

West Lothian Integration Joint Board

Date: 10 March 2020

Agenda Item: 14

CARE AT HOME

REPORT BY HEAD OF SOCIAL POLICY

A PURPOSE OF REPORT

- A.1** The purpose of the report is to provide the Integration Joint Board with an update on the implementation of the Care at Home contract awarded on 1st October, 2019.

B RECOMMENDATION

- B.1** It is recommended that the West Lothian Integration Joint Board note the contents of the report

C SUMMARY OF IMPLICATIONS

**C1 Directions to
NHS Lothian
and/or West
Lothian
Council**

The existing direction will be reviewed on an annual basis.

**C2 Resource/
Finance**

The agreed budget for the Care at Home Framework is:

2019/20 – 23/24 is £32.8m.

C3 Policy/Legal

Relevant legislation includes:

- Social Work (Scotland) Act 1968
- Community Care and Health (Scotland) Act 2002
- Social Care (Self-directed Support) (Scotland) Act 2013
- Public Bodies (Joint Working) Act 2014
- Social Care (Self-directed Support) (Scotland) Act 2013
- Standing Orders of West Lothian Council
- Public Contracts (Scotland) Regulations 2015 ,
- Public Contracts (Scotland) Regulations 2016

C4	Risk	The risk associated with supply of care at home services is captured in the IJB risk register which is scrutinised bi-monthly by the Audit Risk and Governance Committee
C5	Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, an equality impact assessment has not been conducted. The relevance assessment can be viewed via the background references to this report.
C6	Environment and Sustainability	N/A
C7	National Health and Wellbeing Outcomes	<p>The delivery of Care at Home Services in West Lothian, in line with the National Health and Wellbeing Outcomes, aims to:</p> <ul style="list-style-type: none"> • focus on the needs of the individual to promote their health and wellbeing, and in particular, to enable people to live healthier lives in their community. • ensure that people's experience of health and social care services and their impact is positive; that they are able to shape the care and support that they receive; and that people using services, whether health or social care, can expect a quality service regardless of where they live.
C8	Strategic Plan Outcomes	<p>The delivery of Care at Home Services contributes to the delivery of the Strategic Plan's outcome in particular:</p> <p>Older people are able to live independently in the community with an improved quality of life.</p> <p>We live longer healthier lives and have reduced health inequalities.</p>
C9	Local Outcomes Improvement Plan	<p>Older people are able to live independently in the community with an improved quality of life</p> <p>We live longer, healthier lives and have reduced health inequalities.</p>
C10	Impact on other Lothian IJBs	None

D TERMS OF REPORT

D.1 Strategic Relevance

Care at Home services have a key role to play in the implementation of the West Lothian Integration Joint Board Strategic Plan in relation to addressing the main challenges to health improvement i.e. an ageing population, persistent health inequalities, the continuing shift in the pattern of disease towards long term conditions and growing numbers of people with multiple conditions and complex needs.

Our strategic aim of Shifting the Balance of Care is highly dependent on delivering the right care, at the right time in the right place. The service landscape is complex and must support key principles associated with the Self Directed Support legislation ensuring that service users and carers have choice and control over how their care is delivered.

D.2 The Care Market - National level

The Care at Home Services market in Scotland is comprised of a range of small, medium and large-scale organisations. The top 10 providers account for 53% of annual national spend and the top 20 providers account for 68% of annual national spend. Only 32% of services are delivered by small locally based providers.

It is significant that approximately 80% of the hourly rate for Care at Home services is comprised of salary costs and salary-related on-costs. Service providers in this industry tend to operate on a low return on investment with fairly tight margins. Contract strategies therefore need to take account of this vulnerability through proportionate contract monitoring and robust provider relationships to ensure that there is a balance between affordability and stability of service.

Given the complexity of the market and the need to ensure that service users and their families have access to personalised options, most authorities have opted for 'Framework Agreements' rather than more traditional 'Block Contracts'

D.3 Background to previous contract

The previous Care at Home Framework in West Lothian was awarded on a competitive tender basis and commenced on 1st January 2016. The contract strategy aimed to support geographical concentration with a relatively limited number of providers delivering care in pre specified 'lots'. The contract strategy did not support continuing care delivery with unsuccessful applicants for the new framework agreement.

This contractual model proved challenging to deliver with a high percentage of service users exercising their right via the Self-Directed Support (SDS) legislation to remain with existing providers. As such the new providers were not in a position to achieve rapid growth in the local market.

While a high volume of care was delivered to a high standard, the framework did not deliver to full capacity resulting in unmet need and Delayed Discharges in from hospital.

In February 2019 it was agreed that a new Contract Strategy would be developed to deliver Care at Home Services in West Lothian. In line with the requirements of the Standing Orders of West Lothian Council, the Public Contracts (Scotland) Regulations 2015, the Public Contracts (Scotland) Regulations 2016 and to ensure best value, a competitive tender exercise was undertaken.

D.4 Overview of Contract Strategy 2019

The Contract Strategy was fully informed by an analysis of the performance of the previous commissioning arrangements in the sector. In addition a comprehensive review of the needs of the local community was undertaken which took account of the challenging demographic projections in West Lothian as well as the strategic aims of the Integration Joint Board (IJB).

As part of the development of the Contract Strategy a comprehensive Options Appraisal was undertaken to consider the procurement route and the contract model. Following this exercise it was agreed that the preferred model was a Flexible Framework as this would offer business stability and provide the foundation for growth but did not commit all of the partnership's resources to a limited range of providers. A Flexible Framework allows scope for the commissioner to further facilitate the market during the term of the agreement should this be required and also supports the Self Directed Support agenda.

Some of the key activities that informed the development of the Contract Strategy were:

- Benchmarking
- Review of local Strategic Developments
- Provider Engagement
- Budget Modelling

The following is a summary of the three key elements of the West Lothian Care at Home Contract Strategy:

1. Contract Model.

The aim of the new framework was to attract a wider range of providers into the local area and build capacity within the market while building on the existing good relationships with providers to develop a supplier relationship management approach.

Financial modelling for the contract recognised and took account of the challenges around recruitment and retention. It was also recognised that the aspiration to introduce Electronic Call Monitoring (ECM) would not be cost neutral for potential providers (see below). Taking this into account and complying with the UK Home Care Organisation, a financial uplift of 9.4% against the 2018/19 hourly rate was agreed. This translates to an hourly rate of £18 per hour which balanced affordability with the need to offer an attractive and competitive rate to stimulate.

Existing packages of care were excluded from the tenders in order to minimise disruption to service users. This was a key change in the approach that was taken to promote continuity of care. The contract model did not require existing service users to transition to new providers. The contract design is flexible enough to allow unsuccessful applicants to continue to function 'off framework.

2. Whole System Approach.

The second element of the contract strategy is the implementation of a whole system approach. This aims to ensure that the Framework is seen within the wider context of all support services, including those delivered internally to ensure that there is an appropriate continuum of support available for service users. It should be noted that alongside the development of the Framework there has also been a significant investment in in-house health and social care services to support delivery of the Home First Model.

Essential to taking forward a whole system approach is robust supplier relationship management which builds on existing good relationships between providers and the Council. This is in line with the West Lothian Integration Joint Board's Market Facilitation Plan which states that collaborative and partnership working with key stakeholders is essential to ensure that the current and future needs of local people in West Lothian are met.

3. Introduction of Electronic Call Monitoring.

As mentioned, the new framework agreement incorporates Electronic Call Monitoring (ECM) into the service provision.

Electronic call monitoring supports the strategic aim to move away from time and task and towards outcomes focussed provision. ECM offers more scope for the service user to determine how their care needs are met while still offering the assurance that the service level associated with their individual budget is fully delivered.

Also over time it is expected that the Introduction of ECM will help to reduce transactional costs for both the Council and the market.

The Council will make payment based on contact time (within the bandings outlined in (Appendix 1) rather than commissioned hours.

D.5 Contract

Following a competitive tendering exercise the contract was awarded on 1st October 2019, 12 providers were successful and were invited onto the Framework, one provider has since withdrawn leaving at total of 11 providers on the Framework.

Of the 11 successful applicants, 5 were existing framework providers.

During this implementation phase providers have been recruiting staff, establishing an operational base in West Lothian, obtaining Care Inspectorate registration where required and implementing CM2000, the Electronic Call Monitoring solution. In line with the Contract Strategy council officers have been in close contact with the providers to establish strong working relationships, support them onto the framework and promote partnership working.

D.6 Framework Performance to date

While good progress has been made to date by new providers, the collective growth in the market has not yet peaked to deliver partnership aspirations in terms of eradicating unmet need, including unnecessary delays in hospital. This is creating considerable pressure in the system and impacts not only on local performance but across NHS Lothian.

Officers have been working closely with providers to understand business development plans including projections for planned growth. There is a wide variance across providers with projected business models range from the delivery of 500 hours per week for some to 2,500 hours per week for other.

This is in line with the contract strategy in that it provides a mixed economy of providers, more suited to the particular geographical challenges in West Lothian, and reduces reliance on a few large scale providers.

It is anticipated the framework providers would need to increase their capacity to 10,000 to meet unmet need, on the basis of current projection this will be achieved by July 2020.

It should be noted that the delivery of this capacity is dependent on a range of factors, most notably recruitment and retention.

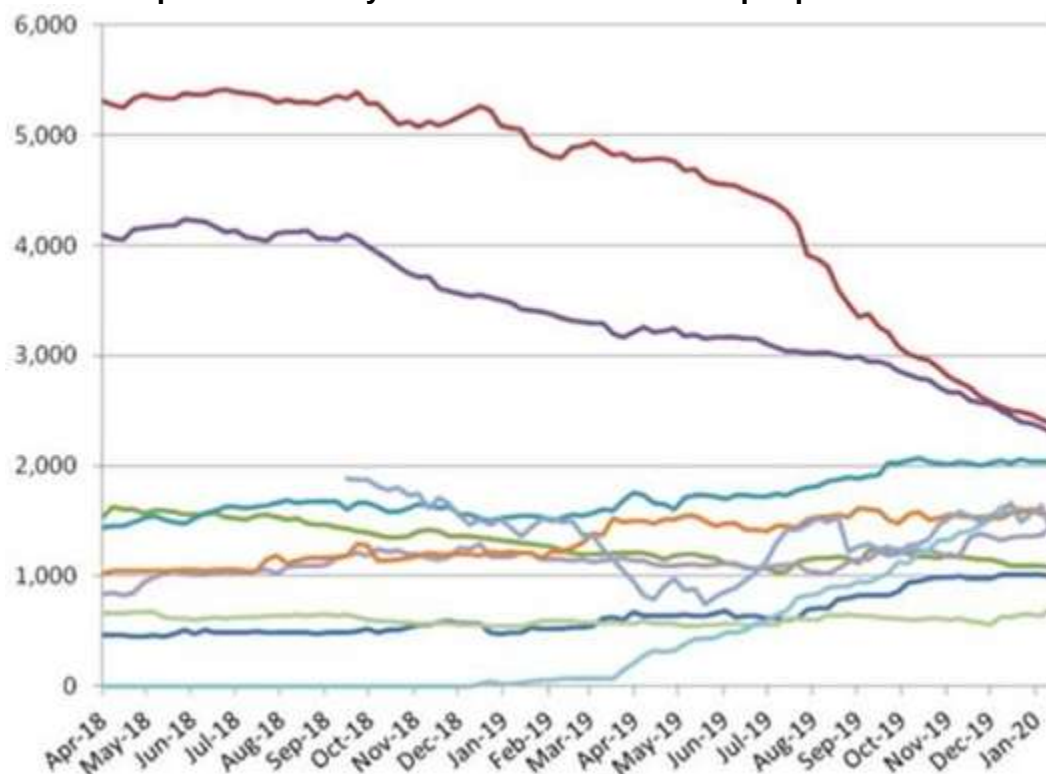
The strategic objective is to decrease dependence on Off-Framework Providers and work to increase the capacity on the Flexible Framework to around 17,000 hours over the next 2 years.

A number of factors have impacted on the implementation of the Framework, these include:

Provider Redesign - The contract strategy was developed on the premise that if existing providers were successful all care hours would transfer to the terms of the new framework. Following a range of business issues, the two largest framework providers in these circumstances concluded that the volume of business currently commissioned was unsustainable. Supporting their transition to a smaller scale business was considered by officers to present less risk than other available options. These circumstances resulted in an overall reduction of 4,831 hours between March 2019 and January 2020. This represented 32% of total hours commissioned.

The graphic below illustrates the level of care hours that were transitioned to other providers and highlights the extent of the challenges faced by the system.

Graphic 1 - Delivery of care at home services per provider



It should be noted that while these hours of care were accommodated within the new delivery model it did restrict the opportunity for providers to build additional capacity into the system in the short term.

- **Recruitment** for social care services is a national issue and is not limited to West Lothian. However, there are some additional local challenges insofar as West Lothian has a relatively robust economy and recruitment in the care sector competes with strong performance in the retail and distribution markets.
- **PVG Checks**
Providers reported lengthy delays in the time taken for PVG checks to be completed between October 2019 and January 2020. Again this is a national issue and has now improved.
- **Care Inspectorate Registration**
Where providers were required to vary their Care Inspectorate registration to allow them to operate in West Lothian, they reported that they were experiencing significant delays. This issue has now been resolved.

D.7 Improvement Activities

In recognition of the critical significance of this sector in improving outcomes for service users a range of urgent improvement actions have been implemented;

- An investment in 2 dedicated FTE contracts officers to support provider development with a particular focus on those new to the local market.
- Additional investment in agency resources to increase capacity of in house Care at Home services
- Identification of geographical 'runs' which are more economically viable for provider
- Additional investment in the Rapid Elderly Assessment Care and Treatment team (REACT)
- Reviewing the approach to recruitment for internal vacancies and development of a local longer term recruitment plan
- Market Facilitation – as mentioned the development of a framework contract is generally considered to offer a stronger business foundation for the growth of new providers. However, the market is not 'closed' and there is potential to support other providers to operate 'off framework'.
- Scottish Care Local Integration Lead liaising with all local providers to provide the support of the representative group
- Consideration of opportunities which might be presented by the development of the new National Flexible Care and Support Framework, developed by Scotland Excel and due to be implemented in Spring 2020

D.8 Summary and Conclusion

The delivery of Care at Home services in West Lothian is key to achieving the IJB's strategic aim of shifting the balance of care by ensuring that care and support is delivered at home or closer to home rather than in hospital or other institutions.

This report focuses on the operational delivery associated with the implementation of the revised Care at Home Framework Agreement. This is one key element of the overall strategic ambition to deliver more co-ordinated and streamlined services to ensure people receive the services and supports they require where and when they need them. The Board has recently approved Joint Commissioning plans for Older People, Learning Disability, Physical Disability and Mental Health and is aware of the revised structure which has been implemented to support those strategic developments.

The performance of this particular contract is being closely monitored. While this remains challenging, the early indications are that the market strategy is supporting recovery after the loss of capacity outlined in the body of the report. The contract model is flexible enough to support revised approaches to market facilitation should future variations seem likely to impact adversely on objectives.

E CONSULTATION

To inform the development of the contract strategy key colleagues across the Health and Social Care Partnership have been engaged with. Colleagues within key enabler services were also engaged with, in particular the Council's Finance Management Unit, Corporate Procurement Unit and Legal Services.

Provider engagement has also been a key feature of the scoping phase of the project with a provider engagement event was held and a provider survey was undertaken.

F REFERENCES/BACKGROUND

None

G APPENDICES

Appendix 1 – Electronic Call Monitoring Overview

H CONTACT

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