

Open Report on behalf of Glen Garrod, Executive Director of Adult Social Services

Report to:	Adults Scrutiny Committee
Date:	22 February 2017
Subject:	Provision of Homecare

Summary:

This report seeks to provide the Adults Scrutiny Committee with an update on the provision of homecare across the county that is delivered by twelve block contracts.

Actions Required:

To consider the information presented in this report.

1. Background

In June 2015, Lincolnshire County Council awarded twelve contracts to Home Care Providers across the county under a new "Prime Provider" approach providing care to all those eligible for home care in a brand new commercial model based around newly established geographical zones.

One year in to the contract we have now seen the successful realisation of the Prime Provider model as well as the benefits associated with such a fundamental redesign of the commercial model for home care. To recap, the model is designed to work as follows;

- County split into twelve geographical zones:
 - Each zone has a sufficient level of guaranteed work to make it both commercially viable and attractive to providers;
 - Zones align to the social work area teams making operational engagement easier;
 - More efficient planning of rounds for providers to improve continuity of care and drive down inefficiencies;
 - Reduced competition for staff as less organisations operating on the same patch thus leading to improved retention of key staff and improved

resilience – one of the most pressing issues facing home care locally and nationally;

- Award of one contract per zone:
 - A 'Prime Provider' per zone to act as exclusive lead in delivering homecare services;
 - Model designed to allow for organisations to put forward collaborative solutions;
 - Requirement to sub contract a minimum of 10% to Small Medium Enterprise (SME) providers to support the diversity of choice within Lincolnshire;

- Guaranteed volume of hours to establish a sound financial base to the market:
 - representing 80% of predicted demand;
 - Demand based on previous years delivery plus 4% growth;
 - Final 20% estimated for volume over and above the block but paid at the same rate;

- New standardised hourly rates:
 - Rate calculation based on information provided in market consultation and taking into account all the component costs of delivering homecare;
 - Rural and Urban rates to reflect the increased travel time and difficulties in recruiting in rural areas;
 - Due consideration given to changes to National Minimum Wage, including the new 'National Living Wage'.

Transition

Between June and September 2015 there was an intensively managed transition of Service Users between Providers with the new contracts starting on Saturday 26 September 2015. Over the three month transition period over 3,500 service users transferred to the new prime providers with just over 78% of the total number of service users moving to a new provider. The transition period was highly challenging for all providers given the scale and complexity of the necessary work. As with any major change of business but especially, in the context of home care services, there were a number of factors that made the process more challenging including:

- TUPE and staff retention - initial shortfalls in staff capacity were addressed as a top priority;
- The increase in direct payments which, through increasing choice for service users, ultimately led to a degree of the old ways of working continuing alongside the new arrangements;
- Most providers, in moving to the zone model have relocated large portions of their business operations and in doing so borne additional costs which added increased pressure to their business. This consolidation was inevitable to a larger extent as the historic fragmentation of the provider market was a key factor in redesigning the commercial model for home care;
- Higher demands of service quality: The new specification for Home Care services included a number of necessary improvements related to the Care Act, our drive to improve outcomes and manage performance.

Given the scale of the transfer and number of service users it was important to understand the effect the new contracts were having on service users and to gauge this the Adult Care Quality Team undertook a sampling of service users whose care has transitioned over to the prime provider before the 26 September 2015 contract start date.

These calls were largely welcomed with service users stating they are pleased that the Council has made contact and is taking service user views into consideration. Of the 350 customers or representatives the team spoke to:

- 228 (65%) felt that their experience of the transition had been a positive one
- 26% of people said it was negative and
- 8% were unsure

Post Transition and Service Commencement

One of the most evident pressures facing the Council and the Provider prior to the new contracts was the increasing number of people waiting for community care packages to become available due to the inefficiencies within the system. Since the start of the contracts and alongside highly focused work from the Council we have seen a marked decrease in the number waiting lists fall as well as improvements in the quality of care across the county.

Quality of Service

As well as improving the effectiveness of the Home Support Service in Lincolnshire in terms of capacity, it was important for the contract to improve the quality of the service. During transition and the first few months of the contract, the service did experience an increase in complaints and Poor Practice Concerns, but these have been effectively managed by Senior Contract Officers in the Commercial Team

supported by the introduction of a Peripatetic Principal Practitioner who has supported the team since November 2015.

By analysing Poor Practice Concerns the Commercial Team has been able to focus their efforts on making improvements in specific areas. Whilst concerns are still raised about missed and late calls, the number has declined substantially since late 2015. We have also seen a significant decline in Poor Practice Concerns being raised about the communication between Service Users and the Prime Providers.

Progress in the Last Twelve Months

A "more sustainable care market in Lincolnshire"

Under the old arrangement there were spot contracts in place with over 70 Home Care Providers and it was common for Providers to "cherry-pick" packages meaning that some areas had over-supply whilst in other areas there was a dearth of Providers willing to pick up packages. Under the new arrangements, Prime Providers are responsible for all packages in their zone which allows for a number of beneficial changes. With a clear and guaranteed level of demand, Providers can manage their business with an extremely high degree of financial confidence this in turn lessens the risk within the system of provider failure occurring. Similarly these arrangements offer the Council much greater assurance of the supply of services.

As mentioned previously this model also directly supports the ability, and the need, to strengthen the single most important factor in delivering quality care services – the workforce. With Providers having much greater confidence of what work is required this carries through to staff, they are afforded greater job security, less instability of working patterns, greater opportunities to train and develop their career leading to a virtuous cycle of improving conditions for staff.

In the early stages of the contract, the Council also supported the sector with funding towards recruitment adverts on Facebook and Twitter with varying levels of success. The latest Key Performance Information suggests that there is currently a workforce of approximately 1300 carers and all of these have undertaken mandatory training within their first twelve weeks of employment. Work continues with all Prime Providers, and via the Council's Workforce Development agreement with LinCA, to increase the capacity and capability of the Lincolnshire care workforce.

Improved partnership working and integration

The fragmentation of the provider market prior to the new contracts inevitably resulted in a real limitation in how changes to ways of working could be made. Moreover with the higher degree of competition between providers, inefficiencies and capacity bottlenecks were magnified even further. The rationalisation of the provider structure in Lincolnshire has produced multiple benefits one of the most prominent being the highly effective and proven degree of collaboration between providers. It was one of the foremost priorities in the procurement to foster and enable collaborative working, this proved to be highly successful with five

collaborative bids comprising existing Lincolnshire SME providers being awarded five of the twelve contracts. This mode of collaborative working has continued throughout the contract and has expanded to all prime providers an example of this the co-delivery, with LinCA, a new targeted social media recruitment drive highlighting the need and opportunity of working with prime providers in their zones. This has been supported by further collaborative recruitment activities by Prime Providers including a radio and web advertising campaign.

Throughout the past year the Council has also greatly improved its working relationship with the Care Quality Commission by working closely on a number of measures to address pressures within the sector and deliver effective solutions.

A market which is "Affordable to both the Council and Providers"

After contracts were awarded in June 2015, the Home Care rates were increased to £13.03 per hour for urban areas and £13.32 per hour for the more rural areas of the county.

Following the increase in the National Minimum Wage in April 2016, it was agreed to increase both the urban and rural rates by £0.53 per hour. This enabled all Providers to meet their obligations in this respect and to keep pace with competing demands for workers within Lincolnshire.

Improved quality and risk management

With the implementation of the new contracts the entire performance management regime has been reviewed and improved with new Key Performance Indicators, a brand new contract management process, increased dedicated resource within the team, and much greater management information available. This has allowed for us to monitor and deal with provider issues in a much more proactive and constructive manner.

Following a similar approach to ascertaining service user experience after transition, the Adults Quality Team have subsequently concluded another survey over the summer of 2016. The findings of the survey show a clear majority of respondents have a positive experience of care services.

2. Conclusion

<p>In the first year of the Contracts, Lincolnshire has seen significant improvements in Home Care with strong evidence of improving outcomes and trends. With the majority of the initial challenges now behind us we now have a solid platform on which to build the service over the next years, work is already underway to</p>

explore the potential of outcome based working as planned.

The prevailing challenges facing home care in particular as well as the wider social care sector that the new model was designed to address still continue and in many ways become more and more pressing. It should be noted these pressures are not restricted to Lincolnshire and are representative of a national picture of increasing risks of market instability and a longer term lack of sufficient capacity to meet the increasing demand for services. The decision to move to a new model for homecare services was taken with these challenges firmly in mind and, based on the evidence shown after the first year, offer the best way to protect vital services and maximise all available opportunity to meet increasing demand and complexity.

Delivering the new model of home care has been one of the highest priorities and has required intensive and sustained work to reach this point. Indeed the work the Council undertook in delivering the new model of contracts was acknowledged as the Government Opportunities Procurement Initiative of the Year 2016. It is the Team's firm expectation that this level of work and achievement will continue for the following years.

3. Consultation

a) Have Risks and Impact Analysis been carried out??

Yes

b) Risks and Impact Analysis

Risks are reviewed at each Contract Management Meeting.

4. Background Papers - None

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