

To: SOCIAL WORK COMMITTEE		Subject: PRIVATE SECTOR HOMECARE – PURCHASING FRAMEWORK RECOMMENDATIONS
From: DIRECTOR OF SOCIAL WORK		
Date: 28 February 2002	Ref: JD/RM/NMcD	

1. PURPOSE OF REPORT / INTRODUCTION

- 1.1. The purpose of this report is to seek committee's approval for three independent homecare organisations to be designated as "Preferred Providers", in North Lanarkshire. It is further proposed that permission be given for three contracts to be agreed with these providers and the Council, in line with its overall strategic approach to the provision of homecare services. This would allow the regularisation of purchasing and operational relationships between Council and independent providers and assist the Council in its challenge of developing services to meet the ever growing demand for support to allow people the chance of living in their own homes rather than in institutional care.

2. BACKGROUND

- 2.1. Members will recall that a Social Work Committee of 23 August 2001, approved a report which set out plans to develop a private sector homecare purchasing framework.
- 2.2. At that time, Committee approved proposals to allow the Director of Social Work and the Head of Legal Services, to progress the establishment of independent services in line with the Council's standing orders.
- 2.3. This approval was given in the light of a number of issues which were reported to Committee at that time. These issues were;-
- a. Variations in the amount, level and duration of services purchased on a case by case basis across the Council's 6 Area Teams.
 - b. Comparison with a number of contracts which the Council had with non for profit/voluntary sector supported living providers. (These organisations specialise in care for people with learning disabilities, mental health problems, services for vulnerable young people and people who have substance misuse problems.)
 - c. Considerable dissatisfaction voiced by private providers about the purchasing arrangements in place.
- 2.4 Committee had previously agreed the terms under which private providers could be used to meet the growing demand for homecare services. In light of the continuing growth in the need for support services for people who want to be looked after in their own homes, more services are needed to allow the provision of appropriate specialist support or support in cases where individuals have more complex needs.

- 2.5 The current pattern of purchasing arrangements creates disadvantages for the Council, private providers and those receiving assistance. In particular, areas around - monitoring quality, independent provider ability to recruit and retain staff, the maintenance of adequate training and experience in the workforce, discontinuity between independent and departmental service, (inhouse and independent sector services being involved in the same case) and possible confusion about which provider is responsible for which tasks at various times, are all features which required to be addressed.
- 2.6 During the financial year 2000/2001, the Council purchased over £300,000 of independent homecare provider services. In addition, some private services were funded through the Social Work Department's Independent Living Service Budget and other service users purchased services from resources made available by the national sponsored Independent Living Fund. There are also some people who purchase their own services directly from independent providers without any involvement from the Social Work Department.
- 2.7 As part of the Scottish Executive's Joint Future Agenda, a number of guidance notes and directives have been issued to Local Authorities concerning the provision of homecare. Centrally among these are "Community Care; A Joint Future" and "Better Care – For All Our Futures". The Council has already submitted a report to the Scottish Executive in October 2001 setting out its "Local Outcome Agreement" in relation to the expenditure plans following the report of the Royal Commission on the Care of Older People as requested by the Executive. This indicated that the Council has increased its expenditure in services for older people living at home, in order to shift the balance of care from institutional to home support services. Additionally, the Scottish Executive has indicated a requirement for Local Authorities to provide "a more level playing field" for independent providers, in the homecare sector.
- 2.8 A further element of the report "Better Care – For All Our Futures" is the promotion of "direct payments" to service users who access all non- residential care services. Although older people in North Lanarkshire have not shown any particular enthusiasm to access direct payments, to date, the option will exist on a statutory basis as of April 2002. It is important therefore that alternatives to Council services are available, so that reliable alternative services which offer good quality are able to provide choice.
- 2.9 Committee agreed that new contracts should primarily be awarded to providers to deliver a mixture of social and personal care for older people. There already were existing arrangements for provision of specialist home support services for people with a learning disability, (including the Department's own specialist service), people with mental health problems, problematic children and families cases, (because of the complexity of separating care provision and care management). There was also an identified need to develop services for older people with particular needs eg. people with dementia. It was recognised that giving some contracted work to private providers would give the opportunity for the Council's own service to develop expertise across more specialist older people's services and other "niche" areas of activity required.
- 2.10 To facilitate the development and nurture of better working with independent providers, contracts were anticipated as requiring to operate in a framework which allows a reasonable degree of stability. This would permit appropriate business planning and staff recruitment and retention to be developed and financial monitoring arrangements facilitated. To simplify both provider and Social Work Department management arrangements, it was agreed that each contract should concentrate on one of the Social Work Department's three geographic divisions (North – Airdrie and Cumbernauld, Central – Bellshill and Coatbridge and South – Motherwell and Wishaw). Such contracts would assist the promotion of good working relationships between Council staff and the providers and the opportunity for developing joint training, service management and service monitoring arrangements.

3. THE TENDER PROCESS

- 3.1. Following receipt of permission from Committee to move to a tendering process, discussions involving Social Work Department and Legal Services staff resulted in a letter being sent out to all of the fourteen homecare providers whose names appear on the North Lanarkshire Approved Providers List, inviting them to submit an expression of interest in the contracts. A pro forma which was designed to give providers the opportunity to describe their operations, indicative costs for the service etc was enclosed with the letter. This letter also explained the tendering process and that contracts would hopefully be in place by 1 April 2002. A three week period for the providers to respond was set.
 - 3.2. Letters to all fourteen homecare providers on the Council's Approved Provider List, elicited responses from thirteen providers. Initial screening criteria, which had been drawn up by staff from Legal Services and Social Work, indicated that five organisations should not be invited to submit a full tender application.
 - 3.3. A tender application form along with a draft copy of the proposed contract for homecare preferred providers was sent to the eight organisations who had passed the first or "screening stage" of the process. The organisations were asked to complete the application forms and attach any relevant paperwork, such as complaint's procedures, staff training information etc and a statement of their financial position, to the Director of Administration by the closing date of 14 January 2002 and in line with the Council's standing orders.
 - 3.4. Seven full tender applications were submitted to the Director of Administration by the due date. These were opened and logged by staff at the Department of Administration and in the presence of the Convenor of Social Work Committee, in line with Council standing orders and thereafter passed to the Department of Social Work for evaluation.
 - 3.5. The financial statements and all relevant paperwork included in the application form, along with other documentation submitted by the organisations, was examined in detail. The procedures submitted by the organisations were all scored against agreed national standards set for homecare providers in England and Wales, since the final standards for Scotland have not yet been established by the Commission for the Regulation of Care, which becomes operational on 1 April 2002.
 - 3.6. Four officers from the Social Work Department thereafter arranged for representatives of the seven organisations to meet with the officers and clarify aspects of the information which had been submitted as part of the tender application. The organisations were advised that such meetings were not an opportunity to alter any information already submitted nor to try to agree aspects of a contract but merely an opportunity for officers of the Council to further evaluate the merit of the respective material and the organisations suitability for the contracts.
 - 3.7. Criteria designed to identify quality issues were agreed by the four Social Work Department staff involved in the evaluation process. It was agreed that each of the organisations tender application should be measured against these criteria. The sources used to calculate a quality outcome came from:-
 - a) the completed application pro forma and related documentation submitted by the applicants
 - b) information about the functioning of the providers at present in North Lanarkshire from existing monitoring arrangements
 - c) information in testimonial form from other local authority purchasers of service who were nominated by the organisations
 - d) further information obtained during the meetings between Social Work Department staff and the provider representatives attending these meetings.
- It was agreed that this information would be used in conjunction with the indicative costs proposed by the providers so that an overall best value assessment could be made.

3.8. The areas on which quality outcomes were rated as follows: - **financial stability, management arrangements, systems and procedures, out of hours arrangements, capacity for growth, management experience, home support experience, induction and training and likely sustainability of service, against proposed charges, by providers.** In addition, evidence of the quality of services currently provided in North Lanarkshire and testimonials from other local authorities were factors which were seen as sources which informed the quality outcome. This quality outcome and the price forms the basis of the overall evaluation.

4. RESULTS OF EVALUATION PROCESS

4.1. Results of the quality outcome using the criteria noted above, resulted in three of the organisations being rated considerably higher than the other four. Table 1 below has three columns. Column one indicates the name of the provider/organisation. Column two shows the three top quality outcomes from among the organisations and column three lists the proposed charges for the service by each organisation. Some organisations have shown a variation in charges at various times in the evenings and at weekends.

Table 1

Name of Provider	Quality Outcome	Charges
Avondale Homecare		£7.75 8am-10pm £8.00 10pm-8am waking night £4.50 10pm-8am sleepover
Community Careline Service	2 nd	£8.95 7am-7pm Mon-Fri £9.45 7pm-7am Mon-Fri £9.45 Sat & Sun £5.00 7pm-7am sleepover
Carewatch (North Lanarkshire)		£8.90 8am-10pm £8.90 10pm-8am waking night £5.34 10pm-8am sleepover
Choices SOS Ltd		£9.90 8am-10pm £9.90 10pm-8am waking night £4.90 10pm-8am sleepover
Hazelhead Homecare Ltd	3 rd	£8.35 8am-10pm Mon-Fri £9.05 8am-10pm Sat & Sun £8.35 10pm-8am waking night £6.20 10pm-8am sleepover £9.05 10pm-8am waking night Fri & Sat £6.50 10pm-8am sleepover Fri & Sat
Premier Care (Lanarkshire) Ltd		£8.50 8am-10pm £9.35 10pm-8am waking night £8.50 10pm-8am sleepover
Scot HomeCare	1 st	£8.90 8am-8pm Monday-Friday £10.22 8pm-10pm Monday-Friday £10.22 Friday and Saturday £9.20 10pm-8am Waking Night £5.80 10pm-8am Sleepover £6.80 10pm-8am Sleepover Fri & Sat

- 4.2 The table shows that the three organisations which were rated 1st, 2nd and 3rd (and considerably higher than the others, when the criteria were applied) are 1st – ScotHomeCare, 2nd – Community Careline Service and 3rd Hazelhead Homecare Ltd.
- 4.3 One Organisation submitted a price which was considerably lower than the other providers. The evaluation process however established that the Organisation is relatively new and it did not meet the quality standards required of a preferred provider.
- 4.4 When the Social Work Department staff considered all the factors: – quality, cost, knowledge from existing service provision in North Lanarkshire and external provider testimonial information, it was concluded that Community Careline, Hazelhead Homecare Ltd and ScotHomeCare were the three organisations most likely to produce a service which could demonstrate a combination of quality service and value for money.

5. GEOGRAPHIC LOCATION

- 5.1. In the application form, each organisation was asked to express its views of providing services in each of the Council's three Social Work Divisions of North, Central and South. Table 2 below shows the organisations stated preference (if any) on a 1-3 score. In this table, 1 indicates first choice, 2 – second choice and 3 – third choice.

Table 2

Name of Provider	Avondale Homecare	Community Careline	Carewatch	Choices SOS Ltd	Hazelhead Homecare Ltd	Premier Care Ltd	ScotHome Care
Central	2	1	2	2	3	N/A	1
North	1	3	3	3	1	N/A	3
South	N/A	2	1	1	2	1	2

6. CORPORATE CONSIDERATIONS

- 6.1 The recommendations which were agreed in August 2001 by Committee, included proposals for increased financial expenditure by the Social Work Department, on homecare services, from a combination of existing community care budgets and from additional funds allocated for 2002/2003, to expand homecare services. This is in line with national and local priorities and recommendations from the Royal Commission. It was also anticipated that the sum of £600,000 be anticipated as phased expenditure to meet the costs of the new homecare contracts during 2002/2003.
- 6.2 Ongoing work within the Scottish Executives Care Development Group will have implications for the manner in which Council's charge for personal care and this will be the subject of further report to the Committee when details are announced.
- 6.3 There are no implications for the Council's homecare support workers but the trade unions will be updated regarding proposals to change arrangements for purchasing private homecare.
- 6.4 The Council's legal services and Social Work Department staff will require to finalise arrangement for agreement on new contracts, subject to committee approval for contracts to be issued to the three "preferred providers".

7. RECOMMENDATIONS

7.1 Committee is asked to;

- a) Approve the award of three contracts to the undernoted organisations, as preferred providers.

Geographic Area to be Served

North (Airdrie & Cumbernauld)
Central (Bellshill & Coatbridge)
South (Motherwell & Wishaw)

Name of Organisation

Hazelhead Homecare Ltd
Community Careline Service
ScottHomeCare

b) Committee is asked to note that:

- i) Detailed implementation will be progressed jointly by Director of Social Work and Head of Legal Services.
- ii) A further report outlining progress made will be brought forward to a future meeting of the committee.



Jim Dickie
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22 February 2002

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