

1 Purpose

To enable the Health & Adult Social Care Scrutiny Committee to consider the management of the Commissioning intentions to support the Adult Social Care purchasing budget and performance.

2 Recommendations

For the Committee to consider and agree any recommendations or further actions

3 Introduction

The Committee have asked that this report focusses on Commissioning in terms of budget, performance and activity.

Understanding Commissioning – this means securing the services that most appropriately address the needs and wishes of the individual, working with operational colleagues, making use of the market intelligence and research and planning accordingly. Commissioning is a process that starts with understanding the needs of the end users of services. It is more than procurement, the simple purchase of goods. It involves four key activities as follows:

1. Understanding needs and desired outcomes – that requires up to date information about risk factors, needs, trends to understand what people need and what and where the priority areas are
2. Optimising resources – including money, community and user resource, assets. This could mean redesigning internal and external workforce to deliver a service or return for the end user, optimising public buildings in an area to collectively create best value for the community or building resilience or skills
3. Targeting – resources at those citizens in need, services that are a priority and at the right stage to have maximum effect on outcomes
4. Choosing the right mechanism – to best achieve the desired outcomes. The choice of mechanism range from more traditional approaches including procurement, service level agreements, performance management to a focus on pooling budgets, market management, partnership building, enhancing choice, harnessing voluntary and community resources and capacity, influencing partner spend and user decisions and behaviours.

To ensure that we apply a whole system approach, understanding what the issue is, what we are trying to do, being very strong on the analytical phase, planning and thinking about how we could address potential issues and to think about best mechanism to get a solution in place, we apply the **commissioning cycle** as illustrated below.



In Telford and Wrekin we are committed to working with existing and new providers, community groups and micro enterprises to ensure we have a diverse and sustainable market place that meets the support and social care needs of residents.

We have developed our Market Position Statement (MPS) which is currently under review. It provides an overview of our current situation, the local economy and the future plans for adult social care and ensuring links are made between the Children’s Sufficiency Statement detailing our overall market position and future plans.

Our commissioning strategy is:

1. To support preventative services to keep people independent in their communities
2. Where people require services, to work within existing budgets
3. Reduce the need for unnecessary or unreasonable high cost services

In order to do this, we concentrate on improving outcomes for people by commissioning as follows:

- **Quality** – the services provided meet the regulatory standards of our commissioning framework and Care Quality Commission (CQC) and improve outcomes and keep people safe
- **Sufficiency** – we have an accurate prediction of future demand to ensure we commission sufficient provision
- **Price** – we will pay a fair market price, taking account of our resources
- **Innovation** – working with our providers we will look for different approaches to meet diverse and developing needs

In doing this it will help us to focus on 4 key areas:

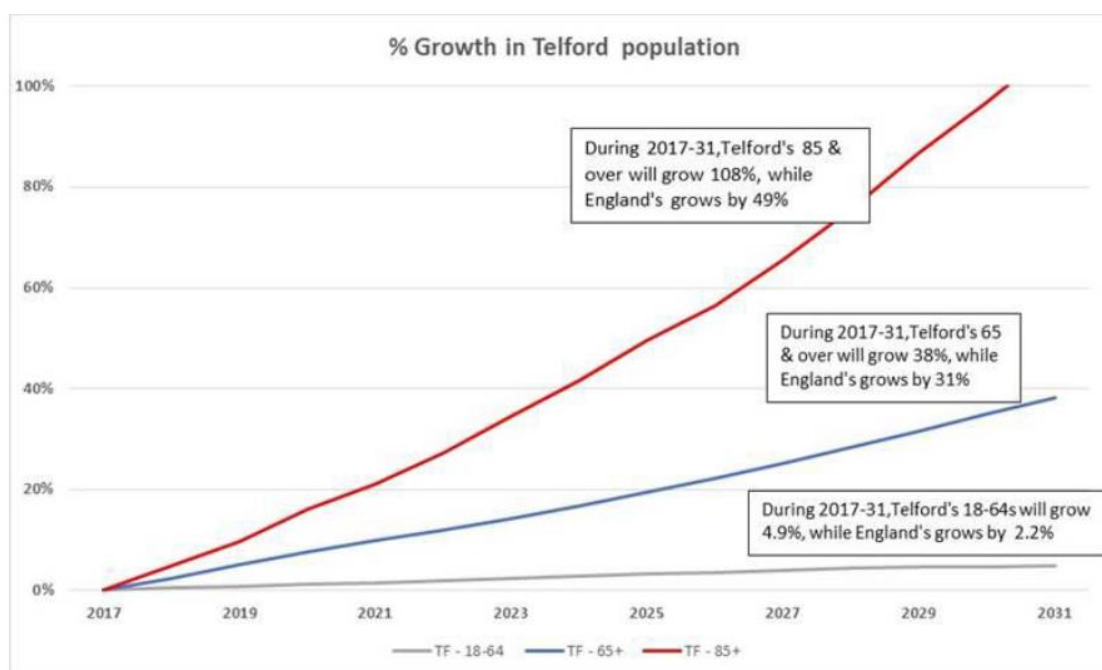
- Personal care and support
- Housing/accommodation
- Short term enablement services
- Wellbeing and preventative services

The 4 main markets that we will continue to work with are:

- Care and support
- Residential provision including EMI residential
- Nursing provision including EMI nursing
- Sheltered housing and supported living accommodation
- Community provision and day care

In addition to paid services, we also acknowledge the invaluable support provided by unpaid carers, who are the backbone of the care provision for family and friends within the community.

Population – the below highlights the expected growth of the population within the borough across all adults



Age	2017	2031
65 years	29,800	41,200
18-64 years	105,200	110,400
85 years	3170	6900

4 KEY INFORMATION

4.1 Quality

Domiciliary Care - We manage this for domiciliary care services through the Dynamic Purchasing System (DPS), this is our open framework for Providers to bid for care hours. We ensure that providers have robust quality and safety policies in place and that we check these at the outset and ongoing through contract management monitoring and reviews.

We are engaging with Providers at regular forums, the most recent being 10th December 2018 where we explored ideas regarding zonal working further to understand their views and ideas, and the winter plan. The feedback was positive and providers are continuing to come forward with suggestions on how this could work in Telford and Wrekin. The next forum will take place in February 2019. Work has begun on how we can engage with people who receive domiciliary care for their feedback and how they can become more involved in commissioning of services in the future. (Co-production.)

We are working with Providers to reduce care no longer required and to establish capacity that is not utilised, such as between the four key points in the day. Commissioning work to date is exploring replicating a pilot project, based on the success in the Vale of Glamorgan who have now (from 1st October 2018) rolled out a programme of outcome based domiciliary care, which has seen efficiencies in the delivery of care and produced savings to their Council, (although this was not the aim of the pilot). This was discussed with providers at the forum in December and is seen as a positive development to the way in which we currently work.

Capacity in the domiciliary care market, particularly regarding reablement directly from hospital is currently a serious risk in terms of sufficiency as demand is at unprecedented levels. Providers are struggling to recruit and retain quality carers which in turn leads a lack of capacity to deliver care meaning that people can stay in residential or hospital care longer than they need to. Although this is a national issue this lack of sufficiency in the market is particularly challenging at the current time in Telford & Wrekin. We have an action plan in place particularly focussing upon communicating a public message to encourage more people in Telford to become support workers as well as making sure that the system operates as efficiently as possible.

Commissioning work to date is exploring replicating a project, based on the success in the Vale of Glamorgan rolled out a programme of outcome based, zoned domiciliary care. The project enabled the provider for each zone to work directly with the people in the area they cared for to design their own care packages around what was important to them to meet their physical and wellbeing needs. The provider would then plan this in around the other people in the area they were caring for, linking with the community they were living in and by networking with other community groups. The aim was always to see outcomes improving but an unintentional outcome was a reduction in the number of care hours delivered resulting in efficiencies for the council whilst outcomes improved for the people having care. This project was discussed with providers at the forum in December and agreed as a positive and possible change to the way in which we currently work. This project is currently being progressed with providers with a view to phased implementation through 2019.

Additional support to the providers will be the targeted recruitment campaign. This will be a joint approach with SPIC and providers and link in with the national Department of Health and Social Care recruitment Campaign mid-February 2019.

Residential and Nursing - Our DPS also manages residential care and support and through this system and process the tender requirements and contract award, it is stipulated that providers cannot be CQC rated inadequate to be active on our system. We categorise providers as either residential, residential EMI, Nursing or Nursing EMI. To maintain sufficiency we do work with providers who are deemed inadequate to review action plans and carry out risk assessments for current people in these homes. We also have a plan for managing care home failures in place. We also have a partner wide group to monitor quality and share intelligence across Shropshire as a whole.

Our residential market is sufficient and the Council is a major purchaser but there private funders from in and out of the borough. There are undoubtedly pressures on the provider market ranging from costs of annual increase in the national living wage, employer pension contribution increases, increasing costs of regulation from the CQC, changes in the law and general inflationary pressures and we work with the market to ensure uplifts are reasonable.

Supported Living/Extra Care Accommodation – Extra Care is managed through the individual contracts held with the Extra Care Provider or through the DPS. Currently there are 7 Extra Care housing schemes in Telford and Wrekin and these are rated as good by the CQC.

4.2 Sufficiency

Domiciliary Care - In 2017 we commissioned 740,000 hours of personal care and support in the home, in 2018 this increased to 762,000 hours, which is approximately 3% increase.

We recognise that the volumes for personal care fluctuate throughout the year with the usual high demands being during holiday periods and over the winter months. We have also noticed however, that since 2017 we have seen a steady increase in the need for this type of care and this is expected given the reduction in residential care placements. We are now looking at ways in which we can help the care market to build more capacity as they consistently experience with recruitment. We will do this by running a marketing campaign as another route to finding staff through our recruitment channels

We continue to work with our adult social care colleagues on the neighbourhood working agenda. The neighbourhood working programme includes looking for community assets and solutions to provide care where actual regulated personal care is not required but more about social isolation. This is further complimented by also looking at digital and assistive technology solutions where a piece of equipment could support as appose to having a person undertaking the tasks such as night time carer and also reducing the need for double up care

We will continue to work and where possible encourage the provider market to meet our commissioning intentions going forward. Also, it is important to note that through the development of a more community led approach and the up-take of more direct payments, we would expect to see a decrease in the routine council commissioned hours provided going forward.

Residential and Nursing - Discussions are underway with care homes to agree a fixed costs for care for the next 2 years.

The needs of older people now accessing services has also increased significantly over the last 4 years. There is a higher level of need linked to dementia at both residential and nursing stages, with an average age of people coming into services being 83 years. People are older and frailer when accessing residential care because they have been supported at home with care and support for as long as possible, only accessing services nearer end of life.

In line with the strategy to support independent living there is an increasing need for the right accommodation with the right support for people with learning difficulties, mental health and physical and/or sensory disabilities. We spot purchase all beds for mental health and physical and/or sensory disabilities to meet specific needs. Our learning disability provision also includes block purchased arrangements.

In the West Midlands Region we are one of 2 two councils that support far fewer older people than might be expected, supporting more than 30% fewer people than our respective comparator averages. We have also achieved the most substantial reduction at 34%, to a level that is the second lowest in the Region, which is remarkable in view of our demography. This data also shows that we managing low admissions for older people entering residential and nursing care including those individuals leaving hospital care through supported living programmes

Supported Living/Extra Care Accommodation – The 7 Extra Care Schemes are owned by a range of landlords including Anchor, Bromford, Bourneville Village Trust, Sanctuary and Wrekin Housing Trust and the care is delivered in these Schemes by a range of domiciliary care providers. We are continually managing the usage of each scheme where the agreement is via a block contract agreement to ensure full utilisation of provision before consideration can be given to spot purchases.

We are developing an accommodation strategy, which will be delivered by Housing LIN under the housing work stream and this will be fundamental in influencing new specialist housing supply.

We have started our work programme on remodelling on the Extra Care block contracts and associated funding. This will be completed by April 2020. Conversations have started with providers and landlords and a full consultation will be undertaken after June 2019. In the meantime we will look to temporarily extend current contracts with no price increases.

For our Supporting People services, we have extended the floating support contract until July 2019, in line with the expiry of the Sheltered Housing contract. We are now working with providers to scope future service provision and the overall approach to remodelling work.

4.3 Innovation

We will continue to subsidise training for the care sector with Shropshire Partners in Care (SPiC) alongside the MAPA training with Shropshire Council. We will also continue to support Carer' resilience and well-being and commission further support for Carers including for future planning, emergency and planned respite.

Our work progresses with exploring the role of digital and assistive technology solutions and where it can support people through low level support such as medication prompts and well-being checking systems.

We work with the market to understand pressures and respond accordingly where possible such as providing access to specialist equipment that can be loaned/hired to meet specialist needs such as beds/hoists/chairs and digital/assistive technology solutions.

We explore and develop more extra housing and supported living schemes locally to meet specialist needs such as dementia care. This involves working with providers to remodel their services from residential to supported living accommodation.

We have also started to be part of the community hubs and neighbourhood working agenda to ensure that we are up-to-date with the needs of the community and being part of the digital transformation programme.

We are working with landlords to maximise the amount of housing management services that are provided to help people maintain their tenancies and remain independent

4.4 Housing and Accommodation

We are facilitating the provision of different housing types to meet the diverse needs of people in Telford and Wrekin, which will include discussions with investors and providers for all types of specialist accommodation across all age and ability groups.

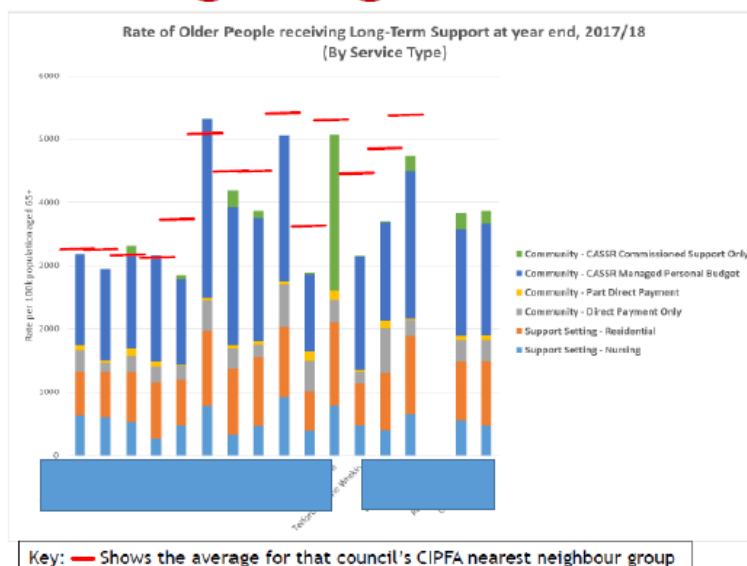
4.5 Data Analysis for West Midlands Region

The below information summaries data from the published ASC finance activity and outcomes return for 2017/18. This highlights councils that are outliers and suggesting some areas for further work, which will assist us in our future planning and address for local challenges.

Older People Receiving Long Term Care

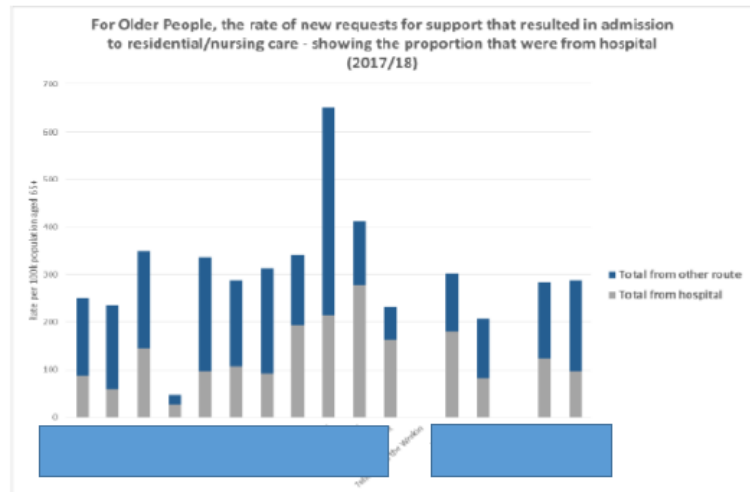
The rate of older people receiving long term support tends to correlate closely with levels of deprivation and this is the case in the West Midlands. The data proves that the West Midlands councils are managing the demand very tightly with almost no significant exceptions.

We are one of two councils that support far fewer older people than might be expected, supporting more than 30% fewer people than our respective comparator averages.



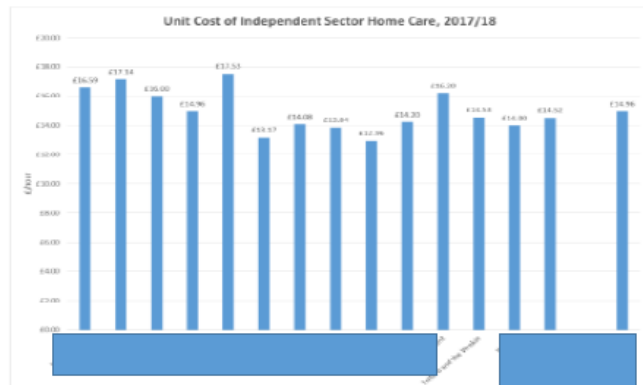
Older People, New Requests for Support

The SALT data relating to new requests for support allow consideration of people's routes into residential and nursing care. This data demonstrates that we managing low admissions for older people entering residential and nursing care including those individuals leaving hospital care.



Unit Costs – Domiciliary Care

The national average unit cost for independent sector home care was £16.04 in 2017/18 but with significant variation between regions and fees were increased by an average of 3% in this year. The data shows that home care rates in the West Midlands are relatively low in spite of average 3% increase in this year. It is important to note the fragility of this sector in many parts of the country

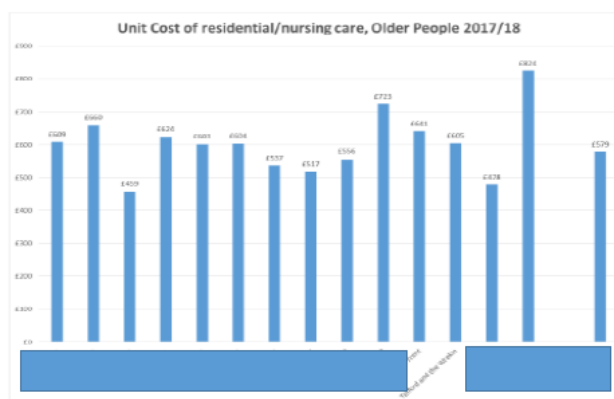


Unit cost of independent sector home care	2014/15	2015/16	2016/17	2017/18	% change since 2016/17	% change since 2014/15
	£14.34	£14.67	£15.53	£16.59	7%	16%
	£15.61	£16.03	£16.23	£17.14	6%	10%
	£14.12	£15.41	£15.59	£16.00	3%	13%
	£14.13	£12.57	£14.75	£14.96	1%	6%
	£15.13	£15.65	£16.81	£17.53	4%	16%
	£10.96	£12.78	£12.78	£13.17	3%	20%
	£12.54	£12.48	£13.80	£14.08	2%	12%
	£13.84	£13.84	£13.84	£13.84	0%	0%
	£12.17	£12.17	£12.96	£12.96	0%	6%
	£14.03	£14.25	£14.34	£14.20	-1%	1%
	£13.20	£13.58	£15.45	£16.20	5%	23%
Telford and the Wrekin	£15.05	£15.18	£14.77	£14.53	-2%	-3%
	£11.44	£11.95	£13.00	£14.00	8%	22%
	£13.46	£12.90	£13.75	£14.52	6%	8%
Average of West Midlands councils	£13.57	£13.82	£14.54	£14.98	3%	11%



Unit Costs – Residential and Nursing for Older People

The national average unit cost for residential and nursing care for older people was £614.98 in 2017/18, it increased by 6% in this year. This data shows that rates in the West Midlands are relatively low but with extreme variation from one place to the next



Unit cost of residential/nursing care	2014/15	2015/16	2016/17	2017/18	% change since 2016/17	% change since 2014/15
	£727	£604	£561	£600	8%	-16%
	£605	£471	£552	£660	20%	9%
	£468	£443	£452	£459	1%	-2%
	£579	£511	£527	£634	19%	8%
	£519	£542	£585	£603	3%	16%
	£543	£553	£571	£604	6%	11%
	£450	£506	£505	£537	6%	19%
	£484	£535	£495	£517	4%	7%
	£465	£479	£495	£556	12%	20%
	£551	£592	£654	£723	11%	31%
	£620	£575	£598	£641	7%	3%
Telford and the Wrekin	£473	£523	£548	£605	11%	28%
	£443	£443	£453	£478	5%	8%
	£478	£469	£492	£624	67%	72%
Average of West Midlands councils	£529	£518	£535	£603	13%	15%



Unit Costs - Adults in Residential/Nursing Care

The national average unit cost for residential and nursing care for adults aged under 65 years old was £1,225 per week in 2017/18, increasing by 3%. It is important to note that fees are individualised, which result in costs influenced because of this

Unit cost of residential/nursing care	2015/16	2016/17	2017/18	% change since 2016/17	% change since 2014/15
	£964	£804	£1,181	47%	22%
	£1,338	£1,525	£1,861	22%	39%
	£1,215	£1,280	£1,286	0%	6%
	£1,220	£1,119	£1,181	6%	-3%
	£1,374	£1,435	£1,543	8%	12%
	£1,119	£1,139	£1,225	7%	9%
	£1,505	£1,376	£1,265	-8%	-16%
	£1,238	£1,243	£1,318	6%	6%
	£1,137	£1,166	£992	-15%	-13%
	£1,468	£1,556	£1,640	5%	12%
	£839	£938	£964	3%	15%
Telford and the Wrekin	£1,252	£1,301	£1,467	13%	17%
	£863	£879	£848	-4%	-2%
	£1,216	£1,235	£1,229	0%	1%
Average of West Midlands councils	£1,196	£1,214	£1,286	6%	8%



5 FINANCIAL/VALUE FOR MONEY IMPACT – Our 5 year Strategic Model

The latest reported information is included below. This is a report to the 31st December 2018, with projected expenditure etc to the end of the year.

Finance & Performance. Our regular planning and monitoring continues to work really well ensuring that our information is up-to-date and accurate to provide the yearly projections on activity and expenditure against the ASC purchasing budget. **The latest information suggests £67k difference between budget and expenditure.** There has been a significant move in recent years in the profile of care provided to variant client groups, and undoubtedly the Council can evidence better value for money in that the expenditure is achieving better outcomes for people with less waste and increased efficiency. Our data quality is continually scrutinised to ensure we are measured accurately across the West Midlands Region against our Adult Social Care Outcomes Framework (ASCOF) measures

Description		Budget £	Variation £
Adult Social Care			
Purchasing - all client groups		50,658,955	1,561,020
Income generation:	Client contributions	(5,379,623)	(581,537)
	Health contributions	(1,074,526)	(171,452)
	Government Grant	(6,848,841)	(751,290)
Operational teams	Employee and operational expenditure	5,385,832	15,779
Variations under £50k		(317,069)	(5,004)
Total Adult Social Care		42,424,728	67,516

6 LEGAL ISSUES

Nothing to report on legal issues

Report Authors:

Jonathan Eatough, AD, Governance, Procurement & Commissioning

Tracey Smart, SDM, Finance

Version: v3 (up-dated 05-02-2019)

Approved 06-02-2019 (JE)