension
Home First Care - Coastal	Agincare UK Limited	£49,080
Home First Care - Northern	Agincare UK Limited	£70,800
Coastal Hospital Discharge	FirstCol Services Limited	£57,984
Provider of Last Resort	Sussex Community (NHS) Foundation Trust	£72,000

- 4.11 Should the decision be taken to extend any of the existing contracts the cost of such service extensions will be contained within the total funding identified in 4.1. The existing contracts and HDC service will not duplicate one another but delivered services under the existing contracts may taper over any extension period as the new service mobilises.

Human Resources, IT and Assets Impact

- 4.12 Implementing the Home First pathway requires changes to the working practices of hospital based social work teams which have already begun to be implemented. Changes to processes and systems for case management, purchasing and monitoring of services are currently being developed by teams across Adult Operations, Commissioning and Adult Social Care Quality and Improvement Team.

5. Legal Implications

- 5.1. The provision of services to support people with health and/or social care needs following admission to hospital is detailed within the Care Act 2014.
- 5.2. Legal implications regarding the application of charges for services was considered in the Decision Report to commence procurement (ref OKD15 19/20).
- 5.3. The provider of the Home First Care contracts, that will be superseded by the HDC service, has indicated that TUPE may apply in the delivery of the new service. Applicable information in regard to TUPE was provided to all bidders during the procurement process.
- 5.4. Capita Procurement Services conducted the procurement exercise on behalf of the Council in compliance with the Public Contracts Regulations 2015 and the Council's Standing Orders on Procurement and Contracts.

6. Risk Implications and Mitigations

Risk	Mitigating Action (in place or planned)
HDC has three separate contracts. There is a risk that one or more of the contracted providers may terminate the contract.	Officers will support providers through the mobilisation period and after commencement of services. Issues or concerns in regard to service viability will be reported.
The service is dependent on other parts of the Home First pathway being implemented. This includes capacity of Sussex Community (NHS) Foundation Trust to provide clinical support services and that discharge from hospital processes are implemented as intended. This presents a reputational and financial risk to the success of the service and ability to operate as planned.	A health and social care system wide strategic 'Step Up Step Down' programme group has been established to oversee development and implementation. Multi-agency operational project groups have also been established to develop the pathway processes and support the implementation. A programme manager for Step Up Step Down has been appointed across health and social care organisations to co-ordinate and lead the programme.
Capacity within the market to meet demand is a consistent and on-going issue for care and support at home services. This presents a risk that HDC providers will not be able to deliver the required volumes of service or will redirect capacity from community-based or long-term care referrals. Lack of capacity will impact on the Home First pathway to maintain patient flow and potentially delay discharge home.	Existing HDS, POLR and Home First Care contracts have contingency arrangements to deliver beyond 5 April 2020 if necessary to support continuity of service. The HDC contract includes flexibility to manage block hours up and down according to capacity. Providers will be subject to close contract monitoring to ensure services are delivered as intended. Providers will be supported by Proud to Care team to recruit and retain staff.
There are financial risks including the affordability of the service, ability to fund services beyond the first year and evidencing return on investment to enable future funding decisions.	The actual service costs have been achieved within the projected budget requirement. Close contract and performance management, including the development of reporting tools, will monitor the outcomes of the service. Break clauses have been included in the contract which will allow it to be terminated if the financial benefits which are expected to arise are not delivered.
The predicted level of service demand and required capacity may be inaccurate.	The contract contains elements of flexibility to respond to changes in demand. Regular reviews will be

	undertaken throughout the implementation to consider requirements. A contingency for further demand has been built into predicted costs.
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7. Other Options Considered

- 7.1. Alternative procurement options were considered as part of the Decision Report (ref OKD15 19/20).

8. Equality and Human Rights Assessment

- 8.1. The impact on equality and human rights was considered as part of the Decision Report (ref OKD15 19/20)

9. Social Value and Sustainability Assessment

- 9.1. Social value and sustainability assessments have been undertaken for this project and included within the Decision Report (ref OKD15 19/20).
- 9.2. Social value was included within the method statement questions as award criteria within the procurement process.

10. Crime and Disorder Reduction Assessment

- 10.1. None

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Appendices

Appendix 1 Tender Evaluation Summary

Appendices Part II

Appendix 2 Summary of Scores