




Executive Decision Report

Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken	Cabinet Date of decision : 24 JUNE 2013	
	Cabinet Member for Adult Social Care Date of decision (i.e. not before): 11 June 2013 Forward Plan reference: KD04016	 THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
	Cabinet Member for Adults Date of meeting or formal issue (i.e. not before): 3 June 2013	 City of Westminster
Report title (decision subject)	AWARD OF CONTRACT FOR HOSPITAL TO HOME AND BEFRIENDING PLUS SERVICES TENDER	
Reporting officer	Martin Waddington	
Key decision	Yes	
Access to information classification	Public. A separate report on the exempt Cabinet agenda provided information regarding the tender appraisal.	

1. EXECUTIVE SUMMARY

- 1.1. This report details the process followed when tendering for the Hospital to Home and Befriending Plus services across the three Tri-borough authorities and recommends that contracts for the services specified under Lots 1 and 2 be awarded.
- 1.2. These services, although not statutory, are preventative and help support people at a time of need; after a hospital episode, bereavement and loss, or when feeling vulnerable. The Hospital to Home service helps with the discharge process and effectively supports people to live a life with potentially less reliance on acute care. These services support local CCGs out of hospital strategies, reducing hospital admissions and promoting a greater use of primary and community services. Where people's well-being has improved, the onset or need for statutory care management services or residential care can be delayed, therefore reducing the burden on statutory services. This can help save money in the long run for both the NHS and the local authorities.
- 1.3. The tender exercise was divided into two lots, the lots were split by service type as set out below:

Lot	Service Description
1	Tri-borough Hospital to Home Service
2	Befriending Plus Service - Westminster

- 1.4. The contract for Lot 1 will run initially for two years with the option to extend for up to 24 additional months. The total contract value for this lot including all possible extensions is £659,008. The contract for Lot 2 will run initially for two years with no option to extend. The total contract value for this lot is £100,000. The primary objective of tendering for these services was the maintenance and development of service levels within existing budgets and to formalise contractual arrangements. The tender evaluation methodology was therefore set in order to ensure the councils received the maximum service level within specified budgets.
- 1.5. Provided the recommendations for contract award are agreed, the contract for Lot 1 will be awarded by the Royal Borough of Kensington and Chelsea to the recommended provider. RBKC will order the services under Lot 1 for behalf of the London Borough of Hammersmith and Fulham and the City of Westminster. The contract for Lot 2 will be awarded by the City of Westminster to the recommended provider.

2. RECOMMENDATIONS

- 2.1. That contracts be awarded for Lots 1 and 2 to the following providers:

Lot 1 – British Red Cross
Lot 2 – Volunteer Centre Westminster

- 2.2. For Lot 1 the contract value is £164,752 per annum and will run initially for two years (September 2013 – August 2015) with the option to extend the contract for up to 2 additional years. The total contract value including all possible extensions is £659,008.
- 2.3. For Lot 2 the contract value is £49,850 in year one and £50,150 in year two and will run for a total of two years (September 2013 – August 2015) with no option to extend the contract. The total contract value is £100,000.
- 2.4. That the Tri-borough Executive Director Adult Social Care be authorised to negotiate any variations to the contract prices that become necessary as a result of changes to the service levels that are required, but not exceeding a total of more than 10% of the contract sums, subject to the necessary budget approvals and in conjunction with the three boroughs' Legal Services departments be authorised to agree any minor amendments to the contract deemed necessary and to conclude the contract accordingly.

3. REASONS FOR DECISION

- 3.1. The recommendations with regards Lots 1 and 2 are in accordance with the tendering exercise and are the most economically advantageous tender bids, a full technical appraisal of which is set out in Appendix 1 of the exempt report.
- 3.2. Lot 1 is a service that will operate across all three boroughs with equal contributions from each borough. This was agreed in the financial implications section of the original CoCo report and is in recognition of all three local boroughs having similar demographics, with small variations in the total adult population, and having similar requirements for the service. The funding for this service will be paid via section 75, from reablement and health to social care monies. The payment mechanism will be by invoicing each of the local authorities.
- 3.3. Lot 2 specifies that the service will operate in the City of Westminster only. This is in recognition of the pilot for this service in Westminster that provided a way of bringing older people out of isolation. The commissioning team were only approached by the emerging CCG from this pilot in Westminster and not by the other two boroughs who already had similar services in place. It was agreed that this type of service should be continued as the CCG could see the benefits of having these services.
- 3.4. A similar type of service to Lot 2 was in place in the south of Westminster, originally funded by a voluntary organisation. Tendering for these services therefore allows for contractual formalisation and monitoring management arrangements to be made, as well as for providing a means to move away from grant funding.

- 3.5. The tender price of Lot 1 achieves a saving of £1,796 per annum against the budget, with a total of £7,076 savings over the total life of the contract. There are no savings for Lot 2. The two lots were tendered at the same time and providers did have the opportunity to bid for both lots and potentially add towards savings.

4. INTRODUCTION AND BACKGROUND

- 4.1. As people are living longer, more people reach a point where they are no longer living with someone. These older people, who may have long term conditions, are often people living alone for long period. In Westminster, 1 in 2 older people over 65 lives alone (JSNA 2009). When these people are waiting to be discharged they may not have someone waiting for them or someone to collect them from hospital.
- 4.2. Lot 1 aims to provide short term preventative intervention and support, to aid an individual's discharge following an acute hospital episode. The Service will also avoid hospital re-admissions and demonstrate value for money. The core focus is to deliver a Service that streamlines the discharge process, increases the number of people accessing the Service from hospital, improves outcomes and ensures vulnerable older people settle home and maintain their independence.
- 4.3. With a growing older adult population, there are more people living in isolation. This includes people living alone, housebound people, or those with little or no interaction with family, friends or the wider community. It is these people who are most vulnerable and may go unnoticed by the statutory organisations that have a duty to maintain their well-being.
- 4.4. The aim of Lot 2 is to provide a volunteer Befriending Plus Service, one that reaches out to vulnerable older people in the community. By providing social contact and interaction for people, this service will help people out of isolation and improve their well-being.
- 4.5. The purpose of the joint procurement exercise was to re-tender the existing Hospital to Home Service across the three Tri-borough authorities being delivered under a grant and put in place an additional Befriending Plus Service in the City of Westminster only. By competitively procuring and formalising the services contractually, these services could be monitored and managed more closely in order to drive the achievement of outcomes. The tender process also enabled best value and an opportunity to test the market for a quality provider who could deliver within the financial envelope. The objective to achieve best value could be met from this exercise by allowing for a secure commitment to a longer term contract, at a fixed price.
- 4.6. Authority to proceed to tender was given in Westminster by Gate 1 and Cabinet Member for Adults - Cllr Rachael Robathan. Authority to proceed to tender in Kensington and Chelsea was given by Cabinet Member for

Adult Social Care – Cllr Fiona Buxton. Authority to proceed to tender was given in Hammersmith and Fulham by Cabinet Member for Community Care – Cllr Marcus Ginn. Reports were presented during September 2012.

- 4.7. Once authority to tender had been received from all required bodies the procurement exercise began, a project team was formed and specifications and tender documents were developed. A full technical appraisal of the tender exercise is set out in Appendix 1 of this report.

5. PROPOSAL AND ISSUES

- 5.1. The services being procured will be available to black, minority and ethnic communities and will have a focus on older residents of the three boroughs.
- 5.2. **Lot 1: Tri-Borough Hospital to Home Service.** The recommended tenderers proposal is for this service to operate as a “hub and spoke” model. Referrals will be managed and coordinated centrally from the recommended tenderers base in central London and will incorporate a system of floating hospital coordinators and a team of volunteers. The model was designed to best meet the needs of 1,200 service users per year (a requirement of the specification). The main function of the contract will be the provision of short term preventative intervention and support, to aid an individual’s discharge following an acute hospital episode.
- 5.3. **Lot 2: Befriending Plus Service – Westminster.** The recommended tenderers proposal is based on their experience of delivering a successful pilot for a similar service in the City of Westminster, with the objective of providing well-trained and supported volunteer befrienders to give companionship to vulnerable older people. The main function of the contract will be the provision of a service that reaches out to vulnerable people in the community. By providing social contact and interaction for people, the service will help people out of isolation and improve their well-being.

6. TUPE CONSIDERATIONS

- 6.1. As the recommended provider in both lots are effectively the incumbents there are no considerations regarding TUPE or the transfer of staff.

7. CONSULTATION

- 7.1. Consultation with the market, service users and other stakeholders took place during the pre-procurement stage of the tender; further details of this are set out in Appendices 1 and 2 of this report.

8. EQUALITY IMPLICATIONS

- 8.1. A full and thorough Equalities Impact Assessment was undertaken and is available electronically with this report. The impact assessment has been carried out with due regard to the Councils' statutory duties under the Equality Act 2010.
- 8.2. The proposal to tender for these services will on the whole have a positive impact on most of the protected groups. It is not anticipated that the services received by the services users eligible for the services being procured will vary significantly from what is currently received by awarding these contracts. Eligibility for access to these services is not affected under this process; rather, it is hoped that by working collaboratively and focusing on outcomes across service areas and the three Tri-borough authorities (whilst ensuring local needs continue to be met) residents will receive both better quality and value for money from the services procured.

9. LEGAL IMPLICATIONS

- 9.1. These are Part B services under the Public Contracts Regulations 2006. The competitive tender process followed is in compliance with such Regulations.
- 9.2. This joint procurement led by RBKC needs to be underpinned by an Inter Authority Agreement between the Tri-Boroughs which needs to provide for responsibilities, payment, indemnity and exit provisions etc. RBKC are merely co-ordinating the administration of the contract and will not be undertaking legal functions on behalf of the other two boroughs (i.e. making decisions on their behalf), and therefore a legal agreement under s.101 of the Local Government Act 1972 or s.19 of the Local Government Act 2000, whereby the other two boroughs delegate their legal responsibilities to RBKC, will not be needed.
- 9.3. Implications completed by: Babul Mukherjee (Bi-borough Legal Representative) and Peter Nixon (Principal Solicitor at Westminster City Council).

10. FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1. The costs of the proposals are set out against the confirmed budgets in the tables below. All figures are based on projected contract start dates of 1 September 2013 and pro-rated accordingly.

Table 1: Lot 1 – Hospital to Home Service – Tri-Borough Funded

	2013/2014 Quarters 3 and 4 only		2014/2015		2015/2016		2016/2017		2017/2018 Quarters 1 and 2 only	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
Current Budget	83,260.50	82,376.00	166,521.00	164,752.00	166,521.00	164,752.00	166,521.00	164,752.00	83,260.50	82,376.00
Council Revenue Budget	83,260.50	82,376.00	166,521.00	164,752.00	166,521.00	164,752.00	166,521.00	164,752.00	83,260.50	82,376.00
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LBHF	27,753.50	27,458.67	55,507	54,917.33	55,507	54,917.33	55,507	54,917.33	27,753.50	27,458.67
RBKC	27,753.50	27,458.67	55,507	54,917.33	55,507	54,917.33	55,507	54,917.33	27,753.50	27,458.67
WCC	27,753.50	27,458.67	55,507	54,917.33	55,507	54,917.33	55,507	54,917.33	27,753.50	27,458.67
External funding sources e.g. TfL / NHS etc.	Figures included funding transferred to the authority from the NHS via section 75 agreement									
SUB-TOTALS	83,260.50	82,376.00	166,521.00	164,752.00	166,521.00	164,752.00	166,521.00	164,752.00	83,260.50	82,376.00
Start-up Costs	Incorporated into costs set out above									
Lifetime	Incorporated into costs set out above									

Cost										
Close down Costs										
TOTALS	83,260.50	82,376.00	166,521.00	164,752.00	166,521.00	164,752.00	166,521.00	164,752.00	83,260.50	82,376.00
Savings	N/A	884.50	N/A	1,769.00	N/A	1,769.00	N/A	1,769.00	N/A	884.50

Table 2: Lot 2 – Befriending Plus Service – Westminster City Council Funded

	2013/2014 Quarters 3 and 4 only		2014/2015		2015/2016 Quarters 1 and 2 only	
	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £	Confirmed Budget £	Cost of Proposal £
Current Budget	25,000.00	24,925.00	50,000.00	50,000.00	25,000.00	25,075.00
Council Revenue Budget	25,000.00	24,925.00	50,000.00	50,000.00	25,000.00	25,075.00
Council Capital Budget	N/A	N/A	N/A	N/A	N/A	N/A
External funding sources e.g. TfL / NHS etc.	Figures included funding transferred to the authority from the NHS via section 75 agreement					
SUB-TOTALS	25,000.00	24,925.00	50,000.00	50,000.00	25,000.00	25,075.00
Start-up Costs	Incorporated into costs set out above					
Lifetime Cost						
Close down						

Costs						
TOTALS	25,000.00	24,925.00	50,000.00	50,000.00	25,000.00	25,075.00
Savings	N/A	75.00	N/A	0	N/A	-75.00

COMMENTS OF THE LBHF EXECUTIVE DIRECTOR OF FINANCE & CORPORATE GOVERNANCE

- 10.2. The proposal to award the Hospital to Home Service to the British Red Cross will cost £54,918 annually and £109,836 over the initial 2 year contract award period. The assumed start date of September 2013 will give rise to part year effects in both 2013-14 and 2017-18 of £27,459. The cost of the contract will be fully met from Reablement Funds via a section 75 agreement signed with the Clinical Commissioning Groups (CCGs).
- 10.3. Implications completed by: Cheryl Anglin-Thompson, Principal Accountant x4022)
- 10.4. Steve Mellor, the RBKC Finance Manager has been consulted and supports the recommendation.

11. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 11.1. The tender was undertaken in accordance with the Contract Regulations of the lead authority (the Royal Borough of Kensington and Chelsea).
- 11.2. The attached technical report sets out that contracts will be awarded to the tenderer in each lot that demonstrated they were the Most Economically Advantageous, and therefore represent value for money.
- 11.3. All future variations and contract extensions will be done in accordance with the contract standing orders or procurement code of all affected authorities.
- 11.4. Implications completed by: Charles Stephens, Procurement and Contracts Manager, 020 7361 2717.

LIST OF APPENDICES:

- Appendix 1: Technical Report – Tender Appraisal (exempt).
- Appendix 2: Equalities Impact Assessment.