

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 12/05/2025

Subject: Home Care Services

Report of: Councillor Alex Sanderson – Deputy Leader (formally deputising for the Cabinet Member for Adult Social Care and Health)

Report author: Sarah Bright – Director Commissioning and Transformation

Responsible Director: Jacqui McShannon, Executive Director – People

SUMMARY

The current homecare arrangements have been operating on an implied contractual basis following an unsuccessful procurement. Officers have evaluated available options which have informed the proposed recommendations to ensure continuity of care and market stability whilst preparing for a future competitive procurement process.

RECOMMENDATIONS

That Cabinet approves:

1. That Appendix A is treated as confidential on the basis that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings pursuant to Schedule 12A, paragraph 5 Local Government Act 1972.
 2. That Appendix B is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
 3. Direct Award to the three incumbent providers (Castle Rock Group, Mihomecare and Sage Care) for a maximum of sixteen months from 1 April 2025 to 31 July 2026, keeping the existing allocation of packages in place. The total value is estimated to be £15.5m.
-

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Corporate Plan and the H&F Values
Building shared prosperity	Providers will be encouraged to support local businesses and the voluntary sector in the Borough by employing local Home Care and Independent Living staff.
Creating a compassionate and inclusive council	Home Care service upholds the rights of vulnerable residents and supports our vision for independent living
Doing things with residents, not to them	Residents are at the centre of their care plans, supported to be involved in the decisions about their care and support, ensuring a person centred, strengths focused approach.
Being ruthlessly financially efficient	Formalising of existing arrangements to lead to a competitive open procurement process that is appropriately structured and weighted to meet demand as well as need and drive competitiveness in the market.
Taking pride in H&F	A high-quality service supporting some of our most vulnerable residents to access high quality, homecare provision.
Rising to the challenge of the climate and ecological emergency	Procurement of services which deliver against the Council's net zero ambition by 2030 through the recruitment of local care staff across smaller geographical areas reducing the use of transport in the delivery of this service.

FINANCIAL IMPACT

The total projected spend in 2024/25 for the 3 block contract providers is £11.3m (namely, Castle Rock Group, Mihomecare and Sage Care). These 3 providers are delivering 560,014 hours per annum to 1,044 residents (and this level of service is expected to continue for the contract extension duration).

The proposed inflation that the Council will allocate for 2025/26 is 2.5% and this equates to an additional cost of £0.3m and therefore the 2025/26 forecast expenditure will be £11.6m. The estimated financial cost for the period 1st April 2026 to 31st July 2026 is £3.9m (with the total estimated value for the contract extension for 16 months being £15.5m).

The total estimated expenditure for 2025/26 will be funded from the approved Adult Service Home Care budgets and the commitments in 2026/27 will be subject to the standard budget approval processes to agree the budget for 2026/27.

Any other incidental costs that were incurred in this regard (e.g. external legal advice) and other Council costs will be met within the approved Adult Social Care budgets.

Finance comments by Lydia Nevitt, Principal Accountant Social Care. 05/02/2025
Verified by James Newman, AD Finance, 31/01/2025
Verified by Sukvinder Kalsi, Executive Director Finance and Corporate Services, 07/03/2025

LEGAL IMPLICATIONS

The full legal implications can be found in Exempt Appendix A.

Verified by Glen Egan, Assistant Director Legal Services, 27 February 2025

DETAILED ANALYSIS

INTRODUCTION

1. The Council has a legal duty under the Care Act 2014 to ensure the provision of Home Care services. It is a vital service to enable people to maintain their independence, remain living in their own homes, prevent admission to residential care provision, support hospital discharge and unnecessarily long stays in hospital which are detrimental to health.
2. Three lead providers currently provide care across three geographical regions. The remaining hours are delivered by providers under spot contractual arrangements. Contract monitoring of the three lead providers happens on a monthly basis.
3. In December 2022 a procurement strategy was approved via Cabinet to re-commission Homecare and Independent Living Services. During the award process a legal challenge was received and the procurement was abandoned.
4. There is a legal and commercial imperative to re-commission the service. Given the complexities of this service, officers have determined the minimum period necessary to undertake an open tender exercise and mobilise new contracts to ensure the continued safe and effective delivery of services, is 16 months. Whilst this process is undertaken, there is a need to formalise the current arrangements.

OPTIONS APPRAISAL

5. The key options under consideration are:

Option 1: Direct award to the three lead providers for 16 months and continue allocating new packages in accordance with current arrangements to the lead providers in the first instance.

6. The current home care model divides the borough into three geographical areas, each assigned a contracted provider - Mihomecare in the North, Castle Rock Group in the Central, and Sage in the South. Providers must accept 100% of referrals within their region, use electronic monitoring, comply with contract terms, and attend performance meetings.
7. Since the lapse of these contracts, the three lead contracted providers have continued to provide these services to ensure continuity of provision. The recommended option will formalise the position with these providers, whilst we undertake a competitive tender exercise.
8. This option will provide continuity of provision to some of the Council's most vulnerable residents. Officers will continue to call-off new requirements with these providers as required and spot purchase in accordance with current arrangements. This option formalises the as is whilst ensuring there is sufficient time to undertake a competitive procurement exercise and mobilise new contracts to ensure the continued safe and effective delivery of services.

Option 2: Direct award to the three lead contracted providers for a period of 16 months and purchase new packages of care via a mini-competition process on a spot basis.

9. Not recommended. Whilst this option provides continuity of care and avoids disruption for vulnerable service users during the interim period, spot purchasing the current volumes of activity is not a viable or sustainable interim solution posing a significant risk to the safe and effective running of the service. It does not achieve our objectives for partnership working and service consistency.

Option 3: Do nothing.

10. This option is not recommended. This reflects the current position of operating with an implied contract and whilst it provides continuity of care and avoids disruption to vulnerable service users, this current position needs formalising in line with the rationale set above.

TIMELINE

11. See below for the indicative procurement timeline.

Table 1 – Estimated Home Care Procurement Timeline

Milestone	Date
Key Decision Entry (Strategy)	03 March 2025
People's Leadership Team	11 March 2025
Contracts Assurance Board (Strategy)	12 March 2025
Cabinet Member sign off	17 March 2025
Political Cabinet	01 April 2025
Cabinet	12 May 2025
Call-in	05 June 2025
Initial Conflict of Interest Assessment (<i>reviewed throughout at key stages</i>)	05 June 2025

Prepare tender pack	05 June – 31 August 2025
Market Engagement Notice	06 June 25
Market Engagement sessions	June – July 2025
Publish Tender Notice to the Central Digital Platform before publishing locally.	04 September 2025
Commencement of Tender Clarification stage	04 September 2025
Closing date for clarifications	12 September 2025
Clarification responses issued	19 September 2025
Closing date for submissions	04 October 2025
Evaluation of Tenders	06 October – 10 November 2025
Key Decision Entry (Award)	03 November 2025
Decision paper and implications	08 November – 02 December 2025
Peoples Leadership Team	09 December 2025
CAB (Award)	10 December 2025
SLT/Cabinet Member (Award)	15 December 2025
Issue assessment summary	16 December 2025
Publish contract award notice	05 January 2026
Standstill period	15 January 2026
Contract engrossment	February 2026
Publish Contracts Detail Notice	February 2026
Framework mobilisation and implementation	February – July 2026
Framework Commencement date	July 2026

EQUALITY IMPLICATIONS

12. The Council in this paper proposes to formalise the current arrangements with the incumbent home care providers. The delivery of services and allocations of packages do not change and therefore the equality implications are neutral.

RISK IMPLICATIONS

13. The Council has a legal duty under the Care Act 2014 to provide high-quality homecare services to prevent worsening health outcomes and to support vulnerable adults and their carers. This duty is discharged through procured contracts with a range of suppliers.
14. The report sets out the rationale for formalising the current arrangements, following the need to abort the procurement process to put new contracts in place. Formalising the current position will give the Council greater protection in the event of service failure and also ensure continuity of vital services to vulnerable residents. The report sets out the procurement and service risks associated with each available option and the decision-maker will need to balance the risk of challenge with the risk of failure to provide continuity of service.
15. Where spot contracts are used, officers will need to ensure that appropriate contractual arrangements are in place and monitored, as well as monitoring and

managing the formalised arrangements with the main providers. This will include ensuring that the service overall remains within its budget allocation.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 12 December 2024

CLIMATE AND ECOLOGICAL EMERGENCY IMPLICATIONS

The Climate and Ecological implications will be addressed in the new procurement strategy.

Hinesh Metha, Assistant Director of Climate Change, 6 March 2025.

LOCAL ECONOMY AND SOCIAL VALUE IMPLICATIONS

The Local Economy and Social Value implications will be addressed in the new procurement strategy.

David Pack, Strategic Head – Economic Growth, 6 March 2025.

LIST OF APPENDICES

Exempt Appendix A – Confidential Legal Implications

Exempt Appendix B – Estimated Value of Contract by Provider