

Cabinet

1st November 2016

Name of Cabinet Member:

Cabinet Member for Adult Services – Councillor Abbott

Director Approving Submission of the report:

Executive Director of People

Ward(s) affected:

All

Title: Provision of Effective Home Support Services

Is this a key decision?

Yes: The proposals in this report entail expenditure in excess of £1m and impact on all wards.

Executive Summary:

This report relates to arrangements for the effective provision of adults and children's home support. Home support is personal care and support delivered to people who meet the eligibility criteria for social care and who are living in their own homes to enable them to remain living independently. As well as supporting adults and older people, the support provided assists carers, relatives in maintaining their caring role and children.

Although this report is concerned with the commissioning of ongoing home support, home support in the City comprises two main delivery components:

- Short Term Support to Maximise Independence, which is funded by both the City Council and Coventry and Rugby Clinical Commissioning Group (CRCCG). This service works with adults and older people, many of whom are not currently known to social care, over a period of approximately six weeks to support them to regain any independence they may have lost following an acute episode of other incident.
- Ongoing home support, this is provided to adults and children that meet national eligibility criteria for social care where the service is the most appropriate way of meeting their needs. Although support is provided on an ongoing basis this is subject to review should peoples' needs change. The manner of the support provided should be as enabling as possible so as not to create, or increase, levels of dependency.

Existing ongoing adults and children's home support services (which were previously commissioned separately) are provided under a framework contract awarded in 2010 with a small number of contracts awarded subsequently to ensure sufficient provision is in place. Under these arrangements a range of independent providers are contracted to provide services with no guarantee of volume of work. Since these contracts were let there has been a number of significant changes in social care and the market in general including the introduction of the Care

Act 2014, Children and Families Act 2014, changing regulatory framework and changes to employment terms and conditions through the introduction of the National Minimum Wage.

Providers of home support are also reporting that due to cost pressures a larger volume of business is required in order to ensure the services are sustainable. For this reason it is proposed that children's and adults home support is brought together under one commissioning activity to ensure children's home support supply is not restricted due to having low volume children's only providers, which is not maintainable. Due to these changes it is now appropriate to tender for home support in order to ensure this important provision is sustainable and sufficient in terms of meeting the requirements for social care.

The proposals contained in this report seek approval to undertake a procurement exercise to award nine contracts for home support ranging between 1,200 to 1,500 hours per week per contract. The contracts will be of seven years duration (five years plus the option to extend by a further two year) to enable security for providers in order for them to invest appropriately in workforce development and training. Seven of these contracts will focus on support to older people, younger adults with a physical impairment and children and will be aligned to Coventry's seven General Practice cluster areas. The remaining two contracts will provide support on a city-wide basis to people with learning disabilities and/or mental ill health. For each contract there will be a primary and secondary provider to provide resilience.

This procurement process is being undertaken at a time where there is increasing emphasis on bringing together health and social care to operate as a more cohesive and single system, while recognising the different statutory duties that exist. In order to recognise this the procurement process will include requirements for Continuing HealthCare (CHC) which is currently provided by similar providers but under a different contract. It is estimated that the CHC requirement totals 4,500 hours citywide. The CHC element of the contract will continue to be managed by Coventry and Rugby Clinical Commissioning Group with budget and purchasing arrangements remaining distinct from the City Council.

Recommendations:

Cabinet are recommended to:

1. Approve the commencement of a tender process for home support to enable the City Council to continue to deliver its duties to those eligible for social care.
2. Delegate authority to the Executive Director of People and the Executive Director of Resources following consultation with the Cabinet Member for Adult Services, for the award of contracts following the conclusion of the tender process.

List of Appendices included:

Appendix one - Equality and Consultation Analysis Document

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

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Report title: Provision of Effective Home Support Services

1. Context (or background)

- 1.1. Home Support is the term used to refer to personal care and support delivered in people's own homes. The support is delivered by care staff depending on the requirements of the support plan which is based on eligible needs and also includes the Common Assessment Framework for children. The service also assists carers and parents in maintaining their caring role. The types of tasks undertaken by home providers can include personal care such as washing and dressing, meal preparation and other essential support that enable the person to remain in their own home. Underpinning all home support is the ethos that all people should be enabled to meet their maximum potential. To deliver this, flexibility and empathy are key requirements, not least because some of those supported are amongst the most vulnerable in the City and have limited personal support networks and therefore the ongoing provision of a professional and personal support service is essential.
- 1.2. The ability to provide effective home support is also crucial to meeting the needs of an ageing population with growing care needs and for supporting working age adults with disabilities or mental ill health to live their lives. Home support creates the ability to meet peoples' needs in their own homes in a manner that is usually more cost effective and delivers better outcomes than other more intensive settings such as residential care.
- 1.3. All home support should have a key focus of enabling people to do things for themselves wherever practicable. The majority of this enablement work is delivered through short term services where people are supported to regain or achieve a maximum level of independence, often after an acute episode over a shorter and more intensive period of time. For people that require ongoing care and support every effort should be made to continue to ensure opportunities for longer term enablement are realised through ongoing home support.
- 1.4. In re-commissioning home support services there are a number of factors that need to be considered in relation to the City Councils responsibilities for market sustainability, ensuring quality, ensuring the workforce is sufficient in terms of size and skills, effectively managing demand and ensuring the transition to new arrangements are managed whilst maintaining continuity of care and support. Each of these key areas is summarised below.
- 1.5. **Market Management and Market Stability**
 - 1.5.1. When adult home support contracts were last tendered in 2010, the outcome of the tender process was that 40 providers were contracted on a framework basis to support older people and adults with learning disabilities, physical impairment or mental ill health.
 - 1.5.2. Over the intervening period almost half of these providers have ceased to operate in Coventry or ceased taking additional work from the framework for a range of factors including costs of regulation, difficulties in recruiting sufficient staff, not being able to secure a volume of business to sustain a branch, and not being able to meet requirements in respect of quality. In addition children's home support contracts commenced in 2010 and originally had a framework of three providers. One provider remains, and it has been challenging to secure alternative providers to meet the full range of need, in part due to the low volume compared to adults.

- 1.5.3. In addition, the recent introduction of the National Living Wage (NLW) and changing legislative requirements in respect of paying home support workers for travel time etc. has added further cost to providers and therefore reduced margins meaning that, in general, a larger volume of work is required to sustain a home support provider.
- 1.5.4. In developing our approach to the market a number of engagement sessions were held with providers who indicated that in an environment of reducing local government resources combined with increased delivery costs the volume of business required to sustain a branch is between 1,200 to 1,500 hours per week as a minimum level. This volume of business can comprise a combination of City Council directly funded support plus private work plus support delivered via a direct payment. As well as volume of business the duration of a contract is also important as a longer term provides security that enables providers to invest in the infrastructure required to operate an effective and sustainable branch.
- 1.5.5. The proposals contained in this report recommend re-commissioning to award nine contracts to up to nine home support providers at a volume of 1,200 – 1,500 hours per week per contract to provide the level of business required to sustain a provider. Seven of these contracts will focus on support to older people, younger adults with a physical impairment and children and will be aligned geographically to Coventry's seven General Practice cluster areas with a lead provider and secondary provider in each cluster. The remaining two contracts will provide support on a city-wide basis for people with learning disabilities or mental ill health, a secondary provider will also be appointed for these two city-wide contracts.
- 1.5.6. The allocation of work within a contractual area between the lead and the secondary provider will be split approximately 70/30%. In the unlikely event that either the primary or the secondary provider fails to deliver their contracted hours then the ratio between the two will be changed and all contracts will be subject to obligation to accept (non-refusal) clauses so that a position where an individual cannot be placed can be avoided.
- 1.5.7. Not all providers are expected to commence on full contracted hours at the start of the new contract. The ability to do this will depend on whether they are incumbent providers (and what their caseload already is) or if they are new providers and need to build staffing through recruitment and/or completion of TUPE processes. There will however be a requirement that within the first three months of contract providers build up capacity to the agreed contracted hours and that once fully contracted hours are reached there will be an expectation that these hours are maintained throughout the life of the contract. If there is any consistent and significant under delivery after this implementation period then this will be reconciled to ensure the City Council is not paying for support that is not delivered.
- 1.5.8. In addition to City Council requirements, the CRCCG will access the same providers to purchase continuing healthcare support. The requirements for adult social care and continuing healthcare will be jointly tendered but budgets and purchasing from the providers will remain separate. It is estimated that CRCCG requirement would add up to 500 weekly hours per provider and up to 4,500 hours citywide. Tendering in this way will make any future integration between health and social care more achievable.

1.6. **Quality of Services**

- 1.6.1. Home support providers are regulated by the Care Quality Commission (CQC) with the City Council having responsibility for overall quality in line with contractual standards. The Council employs contract officers to monitor the quality and performance of providers and such monitoring uses information from a range of sources including health

organisations, social work teams and family carers to ensure that performance is satisfactory and that concerns are addressed where they arise. The proposals also combine separate contract monitoring for adults and children's home support.

- 1.6.2. Overall and as at September 2016 home support providers were rated as follows; 17 good, 5 required improvement and 1 was shown as pending a rating. No providers were rated as inadequate. These ratings compare favourably to the national position.
- 1.6.3. The most common concerns raised by people that use home support are around inconsistency of care staff and punctuality of visits. Electronic Call Monitoring will continue to be used and, through larger contracts, providers will be able to offer more security to their staff thus supporting the reduction in turnover and, supporting improved continuity. Quality checking against key performance indicators will enable the City Council and CRCCG to monitor performance.
- 1.6.4. Although the contracts to be tendered will be for a period of seven years should any provider deliver a standard of service that falls below the expected quality level for a period of time, without improvement, the City Council will be able to issue default notices and, if necessary terminate.

1.7. **Ensuring the Workforce is sufficient**

- 1.7.1. The level of satisfaction and quality of the experience for people who receive home support is almost invariably determined by the workforce, its continuity, skill, knowledge and the manner in which the caring role is carried out. There is a cost as well as quality aspect to high staff turnover so it is important that providers are able to offer terms and conditions that support the retention of staff. Contracts at the volumes described for a period of up to seven years enable providers to offer better contracts of employment with more certainty over duration.
- 1.7.2. Information from the National Minimum Data Set (NMDS 2015), which is the nationally collected intelligence and dataset on the social care workforce, highlights that retention of staff is a key issue for providers. Some providers have reported having to replace one in four of their workforce within a month of starting. Some turnover is expected and the overall turnover for social care is 23.2% and 26.3% for home support care workers. This turnover rate reduces to 21% once hours worked goes above 20 per week per care worker. This indicates that the proposal to commission larger contracts for longer periods will help increase workforce stability in contracted providers.
- 1.7.3. NMDS data also reveals that there is a clear relationship between rates of pay and retention of care workers with a reduced propensity to leave the sector as hourly rates increase.
- 1.7.4. In order to understand how providers intend to manage workforce issues regarding they will be required to provide information as part of the tender process on proposed terms and conditions and retention strategies.

1.8. **Managing Demand**

- 1.8.1. In Coventry there is approximately 920 adults and 10 children who are in receipt of home support funded by the City Council at any one time. To meet the needs of these people the Council currently commissions approximately 12,000 hours of home support per week. The average weekly package size is approximately 12 hours. Children's home support is approximately 100 hours per week.

- 1.8.2. In addition Coventry and Rugby Clinical Commissioning Group commissions continuing healthcare support of up to 4,500 hours per week to approximately 94 people per week.
- 1.8.3. Data on demand for adult social care in Coventry shows that over the period 1 October 2015 to 30 September 2016 there was an increase of 27 packages of care. Although a relatively small increase it should be noted that overall demand for social care is expected to increase with an aging population. This is a national trend and not isolated to Coventry. In Coventry the number of people aged 65 and over is expected to increase from 50,000 to 58,000 over the period from 2016 to 2016 and the numbers aged 85 and over to increase from 7,400 to 8,800.
- 1.8.4. Managing demand is a key objective of adult social care, of which working with people to be as independent as possible plus utilising alternatives to funded home support are key strategies to meeting people's outcomes in alternative ways to the provision of services. The commissioning work described in this report is intended to assist with demand management through its emphasis on wellbeing, prevention and reduction.

1.9. **Managing continuity of care and support**

- 1.9.1. Managing the transition to new contractual arrangements will be a key part of the commissioning work to be undertaken. As the number of providers will reduce from the current number it is inevitable that, as a result of this work, some people will experience a service delivered by a different provider once the transition process is complete. This transition may create TUPE implications for some providers which the City Council will support as this can both prevent skilled care workers from leaving the sector and helps to ensure continuity of care for the service user.
- 1.9.2. Effective communication is key to ensuring effective implementation of the new arrangements, and communication will be managed jointly between the City Council and CRCCG. Communication with service users and their families will start as soon as the new successful providers are confirmed and will include information about whether there is likely to be a change of provider.
- 1.9.3. Until successful providers (incumbent or new) are identified it is not possible to identify the number of people that will be expected to move providers and the staff affected across the City.
- 1.9.4. Combining adults and children's home support will ensure seamless transition for young people moving from childhood to adulthood.

2. **Options considered and recommended proposal**

2.1. **Recommended Option**

2.1.1. **Option One: Undertake a Tender for Home Support Services**

- 2.1.1.1. To re-commission services using a competitive tender process, for a period of seven years (five years plus a further two years based on satisfactory performance) for a volume of 1,200 to 1,500 hours per contract per week. Contracts will be aligned to GP cluster areas with a lead and secondary provider being appointed for each cluster.
- 2.1.1.2. Commissioning home support in this manner will enable a greater level of market sustainability due to a larger volume of business per contracted provider and a contract term that enables staff to be employed with more security and on contracts that will enable continuity and reduce turnover. Due to the duration of contracts providers will be

expected to be flexible in service delivery as requirements for health and social care change and adapt.

2.2. Other Options – not recommended.

2.2.1. Option Two: Implement Spot Funded Arrangements

2.2.1.1. Spot funded arrangements would not commit the City Council to any level of purchasing so reduces risk on the City Council. However, spot purchase arrangements do place increased risks on providers and therefore there is the possibility that providers are not willing to accept these risks, or compensate for them by applying a premium to contract rates. Additionally, spot contact arrangements do not compel providers to provide a service to any individual and as such means the City Council could be placed in the position of not being able to source sufficient supply to meet the needs of people in Coventry. Additionally, the 'no-commitment' feature of spot contracts mean that providers are not able to offer contracts of employment that encourage workforce stability and continuity of care.

2.2.2. Option Three: Extend Duration of Existing Arrangements

2.2.2.1. The City Council could extend the existing arrangements with providers currently contracted to deliver home support and increase the capacity within these contracts for a limited number of providers. However, any such extension would need to be short term owing to the current contracts having already been extended by two years. This option would do little to manage the sustainability issues that the Council currently faces with regard to supply of home support.

2.2.3. Option Four: Tender the Service - One Provider for the Whole City

2.2.3.1. To re-commission services with a lead provider covering the whole City and sub-contracting to other providers as required. This approach would have the benefit of the City Council maintaining a contractual relationship with one provider which would require less Council resource in respect of contract management. This option is not recommended as it would require extensive subcontracting arrangements. Where the single provider approach has been taken it has resulted in a much higher contract price in order that sub-contractors received a fair rate for their work after the lead provider can cover the additional costs of sub-contracting.

3. Results of consultation undertaken

- 3.1. Although formal consultation has not been undertaken the proposals contained within this report have been developed following engagement with stakeholders including service users, carers, social work practitioners, health colleagues and providers. This was undertaken through questionnaires/surveys, provider forums, stakeholder engagement workshops and provider one-to ones.
- 3.2. Another key area of feedback is the comments received by council staff from service users and carers and other stakeholders make throughout the life of current contracts. The service specification has been developed to address these issues. This included some specific requirements for workforce skills, which have become a more pressing requirement since the service was last tendered.
- 3.3. Recent engagement activities has also indicated that providers have the capability and willingness to deliver across children's and adults as well as Continuing Healthcare services.

4. Timetable for implementing this decision

- 4.1. Subject to approval by Cabinet, it is anticipated that the tender process will commence in November 2016 with new contracts awarded in March 2017 and full implementation by June 2017.

5. Comments from Executive Director, Resources

5.1. Financial implications

- 5.1.1. The current spend on adults home is approximately £8.4m per annum with approximately £0.1m per annum spent on children's support. The level of spend at any point in time will depend upon the number of packages commissioned and the relevant provider rates.
- 5.1.2. CRCCG spend approximately £3.5m on non-complex Continuing Healthcare per annum and their offer to join the service would approximately add this cost per annum to cover the costs of lower level continuing healthcare. They will have their own purchasing and invoicing arrangements.
- 5.1.3. There is a finite resource available and providers will be required to deliver the maximum capacity within this resource to ensure that financial thresholds are not exceeded. Approaches within the service such as enabling, reductions in double up calls through different handling approaches would all seek to provide a level of cost management.

5.2. Legal implications

- 5.2.1. The Council has a statutory duty to provide care for certain vulnerable people within the City.
- 5.2.2. The Care Act (2014) introduced new statutory responsibilities for market management including managing provider failure and the proposals contained within this report support the delivery of these responsibilities. In addition, the Act emphasised the need for outcome focussed support, and the development of prevention, early intervention, and reduction and recovery strategies.
- 5.2.3. The effective delivery of home support is fundamental to discharging the Local Authority's statutory duties under the Care Act as well as supporting the health and wellbeing requirements for children within the Children and Families Act (2014).
- 5.2.4. The Care Act (2014) places expectations on local authorities in respect of integration, cooperation and partnerships with a requirement for closer integration of the commissioning of services with the NHS.
- 5.2.5. The proposed structure will need to comply with procurement and local government legislation including the Public Contract Regulations 2015. Due to the financial value of the contracts, it is a decision for Cabinet whether the Council is to proceed with the proposed procurement exercise.

6. Other implications

6.1. How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The proposals contained in this report will contribute to the Council Plan key objectives of protecting the most vulnerable, improving health inequalities and improving health and wellbeing.

6.2. How is risk being managed?

There is an established project team which is accountable to the Adult Joint Commissioning Board. Tendering risks will be managed by compliance with statutory procurement guidelines.

A key risk area is around transfer of service users to new providers. The majority of service users are aged over 65 and a significant number are over 85. They are currently in receipt of a care and support service provided by providers from the existing framework. They may be affected if their care provider changes due to the change in contracting arrangements.

To mitigate this risk there will be a robust transition plan that will support with any change in provider. This will include making service users aware of the choice and control they have in who delivers their care and support which can be drawn upon.

6.3. What is the impact on the organisation?

Unsuccessful incumbent providers will not have access to new business from the City Council. Any managed transfer or loss of service user numbers through attrition would eventually lead to a cease in funding from the Council. Providers with multiple contracts and/or mixed funding portfolios such as private funders will be more resilient than those with just Council funded contracts. Service delivery within the City is likely to remain or increase so the flexibility of staff to move from one provider to another means the overall impact on frontline provider staff numbers is expected to be minimal. The impact on the Council through new contracting arrangements, with fewer providers and larger contracts will be better sustainability for the service.

6.4. Equalities / ECA

A separate ECA has been completed and appended to this report. The procurement is expected to achieve positive impacts for people with protected characteristics.

6.5. Implications for (or impact on) the environment

Aligning delivery to clusters means that less travel is required. Providers currently have city-wide contracts so mileage and transportation has more of an environmental impact than what is proposed.

6.6. Implications for partner organisations

The effective delivery of home support enables better use of health and social care resources through maximising people's independence through wellbeing and prevention approaches. The proposals contained in this report support these objectives.

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