



Report of the Cabinet Member for Care, Health and Ageing Well

Adult Services Scrutiny Performance Panel – 19th March 2019

RE-PROCUREMENT OF DOMICILIARY CARE AND RESPITE AT HOME

Purpose	To share an update on the Re-Procurement of Domiciliary Care and Respite at Home
Content	Re-Procurement of Domiciliary Care and Respite at Home briefing paper.
Councillors are being asked to	Consider the update as part of their review of the Re-Procurement of Domiciliary Care and Respite at Home Service in Swansea.
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1. INTRODUCTION

- 1.1 The Dom Care market is characterised by too few providers, difficulty recruiting and retaining staff linked to minimum wage and poor terms and conditions. This is a national problem. Locally market capacity issues cause problems providing care in more rural areas and difficulty offering timely responses generally. Waiting lists are difficult to manage, hospital discharge arrangements are impacted, bed blocking is a consequence and adult service objectives relating to timely response and de-escalation of need are frustrated. Problems are leading to instability within the market with

Providers at risk of financial failure, citizens at risk of service disruptions and commissioners with concerns about continuity of supply.

2. MARKET PROFILE

- 2.1 The market in Swansea is comprised of 13 contracted private sector operators. Mostly small independents. Between them they provide approx. 13000 hrs of commissioned care per wk (56,000 per month, 670,000 per year (figures are approximate as they can vary by 2-3% percent each month). There are approx 1200 citizens receiving commissioned dom care from the council at any time.
- 2.2 The Council currently has three main providers for respite at home services – the Alzheimer’s Society, the Carers Centre and Home Instead. This service is currently provided on a county wide basis between the 3 current providers.
- 2.3 There are currently 88 service users in receipt of this service with a total of 306 hours of respite commissioned on a weekly basis (excluding 50 hours commissioned by Health), with 1 service user currently awaiting a service. There has been a reduction in the number of people both receiving and waiting for respite at home since the introduction of charging for this service in October 2018.

3. STRATEGY

- 3.1 The strategy has been to divide Swansea into geographical areas to create individual procurement lots. This approach will enable individual providers to deploy staff within a dedicated area which offers potential for efficiencies and resilience against individual Provider failure.
- 3.2 A number of options for dividing Swansea into zones were considered. The option selected involves dividing Swansea into 5 lots with 3 that include a rural area. Each lot will allow a maximum of 5 providers to operate within it. Providers can bid for all lots (expressing preferences), but no provider will be awarded contracts in more than 2 lots. The advantages of this approach include:
 - Roads facilitate natural runs
 - Existing providers more likely to be able to bid for areas they currently work in - better opportunities for continuity of care
 - Rural areas include attractive areas
 - Includes sufficient number of lots to have enough number of providers overall
 - Takes account of likely increase in over 75’s over the next several years in Llansamlet / Bonymaen area
 - It is hoped that payment of a rural premium will ensure service provision across the whole of Swansea
 - 5 providers per lot would ensure a sufficient number of providers operating in Swansea

- 3.3 The disadvantages of such an approach would be including but not limited to:
- Doesn't mirror Hubs or GP clusters therefore less opportunity for improvements in working relationships between providers and hub professionals as each Hub will be dealing with numerous providers.

Recommendation and Rationale

- Best option to ensure sufficient bids for all areas including rural ones
- Sufficient number of providers, limited to working in no more than 2 lots to improve sustainability
- Taken account of everyone's comments and appears to be the best fit for all
- Road and run based – optimal efficiency for providers
- Potential for existing providers to bid for areas already working in – best option for continuity of care
- Rural premium will entice providers to cover outer lying areas

- 3.4 The lower volume of commissioned respite care means that this service will not be procured on a per zone basis. Instead providers will be invited to tender to deliver a respite service that covers the whole of Swansea.
- 3.5 Under the new arrangements and due to the fluctuations in demand, respite will move away from the current block contract and be commissioned on a spot purchase basis.
- 3.6 Long term dom care providers will also be required to offer a respite service to citizens within their zone, subject to capacity, so that service users have choice between Providers.

4. PRICING STRATEGY

- 4.1 Competition requires a tendering approach. Tenders will be evaluated against criteria which favours quality. Quality will equate to 55% of the evaluation score and cost will equate to 45%
- 4.2 Comparison with neighbouring authorities, national averages and professional associations representing the sector, suggest that Swansea's rates are relatively low and that retendering contracts is likely to result in hourly rate increases.
- 4.3 COST COMPARISONS

CCOS Current Costs (@ April 2018) :

- £15.75 per hr
- Estimated Total Costs per month: £787,500
- Estimated Total Annual Costs: **£9,450,000**

UKHCA Average Costs UKHCA briefing on a 'Minimum Price for Homecare'
www.ukhca.co.uk/pdfs/AMinimumPriceforHomecareVersion1020140202.pdf - Jan'18
(£18.93 per hour from April 2019)

- £18.01 per hr
- Estimated Total Costs per month: £900, 500
- Estimated Total Annual Costs: **£10,806,000**

Foundation Living Wage Costs: (rate expected as per Ethical Care Charter):

- £20.03 per hr
- Estimated Total Costs per month: £1,001,500
- Estimated Total Annual Costs: **£12,018 000**

Comparison with neighbouring authorities shows:

- Bridgend CBC - £16.50 per hr
- Neath Port Talbot - £16.81 (under Dynamic Purchasing System rates can rise up to £18.00 per hr)
- Carmarthenshire - £20.00 per hr average.

4.4 Pan Wales comparison based on responses received from 12 of 22 authorities shows Swansea currently pays less at lowest, average and highest benchmarks.

Swansea Costs:

- Average (non-weighted) per hr £15.75 (Wales wide £16.27)
- lowest per hr £13.88 (Wales wide £14.76 based on 10 responses)
- highest per hr £17.95 (Wales wide £18.96 based on 10 responses)

4.5 Hourly rate increases based on likely tender submissions are impossible to forecast accurately. A 10% increase would take the average rate to £17.33 ph. This would increase the budget allocation from 9.45m to 10.39m.

5. COMMISSIONED CARE VERSES ACTUAL CARE DELIVERED

- 5.1 Figures reported from Income and Finance demonstrate that currently Swansea providers consistently under deliver on the call durations which are commissioned (as outlined in the Timetable of Care - TToC).
- 5.2 The commissioning objective must be to ensure that levels of care delivered are as closely aligned as possible to the levels of care commissioned, *and*, that levels of care commissioned are an accurate reflection of the needs of the service user.
- 5.3 The new arrangements put a contractual responsibility on the Service Provider to inform the Local Authority within 7 days of any pattern of change that results in the Person requiring either more care or less care. This will ensure commissioned care hours are more closely aligned with that required in order to meet the needs and wellbeing outcomes of the Person.
- 5.4 Under the new arrangements domiciliary care will also be commissioned in weekly hours (with the social work daily Timetable of Care being used as a guide rather than being prescriptive) to enable the Person to receive a more person centred and flexible service wherever possible.

6. RURAL PREMIUMS

- 6.1 Less densely populated rural areas are a less attractive proposition for service providers. The number of hours delivered in these areas is relatively low (in the Gower approx 200 hrs per wk and in Mawr approx 115 hrs per wk).
- 6.2 The increased cost of providing services in these areas is an obvious disincentive. Re-commissioning options highlight two approaches to overcoming these problems. One is to pay a slightly higher rate to all packages of care within zones with high rural populations. The other is to pay significantly higher rates but only for service users in designated rural locations.
- 6.3 It was determined that paying a slightly higher rate to all packages of care within zones with rural populations would be significantly more costly than paying a significantly higher rate but only for Service Users in designated rural locations.
- 6.4 As a result, potential providers are asked through the tender process to determine the rate in designated rural locations but with a cap on this figure of no more than 40% more of the standard rate submitted for non-rural areas within the zone/s for which they are bidding.
- 6.5 The lower volume of commissioned respite care means that these services will be commissioned city wide and there will be no additional rural premium paid.

7. CURRENT EXPENDITURE AND FUTURE COST IMPLICATIONS

Basic Costs	Uplift at 10% in 19/20 and 4% thereafter	Plus Rural Premium	Additional cost based on 2.5% increased demand	Sub totalled Yearly cost	Savings by Paying on actuals (half of 27% under delivery)	Total cost
Cost for 19/20	At 10%					
£9,450,000	£945,000	£114,000	£262,725	£10,771,725	£1,454,183	£9,317,542
RESPITE DOM CARE						
£361,310	£36 131	£4,335	£10, 044	£411, 820	N/A	£411, 820
			Total Gross	£11,183,545	Total Net of Savings	£9729 ,362

8. PROGRESS WITH DEVELOPMENT OF TENDER REQUIREMENTS AND DOCUMENTATION

8.1 Business as usual work had impacted progress. The collapse of Allied and general operational pressures have at times needed to take priority over re-procurement activity.

8.2 I signed the recommissioning process and Contract Specifications off on 26th February 2019. The Tender was advertised 1st March 2019 with a deadline for submissions on 18th April 2019.

The next Stage in the process is for the Project Board to;

- a. Confirm tender evaluation panel members
- b. Develop the Transition arrangements following contract award (timescales and prioritise to ensure safe transfer of business to new providers, and ensure continuity of care and stable market expansion).

9. TIMESCALES FOR AWARDING NEW CONTRACTS

9.1 A basic timeline for award of new contracts is as follows:

- Advertise tender requirements via Sell2 Wales 1st March.
- Allow 7 weeks for Providers to submit Tenders (return 18th April)
- Allow 6 wks to complete tender evaluations and award contracts (early June).
- Allow up to 3 months before contract award start dates to allow new Providers to establish presence in Swansea and recruit staff etc – early Sep)
- Commencement of contracts for new business in October.

- Commence transition of placements from existing Providers to new providers over 3-6 months (period to be agreed).

10. LINKS TO OTHER AREAS AND DEPENDENCIES

- 10.1 Social Services is developing a strategy for use of Direct Payments which in the longer term aims to reduce demand for more costly commissioned domiciliary care by offering payments for PA services at increased rates to incentivise greater use.
- 10.2 Controlling expenditure on Dom care services is linked to understanding and controlling spend on commissioned care which is not delivered. Analysis of call monitoring data is key to understanding potential to reduce costs. Additional resources will be required to support this.

11. CURRENT STATUS OF DOMICILIARY CARE

- 11.1 The Swansea Domiciliary Care Brokerage waiting list had been static since October 2018 with Providers reporting very limited capacity to pick up new packages of care. As packages of care were allocated a similar number of referrals resulted in the overall picture remaining largely the same.
- 11.2 The table below indicates a reduction in those waiting for care since the beginning of 2019.

Date	Waiting list Total	No. waiting in Hospital	No. Waiting in the Community
31/10/18	154	31	123
21/11/18	158	46	112
21/12/18	155	40	115
07/01/19	121	32	89
14/01/19	119	29	90
21/01/19	122	34	88
28/01/19	126	28	98

- 11.3 The downward trajectory has been maintained though not significantly improved since the end of January 2019. Current figures are (12.03.19):

Waiting list total – 122

Waiting in hospital – 23

Waiting in the community - 99