



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
11 NOVEMBER 2019

HOME CARE SERVICE: POST NOVEMBER 2020

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of report

1. The purpose of this report is to provide the Committee with an update on the proposed way forward regarding the re-procurement of home care services.

Policy Framework and Previous Decisions

2. On the 2 September 2019, the Committee received a report which set out the timetable for recommissioning home care in Leicestershire. This included:
 - a) undertaking an independent market analysis exercise (prior to the main procurement) to establish a fair and sustainable pricing model;
 - b) early discovery and identification of operational risks and issues to ensure that the subsequent design and specification work can incorporate appropriate mitigations;
 - c) an options appraisal of the more specialist services, e.g. dementia care and short-term support prior to longer term services being put in place;
 - d) phasing in the start of services across the county to avoid the complications that arose from the previous whole service launch approach.

Background

3. The Adults and Communities Department is in the early stages of looking at how we can deliver the best possible home care to Leicestershire residents in the future. The current Help to Live at Home (HTLAH) service is due to end by November 2020, with a possible extension up to November 2021. The Department will ensure that there is a smooth transition to the new service.
4. The main priority is helping people to live as independently as possible, taking into account the views of service users, carers and professionals to deliver a quality service.
5. This report provides an update on the first stage of the independent market analysis exercise of the current model, undertaken by an independent consultant called Care Analytics. This has raised several key observations that now require further analysis which was not originally anticipated in the September report. This second stage of the market analysis will ensure that the primary aim of producing a robust and sustainable service will be satisfied from the outset.

6. Care Analytics' primary expertise lies in developing cost and pricing models for care and support services. They have built cost and pricing models and have advised local authorities on setting sustainable prices in both care home and home care markets at borough, county and regional level. They have supplied data solutions and market intelligence to many local authorities.
7. Between late August and early September, Care Analytics undertook an analysis of the current HTLAH service. This included analysis of service data, prices and information gathered directly from providers.
8. The resultant key messages and recommendations are listed below:

Key Message	Recommendation(s)
How the Council records and uses home care data could help to manage cost and quality.	<p>Providers who use electronic monitoring are required to supply the full dataset in addition to or instead of the aggregate data used to make payments.</p> <p>The Council should collect key information about subcontracting.</p>
Improving efficiency in home care visits by applying different payment rules.	The Council should consider moving to payment rules rounding to the nearest five minutes to avoid care workers waiting around after tasks are complete to ensure the full scheduled time is chargeable.
Building a sound provider base and sustainable provider model.	The Council may benefit from a healthy number of local owner-managed providers delivering between 250 and 1,000 hours per week (in addition to larger providers) to promote choice in the market and economic hourly rates.
Provider Growth - Providers able and willing to scale up capacity.	Lead providers must be more directly incentivised for the commissioning model to work effectively.
Issues with how several lead providers are using sub-contracting should be addressed.	<p>Sub-contracting should only be at lower hourly rates than paid by the County Council if the lead provider is delivering or sub-contracting the vast majority of hours in the lot.</p> <p>If continuing with the current model, it is essential that lead providers are more directly incentivised in their role, particularly with regard to providing care in less profitable locations. This is likely to require a substantial proportion of their fee being linked to meeting minimum contract requirements.</p>
The Council should reconsider Counter Productive Rules, eg Lead providers are not currently allowed to take-on clients in other lots where they may have capacity if they are not accepting all clients offered in their own lot, which may hinder the	<p>Providers have natural operating zones and discouraging this can be inefficient.</p> <p>Lead providers can be incentivised in more targeted ways.</p>

placement of packages.	
The County Council has a much higher client turnover compared to other local authorities Care Analytics have worked with.	<p>The Council needs to understand if significant numbers of people are receiving homecare services where in other authorities they would not or whether turnover is a reflection of effective reablement and self-funders opting out of or arranging their own services after the free reablement period.</p> <p>The Council should carry out qualitative benchmarking of operational practice with other councils including comparison of services (Council and Voluntary) which can prevent the need for home care.</p>
Many home care providers in Leicestershire appear to only pay wages at or close to the statutory National Living Wage once travel time is taken into account.	Direct measures to aid care worker recruitment and sustainability and ensure higher rates paid to providers are passed on as increased wages, should be considered.
Balancing and optimising the urban-rural mix in geographical zones to improve pick up of care in more isolated areas.	Current issues in rural areas can be significantly improved by a combination of rezoning and introducing differential urban-rural pricing for challenged areas.
The number of clients per provider receiving double-handed care is low and the current operating model leads to inefficiencies due to providers not being able to work outside of their zone boundaries.	Consider creating double-handed care a specialist service that operates over larger geographical areas. This could simplify supply chain management and achieve efficiencies in the market and ultimately for the Council, with appropriate pricing models.
There are a number of issues with the design of many of the current lots e.g. travel co-ordination issues, breaking natural operating zones and too great a level of urban-rural diversity for a single hourly rate.	The Council should seek to reprofile the delivery zones to reduce operational issues and costs.
Current commissioning arrangements are adding avoidable cost to the system.	<p>Address the issues of sub-optimal zone design and the partial implementation of the lead provider model.</p> <p>Resolve pricing issues where there is significant variability across the county and system inefficiencies.</p> <p>Redirect resources and incentive structures to considerably improve the sustainability of the market.</p>

9. Following a comprehensive review of the findings a decision was taken to further engage Care Analytics to co-produce the new service model alongside the project's

commissioning group, rather than review and comment on a proposed model. This approach will provide both added expertise and due diligence into the design of the new service and will further reduce the risk of previous issues re-occurring.

Proposals

10. A series of workshops with health and home care staff are planned over the next month to design the new service and create a sustainable commissioning and pricing model, which should generate sufficient capacity in the local care market.
11. The intention is to design a core home care service supported by a series of 'add-on' specialist services as per the model below:

<p>Homecare for Leicestershire Core Service Principles</p> <p>Staff Training Availability Monitoring</p>	<p>Integrated Health and Social Care</p>	<p>Night Time Care</p>	<p>24x7 Support</p>
		<p>Discharge Response</p>	<p>Specialist Services e.g. LD, Dementia</p>

Pre-workshop Definition

12. This preparatory work will involve:
 - scoping what will be included in the core home care service and what the non-core or specialist services will be;
 - based on the findings of the first phase of the market analysis, sense-checking pricing and commissioning options, with contract and commissioning managers, who have detailed knowledge of the current HTLAH provider market;
13. This will enable Care Analytics to develop recommendations for the new service model for discussion at Design Workshop 1.

Design Workshop 1

14. This is scheduled for the end of October and will include discussion and agreement of the core and specialist service offer.

Design Workshop 2

15. Following a review of outcomes from Workshop 1, Care Analytics will facilitate the second design workshop, which will focus on the proposed zoning, provider and pricing model. This is likely to cover payment and incentivisation options, which will need further exploration to determine potential system and resource impacts.

Consultation

16. Soft market testing with prospective providers will take place on completion of the design workshops. An engagement approach with service users will need to be agreed to ensure it is helpful and meaningful.
17. This revised approach means that submission of the full design and consultation proposals to the Committee, to enable members to comment prior to the Cabinet being asked to approve the procurement of the new service, will now need to take place in January 2020.

Resource Implications

18. A full resource and financial impact model will form a part of the January report to this Committee. It is still anticipated that significant input from both the Department and supporting corporate services such as Transformation, Commercial Services, Finance and Legal Services will be required to support the development of these. Appropriate support, from service design through to implementation, will also be required from the Clinical Commissioning Groups (CCGs) as part of the integrated approach for ensuring that both health and social care needs of service users living in Leicestershire are met.
19. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the content of this report.

Timetable for Decisions

20. A detailed plan will be included in the January report following completion of the design workshops and soft market testing. The current aim is to provide a report to the Cabinet in January or February to seek approval for the procurement of the new service. The table below provides the current estimated timetable subject to completion of the service design and the availability of the resources identified. The overall timetable is in-line with the estimate provided in the September report.
21. The following key target milestones are indicative pending completion of the full-service design and procurement preparation. The full design will indicate the level of preparation needed for implementing the new service including financial controls and system changes and determine whether or not the second extension on the current contract needs to be invoked:

• Service Design and Market Analysis Phase 2	November 2019
• Final New Service Design	November 2019
• Partnership Agreement with CCG's (Completed)	December 2019
• Procurement (Completed)	Spring 2020
• Implementation (Starts)	Summer 2020
• Implementation (Finishes)	Autumn 2020
• Stabilisation/Handover to Business as Usual	As needed
22. The length of contract will be determined once the second stage of the Care Analytics has been undertaken and the service design completed.

Conclusions

23. The project continues to work at pace but applying the necessary due diligence to ensure the resultant service is robust and sustainable.
24. The Committee is invited to comment on the updated approach outlined within this report which can then be considered in the service design prior to finalisation in January.

Background Papers

Report to Adults and Communities Overview and Scrutiny Committee: 2 September 2019 – Domiciliary Care Service Post November 2020

http://politics.leics.gov.uk/documents/s147723/4_HTLAH%20New%20Service%20post%20Nov%202020.pdf

Circulation under the Local Issues Alert Procedure

25. None.

Equality and Human Rights Implications

26. A Equality and Human Rights Impact Assessment (EHRIA) is being developed in tandem with the design process to identify any potential issues early along with any gaps in the data. This will allow integration of actions to mitigate any potential equalities issue throughout the process (including during workshops and co-production. An EHRIA is a tool to help individuals and departments to identify whether any new or significantly changed policies, practices, procedures, functions and services may have an adverse impact on a community or group of people and whether the human rights of individuals may be affected.

Other Relevant Impact Assessments

Environmental Implications

27. Following the declaration of a climate emergency at the full County Council meeting in May 2019, targets for carbon reductions have been set, which the department will need to meet during the period of the new homecare service. Potential impacts on the environment and climate, will come from the activities of both the department and its service providers. Whilst this impact is largely unknown at present, it is likely to be significant given the number of journeys made on a day to day basis. The work described above to realign and optimise the delivery lots and zones, across geographical operational areas, will play a key part in reducing this impact.
28. The Department is developing an action plan which includes actions aimed at:
 - reducing the amount of waste produced;
 - increasing the level of recycling across County and departmental sites;
 - reducing the amount of paper used within the Department;
 - reducing the amount of business mileage;
 - working with providers to reduce their environmental impact;

- increasing the number of staff that have completed Environmental Awareness E-Learning; and implementing any mitigation measures identified in the corporate Climate Change Risk Register.

Partnership Working and Associated Issues

29. Health colleagues from East and West CCGs continue to be fully engaged with the project to ensure that both health and social care needs of service users living in Leicestershire are met.

Risk Assessment

30. The delivery project will undertake a dual risk assessment that focuses on both; service quality and the delivery approach, ensuring that service risks are not lost within those associated with the delivery of the project. Further details will now be presented in the January report.

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