

**NORTH SOMERSET COUNCIL
DECISION**

**DECISION OF: THE EXECUTIVE MEMBER FOR ADULT SOCIAL CARE
WITH ADVICE FROM: THE DIRECTOR OF PEOPLE AND COMMUNITIES
DIRECTORATE: PEOPLE AND COMMUNITIES**



DECISION NO: PC81 (2018/19 SCHEME)

**SUBJECT: THE NOVATION OF THE SUPPORT TO LIVE AT HOME CONTRACT
(PORTISHEAD AND CLEVEDON)**

KEY DECISION: YES

BACKGROUND

Brunelcare was awarded the Support to Live at Home contract (Portishead and Clevedon) and for the domiciliary care contract for Waverley Court Extra Care scheme (Portishead) approximately two years ago. Brunelcare have requested to be released from their contracts with the Council. Their notice was reluctantly accepted given the risk that Brunelcare's resources would diminish if they were made to continue to provide services under a contract they felt was not financially viable, having consequences of insufficient capacity to meet the needs of the community.

DECISION

To approve the novation of contract for Support to Live at Home Contract (Portishead and Clevedon) and the contract for domiciliary care at Waverley Court Extra Care scheme (Portishead) to Nobilis Care Ltd (Registered Company No **06473742**) following notification of the proposed withdrawal of Brunelcare at short notice.

REASONS

Brunelcare flagged financial losses and capacity issues as the primary reason for the wish to be released from the contract, the volume of the work undertaken by Brunelcare was significantly below that expected of the main provider in the area and the volume of services that are providing has steadily decreased over the last two years. Brunelcare was struggling with recruitment and retention of staff and failing to accept new packages of care in the required timescales of the contract. There have been no concerns raised over quality.

To deliver a new provider in accordance with the timelines required for a necessary TUPE transfer, this novation must be completed at short notice.

Providers have been approached including Alliance Living Care, a successful provider of another Support to Live at Home contract, Access Your Care the provider of the North Somerset Community Care Response Service (Carelink) and a new provider, Nobilis, who successfully transferred the Allied Healthcare contract in South Gloucester.

The recommended award is to Nobilis, who have extensive experience of service and TUPE transfers and the delivery of domiciliary care around the country.

OPTIONS CONSIDERED

Following initial discussions, we considered two potential routes, both of which allowed us to progress urgent conversations in a fair and transparent fashion. The two procurement routes considered were novating the contract to another provider/s or utilising Regulation 32 of the Public Contract Regulations 2015, which allows the use of the negotiated procedure without prior publication for reasons of extreme urgency brought about by events unforeseeable by the contracting authority whereby the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. We approached Alliance Living Care and Access Your Care given that these providers had evidenced their abilities by winning Round 2 of the Support to Live at Home procurements run and the North Somerset Community Care Response service tender. We also felt that these providers would be able to implement the contractual requirements at a fast pace. Alliance Living Care were only interested in taking Clevedon and Waverley Court. This would have left the Council trying to find a solution for Portishead which is the most difficult area to cover.

Access Your Care submitted a proposal that offered a complete solution but submitted unacceptable rates that was felt would not offer best value for the Council. Whilst the preference was to work with an existing strategic provider, given the difficulties around recruitment particularly in the Portishead area, the poor response to recent procurement processes in domiciliary care, and given the shortage of time to deliver this change quickly, a further search of known strategic providers was discussed with commissioners in Bristol City and South Gloucestershire, of providers that may consider extending provision into North Somerset. Two further providers were approached, and one submission received.

Nobilis completed an expressions of interest submission which met satisfactory quality and price levels to pursue as the lead option. Legal advice was also taken throughout this process. Nobilis are a Hampshire based family business, that has expanded in recent years across the South East with Council contracts in Wiltshire, Gloucestershire and most recently South Gloucestershire. South Gloucestershire have recently novated their strategic contract for Filton and Yate to Nobilis in similar circumstances following the Allied Care financial difficulties, and whilst early days, the smooth transfer of this contract, was seen as a positive in terms of tackling the current challenge.

FINANCIAL IMPLICATIONS

Brunelcare's existing hourly rates that would have applied for 1st of April 2019 with a 4.5% annual uplift to reflect National Wage increases, together with Nobilis's comparative rates are shown in the table below

	Brunel	Nobilis
Clevedon Care and Support	£18.13	£21.90
Clevedon Reablement	£21.58	£21.90
Portishead Care and Support	£18.54	£21.90
Portishead Reablement	£21.58	£21.90
Average weighted unit cost	£18.58	£21.90
Waverley Court	£16.37	£19.50
Waverley Court (nights)	£16.32	£15.77
Average weighted unit cost	£16.36	£18.50

The revised rates represent a significant increase, and reflect similar increases elsewhere in South Gloucester, Bath & North East Somerset and Bristol City. In the last six months a third of Councils have seen domiciliary contracts returned as economically unviable.

Calculations based on the number of hours delivered in 2018/19 indicate that these revised prices would lead to increased annual expenditure in 2019/20 of c. £210k as follows. In addition, there may be some small one-off costs associated with the transfer of staff.

	<i>Hours</i>	Brunel Hourly Rate	Estimated 2019/20 Cost	Nobilis Hourly Rate	Estimated 2019/20 Cost	Difference
Domiciliary Care	47,445	£18.58	£881,383	£21.90	£1,039,041	£157,658
Extra Care	24,657	£16.36	£403,448	£18.50	£456,069	£52,621
			£1,284,831		£1,495,110	£210,279

These additional costs are planned to be funded from the Winter Pressures Grant, which now forms part of the Council's medium-term planning process. The Council has earmarked £400k as a contingency to fund likely rebasing of prices in areas of capacity difficulty.

In addition, the Council will benefit from a more robust strategy to address recruitment as delays in packages of care has both the personal impact on families and carers but can lead to delayed discharges from Hospital and the cost of alternative provision e.g. home care pending beds in Care Homes is more expensive, so reducing delayed packages will release resources across health and social care.

The alternative options were considerably more expensive or have unacceptable risks to the quality and continuity of care for our communities.

Based on the current volume and potential remaining 56 months of the Support to Live at Home contract the total cost would be, £4,848,858 for the Portishead and Clevedon contract and £2,090,316 for the Waverley Court contract.

LEGAL POWERS AND IMPLICATIONS

The two procurement routes considered were novating the contract to another provider/s or utilising Regulation 32 of the Public Contract Regulations 2015, which allows the use of the negotiated procedure without prior publication for reasons of extreme urgency brought about by events unforeseeable by the contracting authority whereby the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.

CONSULTATION

Not applicable given the urgency of the action, although Nobilis, Brunelcare and the Council will work in partnership to inform families and carers of the changes taking place by letters and meetings.

RISK MANAGEMENT

An ongoing risk assessment was carried out as part of the procurement process. The main risks attached to this process are around capacity of the service to meet demand both before, during and after process and the risk of not achieving cost reductions.

Failure to increase the capacity of the market would increase the risk of delayed hospital discharge; waiting lists; poor quality provision for service users.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No.

An equality impact assessment (EIA) for this project was completed during the pre-procurement phase. This drew on the results of several stakeholder consultation including: attending groups for older and disabled people and carers; a service user questionnaire; a care worker questionnaire; a questionnaire for in-house staff; provider events; and meetings with Councillors.

CORPORATE IMPLICATIONS

The novation of contract whilst leading to additional contract costs is within the targeted resources, earmarked as part of the Council's budget setting process. The continuity of care and delivering a sustainable care market, is key legislative requirement of the Care Act.

BACKGROUND PAPERS

None.

SIGNATORIES:

DECISION MAKER(S):

Signed: *D. Payne*

Title: Executive Member for Adult Care

Date: *26.2.19*

WITH ADVICE FROM:

Signed: *Lucia Lush*

Title: Director, People and Communities

Date: *26.2.19*

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:



