Cabinet

New Arrangements for Commissioned Home Care

June 24 2021

Market Summary

Commissioned Home Care purchased via the Care @ Home Approved Provider List (as at 1 February 2021)

• Total number of customers	739	urban 568 / rural 171
• New customers per month	average	30
• Hours purchased per week	9,683	urban 7,614 / rural 2,069
• Number of approved providers active	28	
• Annual Gross Spend 2020/21	£10.2 M	

Key Challenges

- Fragility within the market
- Too much capacity in some localities, not enough in others
- Ensuring a timely response in rural areas
- Improving efficiency across the sector
- Workforce - recruitment, retention and an ageing workforce

Key Aims and Objectives

- Ensuring the availability of quality home care
- Improving the customers' experience of home care
- Maximising customer's independence and wellbeing with technology enabled living and other services that can replace or supplement formal care
- Ensuring that the new model is aligned with Talk Community and other key strategic initiatives
- Reconfiguring the home care market to improve provider partner's operational and financial viability
- Facilitating providers to work strategically and collaboratively with the council

Key Aims and Objectives (continued)

- Improving operational efficiency and reducing the environmental impact of home care service delivery

- Introducing new systems and processes to reduce transactional costs

- Addressing the workforce issues

- Providing a solid foundation for further innovation in the sector

Summary of Options Considered

No change	Insource entire provision of commissioned care	Insource rural provision of commissioned care	Introduce another open approved provider list
Notice of closure has been served on current arrangement which ceases on 31/10/2021	Significant increase in cost and currently no infrastructure to support service delivery	This would undermine the financial and operational viability of many providers	This would not reduce the competition for packages requested by providers or improve efficiency

Framework Proposal

- Tender lots based on locality areas

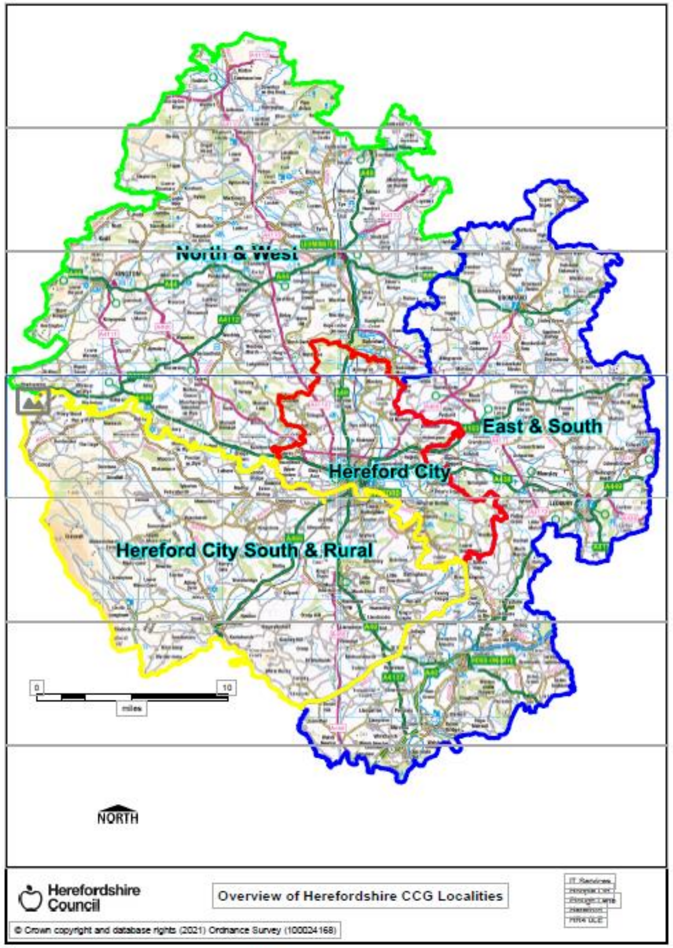
- The number of lots determined by the amount of commissioned care delivered in each locality

- The number of lots a provider can apply for will be capped to TWO

- Providers will be contractually required to deliver a % of the rural packages in the locality (based on 20%)

- Providers who opt not to apply or are unsuccessful in the tender have the option to **retain** their existing customers

Locality Map



Summary of Provision by Locality Classified Urban and Rural (as at December 2020)

Locality	Urban or Rural	Number of Customers	Number of Hours per Week
Hereford City North and Surrounding Rural Area			
Hereford City North	Urban	178	2384
Surrounding Rural Area	Rural	51	671
Total		**229**	**3055**
Hereford City South and Golden Valley			
Hereford South	Urban	94	1313
Golden Valley	Rural	14	185
Total		**108**	**1498**
East and South - Bromyard, Ledbury, & Ross on Wye			
Ross Rural	Rural	29	298
Ross Town	Urban	59	775
Ledbury Rural	Rural	12	152
Ledbury Town	Urban	34	442
Bromyard Rural	Rural	11	114
Bromyard Town	Urban	19	201
Total		**164**	**1982**
North and West - Leominster, Kington, Mortimer & Weobley			
Leominster Rural	Rural	18	279
Leominster Town	Urban	87	1088
Mortimer	Rural	29	347
Kington Town	Urban	21	278
Kington Rural	Rural	17	222
Weobley	Rural	37	365
Total		**209**	**2579**

Proposed Lots for Home Care Tender

Lot	Locality	Number of Customers	Weekly Hours (Rounded)	%
1	Hereford City North & Rural Locality including Credenhill, Marden & Wellington	230	3,000	35%
2	Hereford City South & Rural Locality including Golden Valley, Dorstone & Pontrilas	110	1,500	15%
3	South & East Locality including Ross on Wye, Ledbury & Bromyard	160	2,000	20%
4	North & West Locality including Leominster, Weobley & Kington	210	2,600	30%

Proposed Re-modelled Provision by Locality

Lot	Locality (NB. There are currently 28 active approved providers. Most providers currently operate in more than one locality)	Number of providers currently operating in the Locality	Proposed number of providers
1	Hereford City (North) & Rural Locality	14	6
2	Hereford City (South) & Rural Locality including the Golden Valley	13	3
3	East & South Locality including Ledbury, Bromyard & Ross-on- Wye	18	4
4	North & West Locality including Leominster, Weobley & Kington	15	5

Key Risk Summary

Ref	Description	Mitigation
R1	Discontinuity of provision for customers	Providers retain current customers
R2	Instability in the home care market	Proposed new arrangements will be phased in
R3	Provider failure	No indication the proposal will cause failure
R4	Lack of interest in the tender	Considerable interest from providers
R5	Challenge to the procurement process and/or result	The Legal and Procurement Team are advising
R6	Delay in awarding contracts	The Current Contract allows for an extension
R7	Risk to the Council’s reputation	Timely Communication with customers and families

Key Risk Matrix

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					--
	4 Likely					
	3 Possible				R1, R2	R3
	2 Unlikely			R6	R4, R5,R7	
	1 Rare					

Proposed Time Line

Key Milestones (2021)

13 April 2021	02 June 2021	24 June 2021	1 July 2021	Mid-August 2021	Mid–End September 2021	1 November 2021
All Member Briefing Session	Scrutiny Committee	Full Cabinet	Tender commences	Submission of tender applications	Notification of tender award	Framework commences