

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4260

Author:

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Department:

Finance and Resources

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Subject:

TEST Service and Homecare Contract Variation Extensions

Total Value:

£715,276 (Type: Revenue)

Decision Being Taken:

1) To accept and allocate Health funding to extend the external Homecare Service. 2) To grant dispensation from Contract Procedure Rule 4.1.2, in accordance with Financial Regulation 3.29 (Operational Issues), to directly award an extension of the external Homecare contract from 1 June 2021 until 31 December 2021 to the current providers, and to approve the spend for this service until 31 December 2021, including expenditure of up to a maximum of £161,040. 3) To grant retrospective approval for an interim extension of the original contract from 1 April 2021 to 31 May 2021. 4) To authorise additional spend for an extension of the internal Homecare Service 'Temporary Emergency Support Team' (TEST) from 1 July 2021 until 31 December 2021, including expenditure of up to a maximum of £554,236. 5) To delegate authority to the Director of Procurement and Commissioning to enter into the associated contracts, and to the Head of Contracting and Procurement to sign the contracts with the service provider.

Reasons for the Decision(s)

Provision of both internal and external homecare capacity was set up to respond to the Covid-19 pandemic. This provision operated through the TEST and a variation to the Care at Home Service for Adults (Lead Providers) contract for external lead home care providers. The service has since proven to be a successful model in meeting the system demands, by ensuring safe, appropriate and swift discharges. After an interim extension from 1 April 2021 to 31 May 2021, the external contracts are currently holding over, pending authorisation to be awarded from 1 June 2021 to 31 December 2021.

The value of the Care at Home Service for Adults (Lead Providers) contract (CPU 2094) is £108million over a total of 9 years of the contract. Under the contract variation, lead providers are paid an increased hourly rate for providing homecare to citizens for an initial two-week period. After two weeks, citizens are transferred onto standard homecare runs under the substantial contract. The increased hourly rate is needed to pay for the additional costs of providing additional workforce capacity at short notice. The contract variation with lead providers from the external market maintains capacity in the system to enable transfers from the TEST through to standard homecare packages. Lead providers have been selected through a tender process to provide homecare in their areas, and this is a specific short-term change to the service they deliver under the existing contract.

The TEST was established at the onset of the Covid-19 Pandemic as a temporary addition to the Homecare Service within the Council's internal homecare provision. Agreement to deliver this Service exists until 30 June 2021. The team supports a large number of citizens (approximately 570 since the beginning of the pandemic, equating to around 60 citizens at any given time) who have received a service from Social Care Reablement and are awaiting a long-term homecare service from the external market. The TEST and contract variations are temporary arrangements until 31 December 2021, at which point the findings from the Community Review, Homecare Review and the new Discharge to Assess model will be known. These findings will inform our response to generating sustainable capacity within homecare provision. The TEST will continue in its current form, however, staff attrition is expected due to the temporary nature of the team.

Other Options Considered:

- 1) To do nothing: this option was rejected, as approval is needed to accept and allocate the funding.
- 2) To seek to review service provision and explore alternative models: work is underway to review the Homecare Pathway, assessments and the model to address the overall shortage of homecare capacity in the system. The TEST and the contract variation has mitigated against this shortage and enabled homecare to meet existing demands and ensure hospital discharges are not unnecessarily delayed. Removing these services prior to the completion of the review would result in a reduction in homecare capacity. The impact of this would create risks to both individuals living in the community with no package of care and additional pressures on Nottingham University Hospitals in facilitating safe discharges.
- 3) To tender the services in an open and competitive tender process: under the Care at Home Service for Adults (Lead Providers) contract, lead providers have been through an approval process and this approval means they meet the Council's requirements for ensuring safe, appropriate and swift discharges, so it is considered appropriate to award the contract extension directly to the existing providers.

Background Papers:

None

Published Works:	None
Affected Wards:	Citywide
Colleague / Councillor Interests:	None
Dispensation from Financial Regulations:	Yes
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	None
Equality:	EIA not required. Reasons: The decision does not contain proposals for a new or changing policy, service or function.
Social Value Considerations:	Not applicable
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	06/07/2021
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	<p>The proposals in this report raise no substantial legal concerns and are supported. The proposals will ensure continued and additional service provision that has increased during the Covid-19 pandemic and the cost of such will be funded by money received from Health. The money will be used for 2 elements: 1) the spend associated with a variation of the existing homecare contract for additional support from the current providers; and 2) spend on the newly-established internal provision.</p> <p>The services under the existing contracts are deemed to be 'light touch' and the value of the short-term support is considered a permitted modification under Public Contracts Regulations 2015 in light of the overall value of the contract. Dispensation from Contract Procedure Rule 4.1.2 in accordance with Financial Regulation 3.29 (Operational Issues) is therefore supported on this basis.</p> <p>Advice provided by Dionne Claire Screamon (Solicitor) on 21/05/2021.</p>

This decision seeks approval to extend the temporary arrangements outlined by the report author as a result of the increased Covid-19-related demand. This decision will support continued service provision enabling safe and timely hospital discharge. The total value of this decision is £715,000 and this is split as follows:

1. TEST - extension of the TEST from July to December 2021 (not replacing leavers) - £554,000 (the team extension covering April to June 2021 has been picked up in a separate HR decision).
2. Care at Home contract - extend contract from April to May 2021 to be funded by Health - £79,000.
3. Care at Home contract - extend contract (with variation) from June to December 2021 - £82,000.

At present, there is no funding confirmed to cover the additional cost of points 1 and 3 highlighted above, however, this expenditure has been highlighted as business critical by the Service due to the current situation.

The Council has received additional Covid grant funding, although the conditions and Council department allocations are not yet finalised. Discussions are underway with Health with regards to the discharge to assess (d2a) programme and the longer-term funding requirements to ensure sustainability and continuation of safe and timely hospital discharge as a local system. If additional funding does not materialise, any additional cost as a result of this decision (or the previous HR decision relating to the TEST extension) will need to be managed from within the Service, ensuring no financial pressure arises in 2021/22. Any expenditure resulting from this decision will need to be closely monitored by the Service to ensure a robust forecast position.

Assumptions/Risks

1. There is currently uncertainty on Covid funding/conditions for 2021/22.
2. Discussions are still ongoing regarding the longer term d2a funding/conditions for 2021/22+.
3. The service should make every attempt to minimise the expenditure and spend only what is needed to meet the resources gap.
4. Any shortfall in funding will impact the Medium-Term Financial Plan, increase budget gaps and reduce budget flexibility further, therefore, it is paramount that all expenditure (either business as usual and/or Covid-19-related) represents value for money and is proactively minimised where possible.
5. The mobilisation and redeployment of existing internal staff has proved unsustainable to meet the needs of the service and our citizens due to a number of reasons.
6. The value of this decision will be included within the 2021/22 forecast position as well as internal and external reporting mechanisms outlining the Council's financial impact of Covid-19, such as the Ministry for Housing, Communities and Local Government return submissions. This will need to be monitored and amended as and when required, including if the spend differs to that outlined in this report.
7. As with any block contract, there is a risk that activity will not be at the same level as what is funded. This needs to be considered as part of the contract development and management.
8. If the temporary arrangements are extended past the 6-month period outlined in this decision, further approval will be required and additional funding identified.
9. Management should be aware of the risk of employees attaining employment rights over the course of this initiative and ensure these risks are appropriately managed.

Due to the reasons outlined by the report author, dispensation from Contract Procedure Rule 4.1.2 in accordance with Financial Regulations (3.28) to vary the contract is supported from a Finance perspective.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 26/05/2021.

Procurement Advice:

This decision relates to additional homecare capacity to respond to the increased need for safe and swift discharges from hospital during the Covid-19 pandemic. The proposed variation to the Care at Home contract with lead providers will enable the provision of homecare for a 2-week period while citizens transition from hospital to ongoing services. The lead providers were contracted to deliver homecare in their areas through a compliant tender process and therefore are the appropriate providers for this short-term intervention. Therefore, dispensation from Contract Procedure Rule 4.1.2 in accordance with Financial Regulations (3.28) to vary the contract is supported from a Procurement perspective. The proposed extension of the homecare 'Temporary Emergency Support Team' will be delivered in house and therefore is not subject to the Contract Procedure Rules, subject to representing value for money. The future requirements for homecare provision should be determined through review prior to expiry of these arrangements on 31 December 2021.

Advice provided by Jo Pettifor (Procurement Team Manager) on 29/04/2021.

Signatures

Adele Williams (Portfolio Holder for Adults and Health)
SIGNED and Dated: 29/06/2021
Catherine Underwood (Corporate Director for People)
SIGNED and Dated: 24/06/2021
Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 21/06/2021
Chief Finance Officer's Comments: