

29 April 2019

Agenda Item: 8

## **REPORT OF THE SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT AND SECTION 151 OFFICER**

### **UPDATE ON THE IMPLEMENTATION OF THE NEW HOME BASED CARE AND SUPPORT SERVICES**

#### **Purpose of the Report**

1. This report provides an update on the implementation of the new Home Based Care and Support Services including notification of any further awards of new contracts and the use of the Dynamic Purchasing System.
2. The report gives an update on the progress of the Home First Response Service.

#### **Information**

##### **Background**

3. This report provides an update to the progress made with implementation of the new model of service delivery which seeks to address the challenges of the home care market both at a local and national level. The previous report and the presentation to this Committee on 19<sup>th</sup> November 2018 referred to the new model of services which was developed to address some of these issues by offering fair financial remuneration and greater security to Providers, whilst in return expecting better quality services that provide person-centred care to service users and their carers.
4. The new service contract will deliver Home Based Care and Support Services for an initial period up to 30<sup>th</sup> June 2023 with an option to extend up to a further five years. It is part of a system of services to keep people living at home including reablement, rapid response, hospital discharge, carers support, assistive technology and housing with care.

##### **Update on the implementation of the new Home Based Care and Support Services**

5. The previous report to Committee in November 2018 confirmed the outcomes of the tenders to procure a 'Lead Provider' for each of the six geographical areas or 'lots' plus 'Additional Providers', also for each lot. The lot areas are:
  - Bassetlaw
  - Broxtowe
  - Gedling

- Mansfield and Ashfield
- Newark and Sherwood
- Rushcliffe.

The Lead Providers are also required to provide care and support services to all nominated service users in the Housing with Care schemes within their lot area.

6. The first phase of the new contracts commenced on 1 July 2018 followed by an implementation and transition phase that ran until October 2018. This was successfully completed with little disruption to service users. Services are now being commissioned for outcomes, rather than the prescriptive “time and task” approach, which allows for a greater degree of individuality and flexibility in the delivery of services. Previously the Council paid home care providers on the actual minutes delivered to each individual service user. This payment model was quite restrictive and caused some cash flow issues for Providers, particularly small Providers, nor did it encourage them to offer staff salaried contracts due to fluctuating monthly payments. The new model pays Providers on commissioned hours, dependent on the achievement of two high level outcomes; service user satisfaction and percentage of pick-up of referrals of 80% for Lead Providers and 35% for Additional Providers. To incentivise the providers to achieve these outcomes, they are paid 95% of the commissioned hours with an additional 5% available on the achievement of the two outcomes. This gives providers more financial surety and therefore they will be in a better position to offer staff improved terms and conditions.
7. The new commissioning process requires that all new care packages are sent to the appointed Lead Provider for the geographical Lot. The Lead Provider is required to accept a minimum of 75% of these and packages that are not picked up by the Lead Provider are sent to the Additional Providers in the Lot. Additional Providers are required to offer on a minimum of 25% of these packages. Any packages not picked up by either Lead or Additional Providers are advertised to a wider pool of Providers via the Dynamic Purchasing System (DPS).
8. Over 700 packages of care were recommissioned and transferred to one of the new Providers through the new arrangements, the majority being in Mansfield/Ashfield and Newark and Sherwood areas. Providers also picked up care packages from the existing waiting list in place on 1 July 2018 and there has been a reduction of the number of people awaiting a long term package from over 250 (July 2018) to less than 30.
9. The overall acceptance of referrals by the Lead and Additional Providers is steady across the County, but sometimes below contractual requirement for individual Providers. Most of those packages which are not accepted by the Lead or Additional are being picked up by providers on the DPS.
10. Bassetlaw was previously a difficult to serve area but now the Lead and Additional Providers are working well together and are responding to the majority of referrals for that area. The same is true for Broxtowe and also Mansfield and Ashfield. In other areas acceptance rates are generally lower than contractually required for both Lead and Additional Providers and Rushcliffe poses some particular challenges. Measures have been put in place to address these which include contractual sanctions being applied to some of the Additional Providers and de-selection of the preferred Lead Provider in Rushcliffe. Alternative temporary provision is being arranged for the Care and Support

Services to the Housing with Care schemes in Rushcliffe pending procurement of a permanent provider and the DPS is being used to source other packages of care. In addition market engagement exercises are being undertaken to gather further intelligence and stimulate the market in this particular area.

### **Home First Response Service overview**

11. The Home First Response Service (HFRS) is a short term rapid response service providing home based care for up to a maximum of 14 days to facilitate discharge from hospital or to prevent unnecessary admission to short term care or hospital due to a temporary crisis at home. The service is a county-wide service and delivered by one Provider, Carers Trust East Midlands, to ensure consistency and flexibility. The service commenced in December 2017.
12. From mid-December 2017 to the end of January 2019, 1,427 people have been through the service. At point of discharge from the service 30% of people required no on-going services, 18% were referred to the Council's START (Short Term Assessment and Reablement Team) service for further reablement, and 52% went on to a longer term home based care service.
13. The service, which is accessible seven days a week, is reported by staff and service users as being an excellent service.
14. In recognition of this and the valuable contribution it offers to facilitate discharges from hospital extra capacity has been commissioned to ensure that people being discharged from hospital are returned home as quickly and as smoothly as possible and the contract has been extended until March 2020.

### **Dynamic Purchasing System**

15. The Dynamic Purchasing System (DPS) Further Competition process is now fully operational and provides a further opportunity to place packages that have not been accepted by Lead or Additional Providers. The care packages that have been awarded through the DPS process have been at no significant increase in hourly rates and therefore currently the spend remains within the expected budget.

### **Actions to build market resilience and capacity**

16. Availability of home care services is a national, as well as a local, issue and the recruitment and retention of sufficient workforce remains a challenge. The Council is actively trying to address these difficulties with this different model of Home Based Care and Support Services which is designed to build and support capacity in the local market over a 10 year period. Although it is still early in this process there have been some examples of Providers changing their recruitment practices and terms and conditions which are detailed below.
17. The Council has invested significant energy and resources into designing this new model and it will take some time to embed the change in culture that is required to fully realise the benefit of the change. The new model of service delivery will provide an opportunity for improved terms and conditions for Provider staff as well as greater job

satisfaction for care staff. This will encourage a more reliable and consistent workforce which in turn will improve the quality of services being delivered.

18. There are still challenges in terms of Provider capacity to meet the demand for home based care but there are also opportunities. These are to deliver greater efficiencies by further streamlining the systems and processes by which services are commissioned. An example of this is the introduction of an electronic portal to manage referrals through to Providers which will reduce manual processes and accelerate response times. Also, work is underway to support Providers to collaborate and create a more motivated and vibrant workforce throughout home based care and support services in Nottinghamshire.
19. In order to monitor that staff terms and conditions are improving, the new contract requires the Provider to evidence year on year increases in the number of staff offered a salaried Contract. An example of good practice is that since the introduction of the new contracts one of the main Lead Providers is advertising posts at hourly rates of £10.00 for care staff and two Providers have introduced some guaranteed hour or salaried contracts. This is a significant change for Providers and it is hoped that this will encourage other Providers to adopt similar approaches.
20. More immediately, the following actions have been initiated to address the issues identified and help provide market capacity:
  - weekly monitoring of Providers' performance and target setting on pick-up of new referrals and recruitment of staff
  - strict application of contract requirements which, for those Providers who do not meet the standards required, have result in sanctions being applied including the termination of contracts
  - retendering to increase the overall pool of Additional Providers particularly in areas where there are insufficient Providers
  - support to Providers to work together and build capacity through sharing good practice around recruitment and retention or by focusing on particular localities in the area to problem solve issues.

### **Communications, Engagement and Co-production**

21. The Council continues to work with the 'Experts by Experience' engagement group, who were involved in the evaluation of the tenders and have also offered advice to officers on producing appropriate communications for service users and carers. The group is now considering how its members can be involved in the on-going quality monitoring of services and how to attract new members.
22. The Council will continue to inform and involve service users, carers, Providers, staff, Health partners, stakeholders and the public in the ongoing work and implementation of the new services.

### **Other Options Considered**

23. These are detailed in **paragraphs 18-20**.

## **Reasons for Recommendations**

24. The Council is required to procure services in line with its statutory obligations and to oversee and create a diverse and vibrant market on behalf of the population of Nottinghamshire as required under The Care Act 2014.
25. To allow Committee to consider whether there are any actions they require in relation to the issues raised in this report.

## **Statutory and Policy Implications**

26. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Financial Implications**

27. The current spend on Home Based Care and Support Services is within the expected budget and the cost of the service is monitored monthly with the forecast costs contained within the monthly budget monitoring. The budget for 2018-19 was £17.2m and for 2019-20 is £18.45m.

## **Public Sector Equality Duty Implications**

28. The nature of the services being commissioned mean they will affect older adults and people with disabilities, including people who have multiple and complex health and social care needs. The Council completed an Equality Impact Assessment to consider the implications of the tender process on people with protected characteristics.

## **Implications for Service Users**

29. The Council has a statutory duty to ensure there is sufficient provision of a diverse range of services to meet people's social care and support needs. The re-modelling of Home Based Care and Support Services has been to enable the Council to commission sufficient volumes of Home Based Care and Support Services and to ensure these services are flexible, sustainable and able to meet current and future needs.
30. It is expected that the Providers of the services will be able to offer staff improved terms and conditions which will encourage a more reliable and consistent workforce which in turn will improve the quality of services being delivered.

## **Implications for Sustainability and the Environment**

31. The payment rates and payment method provide a more realistic rate for independent sector Providers who in turn will be able to invest in their workforce.

## **RECOMMENDATIONS**

- 1) That the Committee considers whether there are any further actions it requires arising from the information on the progress of the procurement and implementation of the Home Based Care and Support Services.

**Nigel Stevenson**

**Service Director, Finance, Infrastructure & Improvement and Section 151**

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### **Constitutional Comments (CEH 29/03/19)**

32. The recommendation falls within the delegation to the Finance and Major Contracts Management Committee under its terms of reference.

### **Financial Comments (DG 01/04/19)**

33. The financial implications are contained within paragraph 27 of this report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Tender for Home Based Care and Support Services – report to Full Council on 26 September 2013

The Social Care Market: Provider Cost Pressures and Sustainability – report to Adult Social Care and Health Committee on 30 November 2015

Annual Budget 2016-17 – report to Full Council on 25 February 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 18 April 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 11 July 2016

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 June 2017

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 13 November 2017

## Equality Impact Assessment

New ways of working for Home Based Care Services – review of case studies: February 2018

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 March 2018

Revision to the Adult Social Care Charging Policy - report to Policy Committee on 28 March 2018

Update on Tender for Home Based Care and Support Services - report to Adult Social Care and Public Health Committee on 9 July 2018

Proposals for allocation of additional national funding for Adult Social Care – report to Adult Social Care and Public Health Committee on 12 November 2018

Proposals for allocation of additional national funding for Adult Social Care Addendum - report to Adult Social Care and Public Health Committee on 12 November 2018

Home based care & support services project – presentation - report to Finance and Major Contracts Management Committee on 19 November 2018

### **Electoral Division(s) and Member(s) Affected**

All.

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