

Report to Executive Director Adults and Health

February 2021

Reablement Service Capacity Increase (contract variation)

Report by Operations Manager – Independent Living Services

Electoral division(s): All

Summary

West Sussex County Council (WSSCC) has a contract with Essex Cares Limited (ECL) for the provision of Community Reablement Services. Reablement is the term to describe services, to support residents following a change in ability, most likely due to a medical condition or episode. A Community Reablement Service (CRS) is essential to prevent people requiring longer term support, enabling people to retain/regain independence and remain at home.

The Service was re-procured in 2017 for an initial term of 3+2 years. With the full two-year extension period now being utilised the contract will run until 30 November 2022.

An independent diagnostic assessment in summer/autumn 2019 asserted that increasing the capacity of the WSSCC Reablement service could deliver marked benefits in terms of outcomes for residents and financial benefits.

Recommendation

The Executive Director Adults and Health is asked approve a modification to the current Community Reablement Service contract to increase the service capacity at a cost of £2.223m. Effective from 1st April 2021 to 30 November 2022.

Proposal

1 Background and context

- 1.1 The West Sussex County Council (WSSCC) reablement service enables the Council to deliver on key Reset and Reboot Plan priorities such as 'keeping vulnerable people safe' and 'helping people and communities fulfil their potential'. It also forms part of the joint 'Community Response and Reablement' (CR&R) programme and contributes to supporting the health and care system to manage hospital discharge flow and preventing unnecessary admission to hospital.
- 1.2 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.

- 1.3 The service is currently provided through an informal partnership between the WSCC Regaining Independence Service (RIS) Occupational Therapists (OT) and a contracted independent provider - Essex Cares Limited (ECL).
- 1.4 ECL receive referrals directly through MOSAIC for customers being discharged from hospital. More recently these are being received from HomeFirst through the Discharge to Assess (D2A) pathway.
- 1.5 Once a customer has started in the service the RIS OT currently carries out an assessment to determine the customers goals and develop a reablement plan. This assessment and reablement plan will then be implemented by the OT team in conjunction with ECL. ECL provides specialised reablement care (which may include some traditional domiciliary care tasks) within the home.
- 1.6 The contract for the 'Community Reablement Service' (the element with ECL) is due to end (following the 3+2 years contract term) on 30 November 2022, with the two possible one-year extensions both utilised.
- 1.7 It is proposed that the capacity of the service be increased (via a contract variation) up until the end of this contract term to enable more residents to access the benefits provided by the service (through targeted community referrals).
- 1.8 The NHS Long Term Plan states: Over the next five years all parts of the country will be asked to increase the capacity and responsiveness of community and intermediate care services to those who are clinically judged to benefit most. Extra investment and productivity reforms in community health services will mean that within five years all parts of the country will be expected to have improved the responsiveness of community health crisis response services to deliver the services within two hours of referral in line with NICE guidelines, where clinically judged to be appropriate. In addition, all parts of the country should be delivering reablement care within two days of referral to those patients who are judged to need it. This will help prevent unnecessary admissions to hospitals and residential care, as well as ensure a timely transfer from hospital to community.¹

2 Proposal details

- 2.1 An independent diagnostic assessment on behalf of WSCC (in summer/autumn 2019) proposed that increasing the capacity of the WSCC Reablement service could deliver marked benefits in terms of outcomes for residents and financial benefits.
- 2.2 The total costs per annum for the WSCC reablement service are currently £3.8M (£2.7M for the contract with ECL and £1.1M for the OT service). The block element of the contract with ECL (2.33M) currently provides for 1552 customer starts.

¹ <https://www.longtermplan.nhs.uk/wp-content/uploads/2019/08/nhs-long-term-plan-version-1.2.pdf>

2.3 In terms of performance, in 2019/20 76.75% of customers exited the service requiring no ongoing care support and a further 11.36% reduced their package of care by more than 10%. This benchmarks very high nationally.

2.4 There will be an increase in the existing block contract Reablement Starts (currently 1552) with an additional 900 Starts per annum at the current block contract cost per Start (£1,490.73), with consideration of an uplift based on CPI. This represents a 14% increase in cost. PCR2015 Reg 72(1)(b) allows for modifications which are necessary and to otherwise procure the requirement would cause significant inconvenience or substantial duplication of costs for the Council, provided that any increase in price does not exceed 50% of the value of the original contract. The proposed modification will have the following features:

- The existing service capacity is focused on referrals for customers being discharged from hospital. The additional capacity proposed will be focused on community referrals for new Adult Services customers following assessment but prior to the implementation of a care package.
- These additional customer Starts will ramp up between April and June 2021 (with a minimum of 6 additional Starts per week in April and 11 per week in May).
- On average the size of the non-residential care package that customers will require after being supported is expected to be 6.49 hours per week lower than if they had not received the service. If achieved at that level, and assuming the benefit will last for one year, in steady state it will generate an overall return on investment of £2.15 for every £1 spent. ECL and WSCC will work together to develop the financial benefits realisation/ROI model for this increase in service capacity, recognising that only retrospectively will the actual ROI be known with complete accuracy. This capacity increase is expected to contribute significantly towards the savings target from reablement that will be included in the 2021/22 budget and to help determine the level of service that should be specified when the successor contract that will run from 1 December 2022 is procured.
- Contract clauses for service credits payable by WSCC related to the time-scales for therapy assessment will be amended from 3 days to 5 'working days' reducing the risk of service credits payable by WSCC. It is noted that the cost of these service credits in 2019-20 was £126k. Therefore it is expected that this cost will not be incurred from 1st April 2021 onwards.
- ECL will recruit at risk (with immediate effect) sufficient staff to deliver this increased service capacity. ECL will provide regular forecasting on this recruitment pipeline with weekly touchpoints to be introduced.
- Staff recruited and trained in the period January to March 2021 can be utilised on the existing contract to provide additional Reablement Starts above the block contract through the Bonus Start route providing additional financial benefits for the 2020-21 financial year.

Key dates:

DATE	ACTIVITY
January '21	Officer Key Decision Report published
Feb-March '21	Mobilisation phase/contract variation to be completed by Legal
1st April '21	Contract variation / increased Reablement Service capacity takes effect
April to June '21	ECL to ramp up increased service capacity as staff recruitment plan is fully implemented

3 Other options considered (and reasons for not proposing)

3.1 Full details below:

- Do nothing (do not increase service capacity):
 - If an increase in service capacity is not approved/delivered there is a capacity risk for other West Sussex services and increased pressure on waiting lists. It will also mean that a saving that has been built into the budget for 2021/22 is not delivered in addition to the financial risk that will arise from increased demand for domiciliary care and residential placements. Please see section 3.1 Revenue consequences for detail related to "significant inconvenience" and "substantial duplication" of cost.
- Procure and mobilise a new contract to increase service capacity:
 - A recent soft market testing exercise was undertaken (October '20) to assist the decision-making process on how best to increase service capacity. Despite the positive responses received (including from ECL) it is clear that there is not (in the short term) sufficient time to procure and mobilise a new contract to start in April '21.

3.2 Alongside this, work continues with health colleagues through the Community Response and Reablement programme to determine the degree of alignment that can be achieved through procurement of new services from December 2022.

3.3 This report sets out that Adult Services did not foresee an additional uptake of 900 Starts for the service and as outlined it was an independent diagnostic assessment two years into the contract that identified the need based on demand and demographic changes that Adult Services is now responding to. The rationale provided as relevant to "significant inconvenience and substantial duplication of costs" relates to the market engagement exercise undertaken in October 2020 (it was the intention of Adult Services to go to market with these proposed additional Starts) whereby following feedback from providers, it became clear that to go to market would create significant inconvenience and substantial duplication of costs related to domiciliary care and care home placement costs.

4 Consultation, engagement and advice

- 4.1 Comprehensive consultation has taken place with internal stakeholders (and with NHS stakeholders through the Joint Commissioning Strategic Group on 15 December 2020). In addition, this proposal was presented at the 8 December Adult Social Care Elected Member Round Up.
- 4.2 Procurement, Finance and Legal Services have been consulted and informed through the appraisal of options and this paper.
- 4.3 ECL have also fully contributed towards this proposal to ensure that they are in full agreement with it and their role in the proposal. They have also agreed to fully engage with any pilot models and ways of working which will contribute towards WSCC Adult Services Improvement vision and the system wide Community Response and Reablement vision.

Legal Implications

- 4.4 The original Contract was procured in accordance with the Public Contracts Regulations 2015 ("PCR 2015") via an open tender process as an above threshold "light touch" contract in OJEU with a total maximum value over the whole contract period as £13 million. In accordance with PCR 2015, any variation to the Contract need to be within scope of the permitted grounds within Regulation 72 to avoid triggering the requirement for a new open competitive procurement to be carried out.
- 4.5 It is considered that this variation is permitted within Regulation 72(1)(b) of PCR 2015. This regulation provides that a contract may be modified without a new procurement procedure where additional services (not included within the initial procurement) by the original contractor have become necessary and a change in contractor either (a) cannot be made for economic or technical reasons or (b) would cause significant inconvenience or substantial duplication of costs for the Council, and providing that any increase in the contract price does not exceed 50% of the value of the original contract. In accordance with Regulation 72(5) a notice of the modification is required to be published.
- 4.6 In respect of the proposed return on investment model to be implemented for the remainder of the contract period, the contract variation documentation will include an objective and clear methodology for calculating and monitoring the delivery of the benefits from the proposed return on investment model.

5 Finance

5.1 Revenue consequences

- 5.2 The cost of the extension over 18 months will be £2.223m based on the current contract start price of £1,490.73. In return benefits of £4.487m are estimated. These will arise over a three-year period, reflecting the timing of the throughput of customers and the duration over which those benefits are expected to accrue. In 2021/22 the level of the part-year saving means that there will be a small net cost.
- 5.3 The budget for 2021/22 includes a savings target of £0.89m called 'non-residential customers to remain at home with a reduced package'. This rises to a recurring £3.5m from 2022/23, which an increase in reablement capacity has

been seen as delivering. Originally the savings proposal envisaged a higher level of additional starts in 2021/22, which for ECL is not feasible because of the risks that they will face in recruiting staff for a contract that will only last 18 months. Nevertheless, the extension period should confirm whether the estimated steady state ROI of £2.15 for every £1 spent is achievable, in which case the re-procurement of the contract from December 2022 will be based on a larger service requirement. Under that scenario the on-going saving anticipated from reablement may still be attainable from 2023/24 onwards and the shortfall in 2022/23 will be lower.

- 5.4 In the short term, some pump-priming funding will be used from the Improved Better Care Fund (iBCF) to ensure that the cost of the contract is fully funded. The table below shows the impact on the Adults budget of the capacity increase, though in context of the contribution from the iBCF being a maximum that will reduce if benefits are realised in line with the assumptions on which the investment decision is predicated. The implications beyond 2022/23 will be addressed as part of the decision report that will be taken about the reprocurement of the service.

	Current Year 2020/21 £m	Year 1 2021/22 £m	Year 2 2022/23 £m	Year 3 2023/24 £m
Cost of Uplift	N/A	1.342	0.881	N/A
Savings target	N/A	0.890	3.500	N/A
Benefits required	N/A	2.232	4.381	N/A
Benefits forecast	N/A	1.301	2.244	0.942
Benefit shortfall	N/A	0.931	2.137	(0.942)
Maximum iBCF contribution	N/A	2.232	4.381	N/A
Minimum iBCF contribution	N/A	0.931	2.137	N/A

5.5 The effect of the proposal:

(a) How the cost represents good value

- An additional 900 Start per annum are proposed which equates to a total of 1403 Starts (812 plus 591) when the minimum level of Starts agreed for the April to June 2021 ramp up period and the part year effect for 2022-23 are applied.
- The overall ROI is estimated as £2.15 for every £1 spent (or closer to £2.02 if only the minimum level of Starts agreed are delivered through the ramp up period).
- The ROI model is based on the average number of care hours reduced per customer (6.49) who either completes or exits the service multiplied by the

number of weeks of sustainment and multiplied by the average cost of a standard 1 hour of domiciliary care (£21.43).

- ECL data demonstrates that 45% of customers are self-funders and so the ROI calculation has been reduced accordingly. This is one of several key variables that will require close monitoring. The period of sustainment of the benefit assumed is 52 weeks.

(b) Future savings/efficiencies being delivered

As above

(c) Human Resources, IT and Assets Impact

N/A

6 Risk implications and mitigations

<i>Risk no.</i>	<i>Risk description</i>	<i>Mitigation</i>
1	The increased capacity offered by the provider (ECL) is not enough to meet the demand/deliver the necessary financial benefits.	The capacity increase is based on Adult Services data projections and has been extensively reviewed.
2	If this proposed increase in service capacity is not approved there is a capacity risk for other West Sussex services and increased pressure on waiting lists.	A robust 'critical path' for approval has been implemented (which also acknowledges the challenging timescales).
3	The increased capacity cannot be mobilised by April 2021.	The reablement provider (ECL) have begun recruiting at risk – capacity increase expected to ramp up over 2-month period (between April and June 2021).
4	The reablement provider (ECL) is not able to deliver the increased capacity due to issues in recruiting staff.	ECL have begun recruiting at risk. Weekly touchpoints implemented to receive updates on progress/issues
5	The service performs below the anticipated level in terms of customer outcomes, leading to a reduction in ROI.	Robust monitoring and tracking of benefits to be implemented in partnership by WSCC and ECL.
6	The increased capacity is absorbed by referrals for customers being discharged from hospital rather than meeting the needs of people in the community	This increase in service capacity will be focused on community referrals.

	who would benefit from reablement.	
7	Insufficient referrals linked to cultural change for social care practitioners (large community referral increase proposed).	Guidance and support to be implemented for social care practitioners
8	Negative impact of blended therapy model on existing RIS Team related to capacity/cultural change	Guidance and support to be implemented for RIS Team practitioners
9	Impact on domiciliary care agency recruitment and domiciliary care projections.	Frequent communication with Care and Support at Home commissioning lead.
10	The variation to the Contract is challenged.	The compliance with the regulations has been fully considered.

7 Policy alignment and compliance

7.1 The West Sussex County Council (WSCC) reablement service enables the Council to deliver on key Reset and Reboot Plan priorities such as 'keeping vulnerable people safe' and 'helping people and communities fulfil their potential'. It also forms part of the joint Community Response and Reablement programme and contributes to supporting the health and care system to manage hospital discharge flow and preventing unnecessary admission to hospital.

7.2 Equality duty and human rights assessment

7.3 As there is no change to the specification and contract terms, as previously considered in report [ASCH7 16/17](#) , assessed at award of contract, there is no impact on the Council's equality duty.

There are no Human Rights implications arising from this contract variation.

7.4 Social Value and Climate Change

Assessed when contract was awarded – no changes noted.

7.5 There are no crime and disorder or public health implications.

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Appendices None

Background papers None