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Report of: Jayne Ludlam, Executive Director, CYPF and Communities

Report to: Cabinet

Date of Decision: 19 April 2017

Subject: Commissioning of Home Care and Supported Living for adults with social care needs

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|--|------|-------------------------------------|----|-------------------------------------|
| Is this a Key Decision? If Yes, reason Key Decision:- | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| - Expenditure and/or savings over £500,000 | | <input checked="" type="checkbox"/> | | |
| - Affects 2 or more Wards | | <input checked="" type="checkbox"/> | | |
| Which Cabinet Member Portfolio does this relate to? Health and Social Care | | | | |
| Which Scrutiny and Policy Development Committee does this relate to? | | | | |
| Healthier Communities and Adult Social Care | | | | |
| Has an Equality Impact Assessment (EIA) been undertaken? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| If YES, what EIA reference number has it been given? | 1183 | | | |
| Does the report contain confidential or exempt information? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- | | | | |
| <i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i> | | | | |

Purpose of Report:

To highlight the importance of good quality Homecare and Supported Living to many of Sheffield's most vulnerable residents

To seek authority to proceed with the procurement of Home Care and Supported Living services and subsequent awarding of contracts

Recommendations:**That Cabinet**

- (i) Notes plans to ensure that both Homecare and Supported Living are commissioned to provide positive outcomes and sustainable quality at best value for the people of Sheffield.
- (ii) Approves the procurement strategy outlined in this Report.
- (iii) Delegates Authority to the Director of Adult Services in consultation with the Director of Finance and Commercial Services to award the contracts for Home Care and Supported Living.
- (iv) Delegates authority to the Director of Adult Services in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services, as appropriate, to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this Report.

Background Papers:

None

| Lead Officer to complete:- | | |
|---|--|---|
| 1 | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required. | Finance: Liz Gough |
| | | Legal: Henry Watmough-Cownie |
| | | Equalities: Liz Tooke |
| <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i> | | |
| 2 | EMT member who approved submission: | Jayne Ludlam |
| 3 | Cabinet Member consulted: | Cate McDonald |
| 4 | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. | |
| | Lead Officer Name: Phil Holmes | Job Title: Director of Adult Services |
| | Date: 7 th April 2017 | |

1 Proposals

- 1.1 A joint Home Care and Supported Living Invitation to tender is proposed. This will contain the Council's vision and aspirations for home-based support, technical instructions to providers, specifications for services and evaluation methodology. Providers will be invited to apply to provide one or both services under this tender.
- 1.2 Nationally and locally, the market for home-based care and support has been organised in service specific areas.
- Home Care (domiciliary care), characterised by regular short visits of an hour or less with a significant proportion focussed on personal care, has been seen as mostly intended for older and people who have a physical impairment. However in reality homecare providers support adults of all ages with a range of disabilities, including learning disabilities, dementia and various mental health conditions.
 - Supported Living, characterised by longer visits (sometimes including 24 hour cover) and which can include but is not focussed on personal care, has been seen as intended for people with learning disabilities or mental health problems. However in reality Supported Living providers support adults of all ages with a range of disabilities, including older people and people living with physical disabilities.
- 1.3 The Council arranges and pays for Home Care and Supported Living for over 2,900 people. We estimate that a further 600 people arrange and pay for their own Home Care in Sheffield – using many of the same providers.
- 1.4 The current frameworks for Home Care and Supported Living services end in September 2017. It is proposed that the Council recommissions these frameworks to provide positive outcomes and sustainable quality at best value for the people of Sheffield.
- 1.5 Social care services of this kind come within the 'light-touch' regime provided for by the Public Contracts Regulations 2015. The flexibilities available within this regime are such that once procured the frameworks will be able to be re-opened at our discretion to allow further eligible providers to become framework providers. It is proposed that the new frameworks will run for up to 4 years, using a 3+1 year contract model.
- 1.6 In order to have the new contracts operating in time, it is proposed that the following timetable is used:
- Invitation to Tender 28th April 2017
 - Evaluation start 6th June 2017
 - Evaluation end 7th July 2017
 - Contract award 17th July 2017
 - Transition process 17th July – 1st October 2017
 - Contracts start 2nd October 2017

Our vision

- 1.7 The Council's vision is that homecare and supported living in Sheffield will be outcome-focussed, person-centred, innovative and diverse. It will build on the individual's strengths and abilities in a way that encourages independence, helping them attain their own goals and aspirations and live an ordinary life.
- 1.8 Effective support will increase people's skills, confidence and social relationships, reducing their dependency on 'paid for' services. It will also help people to move from restrictive care settings including secure hospitals and will reduce the need for further hospital admissions.
- 1.9 We will deliver our vision with a market development approach that treats Home Care and Supported Living consistently whilst recognising key differences. We will improve overall market conditions with the aim of bringing new providers into Sheffield, improving individual outcomes through improved care and support services. The Home Care Service and Supported Living specifications will help providers and commissioners to move closer to an outcome-focussed service with positive impacts on people and which moves away from formulaic time and task based services which tend to deliver fixed units of care.
- 1.10 We will adopt a principle of minimal disruption to people who have support in the transition from the current to the new frameworks. This means that wherever possible, subject to meeting clear standards about quality and value, providers will retain their existing work and new contracts will focus on new work.
- 1.11 The recommendations will enable the Council to develop home-based care and support that :
 - is outcome-focussed, person-centred, innovative and diverse.
 - removes artificial distinctions between the needs of different service user groups and recognises that all adults with social care needs have similar aspirations to have independent lives at home and in their communities.
 - achieves a sustainable, responsive and high quality market that provides best value for Sheffield.

Key aspects of the approach for Homecare Services

- 1.12 For the first time a full set of Home Care contracts will be issued with fixed hourly rates based on a 'Cost of Care' pricing model. This has been welcomed by many providers and the fair rate will allow them to stabilise their businesses and pay workers at a rate compatible with minimum wage requirements. The Cost of Care model will take the National Minimum Wage into account, both in setting the prices this year and uplifts during subsequent years of the contract.
- 1.13 The rates will be adjusted each year to take into account changes in National Living Wage levels and other factors which affect provider costs. This will be underpinned by engagement with providers to truly understand their opportunities and constraints.
- 1.14 The Service Specification for the enhanced/locality tier of the Home Care service will include the requirement for 48 hour pick up for new packages and resumed service from hospital stays for example.
- 1.15 The proposed contract model of multiple primary providers supported by a network of framework providers offers the best chance of shaping a stable

market in the city. Introducing a fair price for care calculated by the “Cost of Care” model offers a chance for providers to deliver a fair deal for their workers but improving pay and conditions sufficiently to improve retention rates.

Key aspects of the approach for Supported Living Services

1.16 For the new tender it is proposed to use the rates established via the Cost of Care Model and to require a discounted rate where providers deliver multiple hours at one shared address to several users.

2 How does this decision contribute?

2.1 The proposal will contribute to the Better Health and Wellbeing ambition, by ensuring people can access the care and support they need to be independent safe and well in their homes and in their communities.

2.2 The proposals in this report will:

- Support robust and sustainable Home Care and Supported Living markets in Sheffield.
- Allow providers to appropriately reward and support frontline care workers.
- Enable providers and commissioners to move towards more person-centred and outcome-focussed support.
- Deliver improved quality whilst maintaining continuity by deploying a transition plan which minimises disruption and stress for service users.

3 Has there been any consultation?

3.1 Home Care and Supported Living have been the subject of extensive consultation. Focus groups, forums, surveys and one to one meetings have produced large volumes of information about what people think makes a good service. Service users, providers, SCC staff and partner staff have all contributed. Consultation has highlighted a mixture of positive feedback and areas for further development. We have used this engagement work to inform development of the specification, which will include specifying and evaluating the method statements.

3.2 This work has also been extensively influenced by the Homecare Scrutiny Task Group set up by the Council’s Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee. The Homecare Scrutiny Task Group reported to Committee on 24th February 2016 and can be read [here](#) . A progress report on the 10 Recommendations that were made by the Task Group is being provided to Scrutiny this month. Some recommendations relate to the way that social work staff carry out their work, but most directly relate to care and support commissioning and covered within this report.

3.3 The most commonly recurring comments from service users can be grouped into the following areas.

- Service quality should be consistently high across the city
- Choice should be available.
- Carers should be known to the person and kept as consistent as possible
- Staff should be skilled, respectful, motivated and compassionate

- Service Users should have all the information they need to enable them to benefit fully from the service.
- Punctuality is important. Call times and length should be flexible to be centred on the person's needs on the day. Time should be available to do the job properly and the service user and carer should not feel rushed.

3.4 The key issues from providers have included:

- The challenge of dealing with unanticipated cost pressures arising from new national policies.
- Providers need the full range of information about service users and the planned support.
- The challenge of anticipating demand in advance and having staffing capacity on hand to meet it.
- The challenge of supporting customers with a range of needs, which may create bespoke training requirements.

3.5 The specification will address these issues and will be monitored to ensure that quality standards which are important to people are upheld. Evaluation will include method statements that reflect service user views.

4 Risk Analysis and Implications of the Decision

Equality of Opportunity Implications

4.1 The proposals are designed to improve the stability, availability and quality of Home Care delivered to vulnerable adults with eligible social care needs. The resulting improvements will not impact disproportionately on any section of the service user population.

4.2 An Equality Impact Assessment has been completed and is summarised below:

- Home Care and Supported Living services are about achieving better outcomes for people with eligible needs regardless of who they are.
- Home Care and Supported Living contracts will have a positive impact for people using the services and their carers because they will seek to drive up quality within the constraints of public sector budgets. The model will encourage a healthy and diverse market of providers to ensure there is choice for service users and that a robust supply is assured. They will introduce opportunities for people to spend more meaningful time in community based activities, and encourage innovation in service provision to meet people's needs.
- Transitions between providers will be minimised subject to providers meeting essential criteria in relation to quality and value. We will take into account that people and their carers can find changes in provider challenging.
- We will work closely with all stakeholders from project start to implementation.
- The specifications will be finalised by end April 2017 for Invitation to Tender. Any relevant updates in the EIA will be included at this point and reference to the specification made

Financial and Commercial Implications

- 4.3 Low pay remains a challenge to the sustainability and quality of the domiciliary care sector. The Council remains committed to introducing the Foundation Living Wage across all contracts. A separate piece of work is underway to determine the costs associated with this and how this can be achieved.
- 4.4 The recent Budget announcement brought forward additional funding for adult social care. Part of the explicit rationale for this is to ensure that the local social care provider market is supported and to provide stability and extra capacity in local care systems. The funding is intended to support councils to continue to focus on core services, including maintaining adult social care services, which could not otherwise be maintained. However, additional funding is earmarked for the next three years only. The Council needs to work alongside local NHS organisations to consider a longer term plan, built on the success of strong Home Care and Supported Living arrangements in reducing demands for urgent healthcare.
- 4.5 Annual Home Care spending, via the current contracts stands at £16.4m. The current Supported Living framework had an annual spend of £22.83 million in 2016/17.
- 4.6 A Leader's decision in December 2016 authorised up to £1.625m additional annual spend in order to stabilise the Home Care market.
- 4.7 A 'Cost of Care' pricing model has been developed and will be used to inform the pricing in relation to home-based care and support. This model takes into account, not only the basic costs of running a Home Care business, but also makes allowance for the different amount of travel time between visits which varies considerably between different contract areas. Home Care also requires a significant level of logistical administration to manage the scheduling of visits, and to manage a high frequency of change in service users and service user needs, including the need to pick up new work at short notice.
- 4.8 Travel time in Supported Living is only a pressure where there are dispersed visits to people's own individual homes. Where services are delivered into schemes, often on a 24/7 arrangement, the reduced costs of travel and administration should be reflected in the hourly rate.

Legal Implications

- 4.9 The Council has a duty to meet the eligible needs of those in its area and it fulfils this duty in part through Council arranged services. The Council also has functions under the Care Act 2014 to ensure that service users
 - receive services that prevent their care needs from becoming more serious, or delay the impact of their needs;
 - can get the information and advice they need to make good decisions about care and support;
 - have a range of provision of high quality, appropriate services to choose from.
- 4.10 Home Care and Supported Living Services are core elements of the local offer of services that support people in their communities. One way of procuring a range

of external providers that can meet the varied needs of service users is via a framework agreement.

4.11 The European Convention on Human Rights requires local authorities to take into account their 'positive obligations' to actively promote and protect the rights of people as described in the Convention and maintains that providers of publically funded home care should consider themselves bound by the HRA.

4.12 The proposals outlined above are compliant with the Public Contract Regulations 2015 and the Council's own Contract Standing Orders.

5 Alternative options considered

5.1 Discontinuing support in these areas is not an option. These services are required to fulfil the Council's functions and duties under the Care Act 2014.

6 Reasons for Recommendations

6.1 Nationally the Home Care market is fragile and some major national Home Care providers are leaving the market – particularly in the north of England. Home Care providers are citing low fees, difficult trading conditions, and challenges with recruitment as the primary reasons for their exit. However, Sheffield City Council has offered increased rates for homecare providers in 2017-18 and all but two of 29 providers have accepted these rates. This provides a stronger foundation for the development of homecare in Sheffield than has been in place in recent years.

6.2 If quality and supply of Home Care and Supported Living are not sustainable there are obviously direct consequences for Sheffield's citizens. This is not only in relation to poor customer experience. For example, insufficient homecare supply can result in older people staying in hospital longer than they need to, creating significant pressures for others around access to emergency treatment and also risking worse longer term outcomes for themselves.

6.3 There are clear standards for practice in this area which will help deliver services of a sustainable quality. Some have a cost implication but others can be delivered through improved commissioning practice including more collaborative and supportive market relationships. For example, the National Institute for Health and Care Excellence (NICE) published national guidance on Homecare Standards in June 2016. This can be accessed [here](#). UNISON's Ethical Homecare Charter is provided [here](#) and also provides a framework for improving quality. The principles within both NICE guidance and the Ethical Homecare Charter will be contained within the Council's proposed approach to procurement.