

# Essex County Council Future of Live at Home 2025 – Provider Engagement Briefing Document

December 2024 update



## 1. Introduction

The purpose of this briefing document is to share the current thinking on the contractual model that will replace the Live at Home (home care) framework, due to expire in August 2025. The model has been refined taking into consideration feedback from adults on their lived experience, previous provider engagement and internal stakeholder engagement.

Proposals for a new model were shared in April 2024. Following feedback from internal and external stakeholders, the recommendation is to let a framework that reflects the current model. There has been a range of differing views regarding potential approaches therefore we will continue to build upon the discussions to date and trial different ways of working and sourcing approaches through a series of test and learns in order to build a robust evidence base. The intention is to procure the replacement framework under the new Procurement Act 2023 regulations which give new flexibilities to make changes and improvements during the life of the new framework, based on the evidence from the test and learns. Please note that as the process of internal stakeholder engagement and preliminary market engagement continues, the model may be subject to change.

## 2. Contractual Model

The Council is recommending a two-tier framework, split across the 12 Essex districts, with up to 10 providers per district on tier 1. The tier 1 providers will be expected to accept a minimum of 5% of referrals in a district. They must be rated by the CQC as 'Good' overall as a minimum. They must also be able to evidence a minimum financial turnover of £290,000 per annum.

The minimum expected volumes of referrals that each tier 1 provider may be required to accept is set out in appendix 1.

The remainder will be delivered by tier 2 providers and a limited spot market. The number of providers on tier 2 will not be capped, meaning any provider that satisfies the tender selection criteria could join tier 2 of the framework. Tier 2 providers will be required to have a CQC rating of Requires Improvement overall as a minimum.

Providers on both tier 1 and 2 will be permitted to join multiple districts.

## 3. Timeline and new contract duration

The Live at Home framework expires on 12<sup>th</sup> August 2025, however the recommendation is to extend the contract for up to six months to allow us to work through the impact of the higher than anticipated changes to the National Living Wage and employer National Insurance contribution. An

extension also allows us to procure under the new PA 2023 regulations. This means the latest date that the new framework would commence is February 2026.

The recommendation is for a closed framework with a contract term of 6 years. This means there is no opportunity for new entrants once the framework has commenced.

#### **4. Sourcing**

On framework commencement the main approach to sourcing will be the use of ranked lists of providers, reflecting the current process. The brokerage team will use ranked lists of providers, one per district and will 'call-off' from the lists in order of the ranking.

Following feedback from the earlier engagement sessions that providers' staff are trained in more complex care, the proposal is for each district ranked list to be used to source care packages for older people and for adults with needs that require more specialist training and support (under the current model there are separate ranked lists for 'Older People, Mental Health and Physical Sensory Impairment' and for 'Learning Disability and Autism'). Where there might be a need for specialist skills and experience to support an adult, the brokerage team may use a mini-competition to select the most suitable supplier, however it is envisaged that this approach will only be used for a minority of packages as tier 1 providers will be expected to be able to support adults with a range of needs. We are looking to gain more insight into the specialist skills and experience that providers have and will be asking providers to inform us of this as part of the tender process. The Council may also choose to call off a separate lot for more specialist provision in the future.

For packages located in areas where there is more travel time required, a 'name the price' mini-competition approach may be undertaken. Target Supply Area rates will not be utilised as part of the new framework.

24hr / live in care will be sourced from the ranked list in a district.

The Council would retain the right to adopt alternative sourcing approaches either by locality at district level or across multiple districts, or by service type (e.g. 24 hour care), or by specialism pending the outcome of the test and learns.

#### **5. Pricing**

Discussions around the pricing approach are on-going, however providers will be required to selected prices from a price matrix. We are proposing that rate 1 remains unchanged from the current price matrix, or inflated by a lower amount than all other rates to allow providers to bid lower due to any economies of scale efficiencies they can make under the new contracts and allow further competition.

The recommendation will include a commitment to annually review framework rates for new and existing care packages, capped within the framework matrix of rates. Any increases will be determined each year during budget setting. There will be no guaranteed uplift for care not sourced through the framework as we will continue to prioritise uplifts for suppliers on the LAH framework.

A separate session will be held in the new year to cover the pricing approach.

## 6. Test and learns

People are living longer and with more complex needs, therefore demand for support to live at home is expected to grow. People also tell us they want their care to be coordinated across the wider health and care system. To deliver this we need to develop stronger relationships and more outcomes-focussed services, which deliver personalised, good-quality support. During our new contract we are keen to embed a continual service improvement approach, exploring opportunities to improve outcomes for adults and supporting providers to deliver high quality services that are integrated into the local health and social care system. To support these ambitions, we will work with providers to deliver “test and learn” projects within the new contracts.

Examples of these “test and learn” projects may be:

- A call-off of Strategic Partners in an area to understand the benefits of focussed work with fewer suppliers.
- A programme to test right-sizing, outcomes orientated, enabling practice for domiciliary care provision.
- Forging stronger relationships across care providers, social care and the NHS. This could potentially extend to care providers taking on delegated functions for health and/or social care.
- Delegated reviewer and possibly delegated assessment pilots.
- Testing of new sourcing technology and approaches.
- Exploration and linking to new practice model.
- Use of care technology alongside care staff.

## 7. Spot

Whilst there may be a need to use a spot provision, it is the Council’s intent to increase the volumes sourced with framework providers and therefore reduce the reliance on spot purchasing. As such, the intent is for there to be very few referrals to be made to the spot market as we expect providers, particularly those on tier 1, to grow and accept larger volumes of new referrals.

### Key changes to the model compared to the current Live at Home framework:

1. All providers will be required to have a CQC registered office within 5 miles of the ECC geographical border<sup>1</sup>.

---

<sup>1</sup> All bidders must have a CQC registered branch for domiciliary care within Essex or within 5 miles of the Essex border. This shall be measured using the online tool [Radius From UK Postcode](#) measured as the crow flies from the postcode of the CQC registered branch to the Essex border. Only registered branches that meet the above requirement will be eligible to gain a position on the ranked lists for the Live at Home Framework.

(Settings – Distance from postcode 5 miles, UK county borders on, bidder’s CQC registered office must be within Essex or intersect the Essex border)

2. Access to tier 1 - providers will no longer be required to have maintained a CQC rating of at least 'Good' overall and for KLOEs 'Safe' and 'Well-led' for 12 months prior to the close of the tender.
3. Participation on tier 1 - providers will not be required to have a CQC rating of at least 'Good' for KLOEs 'Safe' and 'Well-led' (however, tier 1 providers will be required to have a CQC registered office with a published rating of at least 'Good' overall).
4. Duration – 6 years, with no opportunity to open, meaning providers will not have an opportunity to join during the life of the framework.
5. Merging of the ranked lists for 'Older People / Physical Sensory Impairment / Mental Health' and 'Learning Disability & Autism'. Tier 1 providers will be expected to be able to deliver care to adults from all cohorts.
6. Removal of 24hr / live in care ranked list – to be sourced via the OP / MH / PSI / LD&A list.
7. Removal of Target Supply Area rates
8. Financial Standing - Providers bidding for a place on a tier 1 ranked list are expected to be able to demonstrate sufficient experience and capacity in delivering the required volumes for tier 1 by submitting evidence to demonstrate that the registered company has a turnover of at least £290,000 per annum. The council will assess this using any of the following acceptable evidence:
  - a) Full year 2023/24 accounts submitted to companies house
  - b) If 2023/24 accounts do not show turnover of at least £290,000 per annum 2024/25 draft accounts will also need to be provided .

## Appendix 1

District	New Commissioned hours annually 23/24	5% of admissions (annual - hours)
Basildon	6,911	346
Braintree	5,818	291
Brentwood	2,081	104
Castle Point	5,277	264
Chelmsford	6,679	334
Colchester	6,027	301
Epping Forest	4,027	201
Harlow	3,069	153
Maldon	2,938	147
Rochford	5,424	271
Tendring	9,145	457
Uttlesford	2,511	126