

## TELFORD & WREKIN COUNCIL

HEALTH AND ADULT CARE SCRUTINY COMMITTEE – 27 FEBRUARY 2018

COMMISSIONING AND ADULT SOCIAL CARE IMPROVEMENT PLAN 2017-18

REPORT OF THE ASSISTANT DIRECTOR: GOVERNANCE, PROCUREMENT & COMMISSIONING

### 1. PURPOSE

- 1.1. To enable the Health and Adult Care Scrutiny Committee to consider the management of price in the Council's commissioning strategy for the provision of care and support in adult social care.

### 2. RECOMMENDATIONS

- 2.1. **That the Committee consider the report and agree any recommendations or further actions.**

### 3. INTRODUCTION

#### 3.1. Managing price on the context of commissioning

Price is just one element of the commissioning role. The Commissioners base their work-plans around 4 key strategic objectives:

- Sufficiency – a statutory duty in the Care Act 2014;
- Quality – externally assessed – Care Quality Commission;
- **Price** – the focus of this report; and
- Innovation – service development – not reported here.

### 4. What are the services?

4.1. In this report care and support includes the provision of well-being care (for example, day care services), personal care (for example, domiciliary care) and the provision of accommodation. Within these broad headings the market can be more specifically defined as follows:

#### 4.2. Well-being care

- Day care services
- Supported living/ enablement services for those living at home, in supported living accommodation and extra care housing
- Community support (not a commissioned service/ not reported here)

#### 4.3. Personal Care

- Domiciliary care
- Specialised/ more complex care
- Rehabilitation and intermediate care

#### 4.4. Accommodation

<b>Residential</b>	Older people, Adults with Learning Difficulties, mental health issues and physical disabilities
<b>Residential EMI</b>	Older people only
<b>Nursing</b>	Older people, Adults with Learning Difficulties, mental health issues and physical disabilities
<b>Nursing EMI</b>	Older people only

The way that the markets for these services operate are different and, accordingly, strategies for managing price are different. This report outlines the different approaches to managing **price** in those different markets.

#### 4.5. Managing the cost of the provision of adult social care

There are 4 factors that can deliver savings and directly impact on the Council's purchasing budget, these are:

- The numbers of people being provided with care and support - operational;
- The nature of the care and support provided – commissioning/ operational;
- The length of time that care and support is provided for – commissioning/ operational; and finally
- The **price** of that care and support – commissioning

4.6. In accordance with the Council's Commitment Statement 2017-18 , refreshed in March 2017 and the main focus of the cost improvement plan, as previously reported, the key focus is on either managing demand away from high cost services or supporting the review of existing placements and providing alternative provision.

4.7. The Council does not forget or take for granted the support provided by unpaid Carers, who are the backbone of the Care Provision for vulnerable adults within the community. We continue to review and re-commission services for our unpaid Carers to ensure we offer as much assistance and support as possible to support them.

#### 4.8. Some numbers

The Council's purchasing budget for adult social care for 17/18 is:

Gross position	£44,453,400
Net position	£34,723,346 (including financial contributions from CCG for health funding and contributions from clients)

Table 1-Budgets and associated client numbers 2017/18

	Older People		ALD		Phys Dis		Mental health	
	£m	Nos	£m	Nos	£m	Nos	£m	Nos
<b>Personal Care</b>								
<b>Domiciliary care</b>	3,243	294	2,609	59	1,251	63	457	29
<b>Well-being</b>								
<b>Day care services</b>	187		142		92		13	
<b>Accommodation</b>								
<b>Residential Care</b>	2,202	85	3,432	45	264	6	621	16
<b>EMI Residential</b>	2,019	70						
<b>Nursing Care</b>	3,812	104	183	5	375	9	211	6
<b>EMI Nursing</b>	806	23						
<b>Direct Payments</b>	1,474	109	2,134	136	1,643	150	104	27
<b>Total</b>	13,743	685	8,500	245	3,625	228	1,406	78

#### 4.9. Well-being

##### 4.10. Day Care Services

The vast majority of this expenditure is with the Council's in-house service, My Options. Depending upon the success of the community resilience projects we would expect, and it is forecast in future planning that the expenditure against this budget is going to reduce. Even within existing business planning the teams are talking to the My Options teams to develop re-ablement / independent living focussed provision to achieve encourage better outcomes for service users – enabling volunteering/ paid employment and independent living.

##### 4.11. Supported living/ extra care

We are re-considering the way that this service is provided in the context of the developing community support, assistive technology and lower level preventative services provided by the landlord

For example there is a bid submission to explore a Smart House; offering all client groups the opportunity to test and see how assistive technology solutions can assist them and reduce the cost of care provided by replacing where appropriate people providing care by using AT solutions for example, giving people more privacy and reducing the cost of night care provision.

##### 4.12. Personal Care

##### 4.13. Domiciliary Care – General

Care is predominantly procured via a Dynamic Purchasing System, (“DPS”), meaning that service providers apply to join a framework. There are some basic quality requirements that the provider must evidence including robust quality and safety policies that are thoroughly checked at the outset of any business with them and annually as part of their contract management. Once on the framework any provider can bid for work against a capped cost, currently fixed at £14.10.

There are currently 40 providers on the DPS Framework (52% are local registered providers and 90% already employ within the Borough). The current DPS is due to be re-commissioned in 2019. The price is capped in the contract.

The Council are currently implementing an Electronic Call Monitoring system, ("ECM"), initially for providers with more than 10 care packages for older people. The system records the care actually provided, in 7 minute blocks, as opposed to the care actually commissioned. Beta testing has identified differences in the care commissioned and the care provided. Once fully operational this will ensure that the Council only pays for actual delivered care and will assist providers in managing their business.

However, it is important to note that there is also a statutory responsibility on the Council to ensure sufficiency of supply in the market: Last year, 2016/17, no inflationary uplift was provided. This coming year, from April 2018, there is, excluding any other inflationary pressure, the impact of the cost of the living wage which, at 50 pence per hour roughly equates to a 4% uplift on the ceiling cost of £14.10. We will be working with the providers to agree a reasonable, and mutually agreed uplift to support them manage this cost pressure. (We do expect the providers to make efficiency savings as well – there are efficiency savings from the detailed data provided through the implemented ECM system, see above.) By ignoring this pressure there is a risk that we jeopardise the sufficiency and stability of the market.

More and more expenditure is taking the form of direct payments to individuals to enable them to secure the care and support that suits them best. There are some efficiency savings from reduced administration and some savings in the cost of care, although these are not expected to be significant.

More specialist domiciliary care is commissioned on an individual basis against specific need.

#### **4.14. Accommodation**

#### **4.15. Older People – Price levelling**

As has been previously detailed we commission residential based accommodation which varies in price according to need.

This provision, and the market, is split between over 65s and 24 – 64 year olds. Residential and nursing care is provided across these groups and, for over 65's, further care is provided for those with extra frailty, EMI support.

There is an active market in Telford & Wrekin and the wider, but still local area. The Council commissions these types of service from 19 providers, varying from large providers with 80 beds down to much smaller providers who have less than 10 beds.

See Table 1 above from more details on the numbers of service users.

Traditionally this provision has been purchased either through block or spot contracts. Block contracts guarantee price and are generally discounted against the price of an individual bed but of course for savings to be delivered need to be fully utilised all the time. Spots, you only pay for beds when you need them, but they are subject to the exigencies of the market and historical circumstance – i.e. some spot prices were agreed some years ago and do not reflect the price of a bed and associated care costs.

Recognising the diversity of providers in the markets we have been negotiating individually with the providers to agree price “levelled” beds for a fixed term, giving both the Council and the provider certainty, enabling both to manage costs more easily and, as a corollary of this, ensure greater sufficiency. This is enabling the Council to model better for future years’ costs.

It should be noted that we continue to engage regularly and positively with SPIC – who are briefed on this approach.

#### **4.16. 24 – 65 year old levelling**

In respect of 24 – 65 year old services we are in the early stages of a regional piece of work with a similar objective; individual Council’s do not purchase sufficient beds to give them any real power/ influence over price however, when operating together we might reasonably expect to be able to secure more competitive rates from the suppliers

An added factor that is more relevant for this cohort is that costs are informed by individual circumstances, which vary more than for older people.

#### **4.17. Risks**

This approach requires positive engagement from the providers. This is our experience to date. Where we do not agree we are only referring as a last resort where no other accommodation is available.

Depending upon the agreement the cost trajectory can lead to increased cost up front

4.18. The implementation of the national living wage is undoubtedly a cost pressure for all providers, but particularly for domiciliary care providers

#### **4.19. 3<sup>rd</sup> Party top up Policy**

In light of recent ombudsman reports, our 3<sup>rd</sup> Party Top up policy is being reviewed to ensure that it is transparent for the family or friends supporting a vulnerable person and appropriately monitored.

#### **4.20. Travel Assistance**

We have an all age travel assistance plan in place which aims to increase independence for all and deliver cashable savings where possible. In terms of Adults, this will mean:

- Ensuring that people's mobility allowance which is part of their Disability Living Allowance is appropriately maximised,
- Exploring viable options for future use of Fleet transport
- The optimisation of shared transport
- Our Future Leaders Group is looking at how we introduce a voluntary car and drivers scheme and is working with the market place to progress this
- Optimise travel training across appropriate ALD groups.

#### **4.21. KEY INFORMATION**

This report focuses on the management of price for services for vulnerable adults people. Specific information is detailed earlier in the report

#### **4.22. FINANCIAL/VALUE FOR MONEY IMPACT**

The increasing price of care has had a significant impact on care expenditure in recent years. The Council has in the past had a table of agreed Older People accommodation rates, with uplifts applied as appropriate and in agreement with providers and SPIC. However, there a significant number of providers of care who have not adhered to the rates agreed and have charged fees at higher and arguably "Market rates". This has added a significant cost to the service particularly in recent years to Nursing and Nursing EMI accommodation and care because of the specialised nature of the service and the economics of supply and demand. Implementing the framework agreement for Domiciliary care has had an impact in reducing the volatility and mainly upward cost of purchasing homecare. The implementation of a system of price levelling should have the same effect although it is expected to increase costs in the first instance. The budget strategy for 2018/19 has taken account of a Five Year model developed to determine the impact of known pressures and opportunities around the delivery of Adult Social Care. This includes a determination of the impact of the proposed price changes on the cost of care described in this report, and the estimated impact of the introduction of the ECM system.

### **5. LEGAL ISSUES**

This is an information report so there are no legal issues for members' consideration

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