

Meeting:	Cabinet
Meeting date:	3 November 2016
Title of report:	Redesign and commissioning of home care services
Report by:	Cabinet member health and wellbeing

Classification

Open

Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

And

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

Countywide

Purpose

To agree the redesign and procurement of a home care service to be known as Help to Live at Home.

Recommendation(s)

THAT:

- (a) a redesigned model of home care as set out within the Vision and Delivery Document in appendix one is adopted;**
- (b) procurement of approved providers be undertaken with a recommended hourly rate as set out within the legal and financial implications sections;**
- (c) approval of the detailed service specification for the redesigned service and the final decision to approve acceptance of providers meeting the qualification criteria onto the framework in each zone, be delegated to the director for adults and wellbeing for the total contract period of five years;**
- (d) the director for adults and wellbeing be authorised to extend the existing contractual arrangements, if required and within existing budgetary provision for up to a 9 month period, until 31 March 2018.**

Alternative options

- 1 To continue with the current model of service and contractual arrangements. This option is not recommended as the contracts cease on 30 June 2017. Furthermore, there are service delivery issues that need to be resolved and a new approach is required to ensure people can access an appropriate level of support in a timely manner in order to meet their outcomes.
- 2 To procure the home care service without a competitive tender process. This option is not recommended as the nature and scale of the proposed service and its financial value indicate that this is subject to the 'light touch' procurement regime. These and the council's own contract procedure rules suggest that a competitive tender process is appropriate. Soft market testing and a consultation exercise indicate that a number of provider organisations would be interested in tendering for this service. This would also ensure that the best value for money is achieved.
- 3 To adopt an alternative model of service based on different geographical zoning. This option is not recommended as the proposed zones have been developed through a robust and prolonged period of engagement with providers and has been designed based on the informative feedback received from the market.

Reasons for recommendations

- 4 The current contractual framework arrangements for the delivery of home care services cease on 30 June 2017. The current framework includes home care, supported living and skills for daily living, both home care and skills for daily living are included within the service redesign, however supported living will be separate and will be extended in line with the recommendation above.
- 5 The redesign of the service is required to address the drivers for change (appendix one, section 3). These are:

- to redesign and recommission home care in order to enable people to be independent in their own homes for as long as possible, whilst ensuring the care they receive is timely and appropriate and meets their needs and thereby preventing, reducing or delaying the need for more intensive services.
 - approaches to the delivery of care and support are based on the adult and wellbeing blueprint and aims to embed an enablement ethos, whilst utilising support from communities.
 - to enable the council to manage the increasing demand for formal care and support.
- 6 The indicative revenue budget for directly commissioned home care services for 2017/18 is £9m for approximately 900 service users at any one time. The nature and scale of the proposed service and the financial value of the contract(s) indicate that it is subject to public sector procurement rules. However, it is also subject to the 'light touch' procurement regime which does not require the council to strictly follow one of the procurement procedures set out in the Public Contracts Regulations 2015. The council has flexibility in designing its own procurement procedures, as long as they meet EC Treaty requirements (e.g. fairness, transparency, equal treatment etc.).
- 7 Delegated authority is sought in order to facilitate a timely procurement and mobilisation process and therefore achieve the envisaged start date for the new service of July 2017.
- 8 Extension to the existing contractual arrangements may be required to enable a seamless mobilisation given the large number of service users. Experience suggests that a 'big bang' transition is likely to carry significant risk and so a more phased process over time is expected to be preferable.

The transition will be complex due to:

- the significant reduction in service providers from those currently contracted across the county (move to zones);
- the potential requirement for extra capacity to undertake any necessary reviews; and
- supporting service users and the implementation of system changes to accommodate different pricing bands within zones.

The extension will be dependent on the outcome of the procurement process.

Key considerations

- 9 The current service model and contractual arrangements were established prior to the implementation of the Care Act 2014. This legislation provides the framework that puts people in control of their care and provides a mechanism through which the quality of support provision will be improved. The remodelled service is predicated on the prevention and wellbeing principles that underpin the Care Act.
- 10 Herefordshire Council's corporate plan has four priorities, one of which is the improvement of the health and wellbeing of people in Herefordshire: *Enable residents to live safe, healthy and independent lives*. Herefordshire Council will be proactive in

helping and encouraging people to live healthier lifestyles and developing resources that offer more choice and control in remaining independent, therefore reducing or delaying the need for formal social care.

- 11 A whole systems approach to transformation within adults and wellbeing is being taken, within which commissioning and delivery of services are the key change drivers in Herefordshire. This approach connects individuals with family, friends and community support networks so they can live independently and prevent or postpone the need for funded care and support services. The models incorporated in the recommended model of care and in the underpinning Vision and Delivery Document appended to this report (appendix one, strategic section), recognise the need to empower people to feel able to find help, access it and use it to improve their health, wellbeing and general lives. Services and support in the community will be the first option for people and active market development by the council and its partners is key to supporting and developing this approach.
- 12 Critical to the delivery of this approach will be the extent to which the outcomes for service users can be identified and their achievement measured. In constructing the tender a revised approach to the delivery of outcomes has been developed which recognises that it is not only a contracted service provider that will deliver outcomes, but all those involved in fulfilling the required outcomes for any individual. Consequently, a Comprehensive Outcomes Approach (appendix one, Figure 1.2) has been developed and linked to the tender requirements so that appointed providers can both assess and be assessed in respect of their contribution to delivering outcomes for individuals. The approach recognises that the individual themselves, their carers or support network, their community and a service provider may all be involved in delivering identified outcomes.
- 13 In September 2013, approval was granted for arrangements and plans to be put in place for ensuring service users, carers and providers participated in securing new contracts for the provision of home and community support within Herefordshire. The council reconfigured home care services in order to ensure that a number of service providers had the opportunity to deliver services throughout the county. On 14 April 2014 approval was given to award contracts for service provision through the home and community support framework that gave flexibility for providers to develop an area of operation in which to establish operational and financial viability. This also allowed an increased choice for service users.
- 14 The resulting framework contract has been in place for 3 years and expires on 30 June 2017. It is a generic framework with 39 providers that support adults with learning disabilities and/or autism, mental health, older people and people with physical disabilities. However, currently only around 20 of these providers are actually delivering services.
- 15 In many cases, service providers have focussed on defined areas of operations, particularly around the city and the market towns where there is a density of care packages which are more practical and viable to deliver. This has created a situation where there may be a delay in placing rural care packages and providers are subsequently handing back care packages when they decide that the delivery is not viable for operational and financial reasons.
- 16 These risks to service delivery will be mitigated as part of the review of the service, through the recommendation to develop a viable zonal arrangement where lead providers take on a responsibility for ensuring a service is delivered to all service

users with a need within their area of responsibility. This has the benefit of reducing the number of providers that the council has a commissioning relationship with thus promoting more strategic relationships. Service users will still have a choice of which provider to use through either accepting one of the council's commissioned providers or taking a direct payment should they wish to use an alternative provider. This approach has been supported by both service providers and service users through the consultation exercise.

- 17 An ongoing engagement process with both service users and providers has been undertaken over the last 12 months. This has been underpinned by a specific and targeted consultation (via a questionnaire exercise over a recent 12 week period). The responses have been used to inform the proposals for the new Help to Live at Home care service. Further details can be found under the consultees section later in this report.
- 18 The service is required for adults in Herefordshire where a social care assessment has identified that they meet the eligibility criteria of the Care Act and need care and/or support to meet their personal care, wellbeing and daily living requirements.
- 19 There are around 1,500 clients a year, approximately 900 at any one time. Two-thirds of users are aged 65 or over; of which the largest proportion (two-fifths) are aged over 85. The total hours provided on a weekly basis has fallen by 6% in 2015/16.
- 20 Around 40% (332 people) of people currently in receipt of home care were also in receipt on 1 April 2014, indicating a service user turnover of around 30% per year. 59% of those clients who have been receiving home care since April 2014 are currently receiving the same number of hours of care as they did two years ago; just over a quarter (27%) are receiving more hours (particularly the over 75s); and 14% are receiving fewer hours.
- 21 The proposal is to recommission the home care services that will be delivered in accordance with the requirements of the Care Act relevant to older people and adults with disabilities, and management of long term health conditions. This includes mental health conditions that may affect older people, especially dementia, depression and anxiety.
- 22 The Needs Based Delivery Model (appendix one, Figure 2.1) demonstrates three distinct components required for the effective delivery of homecare. It is a model based on the assessed needs of individuals rather than the diagnosis. The complexity of the needs will be determined at the point of assessment.
- 23 This approach takes account of the requirements for individuals whose needs can be identified as 'complex' and those with a specific therapeutic reablement need, as well as those who can be best supported through a 'standard' package of care delivered with an enablement approach to maximise independence.
- 24 The service will be delivered in line with the service users' individual assessed needs and focus on achieving a reduction in the need for formal care and support based on an enabling approach and utilising appropriate community support. Full details of the model are within the strategic case of the document in appendix one.
- 25 The mobilisation process will, of course, need to be carefully managed for the impact on service users. It is almost inevitable that the current contracts will have to be

temporarily extended to facilitate this, as the shift in service and provider configuration will be significant and will need to be phased. The transition will be complex and must be handled sensitively, dealing with the concerns that people might have about whether they wish to change their current service provider and how this will be facilitated. There is a cohort of approximately 900 people at any one time, some of which will need input from the operational teams which will have an impact on capacity.

- 26 The complex care provision will be a separate 'lot' and will include packages of care of 24 hours. The 'lot' will be split between the north and south of the county to provide two geographical zones.
- 27 The 'regular' care provision will be five separate 'lots', splitting the county into five zones:
- Kington/Leominster.
 - Bromyard & City.
 - Ledbury.
 - Ross & City.
 - Golden Valley.

Full details of the lot approach as well as the proposed procurement strategy and timeframes are contained in the Vision and Delivery Document (appendix one).

- 28 The purpose of the zoning approach is to offer service providers operational and financial viability by focusing on a certain geographical area of the county and therefore minimising the risk of handbacks of packages of care. The zonal approach will also provide consistency of delivery for the service users (see further information on the zonal approach in the document within appendix one).
- 29 The council will work in conjunction with service providers regarding workforce development; historically recruitment and retention has been an issue for the market and is key to delivering an effective home care service.
- 30 The key elements of the new model are:
- Prevent, reduce or delay the demand for home care services.
 - Delivering services with an enabling ethos – doing things with people, rather than for them, to enable people to live independently in their own homes for as long as possible.
 - Enhancing the quality of life for people with care and support needs.
 - Introducing a strength/asset based approach to assessment and support planning.
 - Identifying how people can be assisted to help themselves and what their family/friends/neighbours and the wider community can do to help them live the lives they want.
 - Working with providers to reduce people's reliance on formal care by working in partnership with the voluntary sector and the wider community.
 - A phased shift from the time and task approach to a focus on delivering

outcomes for service users through the contractual term.

- Equitable service provision throughout the county.
- Development of the skills of the workforce.

Community impact

- 31 The Care Act articulates the principles of wellbeing and prevention, and the recognition that an individual, their family, and/or carer must be enabled to make decisions regarding their care. These principles inform the council's delivery of social care services.
- 32 The council, service providers and the wider network of formal and informal care provision will work together in supporting service users to achieve their outcomes, this will include managing their expectations of what the service, and the provider can offer.
- 33 Service providers will be expected to develop and maintain effective partnerships at strategic and operational levels with the voluntary sector and wider community to enable the inclusion and participation of service users and avoid duplication of service provision. Other key aspects of the service will be the use of universal and community services and developing capacity in neighbourhoods to enable them to support vulnerable people in their local communities.
- 34 In Herefordshire we are building an asset based approach, linking to existing local community provision, encouraging the development of innovation and the release of additional capacity, not just of those entitled to support, but also of other individuals and organisations to provide support. The ongoing collaborative approaches, undertaken with Health partners and other key stakeholders support and underpin this work.
- 35 Herefordshire has an older population than in other parts of England and Wales, with people aged 65 and over constituting 23% of the county's population (42,000 people). The number of people aged 85+ in the county has increased by 43% (from 4,000 to 5,700) since 2001.
- 36 In 2014/15, 1,428 people in Herefordshire had a diagnosis of dementia (GP Quality Outcomes Framework data, March 2015).
- 37 In April 2014 the number of people with a learning disability receiving a service commissioned by the council was 594. Of these 528 were aged 18-64 years.
- 38 Over half of all residents (98,700) live in areas classified as rural, with two in five (78,900) living in the most rural village and dispersed areas. 60% of people aged 65+ live in rural Herefordshire, more likely in villages, hamlets and isolated dwellings. 54% of people aged 85+ live in rural areas, more likely in rural towns.

Equality duty

- 39 The council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.

- 40 The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The decision does not discontinue any service and has no detrimental impact to eligible service users.
- 41 The remodelled service is not intended to have any negative impacts; however, the following should be considered and will be regularly monitored:
 - Providers working closely with service users to develop informal care and support networks.
 - The competitive tender is likely to result in a reduction in the number of contracted service providers. This may result in a change in service provider, however the revised model is intended to improve capacity and transition arrangements will be established between the providers to ensure continuity of service provision.
 - The reduction may restrict the availability of female/male care workers in the short-term, however the revised service structure will support business viability.
- 42 Overall the service impact on the nine characteristics has been assessed as low; six of the characteristics will have a neutral impact and three will have a positive impact from the changes to the service.
- 43 For full details of the Equality Impact Assessment please refer to appendix two.

Financial implications

- 44 In common with councils across the country, Herefordshire Council is facing significant financial challenges as central government strives to balance its budget. Herefordshire Council are at the 6 year point of a 10 year ‘austerity period’ during which the council will face increasing demands on the services it provides whilst simultaneously making savings totalling £87 million. This means that the council needs to significantly change how it operates and the services it runs to focus on greatest need.
- 45 The council spends approximately £9m per annum on directly commissioned home care services.
- 46 The current home care provision has three set rates; one for urban, one for rural care packages, with the rural packages being paid at a premium to cover extra staff travelling costs where service users live more than 4 miles outside Hereford or one of the other market towns and one for 24 hour packages and sleep in nights.

Urban	Rural	24 Hour / Sleep-ins
£14.76	£15.76	£11.48

- 47 Following consultation with providers and other stakeholders an affordability analysis was prepared by the finance team to assess the maximum affordable hourly rate that the council could offer, whilst remaining within expected budgetary constraints taking into account expected demographic growth, national living wage increases and savings assumptions that are already built into the Medium Term Financial Strategy (MTFS). Proposed hourly rates have been calculated using a locally developed model which includes the UK Home Care Association (UKHCA) recommended rate

calculation criteria but adjusted for local factors; this figure is £15.80 per hour (£12.80 for 24 hour packages and sleep-ins). Summary affordability analysis and rate calculations are shown in appendix 3.

- 48 It is proposed the new Help to Live at Home service will be tendered in lots based on splitting the county into zones. This will result in the introduction of a new commissioned framework and actual expenditure against this framework will be driven by operational assessments of unmet individual service user eligible needs.
- 49 The advantage of this approach is that providers will be largely guaranteed a sustainable volume of work, contract management relationships and processes can be improved and hourly rates can be standardised.
- 50 In order to facilitate a seamless transition from providers on the current framework to the successful Help to Live at Home providers, the current framework agreement may require an extension period of up to 9 months. There will be no direct financial implications associated with this extension and all expenditure associated with this can be managed within existing budgets.

Legal implications

- 51 Given the services are within the 'light touch' regime for procurement purposes, the council is not obliged to conduct a formal tender process. It simply must conduct a procedure that meets EC Treaty principles (e.g. fairness, equal treatment, transparency), and it must meet some basic publication requirements. This gives the council considerable flexibility in the procurement model it chooses, the model and timescales are within appendix one, procurement strategy.
- 52 For example, the council could operate an 'any qualified provider' approved list, in which providers (who meet the council's minimum requirements at the time) apply to join the list. The chance to join the list would open at regular intervals (e.g. the list opens say, every 6 months) for new providers, or providers whose applications were previously unsuccessful.
- 53 The benefit of this approach is that providers are competing against the council's standard for council business (and not against each other). The risk of a challenge for unsuccessful applicants in an approved list is much reduced. They simply reapply in 6 months – a legal challenge would not be worthwhile. With the framework arrangements proposed here, an unsuccessful bidder would have to wait 5 years for another opportunity for council business. This increases the stakes and therefore an appetite for challenge.
- 54 There is legal uncertainty whether a 5-year framework is permitted under the light touch regime. Non-light touch procurements are subject to a 4 year maximum. It is unclear (as a result of the new 2015 regulations) whether this maximum (or some other maximum) applies to light touch procurements. There is a risk that this procurement could be challenged on the grounds that a 5-year framework is too long. To manage this risk, it has been recommended that we make this 5-year period prominent in the tender documents. If a bidder wishes to challenge on the issue, it must do so promptly (i.e. the bidder cannot wait until the results are announced). Given any challenge would come early in the exercise (and not after award decisions), the council would then need to decide whether or not to defend the challenge or shorten the length of the framework.
- 55 There are Care Act implications for this procurement, particularly in relation to service

user choice. The attachment to this report indicates this has been appropriately recognised.

- 56 These frameworks (and the procurement process generally) are expected to significantly reduce the number of providers with whom the council has a contract. This would seem to encourage some formal or informal consolidation in the provider market. The council will need to be open to dealing with lead/subcontractor and consortia provider models.
- 57 Officers are expected to work closely with Legal Services to minimise the risk of a challenge with this process.

Risk management

- 58 A number of risks have been identified and included in the Vision and Delivery Document (appendix one), as follows:
- The risk of a Judicial Review (JR) on this service is reasonably high due to the nature and scale of the service. As part of the previous competitive tender process a small proportion of the market did commence a JR however this was defended. The current provision and tender process is being mitigated via thorough consultation with the market and service users with transparent and open dialogues.
 - Insufficient provider interest in the commercial model which could result in reduced number of providers and a price increase.
 - Discontinuity of existing service provision for the service user which may result in a change in provider delivering the service.
 - Experience of providers and delivery approaches adequate to deliver across the different elements to the pathways.
 - Disruption to critical care and support services as a result of changes required in mobilisation for the service users, providers and local authority.
 - Increased number of direct payments resulting in a reduction of hours available in each zone making the proposed delivery model unsustainable.
 - Implications of TUPE and adequate levels of care and support staff available to deliver the services.
- 59 Through the course of the procurement and mobilisation process these factors will be monitored and addressed where appropriate.
- 60 A formal Quality Assurance Framework has been implemented and this will ensure robust contract monitoring from commencement of the service. The Quality Assurance Framework sets out the approach that Herefordshire Council will take to ensure local care and support services provide what citizens need. It can be seen as a set of processes which are put in place with one goal; to deliver high quality care and support services in Herefordshire.

61 The project has had robust project management processes and support which has included a risk register that is monitored on a weekly basis. The risks are then monitored through the directorate risk register.

Consultees

62 Extensive stakeholder consultation has been undertaken countywide over the last 12 months to ensure the review of the home care service is well informed, robust, and can successfully be delivered. Sessions have been positively attended and participants have actively engaged in discussions to express their thoughts and views about the current service and how it can be delivered in the future. Consultation and engagement has taken numerous forms including:

- Introductory/briefing sessions.
- Engagement sessions.
- Programme/project engagement.
- Stakeholder project group meetings.
- Dedicated service user/carer sessions.
- Service provider forums.
- Service provider 121s.
- Networking events.
- Adult and wellbeing directorate staff forums.

63 A questionnaire exercise was conducted with service users from the 6 June - 28 August 2016 (12 weeks); a questionnaire was sent to everyone in receipt of home care and was made available on-line. Consultation events were held where people could come and share their views and a dedicated phone line was made available for people to discuss the questionnaire or obtain help with completing it. A total of 233 questionnaire responses were received and the consultation report is available in appendix one.

64 Engagement with service providers commenced in February 2016 through stakeholder groups, forums, face to face and individual meetings and a questionnaire consultation exercise was conducted from the 22 June - 28 August 2016 (10 weeks). To launch and support this a number of consultation events were held, as well as individual discussions with commissioners to support the on-line consultation questionnaire; 34 meetings were held over the consultation period and 17 responses to the questionnaires were received (the consultation report is available in appendix one). The response from service providers has been very positive and both providers who currently deliver services and new providers interested in working in Herefordshire have and continue to participate.

65 A Stakeholder Group that includes social care staff, health colleagues, Healthwatch, as well as third sector providers has been involved in the review of the service and has informed the service redesign throughout the process.

66 The feedback and information gathered through the consultation period has influenced the recommended options within the Vision and Delivery Document (appendix one). A detailed report on the service user consultation (appendix one) showed that 83% agree with the council's proposal for approved providers chosen by the local authority to deliver the services on their behalf or alternatively receive a direct payment, which supports the recommendation for a reduced number of providers across the county and there is support for the re-ablement ethos, to enable individuals to be as independent as possible.

Appendices

- Appendix 1 - Vision and Delivery Document
- Appendix 2 - Equality Impact Assessment
- Appendix 3 - Summary Affordability and Rate Analysis

Background papers

- None