

Additional arrangements for Commissioned Home Care

Decision maker: Cabinet Member, Health and Adult Wellbeing

Decision date: 4 November 2022

Report by: Service Director, All Age Commissioning

Classification

Open

Decision type

Key

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

(All Wards);

Purpose

To approve the development and implementation of a range of home care commissioning options, including an additional, open framework for the purchasing of commissioned home care services, to ensure sufficient quality and capacity is available in Herefordshire to support the eligible needs of adults to remain safe and independent in their own home.

Recommendation(s)

That:

- a) **A range of commissioning options are explored, developed and implemented, subject to further governance as required, to complement the existing commissioned home care framework;**
- b) **An additional, open framework for the purchasing of commissioned home care services can be introduced, following a competitive tender process, from November 2022; and**
- c) **The corporate director for community wellbeing is authorised to take all operational and commissioning decisions necessary to implement the above recommendations.**

Alternative options

1. Do nothing. There are significant delays and challenges in meeting the increasing demand for home care provision, leading to some vulnerable people waiting long periods for packages of

care, amid significant risk to their wellbeing. The existing framework alone is not currently sufficient to meet the demand and therefore doing nothing is not an option.

2. In-source provision of home care. This could address the challenge of providing commissioned care to some degree, particularly in rural areas and with complex cases. However, this option is not recommended as there would be significant challenges in the short term in recruiting and retaining sufficient staff to operate a sustainable service. In addition, such development would undermine the operational and financial viability of contracted providers.
3. Subcontract within the existing home care framework. This is a possibility within the existing framework arrangement. However, management fees would be applied and therefore this is unlikely to be a financially viable option. Additionally, capacity acquired through this form of subcontracting is likely to be limited.
4. Re-open and re-procure the existing framework. This would be disruptive to the market and there is a significant risk that existing framework providers would withdraw and the process could substantially weaken the framework.

Key considerations

5. The Care Act 2014 places a statutory duty on the council to manage the local market to ensure the availability of home care and to have arrangements in place to commission home care services on behalf of people with eligible assessed needs and ensuring the timely availability of quality care throughout the county.
6. As detailed in Herefordshire's market position statement, a key commissioning intention for 2020 onwards is to create a versatile, cost effective and sustainable market at a Primary Care Network (PCN) level, to support and develop the health, family support and social care workforce and to promote an inclusive customer focus to ensure fair access to services.
7. Following a review, remodelling and full competitive tendering process, Herefordshire's Home Care Framework commenced on 1 November 2021. The key aims and objectives of the framework include:
 - Ensuring the availability of quality home care;
 - Improving the customers' experience of home care;
 - Maximising customers' independence and wellbeing with technology enabled living and other services that can replace formal care;
 - Reconfiguring the home care market to improve provider partner's operational and financial viability;
 - Improving operational efficiency and reducing the environmental impact of home care service delivery;
 - Addressing the workforce issues; and
 - Providing a solid foundation for further innovation in the sector.

Further information is available at

<https://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?Ild=50037076>

Progress in the achievement of those objectives includes;

- All 11 current providers on the Home Care Framework are rated good or outstanding by CQC.

- Quality reports from the council's own quality assurance function on the services provided under the framework since it was launched have been overwhelmingly positive, with good outcomes for customers and no remedial actions identified.
- Providers' customer satisfaction surveys are to be reviewed and a general survey of the views of home care customers is to be prepared.
- The use of technology to optimise independence and minimise need for formal care is considered routinely in social work assessments and reviews. The Technology Enabled Communities (TEL) Programme will introduce a new Predict and Prevent approach to care which will enable a much more preventative approach to anticipating the needs and risks facing individuals, ensuring the right help at the right time.
- The framework launched in 2021 has provided significant opportunities for the contracted providers to consolidate and grow their businesses. However, the scale and pace of the national workforce crisis in social care has impeded that development to some extent as providers struggle to recruit and retain workers.
- Providers ongoing commitment to efficiency has been driven further by the challenges of workforce recruitment and retention. Several providers are making use of electric vehicles and engaging with the council around environmental protection measures.

8. 11 providers were successfully appointed onto the framework, which is divided into four geographical areas, as detailed at appendix one. However, during the first 12 months of the framework's operation, Home Care capacity overall has reduced, owing mainly to the challenges of recruiting and retaining frontline care staff. In order to ensure that packages of care are delivered in a timely way, and to support the sustainability of the wider home care market, it is recommended that additional commissioning options, which complement the existing framework, are explored, developed and implemented. These include the proposed new secondary framework and various other measures to expand capacity.

9. The additional approaches which will be considered include reviewing the use and pricing of 30 minute packages and extending the capacity of Home First delivered by Hoople Care, through additional staffing or contractual arrangements. All home care commissioning solutions will be aligned with key strategic initiatives and services, including the Market Position Statement commissioning intentions, Talk Community, Home First and the council's revised technology enabled communities programme. The creation of an additional framework will support the council in ensuring that the eligible, assessed needs, under the Care Act 2014, are met and that sufficient capacity is available throughout the county.

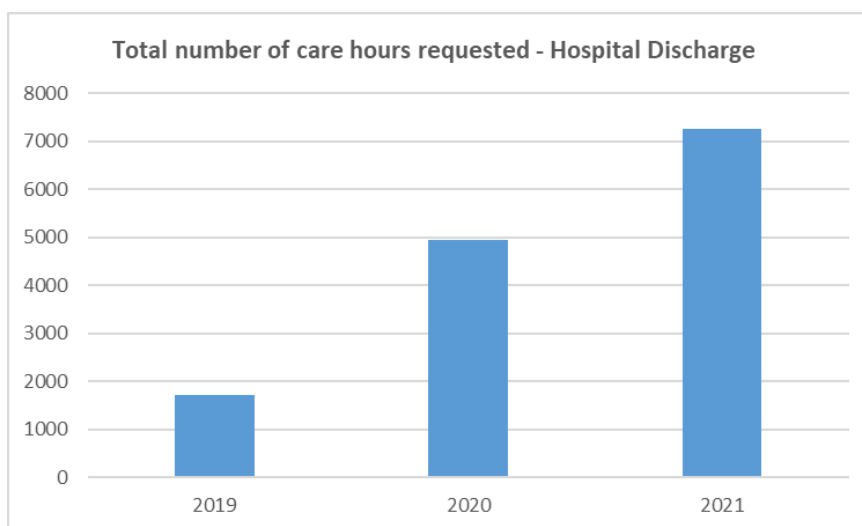
10. In line with contractual obligations, the council reviews the fees paid to Social Care providers on an annual basis. The council's fee rates for commissioned home care for 2022/23 are:

	URBAN	RURAL
60 mins	£20.00	£23.00
45 mins	£15.00	£17.25
30 mins	£10.00	£11.50

This fee variation of an average of 6.24% equates to a blended rate at £20.75 per hour. This is one of highest in the West Midlands and it reflects very positively for Herefordshire that the

blended rate now exceeds £20. These rates would be applied to all home care commissioning arrangements.

11. During recent years, demand for home care services has been managed by the application of strengths based approach to assessments and the provision of re-ablement services and assistive technology. There are usually around 750 people in receipt of commissioned home care at any one time. The pandemic suppressed demand for a time however, the trajectory is showing population need returning towards previous levels of demand.
12. Some aspects of current levels of demand for home care are higher than anticipated. For example, as illustrated below, in 2019 a total of 1,727 hours of care were requested for customers on the hospital discharge pathway. This increased to 4,944 hours in 2020 and to 7,272 hours in 2021. Demand from hospital discharge continues to be high during 2022.



13. As part of the fee review consultation (December 2021), home care providers highlighted key financial pressures including National Living Wage Rates, National Insurance, General Inflation, additional costs associated with Covid-19, increasing rental charges and increasing fuel costs. 3 home care agencies have closed in Herefordshire during the past 12 month period, which is a reminder of the fragility of the market.
14. In addition to increased demand and financial challenges, and in line with the national trend, Herefordshire home care providers are facing significant workforce challenges. The council is committed to collaborating with the market to address the risks posed by the recruitment and retention issues and is working with providers and system partners to develop a strategic approach to delivering the support required across the care sector.
15. The commissioning of home care from the current framework is complemented by the Home First re-ablement service, now delivered as part of Hoople Care. This focuses primarily on people who will benefit from a reablement approach to re-acquire or protect their capacity to manage daily living independently. Home First is both a critical part of the local urgent care system taking people discharged from hospital and important in supporting vulnerable people needing care in the community. There have been ongoing challenges in recruiting and retaining Home First staff but this is now gradually improving following the transfer of the service to Hoople and an increase in pay.
16. The council has led on the development and implementation of the Herefordshire Cares website ([www. https://www.herefordshirecares.co.uk/](https://www.herefordshirecares.co.uk/)) which features local case studies showcasing

'working in the care sector' using a diversity of roles from different local providers. The website also hosts a jobs board advertising vacancies across the sector. Officers are also attending local job fairs, speaking to education and training providers and implementing a digital campaign to promote working in the care sector in Herefordshire.

17. The framework providers are currently unable to consistently meet the required commissioned supply and capacity levels for commissioned home care. This contributes to considerable risk for a cohort of very vulnerable people waiting for the support they need at home. In October 2022, more than 110 individuals were awaiting home care. These cases account for around 1,530 hours of care and providers on the current framework are unable to provide the capacity, largely owing to workforce capacity. This includes 24 individuals who are living in residential homes, whilst they wait for home care. Each individual case is risk assessed and short-term solutions are put in place in order to ensure client safety. There are currently 133 individuals awaiting home care as at 13 October 2022.
18. The council is clear that where the market cannot address the challenges in Home Care and other markets and meet the needs of individuals, it will consider its role within the market, including where necessary and viable, the in-sourcing of services. Various approaches have been considered, partly in the light of practice in other local authority areas. In Worcestershire, a somewhat similar two tier framework system is already operating, although it was designed in that way and both tiers were established simultaneously. Providers which will consider bidding to join the secondary framework will have some under-utilised capacity, but it is not clear how many will commit to the approach nor that this proposal will resolve all of the unmet demand and the practical challenges to supply.
19. A secondary framework will be procured on terms very similar to the main current framework and will operate to exactly the same pricing structure. Once procured, it will not compete directly with the providers on the main framework, who will continue to have the first opportunity to take commissioned cases. Only when the main framework is demonstrably not able to provide a package of support for an individual will the case be referred to the second framework. Once that criterion is satisfied, the two frameworks will operate in a very similar way.
20. Tendering for the new secondary framework will take place from late September to the end of October 2022 in line with the council's contract procurement regulations (CPR), with new contracts being awarded in November 2022. Service delivery will then be available subject to the capacity and staffing of providers on both frameworks.

Community impact

21. The council's corporate plan has four priorities, one of which is the improvement of the health and wellbeing of people in Herefordshire to 'enable residents to live safe, healthy and independent lives'. The 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. This proposal supports the council's priorities by offering choice of services and support to help residents remain independent at home for longer.
22. The principles that underpin the service design will ensure that individuals' outcomes are improved through supporting the sustainability of home care services and investing in initiatives that will enhance people's lives. It will align to the council's health and wellbeing strategy, which underlines how Herefordshire aims to be a vibrant county where good health and wellbeing is matched with a strong and growing economy and the vision for the council's adults and wellbeing directorate of 'all adults in Herefordshire live healthy, happy and independent lives within their

local communities, for as long as possible with support when they need it. In parallel with the development of a secondary framework, opportunities for the Talk Community programme to provide support for vulnerable people at home will continue to be pursued.

23. In line with the council's commitment to social value outcomes, providers will be expected to deliver social, economic and environmental benefits beyond the direct delivery of the purchased service. These requirements will be included in the service requirements and procurement evaluation and the outcomes achieved will be monitored as part of contract management.

Environmental Impact

24. The council provides a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors, there is a shared strong commitment to improving the environmental sustainability and achieving carbon neutrality in Herefordshire. This commitment would be advanced by sustainable methods and approaches adopted in delivering care in the new facilities proposed in this report.
25. The development of the framework will seek to minimise any adverse environmental impact associated with the delivery of commissioned home care and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

26. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows;

A public authority must, in the exercise of its functions, have due regard to the need to –
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
27. 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.
28. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
29. The decision does not discontinue any service and has no detrimental impact to eligible service users.

Resource implications

30. It is not anticipated that the proposed secondary framework will bring any cost pressure or financial risk to the council. The additional framework and other potential measures will be designed to help meet the existing demand for home care and will not stimulate additional demand, nor widen the scope of commissioned home care.

The council's annual gross expenditure budget for commissioned home care during the 2022/23 financial year is £11.5m and current forecast spending is around £9.8m, reflecting challenges in supply. It is expected that the new arrangements will increase spending towards the budget figures, but not exceed it.

Increased spending on Home Care capacity will be offset to some extent by reductions in spending on care home placements for people awaiting packages of support at home, these being more expensive per person. Increased supply in the Home Care market would also help ensure the resources of the Home First re-ablement service from Hoople Care are directed most effectively.

31. The council's fee rates for commissioned home care via the framework are as follows;

- £20.00 per hour for urban calls and £23.00 for rural calls.
- This provides a blended proportional rate across rural and urban of £20.75
- An average uplift of 6.24% was applied to Home Care Fees for the year 2022/23

These same fee rates will be applied to the proposed new secondary framework.

Legal implications

32. The Care Act 2014 requires local authorities to ensure the provision or arrangement of services, facilities or resources to help prevent, delay or reduce the development of needs for care and support. It also requires local authorities to support; carers, people who use personal budgets and people going through transition from children's services into adult services. It places duties on local authorities to facilitate a vibrant, diverse and sustainable market for high quality care and support. The Council therefore must comply with its on-going duties to ensure that eligible needs are duly met. Any decisions made must be taken in due consideration of its on-going responsibilities.

Risk management

33. If the recommendations in this report are not adopted, this would give rise to the following main risk;
- If the home care providers on the existing framework are not able to provide sufficient capacity to meet demand, individuals in Herefordshire may continue to wait significant amounts of time for home care to be secured. In order to ensure that home care is provided in a timely way, additional commissioning solutions must be explored, developed and implemented.
 - In addition, the council are currently incurring additional expenditure for short stay residential placements due to limited capacity in the home care market. This may continue if additional arrangements for commissioned home care are not developed and delivered.

34. The key risks and opportunities are summarised below;

Risk / opportunity	Mitigation
Destabilising the existing home care framework	Providers on the existing home care framework will have first opportunity to bid on packages of care. If packages cannot be delivered, providers on the complementary framework will then be able to tender for packages. Fee rates will be consistent across all commissioning options.
Lack of interest from providers in the new arrangements	Communication will be distributed to all CQC Registered Providers in Herefordshire who may be interested in delivering commissioned home care. There is currently no indication that there will be insufficient interest in this opportunity. Any additional capacity in home care generated by the new secondary framework will be beneficial.
Damage to the council's reputation as a result of changes to commissioning arrangements for home care	Plans and arrangements to increase Home Care supply, including the new secondary framework are intended to increase commissioning options and improve outcomes for vulnerable people needing support at home. The council will continue to work with current framework providers and others to maximise supply.
Delay in awarding the contract as a result of challenge from applicants regarding the delivery and /or outcome of the tender process	The tender process will be compliant with legislation and council processes. The council has an excellent procurement record with very low levels of challenge to tender processes generally.
Home care agencies across all parts of the sector continue to struggle to recruit and retain staff	Herefordshire Cares the online sector recruitment and staffing portal is in place to support recruitment. Strategic approaches to retention and recruitment are being developed jointly with NHS and other partners, including career pathways to attract people to work in the sector.
Number of outstanding packages of care increases	Commissioning and Brokerage teams continue to engage and work with Home Care providers and Hoople Care to support efficiencies and secure provision for vulnerable people.
Necessity of short-term residential placements, whilst waiting for home care to be secured.	All cases awaiting home care are managed and tracked. Brokerage continue to attempt to source care wherever available and appropriate. The costs of current packages can be met within existing client budgets as forecast.

35. The risks will generally be held at directorate level and reviewed on a regular basis by the All Age Commissioning Management Team.

Consultees

36. Council commissioners engage continually with the local home care market. This dialogue continues to provide clarity and understanding of the priorities, challenges and outlook of the local care home sector.
37. A Scrutiny session was held in June 2022 where officers, providers and scrutiny Members met to discuss the current challenges facing the home care market. The debate in the meeting served to underline the challenges in sustaining levels of staffing and supply in home care and the council's commitment to working with providers to find solutions.
38. Commissioners work closely with internal stakeholders, including adult social care operational teams, to monitor demand and capacity across the home care market.
39. A political groups consultation meeting was held on 24 October 2022, with attendance from a number of political groups. There was an in depth discussion about the proposals and the issues raised, including concern about the workforce challenges and demands on home care workers from health related tasks. Officers undertook to engage with Home Care providers and health partners on these issues. Members were generally supportive of the proposals set out in the decision.

Appendices

Appendix 1; Home Care Framework map

Background papers

None identified.

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 17/10/2022
Finance	Kim Wratten	Date 10/10/2022
Legal	Sam Evans	Date 10/10/2022
Communications	Luenne Featherstone	Date 05/10/2022
Equality Duty	Carol Trachonitis	Date 03/10/2022
Procurement	Lee Robertson	Date 03/10/2022
Risk	Jo Needs	Date 10/10/2022

Approved by	Hilary Hall	Date 26/10/2022
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