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Planning

Portsmouth City Council Home Care Re-Commissioning Consultation

Portsmouth City Council

F01: Prior information notice

Prior information only

Notice identifier: 2025/S 000-001408

Procurement identifier (OCID): ocds-h6vhtk-04d059

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Section I: Contracting authority

I.1) Name and addresses

Portsmouth City Council

Civic Offices

PORTSMOUTH

PO12AL

Contact

Procurement Service

Email

procurement@portsmouthcc.gov.uk

Telephone

+44 2392688235

Country

United Kingdom

Region code

UKJ31 - Portsmouth

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.portsmouth.gov.uk/services/business/procurement/contract-opportunities-with-us/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://www.portsmouth.gov.uk/services/business/procurement/contract-opportunities-with-us/>

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Portsmouth City Council Home Care Re-Commissioning Consultation

II.1.2) Main CPV code

- 85312000 - Social work services without accommodation

II.1.3) Type of contract

Services

II.1.4) Short description

Portsmouth City Council (the 'Council') is undertaking a Soft Market Testing (SMT) exercise as part of a strategic review of delivery options in providing domiciliary care services, mainly within the Portsmouth boundary (PO1 To PO6) but occasionally in the surrounding area.

The nature of support required will be individualised and will be aimed at maintaining individuals in a reasonable state of health, hygiene and safety in their own home. Support packages will vary in size based on the individual needs and may range from minimal support up to highly specialised and complex needs.

The Council have reviewed current and alternative delivery models with other Local Authorities to explore the commissioning of home care. The Council's aim in undertaking this SMT exercise is to explore providers views on these delivery options, and to identify current working practices, existing challenges and risks within the market with other Local Authorities that providers are currently and previously providing support services for.

The feedback will inform the Council's strategic options and help ensure that any subsequent procurement strategy is optimised to meet resident needs, strategic objectives, statutory obligations and best value duties.

The Council are inviting interested providers to attend an in-person Home Care Re-Commissioning Consultation event at the Lord Mayors Banqueting Hall in Portsmouth Guildhall on 12th February 2025 from 10:00 to 14:30 to explore the future for home care in Portsmouth. The in-person event is providers opportunity to contribute to shaping the future of home care services in our community.

At this stage, the Council are restricting attendance to one person from each provider as the Council can only accommodate 100 places at the event. The event will be on a first come first serve basis. In the event that the Council exceeds the maximum occupancy for the event, the Council reserves the right to run an additional online event to engage further with providers who could not attend the in-person event.

Places for the event can be reserved using the following link -

<https://www.eventbrite.co.uk/e/portsmouth-city-council-home-care-re-commissioning-consultation-event-tickets-1125218000329?aff=oddtcreator>

In addition, providers can find the link to the event and details of the SMT event on the Councils e-sourcing platform - Intend. Should providers have any questions around the SMT event, then suppliers should use the correspondence function on Intend. Providers can register on Intend using the following link - <https://intendhost.co.uk/portsmouthcc.aspx/home>.

The Council have published this Prior Information Notice and subsequent associated documents under the current Public Contract Regulations 2015. However, the subsequent formal procurement will commence under the Procurement Act 2023 as this will be after the current go live date of 24th February 2025, subject to their being no further significant delays.

To avoid any future compliance issues impacting a subsequent procurement process, the Council has designed an SMT process that will align with the requirements of the Procurement Act 2023, particularly in relation to the increased transparency, conflict assessment and risk assessment considerations that the act will impose.

The Council established a Dynamic Purchasing System (DPS) on 1st February 2020, to meet the existing and future demands for Domiciliary Care.

The DPS was initially awarded on the basis of a 5-year term, with the option to extend beyond the initial term by a minimum of 1-year intervals for an indefinite period. The Council closed the DPS to new entrants on 18th December 2023.

Whilst the Council undertakes the SMT review, the Council is extending the DPS by an initial 12 month period with further options to extend until the commissioning model can be re-procured, without re-opening the DPS to new entrants.

See II.2.4 Description of the procurement for further details

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 85300000 - Social work and related services

II.2.3) Place of performance

NUTS codes

- UKJ31 - Portsmouth
- UKJ35 - South Hampshire
- UKJ36 - Central Hampshire

II.2.4) Description of the procurement

Current Service Requirements

Domiciliary care is the most common means by which the Council's Adult Social Care delivers its statutory duty to meet people's care needs. Clients typically access domiciliary care following an assessment of need by either a community social work team, the Adult's Intermediate Care Team or the Community Reablement Service. The level and type of support required is determined in line with each individual's support plan.

The purpose of the domiciliary care service is to compliment the Councils priorities by ensuring:

- People live longer and have healthier lives.
- People are safeguarded in vulnerable situations.
- Independence is promoted for older people.
- People are enabled and healthy lifestyles are promoted.
- Independence for people with disabilities are promoted.

Providers are provided with an assessment, which will detail the wishes, needs and outcomes required by the individual service user. Support packages vary in size based on the individual needs and range from minimal support up to highly specialised and complex needs.

Service users are ordinarily a resident in the city of Portsmouth and/or the responsibility of the Hampshire and Isle of Wight Integrated Care Board (HIOWICB). The service user will

be assessed as requiring health and/or social care services.

Background

The Council established a Dynamic Purchasing System (DPS) on 1st February 2020, with 3 separate lotting options under the light touch regime of the Public Contract Regulations 2015 to meet the existing and future demands for Domiciliary Care.

The DPS is constructed as follows:

- Lot 1 is for those providers accepting the Councils' standard rate for domiciliary care.
- Lot 2 is for providers offering services at a rate determined by the provider.
- Lot 3 is for awarding contracts for complex cases and is usually negotiated on a case-by-case basis between practitioner and provider outside of the brokerage process (principally Continuing Health Care placements).

The DPS was initially awarded on the basis of a 5-year term, with the option to extend beyond the initial term by a minimum of 1-year intervals for an indefinite period. At the point of establishment 39 suppliers were successful with their application onto the DPS, with some suppliers on multiple lots.

The DPS was advertised with an anticipated annual value of £9.2M a year and spend of £46M over the initial 5 year-based term of the DPS.

By October 2023, the Council was in a situation where the number of providers on the DPS was exceeding the demand, with the risk of destabilising the market for existing providers by winning less call-off contracts, threatening the business models as well as creating a risk to the Council.

Following a review of the DPS capacity (see II.2.14. Additional information for further details), the Council issued a modification notice on the 17 November 2023 to close the DPS for new applicants following a 30 day application period.

The Council received a further 45 number of applicants by the 18th December 2023 when the DPS was closed, with 23 new suppliers being successfully award a place the DPS.

Ongoing and predicted spend

The original advertised contract value was forecast to be in the region of £9.2 million per annum.

However, the Council have spent the following within the first 5 years of the DPS -

2020/21 - IRO £12.5 million

2021/22 - IRO £13.5 million

2022/23 - IRO £14.5 million

2023/24 - IRO £17.6 million

2024/25 - IRO £19.7 million (forecast)

The reasons behind the increased levels of spend include - annual uplifts, allocation of unexpected grants during Covid, and increase in demand. The result of this has meant the estimated spend over the initial 5 years exceeded the estimated value included within the original contract notice.

Known current supply and demand

There are currently 62 providers on the DPS. Supply of domiciliary care in the City currently exceeds demand, resulting in multiple offers of care for most referrals.

The situation is not unique to Portsmouth and seems to be a picture found in many urban areas. It is a recent development, which has emerged gradually over the past 3 years or so.

To ensure fairness and transparency with providers that are on the DPS, packages of care are allocated to those achieving 100% via the brokerage portal and then filtered to the provider that has been awarded the least number of hours during the current month. The average number of bids achieving 100% per package of care is between 5 and 15. Client preference may apply to Tier 1.

As of July 2024, there were 1089 clients in receipt of 19,500 hours of domiciliary care per week. This includes standard domiciliary care, sitting services, social inclusion and sleeping/waking nights.

Future

The Council needs to address the current situation with regard to market saturation and review the commissioning model in the most cost-effective manner possible. The Council have conducted research with other Local Authorities to explore different models of commissioning home care, and now need to engage with providers for their input. The Council are holding an in-person event at Portsmouth Guildhall on 12th February to explore the future for home care in Portsmouth.

At this stage, the Council are restricting attendance to one person from each provider as

the Council can only accommodate 100 places at the event. The event will be on a first come first serve basis. In the event that the Council exceeds the maximum occupancy for the event, the Council reserves the right to run an additional online event to engage further with providers who could not attend the in-person event.

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The Council are interested to explore your views on some of these options, and to hear about your own experience of what has worked well -and not so well - with other Local Authorities. The event is a genuine opportunity to have your voice heard and contribute to shaping the future of home care services in our community. The Council estimate that the new service may take two years to fully commission and be operational.

In order to deliver ongoing services across the Portsmouth region, the Council will need to extend the existing DPS by an initial period of 12 months from 1st February 2025 to 31st January 2026, whilst the Council develops the procurement and contracting strategy to commission the updated service requirements. However, the Council reserves the right to extend this term further by additional 12-month increments until the Council has successfully commissioned the new delivery model.

The Council would anticipate the annual spend for the next 12-month period to be in the region of £20.3M. Any additional extensions beyond this term are likely to exceed this annual value, as the Council will need to take into account potential increases in costs and levels of demand. An estimated total level of spend over a 24-month period would be £41.7M.

As outlined above, the Council is not looking to reopen the DPS for new entrants during the extension periods due to the level of market saturation, though this will be kept under review.

II.2.14) Additional information

The Council are conducting the SMT exercise to:

- Provide a platform to share information on:

- o Current scope & potential future demand
- o Envisaged contracting strategy options
- o Changing financial climate and associated pressures
- o Key Council policies and future decision-making processes
- Review and understand:
 - o Market capacity and capability to deliver service requirements
 - o Suppliers current market presence and coverage
 - o Current contracting model market norms
 - o Market interest and preference in respect of potential delivery model options
 - o Existing pricing models
 - o Developments of industry accreditations, compliance and best practice
- To gauge interest from different types of suppliers, including both regional Small and Medium Enterprises (SMEs) and large providers
- Inform the further development of the procurement strategy, process and programme
- Manage potential conflicts of interest early in the process
- Future proof compliance of any subsequent procurement process with the increased transparency obligations, risk assessment and conflict assessment requirements of the forthcoming Procurement Act 2023

Conflicts Assessment

The Procurement Act 2023 requires the Council to identify and keep under review actual and potential conflicts of interest. The Council must also mitigate conflicts of interest and address circumstances which the Council considers are likely to cause a reasonable person to wrongly believe there to be a conflict or potential conflict of interest.

A conflict of interest arises when an individual's personal interests, relationships, or activities have the potential to interfere with their impartiality or the integrity of the procurement process. This may include financial, personal, familial, or business interests that could improperly influence, or be perceived to influence, their decisions or actions.

Interested providers should review the Conflicts of Interest Statement, available through Intend, for further details of the Council's duty regarding conflict of interests.

To meet current and future conflict of interest obligations, the Council requires that all providers participating in the SMT process to complete a Conflicts of Interest Declaration as a condition of participating in the in-person event. These will be made available at the in-person event

Closing the DPS - Market Saturation

When considering closing the DPS the Council reviewed the Public Contract Regulations, the Council particularly reviewed the following regulation -

Principles of awarding contracts - 76(8) In relation to the award of contracts subject to this Section, contracting authorities may take into account any relevant considerations, including -

(a) the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;

(b) the specific needs of different categories of users, including disadvantaged and vulnerable groups;

(c) the involvement and empowerment of users; and

(d) innovation.

76(8) (a) & (b) is deemed important as this articulates 'the need to ensure quality, continuity, accessibility, affordability, availability, and comprehensiveness of the services' and consider 'the specific needs of different categories of users, including disadvantaged and vulnerable groups'.

This is fundamental to the Council in deciding to close the DPS as if the Council did not act, then this would certainly compromise the quality of provision due to further diluting the market and risking high quality providers going out of business/ no longer bidding for packages in Portsmouth. This also has an impact onto the council's ability to meet the needs of the vulnerable people it supports.

There was also a risk to providers who cannot sustain their business model. The Council saw an increase in existing providers contacting the Council individually about lack of sustainability of their business based on the current situation. This was also replicated by representatives of Hampshire Care Association.

There was a risk to Adult Social Care clients who may lose established provision creating

a lack of continuity of care from regular carers which will mean individuals having to move between different care agencies.

The closure of the DPS ensured more sustainable and thus meet individual's needs in a more consistent and affordable way.

If the Council failed to act, then this would have compromised the quality of provision due to further diluting the market and risking providers going out of business/no longer bidding for packages in Portsmouth.

Whilst currently the Council do not foresee a need to re-open the DPS following the proposed closure, the Council will review the situation and factors around supply and demand, if there are significant market changes during the remainder of this contract. The council will then re-open the DPS, if required.

II.3. Estimated date of publication of contract notice

The Council has included a date of 8th September 2025 for when the contract notice will be issued as required to publish the PIN notice. However, the Council are at the early stages of developing the overall commissioning strategy, so this date is likely to be subject to change as the procurement and contract strategy is developed further.

II.3) Estimated date of publication of contract notice

8 September 2025

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes