



London Borough of Hammersmith & Fulham

CABINET

2 FEBRUARY 2015

DELEGATION OF AUTHORITY TO AWARD ELECTRONIC HOME CARE MANAGEMENT SYSTEM (HCMS)

Report of the Cabinet Member for Health and Adult Social Care - Councillor Vivienne Lukey

Open Report

Classification: For Decision

Key Decision: Yes

Wards Affected: All

Accountable Executive Director: Liz Bruce, Executive Director of Adult Social Care & Health

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1. EXECUTIVE SUMMARY

- 1.1. The Adult Social Care Commissioning and Contracts Board approved the procurement of a Home Care Management System (HCMS) for the London Borough of Hammersmith & Fulham, along with the Royal Borough of Kensington and Chelsea and the City of Westminster.
- 1.2. A HCMS will support the new Home Care services and will play a pivotal role in helping the new services achieve their main aims. As such, it will be beneficial for HCMS to be live by the time the new Home Care services are due to begin in July 2015.
- 1.3. To enable H&F to benefit from the HCMS as soon as possible, and to ensure the system is fully functional by July 2015, this report requests that the Call Off Agreement that will allow H&F to utilise the shared HCMS be awarded by the Leader of the Council and Cabinet Member for Health and Adult Social Care.

2. RECOMMENDATION

- 2.1. That the Leader of the Council and Cabinet Member for Health and Adult Social Care, in conjunction with the Executive Director for Adult Social Care & Health, award the H&F Call Off Agreement for the Home Care Management System.

3. REASONS FOR DECISION

3.1. Timely Procurement is advantageous

- 3.2. HCMS will play a pivotal role in ensuring the new Home Care services achieve their main aims. Indeed, HCMS will be able to effectively and efficiently monitor over 50% of the Home Care KPIs, and enable H&F to pay for only the Care that is actually delivered.

- 3.3. As such, it will be advantageous for the system to be in place by the time the new Home Care services begin in July 2015.

- 3.4. If the recommendation is approved, the award of the contract would be fast tracked by three months. This would allow for a thorough contract implementation period and provide ample time for the development of the system. It would also ensure HCMS is live by the time the new Home Care services are scheduled to begin, which in turn would improve the implementation and overall initial quality of the Home Care services.

3.5. H&F Contract Standing Orders

- 3.6. The contract will be for five years with the option to extend for a further two in order to mirror the length of the Home Care contracts HCMS is being procured to support.

- 3.7. The total spend for H&F under the proposed contractual arrangements across the basic five year contract duration is expected to be in the region of £300,000 to £550,000.

- 3.8. H&F Contract Standing Orders require that contracts with a maximum total estimated value of £100,000 are awarded by H&F Cabinet. Provision exists for the contract award to be made by the Leader of the Council and the Cabinet Member for Health and Adult Social Care, in conjunction with the Executive Director for Adult Social Care & Health.

4. BACKGROUND

- 4.1. The principle of procuring a HCMS was approved in January 2014 and endorsed by the Cabinet Member for Health and Adult Social Care. The Adult Social Care Commissioning and Contracts Board approved the procurement strategy on 1st December 2014.

- 4.2. HCMS will support the new Home Care services by: improving the delivery of care by facilitating the monitoring of outcomes and enabling greater personalisation; improving the management of the Home Care contracts; ensuring payment is only

provided for services delivered; and ensuring customers receive care (quantity and quality) they both desire and are entitled to.

- 4.3. H&F do not have a centralised monitoring system currently in place. It is estimated HCMS will save the Borough 4.5% of their entire Home Care budget per year. The savings the system will generate will easily outweigh the required expenditure.
- 4.4. To procure the system, a mini-competition will be held from the Eastern Shire Purchasing Organisation Framework Contract 394 - Electronic Homecare Monitoring and Scheduling Solutions. H&F will then enter into its own Call off Contract with the successful provider from the Framework. One provider will be selected to provide the service to all three Boroughs which will allow H&F to benefit from the combined purchasing power a multi Borough procurement affords.

5. PROPOSAL AND ISSUES

- 5.1. It is proposed that the Leader of the Council and Cabinet Member for Health and Adult Social Care, in conjunction with the Executive Director for Adult Social Care & Health, award the H&F Call Off Agreement for the Home Care Management System.

5.2. Reasons behind the proposal

- 5.3. It is advantageous for HCMS to be live by the time the new Home Care services are scheduled to begin in July 2015 as HCMS has the capacity to improve the quality of the Home Care services and generate savings. If the recommendation is approved, the award of the contract would be fast tracked by three months so the benefits of the system will be realised sooner.

- 5.4. This would allow the contract to be awarded in March 2015 which would allow for a thorough contract implementation period and ample time for the development of the system. The Project Team feel three months is the ideal time scale to complete these processes, which delegation would afford. As such, delegation of authority is requested as it will improve the quality of the overall system.

- 5.5. In addition, the ESPO Framework that will be used for the procurement expires on 31st March 2015. This means that the contract needs to be awarded before this date.

5.6. Consequence of the proposal

- 5.7. If the recommendation is approved, the benefits HCMS provides will be realised three months earlier than they otherwise would be: Home Care customers will benefit from the improved quality of care provided sooner; H&F will benefit from the savings HCMS will generate earlier.
- 5.8. If Cabinet approved the recommendation, the timeline for the procurement would be as follows:

Task	Completed by
<i>ITT</i>	
Publish ITT mini competition from ESPO	17 Dec 2014
Closing date for receipt of Tenders	27 Jan 2015
Gate 2 – Award	
CoCo	End Feb 2015
CAB	Early March 2015
Award of Contracts, notification and standstill period	March 2015
Contract Implementation and system development	Apr, May, June 2015
New Contract Start date	With Home Care – July 2015

5.9. Additional information regarding the procurement strategy can be found in the reports embedded in the Appendix.

6 OPTIONS AND ANALYSIS OF OPTION

6.1 The alternative option is for H&F Cabinet to award the contract.

6.2 If this option is followed, owing to the lead in period required for the meeting, the contract could not be awarded until June 2015 at the earliest. This would mean HCMS could not be live until September 2015 which would mean H&F would miss out on three months of the benefits HCMS affords as the Home Care services are due to begin in July 2015.

6.3 If H&F Cabinet awards the contract, ESPO 394 would not be able to be used for the procurement as the Framework is due to expire on 31st March 2015. While ESPO have agreed to extend the Framework by short period if required, they are unlikely to extend the Framework for a prolonged period. If ESPO 394 cannot be used, the opportunity would need to be advertised, a PQQ would need to be completed and then an ITT, which is a costly and timely process. This would mean the contract could not be awarded until September 2015 at the earliest which would delay the realisation of the benefits HCMS provides.

7 CONSULTATION

7.1 Details of the consultation undertaken for the wider procurement strategy for HCMS can be found in the report embedded in the Appendix.

8 EQUALITY IMPLICATIONS

- 8.1 If the recommendation is approved, the Home Care customers in H&F, who are vulnerable members of society, will benefit from the improved services HCMS affords three months earlier.

9 LEGAL IMPLICATIONS

- 9.1 The proposed mini-competition should be carried out in compliance with Regulation 19 of the Public Contracts Regulations 2006 (as amended).
- 9.2 It is noted that the Framework Agreement ESPO 394 is due to expire in March 2015. Call-Offs therefore should not take place in order to circumvent the Regulations and the length of the call-off contract should be appropriate to the purchase in question.
- 9.3 Legal Services will be available to assist the client department throughout the procurement process.
- 9.4 Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Bi-borough Legal Services, 020 8753 2772.

10 FINANCIAL AND RESOURCES IMPLICATIONS

- 10.1 If the recommendation is approved, H&F would benefit from the savings HCMS will generate three months earlier than they otherwise would. This is because HCMS would be live by July 2015, whereas otherwise HCMS would not be in place until the end of September 2015.
- 10.2 As the Home Care services are due to begin in July 2015, approval of the recommendation will ensure H&F benefit from savings HCMS would generate in the first three months of the Home Care contracts.
- 10.3 This estimated amount of savings is shown below. Figures use the estimated annual net saving for the Borough as a guide and aggregate the saving evenly across the year:

Borough	Estimated Annual Net Saving	Extrapolated monthly net saving	Estimated Savings over three months H&F would benefit from through delegation of authority
H&F	£191,200	£15,900	£47,800

- 10.4 Further financial implications regarding the actual procurement of a shared HCMS can be found in the embedded reports in the Appendix.

10.5 Implications for H&F have been verified by: David Hore, Finance Manager for LBHF ASC, 0208 753 4498

10.6 **Comments of the LBHF Director of Finance and Corporate Governance**

10.7 There are no negative financial implications resulting from the proposed recommendation the award of the H&F contract for HCMS to made by the Leader of the Council and Cabinet Member for Health and Adult Social Care, in conjunction with the Executive Director for Adult Social Care and Health.

10.8 H&F will fund its share of the HCMS capital costs estimated to be £50,000 from the Community Capacity capital grant,

10.9 The annual running costs estimated to be a maximum of £100,000 pa will be funded through a budget transfer from the care packages budgets. It is estimated that this will be recouped through more accurate payments being made to providers.

10.10 Any additional savings generated by the introduction of the HCMS against the care packages budgets will contribute to the 2015/16 Home Care MTFS efficiency saving of £118,000 as detailed in the MTFS.

10.11 Comments completed by David Hore, Finance Manager for LBHF ASC, 0208 753 4498.

11 **RISK MANAGEMENT**

11.1 The report recommendation positively contributes to the management of market testing, statutory duty, customer needs and expectations, Information management and Information technology risks all of which are noted on the Shared Services Strategic risk register. Management of these risks remain the responsibility of the Adult Social Care department. Where there are information risks concerning the management of personal data these are being appraised in partnership with the Information Management Team and the commissioning department. Undertaking this appraisal will assist in the mitigation of information risks associated with the proposed framework

11.2 Implications completed by: Michael Sloniowski, Bi-borough Risk Manager 020 8753 2587

12 **PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1 The timely procurement of the HCMS is dependent on H&F Cabinet agreeing to the proposals outlined in this report. If so, the benefits HCMS affords to the Home Care services will be realised earlier.

12.2 This is a Part A Service as it is an IT system so the wider procurement must therefore adhere to the full rigours of European procurement rules. However, ESPO 394 has been established in full compliance with procurement legislation so if

ESPO is used, a mini-competition can simply be run from their Framework. Nevertheless, there is still a requirement that this tender adheres to the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality. As such the mini-competition must be conducted in line with the above principles.

- 12.3 In accordance with Contract Standing Orders an H&F Cabinet decision is required for the approval of all contracts that have a total value of £100,000 or greater. However, the Leader is empowered to award this contract and the Director agrees with the recommended course of action.
- 12.4 Implications completed by Callum Wilson, ASC Procurement Officer for LBHF, RBKC and WCC, 0207 641 7125. Verified by Joanna Angelides, Bi Borough Procurement Consultant, 0207 753 2586

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Procurement and Implementation of a Tri-Borough Home Care E-monitoring System and creation of a Tri-Borough Home Care Management Team – January 2014 (published).	Callum Wilson – 0207 641 7125	ASC Procurement
2.	Strategy For The Procurement Of An Electronic Home Care Management System (HCMS) FOR LBHF, RBKC AND WCC (Appendix 2)	Callum Wilson – 0207 641 7125	ASC Procurement

LIST OF APPENDICES:

1. **Appendix 1:** Procurement and Implementation of a Home Care E-monitoring System and creation of a Home Care Management Team. Gate 0 Report, approved January 2014.
2. **Appendix 2:** STRATEGY FOR THE PROCUREMENT OF AN ELECTRONIC HOME CARE MANAGEMENT SYSTEM (HCMS) for LBHF, RBKC and WCC. Gate 1 Report, approved 1st December 2014.