

Healthier Communities and Older People Overview and Scrutiny Panel

Date: 06 September 2022

Subject: Future commissioning of home care services

Lead officer: Keith Burns, Interim Assistant Director, Commissioning

Lead member: Cllr Peter McCabe, Cabinet Member for Health and Social Care

Contact officer: Keith Burns

Recommendations:

- A. That the Panel note the early planning for the future recommissioning of home care services and provide comment on the key issues identified in the paper.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The report advises members of the Healthier Communities and Older People Overview and Scrutiny Panel of the early planning for the future recommissioning of home care services and seeks comment on a number of key issues that need to be determined prior to commencing the procurement process.

2 DETAILS

2.1. The body of the report firstly provides a summary of current arrangements for the provision of home care services and goes on to set out a number of ways in which these arrangements could be changed or developed in order to ensure as far as possible the ongoing sustainability of home care provision commissioned by the Council. A number of key issues that will need to be resolved prior to the commencement of any commissioning exercise are identified and discussed.

Current contractual arrangements

2.2. The current home care Framework Agreement commenced in February 2018, for an initial five year term with the option to extend for a further two years in 12 month increments.

2.3. The Framework has multiple lots – three main geographic lots (West, Central and East Zones); a back-up lot; and a specialist lot. One provider was appointed to each of the geographic lots, while the back up and specialist lots had 24 providers in total at the outset of the contract.

2.4. Existing packages of care that were in place at the outset of the contract were not transferred to the new providers and as a result a range of spot-purchasing arrangements remain in place.

2.5. The current arrangements have generally worked well, although the three main geographic providers have had varying capacity to take on new packages of care and as a result more use has been made of the back up providers than was originally envisaged.

2.6. At any one time there are around 650 individuals for whom a home care service is being commissioned and in any one year, taking account of new packages being set

up and packages coming to an end, the total number of people to whom a service is provided over the year is approximately double this number.

2.7. Approximately 8,400 hours of care are delivered each week, equating to around 440,000 hours of care per annum. As we have emerged from the pandemic the number of hours of care being delivered has been increasing, reflecting both increasing need for existing service users and increasing numbers of individuals coming into the social care system.

2.8. The total gross cost of the service provision is around £8.3m, which means that home care expenditure is a significant element of the Department's total spend on commissioned care as well as being significant for the Council as a whole.

Key issues to be determined prior to tender

2.9. There are a number of key issues that will need to be determined prior to any commissioning exercise being commenced. These issues are summarised below.

2.10. Before discussing the issues that need to be resolved, however, it is helpful to set out in broad terms what some of the key characteristics of a future model are likely to be:

- Continuation of a primarily geographically focused model but configured differently to more closely match Primary Care Networks and to seek to resolve issues with the current model relating to areas of the borough where it is more difficult to commission new packages of care. This could, for example, mean a model that is based on North, Centre South as opposed to West, Centre, East.
- Appointment of two providers to each geographic area rather than the current one per area, in order to reduce the risk that new packages cannot be commissioned via the geographic lots.
- This will allow for a smaller number of 'back-up' providers to be commissioned, making contract management arrangements more manageable.
- An increased emphasis on a 'reablement' type model, with options to incentivise reductions in package size over time.
- Continued use of our Electronic Call Monitoring (ECM) solution as a key tool for managing cost and quality. The ECM solution is currently in use with the largest of our providers (by volume of service) and there is an ongoing project to broaden usage.
- A small number of specialist providers to support people with learning disabilities, people with mental health problems and other cohorts.
- Increased emphasis on local provision, by requiring registered locations in the borough, and on local employment, including links with local further education colleges and other local recruitment channels.
- Maximising social value through robust use of the Council's social value policy and toolkit.

Key issues to be resolved

2.11. **London Living Wage:** The current contractual arrangements are based on providers paying National Living Wage (NLW) as a minimum. The Cabinet will receive

a report at its September 2022 meeting proposing that the Council resolves to register as a Living Wage Employer. The potential financial impact of this for any recommissioning of home care services is covered at paragraph 6.2 of this report.

2.12. Unison's Ethical Care Charter: This Charter, developed by Unison a number of years ago, sets out a series of commitments that support improved working conditions for the home care workforce with the presumption that this translates into improved quality of care. There are currently 12 London Boroughs who have signed up to the Charter as well as a large number of councils nationally. The Real Living Wage Foundation, who calculate and promote the London Living Wage, encourage Councils to consider adopting the Ethical Care Charter as part of the process of becoming a London Living Wage Employer. A number of the commitments relate to what can be described as good practice and would be incorporated into any future service specification in any case, but there are specific commitments around fixed hours contracts and occupational sick pays schemes that have a greater degree of complexity and impact.

2.13. Fair Cost of Care: This national policy requirement applies to all home care provision and is intended, over time, to reduce the gap between what Councils pay per hour of care and what privately funded individuals pay. There is specific additional grant funding for 2023/24 and 2024/25 to support the delivery of this policy requirement, but there is significant concern nationally that this will be insufficient to meet the additional cost implications for Councils. The Council is required to submit documentation to the Department of Health and Social Care in October 2022 setting out what we determine as the local 'fair cost of care' and over what timescale and in what increments we intend moving towards paying this fair cost of care. How, and how quickly the Council decides to move towards meeting the identified rate will be a key factor in the design of any future commissioning exercise.

2.14. Supporting the local economy: There are a number of ways in which the service specification and tender requirements can be framed to enable local small and medium sized organisations to be able to bid competitively. It is critically important however that this is done in a way that does not create a competitive advantage for local organisations. Detailed work with specialists from the Council's Commercial Services and Legal Services Teams will be required to ensure that any advertised opportunity is transparently fair and equitable.

2.15. Geographic arrangements: There is more work to do to understand what the optimal geographic arrangements are. There is a complex interplay between alignment with other relevant services (Primary Care being a key example); ease of rostering and operational delivery; maximising active / green travel options; and ease of recruitment.

2.16. Integration and alignment: As alluded to above, as well as geography, there is also a need to consider how the Council can optimise integration / alignment with a range of other services, including NHS services, delivered to vulnerable individuals in their own homes and local communities.

2.17. Reablement and maximising independence: The Council has a successful Reablement model that has a strong track record in reducing and delaying the need for ongoing care and support. In developing any new service model the Council would want to look at ways in which that focus on maximising independence can be incentivised both in the way that the service is specified but also potentially in payment structures, although the evidence on whether payment based incentivisation has the desired impact is mixed.

2.18. **Contract mobilisation:** It is understood that when the current contracts were let in 2018, existing packages of care were not transferred from the previous providers to new providers. While this makes the mobilisation process much more straightforward, it also brings a number of disadvantages. Providers may be less minded to bid competitively if the tender opportunity relates to new packages of care only; leaving current packages of care with the previous provider means that those customers will not benefit from an improved specification; contract management becomes more complex; and implementation of LLW (if required) also becomes more complex. For all these reasons it is proposed that in any future commissioning exercise the Council would tender on the basis that all existing work will transfer to the successful bidders, but this requires further consideration.

3 ALTERNATIVE OPTIONS

3.1 This report is for noting and comment only and alternative options are not therefore required.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. Officers have undertaken initial internal engagement with colleagues across the Council to identify potential synergies with other Council services as well as to identify ways in which any commissioning exercise could be designed to add broader value to local communities.

4.2. Prior to the commencement of any recommissioning exercise there will be engagement with residents, the social care market, local representative groups and with a range of other stakeholders including NHS colleagues.

5 TIMETABLE

5.1. The commissioning timetable is yet to be determined – this is an early report setting out key issues that will need to be resolved prior to commencing any commissioning process.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. The report notes the development of the national Fair Cost of Care policy and the requirement to publish, by October the 16th 2022, what the Council considers to be a Fair Cost of Care for the delivery of home care services in the borough. The Council is also required to publish plans explaining how, and at what pace, it will approach bridging any gap between the current rate paid and the published Fair Cost of Care. A separate Cabinet report, scheduled for October 2022, will deal with this matter.

6.2. Care worker salary costs are a significant element of the overall cost of delivering a home care service. The Council's current contractual requirement is that care workers are paid National Living Wage as a minimum. Choosing to make the payment of London Living Wage as a minimum a contractual requirement will therefore have significant implications for the agreed Fair Cost of Care. The current forecast is that paying London Living Wage as a minimum would have a financial impact of between £1.1million and £1.5million per annum.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. The provision of home care services is a key means by which the Council discharges its duties under the Care Act and other related social care legislation.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. Prior to any recommissioning exercise a full Equalities Impact Assessment will be undertaken and relevant mitigating actions agreed in relation to any negative impacts.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None immediately arising.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. The delivery of home care services is a high risk activity both in terms of the safeguarding of the vulnerable people to whom the service is provided and with respect to the health and safety of the workforce. Risk management and health and safety considerations are both, therefore, extensively covered in the service specification and contractual terms and conditions.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- None

12 BACKGROUND PAPERS

12.1. Unison: Ethical Care Charter [The Ethical Care Charter | Care workers: your rights | UNISON National](#)

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