



In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal business case is required for any procurement with a total value above £50,000. The level of approval required for the Business Case depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below:

**1. Level of Approval**

**State “YES” in the applicable box at either Level 1 or Level 2:**

Type of Procurement	Level 1		Level 2	
	Assistant Director & Director	“Yes”	Assistant Director, Director & Executive Approval	“Yes”
Goods and Services	£50k – £500k		> £500k	
Schedule 3 Services	£50k – £615k		> £615k	Yes
Works	£50k – £4,551k		> £4,551k	

**2. Project Information**

<b>Project / Contract Title</b>	Support & Care Framework
<b>Project / Contract Description</b>	Implementation of a compliant procurement method for supported living and domiciliary/home care packages as allowed under the Light Touch Regime (LTR)
<b>Expected Start Date &amp; Duration (months)</b>	5 years – 60 months
<b>Any Extension/s Allowed (months)</b> (e.g.: 1 x 24m / 1 x 12m + 1 x 12m)	N/A
<b>Total Ascertainable Value</b>	£74 million (£70 million without inflation)  <i>Approx £74 million total lifetime value (if allowing for 2.5% annual increases due to inflation etc. any inflation added to the framework will be agreed annually as part of the medium term financial planning process)</i>
<b>Procurement Procedure</b> (Open, Restricted, other agreed procedure)	Open
<b>If not an Open or Restricted procedure, has it been approved by Procurement?</b> (state “Yes”, “No” or “Not Applicable”)	Project being designed in conjunction with procurement
<b>Budget Available</b> (please state the value)	Approx. £70 million (calculated on 5 times current spend)  £14 million per annum  Approx. 300 supported living and 400 home care users

<b>Source of Funding</b> (revenue or capital or specified other)	Revenue
<b>Any specific comments or notes associated with the budget</b>	The procurement exercise will be delivered within existing budgets, approximately £14 million per annum. This will deliver existing efficiency programmes within the Medium Term Financial Plan, managing demand and utilising our budget to its full potential. It is based upon restructuring of existing spend through compliant and competitive procurement processes. The identified spend does not represent a change in expenditure and further efficiencies against this spend is not possible. This exercise will enable to Council to maintain sufficiency within the local adult social care market.

### 1. Recommendations

We are seeking approval to initiate design of a procurement model for support and care services:

Implement a procurement model that includes best and compliant elements of Dynamic Purchasing System (DPS) and Framework designs to meet our requirements (following internal and external stakeholder engagement)	Packages of care are currently commissioned as part of a spot purchase arrangement. A framework will improve the management of spend and budget forecasting  Opportunity to let block or spot contracts on aligned terms and conditions, and reducing costs where this is feasible  Consistent quality assurance and emphasis on driving up standards, for providers to join the framework and on an ongoing basis  Improve WBC oversight and management of market including engagement with providers  Increased competition possible between providers including attracting new providers and continuous service improvements – giving people choice in provision  Low risk of legal challenge around compliance  Moderate contract management resource required  Single method of working with WBC for supplier and  Improved internal efficiencies as all contracts will be for a five year term therefore reducing the number of contracts renewed annually.
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Following stakeholder consultation and Executive and Full Council approval to allow the DASS to enter into agreements with support and care providers and the final model will be referred back to ASCLT for sign-off prior to implementation and mobilisation.

Alternatives that have been considered as non-viable options:

<p>Do nothing – continue spot purchasing</p>	<p>High risk of uncontrolled spend</p> <p>High risk of lost opportunity for quality assurance</p> <p>Lack of WBC management of market competition</p> <p>Significant risk of legal challenge around non-compliance with procurement regulations</p> <p>Lack of synergy in process between different brokerage/ commissioning teams</p> <p>Significant contract management resource required</p>
<p>Block contract for predictable spend and continue spot purchasing otherwise</p>	<p>Improved management of spend</p> <p>Potential risk for loss of consistency in quality assurance</p> <p>Some WBC management of market competition possible allowing WBC to capitalise on any opportunities in the market</p> <p>Some risk of legal challenge around compliance</p> <p>Some risk of wasted funding through unutilised voids</p> <p>Moderate contract management resource required</p>

## 2. Project Justification

### Link to Service or Corporate Objectives:

#### Background

- Our ambition is for Wokingham Borough to be one of the best boroughs for adults and carers in need of support and care to live, where they feel safe, included and a key part of our community. Our procurement will help us achieve this ambition and with our partners will enable us to prevent, reduce and delay the need for formal support and care and where possible to improve people’s health and wellbeing, focusing on prevention and self-help.
- Providers on the framework will support vulnerable adults, adults with disabilities and older people to achieve the desired outcomes that are important and personal to them. They will help deliver Wokingham’s ambitions for ASC in the borough, to ensure that all residents are enabled to achieve their personal goals and ambitions, in a context which promotes safety, independence and choice.
- The procurement will help deliver the four key aims or priorities of the new ASC strategy:
  - protect and safeguard adults
  - prevent, reduce and delay the need for formal care and support
  - promote and support choice and independence
  - work in partnership and commission services that deliver quality and value for money

- This will include a focus on prevention and in reducing, and delaying the need for more costly services, by supporting people to live independently in their own homes and communities and not in residential care homes. This is particularly important, given the experiences of care homes during COVID19 and the expected increase in support and care at home as the main choice for many people. This puts emphasis on the ability of care providers to 'enable and reable' people to stay in their own homes, particularly on discharge from hospital.
- The specifications will enable providers to deliver reablement and strength based commissioning where the individual will continue to be at the centre of any support, they will include improvements in the training and development of the carer workforce.
- WBC will work closely with providers to ensure high quality choice of services are provided that support and safeguard its vulnerable residents and enable them to remain as independent as possible for as long as possible in their own homes and communities.
- Supported Living is a service designed to help people with a wide range of support needs retain their independence by being supported in their own home. People in supported living are usually aged between 18-64 and may live with their family or have their own tenancy as part of a shared accommodation and are responsible for their own bills and cost of living. To afford these, the person may be entitled to a wide range of benefits and grants. In single person supported living, they will also have their own front door.
- Home care is looking after a person from the comfort of their own home. Care workers go into people's homes to help with the day to day aspects of living such as personal care. Home care is flexible and can be anything from a couple of visits a week right through to 24/7 live in care. Providers who provide the personal care element must be CQC registered. Usually people who receive home care service are aged 65 and over.
- At present both supported living and home care is commissioned on a spot basis - there has not been any formal process whereby a select or approved group of providers has been selected. We are therefore, in a position where we work with a number of providers, ranging from those with single packages of support and care to those with a significant amount of Council work. Providers have raised concerns that there is a need to improve how providers are awarded work. There is a lack of competition, it is difficult for new entrants to enter the market and a lack of innovation/use of technology. There are also different start and end dates for contracts that causes additional work for Officers when renewing contracts. In addition for supported living, support provision in some cases is dependent on provision of housing (and vice versa.) So if the support provider changes, this may also affect the tenancy. There is a need to amend this so that the person has security of tenure in line with their tenancy agreement.
- A procurement exercise will address these issues. There is a need to ensure that we approach the procurement of support and care strategically and this is more imperative given the financial outlook due to COVID 19. The procurement will allow WBC to prequalify providers to a minimum quality level that ensures meeting our statutory duty as well as promoting continuous improvement in the care market. All providers will have to meet quality and/or price standards to be accepted, and need to demonstrate they are continuing to meet these standards to remain on the framework and if/where concerns relating to this arise, they may be temporarily or permanently suspended from bidding for WBC contracts.
- Competition will be encouraged and it will support management through forecasting budgetary pressures and requirements.

- Allowing providers to register their interest in working with WBC at any time may increase the number of providers and new entrants to the market as there is no time constrained tender period; this can promote choice, quality, competition and innovation in the market.
- Under the Public Contracts Regulations (PCR) 2015, both frameworks and dynamic purchasing systems (DPS) are compliant techniques for procurement. A framework is a 'closed' approved provider list to which providers agree to general terms and conditions of performance and quality, and from which you can subsequently directly award contracts or run mini competitions. Frameworks may only be let for up to 4 years. A DPS is similar in nature to a framework, except that it remains open for new provider applications, all contracts are let through mini-competitions, and it does not have the 4 year limitation, and must be run entirely electronically.
- Approximately 30 adult care packages are let each month totalling 360 per year. These will identify individual care package requirements, (either for supported living or home care)
- Two non-LTR DPS have already been approved by the Executive, and are being designed for Corporate Transport and Operational Property.

### **Project Specific Objectives, Appraisal of Options and Project Timetable:**

#### **Objectives**

- Delivery of strategies as highlighted above
- Improvements in the training and development of the carer workforce.
- Quality control and service improvement –this method of procuring delivers a single set of overarching terms for quality and performance which providers must agree to, creating a standard, equal and transparent expectation to all providers who successfully apply in order to maintain framework status. In addition individuals who are receiving direct payments will benefit from the framework, all providers would expect to ensure the same terms and conditions including rates are applied to these packages.
- We will work closely with framework providers, including having regular forum and engagement opportunities to ensure that quality is improved. This will also require us to meet Care Act requirements – the procurement will allow for planning around supporting sustainability of the market through more efficient contract monitoring, consistent cost modelling and price variance management. This will improve not only our market intelligence but our influence over our local market both financially and through improved supplier relationship management.
- The contract price will be determined through a standardised model and may be a set rate for all providers, ensuring consistency, equal opportunity and treatment. By working with providers who have agreed to our rates we will be able to budget and forecast spend far more accurately including controlling any future cost increases (including for Direct Payments).
- Through cost modelling with the market, we can ensure the design encapsulates a sustainable and efficient rate for both supported living and domiciliary care applicable to Wokingham borough.

- We will explore any opportunities of making the process more efficient for WBC including guaranteeing hours where appropriate, zoning certain parts of the borough, and exploring how technology can be used in delivering support and care.
- Efficiencies for internal staff including linking with wider partners and taking into account the changes that have taken place in the market following Covid19.
- Modernising our procurement procedures – the majority of LAs have designed and utilise their own or a consortium framework e.g. Nottinghamshire; Stockport, Trafford and Rochdale Councils; Oxfordshire; Reading Borough. Providers are familiar with using these systems. Additionally, WBC already successfully uses frameworks for Children’s residential care and independent foster agency placements.
- Procurement process will reflect the market – and support and invite newer and smaller businesses to contract for services as well as larger national organisations.

### **3. Additional considerations**

When designing the new model for procuring, the following elements will be considered:

- The changing needs of Wokingham – promote innovation, maximise use of technology, changes in demographics (i.e. dementia)
- Sustainability of the market
- Market changes given Covid19
- Consideration of how best to achieve value for money including management and control of market pricing
- Welfare of care workers including Ethical Care Charter principles
- Prevention and reablement including strength based approach
- Outcomes based commissioning
- Electronic call monitoring
- Health and hospital discharges including 7 day working
- Reducing social isolation
- Updating terms and conditions of contracts to further benefit WBC and its relationship with partners
- Migration of packages for providers who have not successfully applied where better value can be achieved without detrimental effect on residents
- To award individual packages (one package) and block packages where required i.e. where there is provider failure or serious safeguarding concerns we can tender the entire work out including TUPE.
- No packages to be let outside of the approved provider system, unless in specific circumstances

### **4. Options**

- *Purchasing methods*  
We are recommending designing a model based on the most useful elements of frameworks or dynamic purchasing systems, which making use of the flexibility in design as allowed under the Light Touch Regime of the Public Contracts Regulations.
- *Consortium considerations*  
We are recommending a WBC focussed design (with a Bracknell and or Reading option for “use only” should consultation demonstrate no significant delays to timescales). This will only affect our design by requiring Bracknell and or Reading to be named on the OJEU notice and the model’s total ascertainable value being great enough to cover the requirements of all Authorities without impacting on known WBC contracting needs.

## 5. Timetable

- *Project closure*

To ensure effective planning time for design, engaging stakeholders whilst acting efficiently to implement this model, we are working towards a contract award by May/June 2021.

- *Key milestones*
  - Cost modelling by end of October/November 2020 to ensure a sustainable rate of care and any future costings will be based on these models
  - Ongoing provider and stakeholder engagement
  - Tender advertisement February/March 2021
  - Framework award by April/May 2021
  - Full mobilisation by April/May 2021
  - Framework go live date May/June 2021

## 6. Cost Benefit Analysis:

- I. *Compliance risk* – continuing risking compliance could result in any current care contracts being terminated, unlimited penalties and damages to be paid per complainant, plus fines up to 10% of revenue, following referral to the High Court of Justice. Mitigation approach: approve use of aggregated spend model
- II. *Supplier events* - A number of market warming, training and support events on accreditation process are essential for this set of providers. However, due to Covid this may have to be virtually and consist of a number of 121's and surveys to providers. Mitigation approach: maximise content and minimise frequency of events (design and mobilisation currently proposed)
- III. *Insufficient providers apply* – time spent on the project will have been an ineffective use of officers' time. Mitigation approach: reference point 2 above
- IV. *Accreditation failure* - the quality of providers in the market does not meet the accreditation process. Mitigation approach: reference point 2 above
- V. *Changes to ways of working* – there will be a significant change to operational officers' ways of working which will require training from internal teams to include Commissioning and Procurement. These teams will be involved throughout the design of the new framework. Following on from this project, a secondary phase will be required for preparing officers on how to use the model.

## 7. Contract Management:

This will be managed within the People Commissioning team by their dedicated Contracts and Quality Assurance officers. Staff resource is unknown at this time since the framework will aid in supplier rationalisation, however new providers may be attracted to the market. Any increase in resourcing will be made through an establishment bid.

## 8. Value for money and commercial sustainability:

The model will allow WBC to prequalify providers to a minimum quality level that ensures meeting our statutory duty as well as promoting continuous improvement in the care market. Encouraging competition through formal market competition may support management through forecasting budgetary pressures and requirements. Allowing providers to register their interest in working with WBC at any time may increase the number of providers and new entrants to the market as

there is no time constrained tender period; this can promote quality, competition and innovation in the market. Packages tendered via the model may be block contracting (ensuring supply of services) as well as smaller contracts which will encourage local and smaller providers to register an interest via accreditation.

Moving towards a compliant model will also give clearer oversight of the market, and whilst working with our providers in the design phase, will generate a solution that meets both partners requirements, allowing from stronger partnership working and supplier management (which often lead to positive, innovative practice). This will allow us to plan and manage demand and work with providers to ensure that we understand and can plan for the cost of services, enabling us to deliver within our budget.

## 9. Approval

Please fill in the applicable fields according to the level of approval required.

**Note: If Level-2 approval is required, the document should be signed by Assistant Director and Director at Level-1 first, and then presented to the Executive for final approval.**

### Level 1

<i>Position</i>	<i>Department</i>	<i>Signature</i>
Assistant Director		
Director		

### Level 2

**NOTE: Level 1 approval must be completed first.**

**Please state the date of the relevant Executive meeting or Individual Executive Member Decision at which the Business Case has been approved.**

<i>Date of Executive meeting / approval</i>
Executive Approval