Leeds CITY COUNCIL

Report author: Dennis Holmes
Tel: 0113 2474939

Report of Director of Adult Social Services

Report to Executive Board

Date: 19th November 2014

Subject: External Provision of Homecare Services

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☒ Yes	☐ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

1. Adult Social Care (ASC) has a statutory duty to provide services to people who have 'eligible' care needs. The current eligibility level in Leeds is 'substantial and critical' as defined in 'Prioritising need in the context of Putting People First', Department of Health (2010). Non – specialist support is provided to people with eligible needs in their homes by a range of organisations, this includes ASC's Community Support Service and a range of independent and third sector companies.

2. Commissioned home care services in the City are currently secured under the terms of the Community Home Care Framework Agreement, this contract was let in 2010 following the agreement of the DDP, that contractual agreement is nearing its end and in doing so creates an opportunity to recommission home care services which meet the requirements of the Care Act 2014, secure quality and value within a fair fee rate that incentivises good employment practices by care providers. The current expenditure by ASC on home care is in the region of £27m.

3. Whilst the current contract and services are generally working well, new requirements have led officers to undertake extensive work over the past year with a range of key stakeholders to determine how home care services could become more focussed on improving outcomes for people they serve. The outcome of that engagement and the considerations which will need to be made as a consequence, prior to the commencement of a procurement exercise are set out in this report.

Recommendations

4. Executive Board are asked to note the content of this report and endorse the continuation of the work on the recommissioning and redesign of external homecare provision.

5. Members of the Executive Board are also recommended to agree to receive a further report in April 2015 setting out recommendations in relation to fully costed service delivery models (the various options for which are set out in this report) including the financial implications in relation to the adoption of these models and containing recommendations in relation to the implementation post procurement.

6. The Head of Commissioning, ASC will be responsible for the continuation of this work subject to Executive Board approval.

1 Purpose of this report

1.1 To inform Executive Board members of progress to date with the re-commissioning and re-design of the external home care services and the next steps to be taken.

2 Background information

2.1 The existing independent sector homecare contracts ran from 1st October 2010 to 31st October 2013 and were extended in September 2013 for a period of two years (in line with the clauses contained within the existing contract) to allow for substantial consultation and to prepare for a significant re-commissioning exercise. Formal approval for this approach was agreed by Delegated Decision Panel in September 2013. The expiry of the current contractual agreement now provides an opportunity to address a range of issues that have arisen nationally and locally over the past couple of years.

2.2 The independent sector, including the 32 home care framework providers (representing both national and local businesses) delivered 86% of the total commissioned home care support in Leeds in 2013-14, this equates to 1,525,701 hours of support annually. The contracts generally have worked well in terms of quality and value, the latter feature has allowed ASC, over the term of the contracts, to constrain spending in this area against a backdrop of increased need among the population.

2.3 The overall aim of this re-commissioning and re-design of homecare services is to create, implement and evaluate a new contract arrangement and service delivery model for independent sector home care provision in Leeds by November 2015. As indicated previously, this presents an opportunity to respond to a range of national issues including, the introduction of the Care Act 2014, the impact of the Equality and Human Rights Commission Inquiry into Home Care of Older People and respond to reports such as the 'Time to Care' report published this year by the trade union, Unison. These developments continue to drive and shape the strategic direction of care provided to people alongside their need to be personalised, to maximise people's independence and for care to be provided in ways which is seamless.

2.4 The Human Rights Act, highlighted in the report referred to earlier, requires local authorities to take into account their 'positive obligations' to actively promote and protect the rights of people as described in the Convention and therefore maintains that all providers of publicly funded home care should consider themselves bound by the Human Rights Act. The report highlighted the ways in which companies organised their call schedules sometimes conflicted with public service values of dignity, choice, fairness and equality which should underpin practice.

2.5 The Care Act emphasis on people experiencing personalised care over which they exercise choice and control (an 'outcome' based model of care) requires changes to be made to systems and processes by ASC and independent sector home care providers to facilitate a move from activity which is specified,

commissioned and delivered on a pure ‘task and time’ basis, to one which is significantly more defined by the people receiving care.

2.6 The integrated nature of health and care services has been increasingly reflected by health and care commissioners working much more closely in these areas hence officers representing three Clinical Commissioning Groups (CCGs) are actively involved in the Home Care/Personal Assistance Commissioning Board, which has been established to oversee this programme of work.

2.7 It is clear that, against this background, a range of challenges and opportunities exist to better meet the needs and expectations of people receiving care in their own home, to ensure that the people providing that care do so effectively and are well supported and fairly treated by their employing organisation in so doing. Through this recommissioning process the opportunity also exists to prepare the sector for the inevitable increase in demand which will arise in the coming years as a consequence of the shifting demographic profile of the City, this will require providers to actively plan recruitment and retention initiatives to secure a sufficiency of care workers in the City.

2.8 To assist in this overall process, a cross sector and cross party strategic homecare group was established in November 2013. This group, which consists of elected members, service provider representatives, service user representatives, NHS representation, trade union representation and other ASC representation, has provided information and guidance to the Officers undertaking this work to date and the options highlighted later in this report are reflective of the input of this group to date.

3 Main issues

3.1 A Framework arrangement is currently in place with 32 providers registered on the framework, for various reasons 6 providers are not currently active .The current contract is due to expire in October 2015. Given the complex nature of the issues to be addressed through this commissioning process, it is intended to seek to extend the current framework arrangement until April 2016, thus allowing sufficient time to design and cost the new model of service, secure the necessary agreements and complete the procurement process.

3.2 Whilst the current contract and services are generally working well, as has previously been described the opportunity now exists to seek to address a range of issues which would include, aspirations in relation to living wage; personalised ‘outcome based’ commissioning; consistency of staff providing services; flexibility of service providers to meet needs of service users; the use of 15 minute visits, staff travel, the recruitment and retention of a care workforce sufficient for the future needs of the City.

3.3 The proposed commissioning and contracting model has been developed and is covered in more detail in the report below, the proposal is designed to lay the foundations for meeting some or all of the requirements of the ethical care charter (Appendix 1), including improved terms and conditions for homecare staff.

3.4 Following extensive consultation and analysis of information, options were created and appraised by a broad cross-section of stakeholders including: Service users, Councillors, NHS partners, trade unions, and providers (contracted and non-contracted).

3.5 Listed below in Section 3.8, 3.9, 3.10, 3.11, 3.12 and 3.13 are the options that arose out of the extensive consultation, which have been determined as being the preferred options. However, further work is required with all stakeholders to provide the necessary assurance that the proposed model will address the issues identified previously in this report and remain affordable to the Authority. The inter-linked nature of options generated mirrors the complexity of the task and reinforces the need for a measured, step-wise approach to the development of detailed costed proposals.

3.6 Contract Type

3.6.1 A number of contract types were appraised by all stakeholders and then discussed by the Homecare Strategic Commissioning Group. The clear preference was for a contract which gave providers some guarantee of business whilst retaining some of the benefits of a Framework Agreement.

3.6.2 The initial outline proposal would see the existing Framework Agreement ceasing when the suggested additional contract extension expires in March 2016 and replace with a new contract arrangement which envisages a small number of 'lead providers' with a guaranteed block of hours (based on current levels of activity undertaken) and envisages a number of other 'secondary' providers having the ability to undertake work as directed by the lead provider beyond the guaranteed block. Care providers would be expected to compete to undertake either role.

3.6.3 In anticipation that there will be some people who do not wish to transfer to another provider (where the new provider has not been granted another contract with LCC) ASC would offer additional information and support to enable them to purchase their own care using a direct payment or individual service fund from the existing provider. Where there are any issues relating to possible change of care provider that cannot be resolved through direct payments or discussion they will be resolved on a case-by-case basis.

3.6.4 Further work will be undertaken to identify the potential numbers of service users that could be affected and to produce an action plan that will allow us to proceed with this option but in a way that causes the least disruption for service users.

3.6.5 Additionally further research needs to be undertaken to define the size of the 'block' number of hours to be let in each area.

3.7 Pricing Model

3.7.1 During the consultation there was widespread support for a model which would include an inner and outer area based price. This reflects the geography of the City which has differing travel requirements and contains some areas where it has been traditionally difficult to recruit and deploy care workers, consequently

individual providers could potentially submit one price for inner Leeds and one price for outer Leeds.

3.7.2 In terms of the competitive pricing element of the procurement process, it is proposed that providers be invited to submit an hourly rate tender within a pre-determined range (floor & ceiling pricing), the lower and upper levels would be generated by building a fee range reflective of the operators costs in providing that care with due regard to the scale of the organisations likely to tender, local market conditions and benchmarking data provided from a range of independent sources.

3.7.3 The pricing model is crucial to providing organisations in terms of their sustainability, the quality of care they can offer and the circumstances of their workforce, however, the pricing model is also critical to the Authority in terms of it's overall affordability continually adverse financial circumstances. Hence, whilst significant work has already been undertaken, further, more detailed research, analysis and modelling needs to be conducted to fully understand what the overall impact will be when setting the floor (minimum hourly price) and ceiling (maximum hourly price) prices.

3.8 Introduction of Unisons Ethical Care Charter (including Terms and Conditions of Home Care Staff)

3.8.1 Throughout the consultation there was support from all stakeholder groups to try and move to implementation of Unisons Ethical Care Charter, however much of this relates to staff terms and conditions of provider organisations. The known financial impact for the Council of implementing all of the ethical care charter standard requirements are complex and are outlined in Appendix 2. Naturally, to incentivise organisations to comply with all the expectations of the Charter due regard would need to be given to our assessment of the costs in the establishment of the pricing model described previously.

3.9 Locality-based Services

3.9.1 There was strong support for more locality based services; ensuring staff could assist service users to engage more in local communities and for home care staff to link more with other local voluntary sector services and other local statutory sector teams.

3.9.2 It is proposed, therefore that we divide Leeds into three areas, broadly coterminous with the areas covered by the CCGs within these three larger areas the arrangements would require providers to have a locality-focus to their service delivery teams broadly associated with the thirteen integrated health and social care neighbourhood teams. The model envisages 2 lead providers per area who would be responsible for delivering services within the area they successfully tender for, directly and by working with other providers

3.9.3 Outcome Based Commissioning

3.9.1 In discussions with stakeholders there is a general agreement that we need to carry forward into the new contract the elements relating to outcomes-based

commissioning and service delivery included in the existing Framework Agreement. This is a key area within the Care Act which is due to come into effect in April 2015 and is at the heart of the personalisation of services for service users.

3.9.2 However in order to ensure effective implementation of outcomes-based commissioning further work needs to be undertaken to identify:

- Which systems, processes and practice would need to be changed so that outcome based commissioning could be introduced at the start of the new contract.

- If a shift from detailed care planning by Access and Care staff to detailed care planning and support by providers, will lead to improved efficiencies and foster better communication and information sharing.

3.10 Procurement Model

3.10.1 All providers will be required to compete for a place on the new arrangement and will be subject to an evaluation of price and quality, with the main weighting being on quality, subject to a competitive price being submitted.

3.10.2 Expectations from the Care Act with particular regard to personalisation and outcomes will be introduced within the contract terms and conditions and all providers will have to demonstrate that they can meet these expectations at procurement.

3.10.3 In order to reduce the risks associated with having fewer providers a framework of other providers will also operate so that if the lead providers are unable to pick up any work they can partner with other providers. This will also enable direct payment/individual service fund holders a choice of provider as well as supporting options for self-funders.

3.10.4 The procurement process will give us an opportunity to take account of the Social Value Act and we will determine how additional social value can be sought from providers as part of this process.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.5 All existing homecare service users (approx. 3,000) were issued with a request asking them if they would like to participate in the review of the existing homecare services. 238 completed requests were returned to Adult Social Care. Of these completed requests 152 service users requested a questionnaire be sent to them, 72 requested face to face meetings and 14 requested a focus group. The information from these questionnaires and meetings informed the options described above.

4.1.6 A service user reference group was established through Leeds Involving People and nine meetings were held with this reference group (between January and October 2014) in order to ascertain what works well with the current contract and

how improvements could be made in the future. Future meetings are scheduled to take place so that service users can contribute to the development of the quality standards that will be implemented and the service specification which will be used at procurement.

4.1.7 People using both Osmondthorpe and Mariners Day Resources were also consulted and approximately 15 people participated in either the focus groups or completed a questionnaire about homecare services.

4.1.8 Three consultation events have been held between February and September 2014 for the existing contracted service providers and two consultation events have also been held for non- contracted service providers.

4.1.9 A Homecare Leadership Group has been established through Leeds Care Association and this group of contracted and non-contracted providers are contributing to the development of the quality standards. A future meeting will be held for all contracted/noncontracted providers in order that we can ascertain any further views.

4.1.10 A Homecare Strategic Commissioning group was established in November 2013 and this group which consists of elected members, service provider representatives, service user representatives, NHS representation, trade union representation and other ASC representation have informed and provided guidance to the Officers undertaking this work.

4.1.11 Any views expressed as part of the consultation have been considered and wherever possible have been used to inform the decision making process.

4.1.12 Furthermore information gained from all of the consultation is being utilised to develop the service specification and other associated contract documentation especially with regard to key issues identified by service users e.g. consistent and trained staff.

4.2 Equality and Diversity / Cohesion and Integration

4.3 An Equality and Diversity Impact Assessment was undertaken when the original framework agreement was developed and a further assessment has been undertaken as part of the re-design and re-commissioning process and is attached at Appendix 3.

4.4 Council policies and City Priorities

4.4.1 The proposals outlined in this report will help to deliver a number of crucial elements of the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to enjoy better lives. With a focus on: promoting choice, helping people to stay living at home, joining up health and social care services. These in turn support the ambition for Leeds to be the Best City in the country, in addition the proposals will contribute to the achievement of the objectives set out in the city's Health and Well-Being plan: people will live full active and independent lives, people's quality of life will be improved by access to quality services, people will be involved in decisions made about them and the

city's Priority Plan by contributing to the indicators for: best city for health and wellbeing, best city for business, best city for communities .

4.5 Resources and value for money

4.5.1 A 'Fair rate of care' exercise (based on the UK Home Care Association template) was undertaken in June 2014 in order to: a) determine the actual cost of home care in the Leeds market so that a review of the current price could be undertaken and: b) establish the potential base rate for the new contract that will commence in March 2016.

4.5.2 All contracted framework providers were contacted at the end of May 2014 to forewarn them that we would be undertaking a Fair Rate for Care exercise which we would be inviting them to participate in. The template documents were sent to providers in the first week of June 2014 and due to the poor number of responses the deadline for completion was extended several times.

4.5.3 In total 13 providers (out of 32 on the framework) completed the template documents, reflecting a good sample and range of providers. However it should be noted that not all providers fully completed the documents and in effect only 10 responses could be utilised.

4.5.4 As indicated at para 3.7.2 the information gleaned from this exercise will be used as part of a suite of information to inform the floor and ceiling prices of the proposed new contract model but more detailed analysis will be required, along with further consultation to better understand the full financial impact that this and possible implementation of the ethical care standards will have.

4.5.5 Early indications are that to implement the full ethical care standards related to staff terms and conditions the cost to the council based on the current price is circa £5.5m (Appendix 2), clearly further detailed work needs to be undertaken to refine and more accurately assess this potential cost. Part of our assessment of affordability will be to also assess the impact on the uptake of Council benefits If staff conditions were permanently improved as a consequence of this process. Further work needs to be undertaken to determine the extent of savings for the Council as a whole as fewer people would claim working tax credits, assistance with housing costs etc.

4.5.6 The subject of much recent public debate, it is widely recognised that many staff who work in the homecare sector work to the terms of zero hours contracts and thus are unable to get mortgages or have difficulties renting property hence the proposal to guarantee to providers a block number of hours would enable providers to offer staff a set number of contracted hours per week.

4.6 Legal Implications, Access to Information and Call In

4.6.1 Legal services have been consulted and will continue to be consulted as part of the ongoing re commissioning process.

4.6.2 Officers from the PPPU are involved in the process and are represented on both the Homecare Project Board and the Homecare Project Team.

4.7 Risk Management

4.7.1 The previous procurement process was conducted in accordance with the Council's Contract Procedure Rules in order to ensure that a fair, open and transparent process was undertaken. This will also be the case with any future procurement.

4.7.2 Risks are being managed throughout this process. Risks have been identified and recorded and mitigating actions have been identified to reduce the likelihood of the risk occurring.

5 Conclusions

5.1 Much work has been undertaken to date to ensure full understanding of the issues affecting homecare service users, homecare staff and the wider homecare market within Leeds. This has enabled a basic operating model to be developed.

5.2 Considerable work and more detailed research, analysis and modelling needs to be conducted to fully understand what the overall impact will be when setting the floor (minimum hourly price) and ceiling (maximum hourly price) prices.

5.3 Further detailed analysis needs to be undertaken to ensure that the proposed service model will meet the needs of service users in the future but also provide for improving the circumstances of those people providing that care, this includes developing a detailed understanding of the overall financial implications for the Council.

5.4 Further benchmarking needs to be undertaken to understand the implications of moving towards a 'block contract'. Our intelligence is that other authorities who have recently completed similar recommissioing exercises have moved towards this way of working and we will work with those Authorities to determine if there are any lessons to be learnt that can inform the way we proceed.

5.5 The proposed model will reduce the number of service providers who we contract with but we need to be assured that these providers offer good quality services that can provide safe effective services that are flexible enough to meet the needs of the service users.

5.6 There are clearly a number of risks and opportunities highlighted in this report, a combination of circumstances have arisen that will make it impossible to maintain the status quo, even if that were desirable. This report highlights to Members of the Executive Board the issues we are seeking to address, the remedies that exist in some areas and the further work that needs to be undertaken in others to refine and complete all aspects of the service model before proceeding to procurement.

6 Recommendations

7 Executive Board are asked to note the content of this report and endorse the continuation of the work on the recommissioning and redesign of external homecare provision.

8 Members of the Executive Board are also recommended to agree to receive a further report in April 2015 setting out recommendations in relation to fully costed service delivery models (the various options for which are set out in this report) including the financial implications in relation to the adoption of these models and containing recommendations in relation to the implementation post procurement.

9. The Head Of Commissioning, ASC will be responsible for the continuation of this work subject to Executive Board approval

10. Background documents[1]

None

[1] The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.