

Brighton & Hove City Council

Adult Social Care and Public Health Sub- Committee

Agenda Item 30

Subject: Re-commissioning Home Care and Extra Care

Date of meeting: 10th January 2023

Report of: Rob Persey, Executive Director of Health
& Adult Social Care

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 The report sets out the proposed approach to the recommissioning of both Home Care and Extra Care and seeks Member agreement to proceed with a tender process.

2. Recommendations

That the Sub-Committee:

- 2.1 delegates authority to the Executive Director of Health & Adult Social Care to procure contracts for both Home Care and Extra Care as proposed in this report; and
- 2.2 delegates authority to the Executive Director of Health & Adult Social Care to award the contracts to the successful bidders for an initial term of five years with the option to extend the contracts for a further period of up to three years subject to satisfactory delivery and performance; and
- 2.3 delegates authority to the Executive Director of Health & Adult Social Care to contract manage the above commissions, including administering future permissible variations or awards to meet any changing need during the lifespan of the contract.

3. Context and background information

Background context:

- 3.1 Home Care, or Domiciliary Care, is the provision of services that support individuals in their own home, and which is delivered by third-party contractors in Brighton & Hove.
- 3.2 Tasks delivered by these contractors are tailored to meet the needs of individuals and range from giving medication, to personal care support with activities such as bathing or dressing. It is a critical component of social care delivery.
- 3.3 Extra Care is the provision of self-contained accommodation with an element of on-site care provision. This service type caters for those individuals whose care needs are best met in conjunction with their housing needs, and whose needs do not meet the threshold for traditional residential care settings. In Brighton & Hove, the care offered in Extra Care settings is delivered via third party providers across four schemes, three of which are subject to this recommission.
- 3.4 The current BHCC contracts for Home Care and Extra Care were let in 2016 and have been extended until 2nd July 2023. There is a further potential extension available to 4th September 2023.
- 3.5 BHCC Home Care demand has decreased by 2% from September 2016 to November 2022 in terms of number of Home Care hours being purchased. For the number of clients being supported, this has reduced by 5%. These figures refer to existing packages of care and do not reflect the unmet need in the system.
- 3.6 BHCC Home Care services will continue to support hospital discharge flow and closer working with health partners.
- 3.7 Engagement with relevant partners which has informed the design of the contractual specification is outlined in section 5 below.
- 3.8 The east of the city has proven to be the most difficult to service. This is due in part to limited recruitment of staff in that area and it is compounded by travel difficulties due to limited bus services to the outskirts. By increasing the geographical areas to combine with more central areas it is hoped that staff will be redirected to support the east of the city also. Providers will be asked to consider their green travel plans for their workforce as part of the tender process.

Recruitment and Retention:

- 3.9 The current model of paying for minutes of care does not support the much-needed recruitment and retention of Home Care workers in the city. Presently, staff are paid only for the minutes of care that are actually provided. These call durations are variable in nature and subject to change at short notice meaning that a care call may be shorter than that which is rostered. This means that staff are not guaranteed pay or set working hours in relation to the care calls they deliver. To address this, the recommission seeks to pay on bands of rostered hours which will mean that Home Care staff will receive pay for the full call time, as it is planned and resourced. The hourly rate for home care includes payment for travel time.

Current contracting arrangements:

- 3.10 The current contracting arrangements are delivered in three parts as set out below:

a) Approved area providers

Brighton & Hove is split into 10 geographic areas across the city and for each of these there is a single provider designated as a lead, and a further provider designated as back-up. Care offered under this contract is delivered at a fixed hourly rate, pays by the minute and includes Continuing Health Care packages.

b) Individual site contracts for Extra Care

Each Extra Care scheme has a contract with a single Home Care provider to deliver the care services as assessed in individual resident's care plans, including provision of night cover. The support services, such as buildings' maintenance, differ slightly depending on the care scheme.

c) Dynamic Purchasing System (DPS).

The council also operates a Dynamic Purchasing System (DPS) which operates as a back-up list and allows providers to bid for the work which has not been picked-up by the lead or back-up providers. The DPS allows a competitive request for tenders for each package of care, and it is open to providers to apply to join throughout the life of the contract. There is not a fixed price for DPS, so hourly rates are determined by the market and is sometimes linked to complexity of need.

Proposed future contracting arrangements:

Home Care:

- 3.11 The Home Care service will be divided into eight contracts based on four geographical locations across the city, organised by postcode and aligning with the newly configured community assessment worker's restructured localities; East, West, Central and North. There will be two contracts for each area; a lead and a back-up contract. This is with the aim of supporting and enabling place-based partnerships and the collaborative arrangements formed by the organisations responsible for coordinating and delivering health and care services in each neighbourhood/community. This will support the NHS' Place Based Approach and complement the work being undertaken by social care colleagues regarding capacity building within the community and voluntary sector.
- 3.12 Where possible, existing contracts will be extended to ensure continuity of care for service users and the new contractors will receive new business only. Based on referral data between December 2021 and November 2022, this equates to an estimated 140 hours of new referrals per month across each of the four geographic localities, with some variation between them. The model will still require a lead and back-up provider in each area so the eight contracts will be complemented with a new Dynamic Purchasing System (DPS) option as contingency.
- 3.13 Currently, Continuing Health Care are joint partners to the Home Care contract. However, going forward, Continuing Health Care have made the decision to commission and source their own care by having a unified pan-Sussex approach as opposed local variances across East and West Sussex and Brighton & Hove.
- 3.14 Providers of all other service types collect service user contributions from the client directly whereas Home Care is an outlier in this respect (since last commission of 2016 only). This recommission will see this task reverting to providers. The provider has the closest relationship with the service user and is more able to quickly make adjustments to care, and therefore charging, in terms of both unplanned and planned events, such as hospital admission or holidays. (The current contractual arrangements can sometimes result in protracted processes for Officers, primarily because council staff are not privy to all the relevant information between client and provider whereas providers have all the details of the care delivered to help resolve issues should disputes arise.)

- 3.15 Except in special circumstances, 15-minute care calls will no longer be commissioned as doing so is seen as poor practice due to the transactional focus and lack of person-centred approach these care calls have. Individuals who currently receive 15-minute calls will be reassessed as part of a person's planned review and these calls will be replaced with 30-minute minimum calls as appropriate.
- 3.16 Based on timesheets submitted at the end of September 2021, the removal of 15-minute call bandings to ensure a minimum call payment of 30 minutes would mean an annual increase of up to £630k, depending on the outcome of individuals' reviews, and therefore an additional budgetary pressure. (The data showed for one week that there were 3,620 care calls across 471 clients which were less than 30 minutes. The cost of these calls was £21,069 per week and if all calls had been paid at a 30-minute rate, the cost would have been £33,155 an additional £12k per week or £630k per annum).
- 3.17 The recommissioned model of Home Care will focus on a strengths-based approach to care delivery and not on traditional time and task duties, in line with Care Act guidance. The Care Act 2014 requires local authorities to 'consider the person's own strengths and capabilities, and what support might be available from their wider support network or within the community to help' in considering 'what else other than the provision of care and support might assist the person in meeting the outcomes they want to achieve'. To do this the assessor 'should lead to an approach that looks at a person's life holistically, considering their needs in the context of their skills, ambitions, and priorities'.
- 3.18 The proposed new model for Home Care has been met favourably by providers particularly in terms of the following:
- payment on provider's planned/rostered care delivery
 - end of minute-by-minute payment
 - less focus on time and task care planning and a move toward strength-based and enabling approaches to care delivery
 - removal of 15-minute calls (through the general review process) except in special circumstances
 - incumbent providers retaining current packages of care
 - changes to the referral process via the Brokerage team
 - review of KPIs
 - move toward trusted assessment model

Extra Care:

- 3.19 There are 3 Extra Care establishments in the city for which on-site Home Care services will be recommissioned. They are:
- New Larchwood which has 38 flats
 - Brooke Mead which has 46 flats
 - Patching Lodge which has 76 flats

- 3.20 Whilst the establishments are run by housing providers, the on-site Extra Care services are commissioned by the council. The care provider delivers the care and support needed to meet the needs of the individuals who live in the establishments in accordance with their care plans.
- 3.21 The same principles will apply as with the main Home Care commission, such as the removal of time and task care planning, which will bring more flexibility to how staff are deployed throughout the establishments over a 24hr period.
- 3.22 Staff working in Extra Care environments need to be responsive and flexible in meeting an individual's fluctuating and/or complex needs. Each Extra Care establishment must have a focus on links to the local community, with on-site activities offered through partnership working with 3rd sector agencies to support preventative work through strengths-based approaches and adding social value with its work with the wider community.
- 3.23 However, the present model lacks the ability to react effectively to unscheduled calls and/or meeting complex needs. This is due to the rigidity of the current contractual arrangements in terms of how staff are organised over the course of a day. This issue will be addressed through this recommissioning by paying for floating care staff hours to be used on site during core hours. These floating hours will be used flexibly to respond to unscheduled needs, increased social value activities and to enable the provider to be proactive in considering recruitment and retention approaches. This approach ensures that there is always an active staff presence on site. This will mean that staff can work flexibly to deliver the support as required whilst ensuring responsive care delivery. This will be funded through block contract arrangements akin to the current night block contract which will be a cost to the Council's general fund budget and will be part-funded by client contributions (means tested). The hours available will be determined by the number of flats in each scheme.

Payment and billing terms in relation to Home Care and Extra Care:

- 3.24 Terminology
- **Actual** hours/minutes: those hours/minutes 'actually' worked; (i.e. those that the provider delivered to the client, as per current contractual arrangements)
 - **Rostered** hour/minutes: hours/minutes planned for care delivery; (i.e. as the provider has resourced/scheduled to be delivered)
 - **Commissioned** hours/minutes: hours/minutes assessed by BHCC staff as needed. (i.e. as captured on Carefirst service agreement)
- 3.25 Whilst being mindful of the current financial position the council finds itself in regards budgetary pressures, it is widely accepted that there must be a move away from minute-by-minute payments based on 'actual' care delivery, which has taken considerable toll in regards provider/council relationships and has compounded issues with workforce recruitment and retention, resulting in increased hand-backs and poor pick up.

- 3.26 The proposal is to pay on rostered hours from the start of the new contract; paying the hours as planned and resourced by providers at the start of each week. This will increase spend by £1.6m per annum.
- 3.27 The increased £1.6m per annum cost to the delivery of the service has been factored into budget setting. Increased costs will be mitigated through robust performance monitoring and dedicated contract management combined with proactive working arrangements between providers, assessment, and commissioning colleagues to right-size packages of care.
- 3.28 Work is ongoing with relevant colleagues to develop procedures that are both attractive to providers and their workforce, and to the council in terms of assurances. This includes resourcing and shoring up contract management processes involving Home Care and reviewing the application of tolerance levels to expenditure. It also includes internal process reviews with the aim of streamlining referral and variation routes, identifying opportunities for targeted work with assessment colleagues to right-size packages of care, and benchmarking data i.e. rostered calls vs commissioned calls vs actual calls to support discussions with providers regarding care delivery in accordance with the specification.

Workforce:

- 3.29 There is ample evidence to demonstrate that staff recruitment and retention are critical issues for Home Care agencies and the care market more generally. To support this issue, payment on provider's rostered care will support the workforce. The contract will outline requirements that home carers must be paid as they are rostered – per shift as planned as opposed per minute per call which is subject to constant change - and that they must receive at least the real Living Wage as supported by the Brighton & Hove Living Wage Campaign. Options for carer recruitment and career progression will also be explored with providers as part of new contracts as well as discussing any potential avenues with Health colleagues.

4. Analysis and consideration of alternative options

4.1 Recommended Option: Procurement under the Light Touch Regime (as recommended and agreed by Procurement Advisory Board).

The services required are subject to the Light Touch Regime of the Public Contract Regulations 2015. As a result, contracting authorities have the discretion to design their own procurement processes as long as they follow the principles of transparency and equal treatment. The procurement will comply with these principles.

Initial assessment of tenders would be based on selection criteria including Care Quality Commission registration, and the organisation's record of delivering Home Care.

Providers would bid to be Lead and/or Back-up Provider for the four geographical areas. Providers would also be able to tender to apply to be the contracted provider at one (or more than one) of the three Extra Care schemes in the city.

Home Care is currently delivered at a set hourly rate, proposed by Health and Adult Social Care and agreed by Members via the annual Fees Report. It is proposed that this arrangement continues for the new contract. The current Home Care framework rate is £20.07 per hour for 2022/23.

Extra Care is currently priced based on rates submitted as part of a competitive tender process and this is again proposed for the new Extra Care contracts. Bidders' pricing proposals will be evaluated based on their submitted rate for an individual daytime care hour, plus a submitted annual block rate for fixed costs (i.e. night cover, IT, premises costs etc).

Once the main contracting arrangements have been established, a complementary but distinct DPS will be required to sit alongside these arrangements. The existing DPS may continue to be used (subject to further consideration of the legal position), but with a revised service specification to ensure Home Care is delivered to the same standard across the city but at a variable rate.

Other Options:

4.2 Collaboration with another local authority

Due to the requirement to deliver the service within service users' homes, providers are required to have local care staff and operational bases within a distance that allows them to support these staff. Each local authority has their own specific challenges, approach, and provider market in relation to Home Care. As a result, contractual collaboration has been discounted as an option. However, extensive engagement, discussion and information sharing has taken place with a number of local authorities, and this has helped inform the proposed model.

4.3 Continuation of existing arrangements

The existing contracts are due to expire and there is limited extension provision remaining. As noted in this report, a number of improvements are required which the new contract seeks to address.

4.4 Delivery of the services in-house

The council currently operates a small in-house Home Care operation in the form of Independence at Home. This service has a reablement focus and supports individuals with their discharge from hospital back to their own home. The service is also tasked with piloting a community-based reablement offer to prevent hospital admission and to help maximise a person's independence. The service can sometimes pick up traditional Home Care although this is not its primary purpose.

Due to the scale of the Home Care requirement across the city, the council is not resourced to expand this operation and provide the required staffing, training, legislative arrangements, logistics management and transport, or budget. This is therefore not an option.

5. Community engagement and consultation

- 5.1 Commissioners from Health & Adult Social Care - alongside legal, finance and procurement colleagues as well as representatives from health - formed a Board to oversee the recommissioning. The Board serves to provide governance in respect of the contracting terms and the resultant specification and operational model. The Board has sight of, and is mindful of, the Equalities Impact Assessment (EIA) and the engagement work.
- 5.2 A report was submitted to the Procurement Advisory Board (PAB) on 21 November 2022 and the Board recommended that the council proceed to reprocure Home Care and Extra Care for an initial term of five years with the option to extend for a further period of up to three years, subject to satisfactory performance.
- 5.3 The views of service users have been considered through a variety of means; through feedback received via carers and representatives and through assessment of the NHS Digital Survey results (which include specific social care questions) in relation to Home Care. The overriding picture is that people want carer continuity, good communication and timeliness of care delivery. Additional feedback is being/has been compiled via the commissioned Healthwatch service 'Home Care Check' (formerly known as Lay Assessors) and targeted engagement with relevant groups identified through the Equalities Impact Assessment and thus far conducted by Switchboard in respect of LGBTQI+ and The Trust For Developing Communities in respect of race/ethnicity.
- 5.4 Providers, both incumbent and potential, were invited to engagement sessions held in Summer 2022 whereby the proposed model and process changes were discussed and were well received, particularly regarding the changes to payment arrangements and the subsequent impact this will have on the recruitment and retention of care staff.
- 5.5 Home Care and Extra Care providers can currently attend three-weekly 'stand up' meetings with Officers; it is usually a meeting to discuss operational issues and service updates, but it is also a space to discuss the recommissioning proposals when relevant. Home Care providers and Extra Care providers also have triannual fora which will recommence in the new year. Several providers have taken opportunities to meet with Officers separately to discuss proposals.
- 5.6 BHCC's social care assessment staff are represented at Board level and are keen to progress with the recommissioning proposals. Assessment Staff more broadly have been engaged via survey to gauge their views and further work is planned in the new year to support staff with process and practice changes.

- 5.7 Regular engagement with health colleagues has occurred throughout all stages of the recommission and has included particular focus on Continuing Health Care, PCT presentation and hospital discharge processes. Work with relevant partners will continue to address system-wide matters in relation to care delivery.

6. Conclusion

- 6.1 The current contracting arrangements for Home Care and Extra Care are outdated and no longer deliver a robust care and support offer for the city.
- 6.2 The model of the recommission is strengths-based and is in line with social care strategy and best practice; proposals have been welcome from all stakeholders.
- 6.3 The new commission will draw on improved partnership working between the successful bidders, assessment colleagues and commissioning representatives.
- 6.4 The recommission will benefit those people using the services through having a focussed place-based approach to care delivery and a renewed emphasis on enabling approaches to delivering care. Extra Care establishments will restore focus on social value both within their premises and with their interactions with, and their offers to, the residents in the wider community. Care staff will be paid as they are rostered and will receive the living wage as minimum, making recruitment more attractive and thereby improving retention. Additionally, providers can anticipate and plan for the volume of work and therefore flex their capacity to meet variances in demand and/or need. Providers will still be able to access BHCC's training programme to up-skill their workforce as required.
- 6.5 Contract management will be a key feature of the commission especially in terms of supporting individuals to receive the right care at the right time with an increased focus on provider performance and adherence to the contractual requirements.

7. Financial implications

- 7.1 The current gross costs of the home care framework contract is approximately £11m per annum. The projected additional annual cost following the introduction of the new contract is £1.6m per annum (a 15% increase to the current contract value). This reflects the additional costs of paying providers based on rostered hours rather than actual hours delivered.
- 7.2 This additional cost has been included as part of the investment and service pressures funding proposal within the medium-term financial plan. The proposals are subject to agreement by Budget Council in February 2023 as part of the annual budget setting process.
- 7.3 For Extra Care housing, the current gross costs are £1.4m per annum and the projected additional annual cost of the new contract is £0.1m. This will be a pressure to the budget but is expected to be partly mitigated from a spend to save review.

- 7.4 Any further increase in the hourly rate, for both Home Care and Extra Care, as a result of the new contract will be an additional pressure to those outlined above.

Name of finance officer consulted: Sophie Warburton
Date consulted: 08/12/2022

8. Legal implications

- 8.1 The proposed contracts and Dynamic Purchasing System will need to be procured in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders (CSOs).

Name of lawyer consulted: Alice Rowland
Date consulted: 21/12/22

9. Equalities implications

- 9.1 Officers have discussed the recommission with the council's Equality leads and an Equalities Impact Assessment has been compiled to support the recommission. As with best practice, an action plan has subsequently followed.
- 9.2 The action plan is a live document, and it will determine any necessary activity to ensure that those with protected characteristics are in receipt of inclusive and affirmative services. Providers will be monitored on specific equality issues as per BHCC Quality Monitoring Standards, and as needed outside of this process.

10. Sustainability implications

- 10.1 Officers have discussed the recommission with the council's Sustainability lead and as part of the tender, bidders will be assessed and scored on their proposals regarding transport, including Active Travel and their approach to managing and minimising waste, including PPE. Bidders will also be asked for their Carbon Reduction Plan.

11. Other Implications

Social Value and procurement implications

- 11.1 Officers have discussed the project with the council's Social Value lead. As part of the tender, bidders will be assessed and scored on their proposals regarding adding social value as part of their service delivery.
- 11.2 Areas of social value that bidders may propose could include linking with voluntary sector organisations and the provision and/or signposting of information and advice. Digital inclusion and innovation and the creation of place-based support hubs could also be considered.

- 11.3 A key social value factor for this procurement is the employment and conditions of care staff, the vast majority of whom will be Brighton & Hove residents. Bidders will be assessed in this area as part of a separate quality question.
- 11.4 Securing additional social value is a particularly strong focus for the Extra Care Lot of the procurement. Bidders will be asked to detail their proposals for increasing activities and community engagement within the schemes, outside of the core requirement of delivering care. Both Patching Lodge and New Larchwood have a restaurant and activities; they are busy sites and are also open to the wider community to access.

12 Crime & disorder implications:

- 12.1 There have been no crime and disorder implications identified.

13 Public health implications:

- 13.1 Engagement with relevant Public Health colleagues has taken place to help inform the direction of travel for both Home Care and Extra Care in terms of preventive approaches to contractual delivery.
- 13.2 There are plans to work with Public Health colleagues throughout the life of the contract in terms of sharing information regarding best practice and relevant updates from Public Health England to maintain consistent standards across settings.