

# WEST NORTHAMPTONSHIRE COUNCIL CABINET

6 DECEMBER 2022

## CABINET MEMBER RESPONSIBLE FOR ADULT SOCIAL CARE & PUBLIC HEALTH: COUNCILLOR MATT GOLBY

<b>Report Title</b>	Homecare Services Commissioning Intentions including extension to existing framework.
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#### 1. Purpose of Report

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- 1.1. To outline Adult Social Care intentions to commission and procure contractual arrangements for a sustainable and affordable supply of Care Quality Commission (CQC) registered homecare services for people aged 65+, people with a physical disability and for individuals with a diagnosed Mental Health condition.

- 1.2. To seek Cabinet approval for the Executive Director of People Services in conjunction with the Cabinet Member for Adult Social Care and Public Health to have delegated authority to tender, procure and award a new framework for CQC registered homecare to commence in July 2023.
- 1.3. To seek Cabinet approval for the Executive Director of People Services in conjunction with the Cabinet Member for Adult Social Care and Public Health to have delegated authority to extend the current framework for CQC homecare services until 30 September 2023 (at the latest) acknowledging that this framework may cease to be operational prior to this date due to the commencement of the new framework.

## **2. Executive Summary**

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- 2.1 West Northamptonshire Council (WNC) currently accesses a supply of CQC registered homecare services via a framework of 44 care providers. The existing contracts are due to expire on 31 March 2023.
- 2.2 During the covid pandemic, WNC, along with most other councils, paid for homecare on a planned hours basis and supported the homecare sector with covid grant funding including the workforce development fund. Post pandemic, the enhanced levels of demand linked to the NHS recovery plan, and the associated high hospital discharge activity combined with a slowdown in ability to recruit care workers, has led to an unstable homecare market in many parts of the UK including West Northamptonshire.
- 2.3 The current framework does not support the market (post covid), or the future conditions required to commission homecare services in a sustainable, collaborative and people focused manner.
- 2.4 A recommissioning project is underway to plan, design and procure a new framework for homecare which meets the needs of individuals and recognises the post covid market conditions. As well as changes to National Strategies i.e., Home First.
- 2.5 The project has involved undertaking substantial engagement and design work during the past four months seeking the views and input of key stakeholders. This has helped shape the model and future contract requirements within an outcome-based delivery model which is the basis for procuring new homecare arrangements ready for July 23.

The stakeholders have included:

- individuals who receive care
- Healthwatch
- local (and national) provider markets
- Adult Social Care colleagues including Reablement West
- Corporate Services colleagues
- NHS colleagues.

- 2.6 Recommissioning of a new framework to the required levels of compliance and quality will take a further seven months and it is therefore requested that the existing framework is extended to

accommodate the time required to successfully complete this, plus a prudent contingency period of two months.

### **3 Recommendations**

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3.1 It is recommended Cabinet approve that:

- a) A new framework for the purchasing of commissioned home care services be introduced from July 2023.
- b) duration of the framework will be four years with an inclusive option to extend for a further period of 12 months; resulting in a framework for a maximum duration of 5 years
- c) Applicants' admission to the framework will be determined via competitive tender
- d) The existing homecare framework is extended until 01 October 2023 (with a recognition that it will cease before 01 October 2023 to coincide with the commencement of the new framework)
- e) The Executive Director for People Services in conjunction with the Cabinet Member for Adult Social Care and Public Health is authorised to take all operational decisions necessary to implement the above recommendations.

#### **Alternative options**

- 3.2 Entirely insourcing the provision of home care; this is not recommended due to the anticipated significant additional costs.
- 3.3 Partially insourcing the provision of home care for rural packages. This could address the challenge of providing commissioned care in rural areas. This is not recommended; insourcing rural packages would increase the cost of home care. It would also reduce the amount of commissioned care by around 25%. This could undermine the operational and financial viability of providers.
- 3.4 An open approved list could be introduced as an alternative to a closed framework. This is not recommended because this could increase the number of providers with an associated increase in competition for home care packages which would further erode providers' operational and financial viability.
- 3.5 With the relevant approvals and consent of service providers the current notice period under the existing home care agreement could be extended for a further specified period. This is not recommended: commissioners have been working with providers for a considerable time on the co-produced proposal.

### **4 Report Background**

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- 4.1 The Care Act 2014 places a statutory duty on West Northamptonshire Council to provide care and support to people that have assessed and eligible social care needs

- 4.2 The Council's strategic objective, through the existing Adult Social Care Transformation Programme, is to support people to live independently within the community for as long as possible.
- 4.3 The primary aim of the new arrangements will be to improve the customer experience of commissioned home care by ensuring the timely availability of quality care throughout the West Northamptonshire area.
- 4.4 WNC, along with most other local authorities, paid on planned hours during the covid pandemic and supported the homecare sector with covid grant funding including the workforce development fund. Despite increased levels of demand the additional grant funding during the pandemic did support short term sustainability in the homecare sector. Post pandemic the enhanced levels of demand linked to the NHS recovery plan and the associated high Discharge to Assess (D2A) activity combined with a slowdown in ability to recruit care workers has led to a more unstable homecare market in many parts of the UK including West Northamptonshire.
- 4.5 Home care is commissioned through a tiered framework arrangement made up of lead providers expected to meet 70-80% of the demand and secondary providers that should deliver the remaining 20-30% of demand. The actual position as of September 2022 is that lead providers are delivering around 20% of hours, secondary providers are delivering 67% of hours and off framework providers – commonly referred to as spot providers - are delivering 13% of total commissioned hours.
- 4.6 WNC has 44 providers on its framework but also has packages of care provided by a varying number of, spot providers. Commissioning from such a large and fragmented volume of providers is undesirable and leads to inefficiency, additional quality risks and costs. The volume of providers from which WNC commission also leads to a loss of the opportunity from economies of scale.
- 4.7 Recruitment and retention of care workers is overwhelmingly stated by both lead and secondary providers as the primary reason for reduced or insufficient capacity to deliver the full requirements of the Council.
- 4.8 The rapid increases in the National Living Wage during the past few years and the expected continued rise of this is very welcome, particularly in a sector which has traditionally been undervalued and under rewarded. However, when combined with the large increases in general inflation and rising vehicle fuel costs it is very difficult for local authorities to pay a sustainable rate for care and to maintain relationships and partnerships with care providers.
- 4.9 The impact of covid, vehicle fuel costs, the general increased costs of living and a lack of parity for care workers with NHS colleagues cannot be underestimated. Along with all local authorities, WNC is seeing a gradual reduction in care worker capacity and to simply keep pace with current demand it is estimated that additional 40/50 care workers are required.

#### 4.10 **Demand for Homecare**

Based on a snapshot taken w/c 23rd October 2022 :

4.10.1 WNC is providing home care to around 1,000 people through approximately 17,750 hours per week, split between 15,200 framework hours (86%) and 2,550 spot hours (14%) per week.

4.10.2 The total spend on homecare is c.£350,000 per week or c.£18 million per annum.

#### 4.11 Supply Chain

4.11.1 Supply in rural areas, particularly Daventry and South Northamptonshire, is increasingly difficult to broker.

Table 1

Homecare hours awaiting allocation placement 13/10/22							
Daventry 1	Daventry 2	Northampton 1	Northampton 2	Northampton 3	South Northampton 1	South Northampton 2	Total hours waiting
224	99.25	147	54.75	33.25	104.75	122.65	785.65

4.11.2 Providers across WNC are predominantly local SMEs with smaller numbers of regional or national providers. In WNC's area some national providers deliver predominantly "self-funder" care and are unwilling or unable to deliver on behalf of the Council.

Table 2

Providers by zone						
Zone	Towns and villages	Rate £'s	No. of providers	Local SME's	Regional	National
Daventry 1	Daventry, Braunston	19.39	12	11	0	1
Daventry 2	Long Buckby, Rugby, Kilsby	20.32	13	1	0	2
South Northampton 1	Brackley, Middleton, Cheney, Silverstone	20.32	10	7	1	2
South Northampton 2	Bugbrook, Towcester, Old Stratford, Tiffield	20.32	8	6	1	1
Northampton 1	Kingsthorpe, Duston	18	10	5	0	5
Northampton 2	Town Centre, Hardingstone, Wooton, Far Cotton	18	10	7	1	2
Northampton 3	Billing Weston, Favel, Thorpeland, Lumertubs	18	11	6	1	4
Total	West Northamptonshire		74	43	4	17

4.11.3 In WNC there are 55 Homecare Providers registered with CQC.

Table 3

CQC Ratings of WNC Registered Homecare Providers					
Outstanding	Good	Requires Improvement	Inadequate	Note yet inspected	Total
2	31	15	0	7	55

## 4.12 Fair Cost of Care (FCoC)

4.12.1 In recognition of the imminent Adult Social Care Reforms ([Proposed reforms to adult social care \(including cap on care costs\) - House of Commons Library \(parliament.uk\)](#) ) WNC, alongside several other East Midlands local authorities, commissioned the services of Care Analytics , a specialist in the financial analysis of care markets and the cost of care, to undertake a 'Fair Cost of Care' (FCoC) detailed cost analysis exercise.

4.12.2 All providers operating in the domiciliary home care market within the area of the local authority were sent a detailed survey designed to capture the necessary operational and contextual detail to draw out the inherent costs of delivering care in the local market.

4.12.3 In compliance with the latest language contained within the guidance and resulting grant conditions for additional funding, WNC is committed only to "moving towards" the calculated FCoC rates (including any future inflationary uplift as negotiated). Guidance is published on the Government website: <https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance>

## 5. Proposed approach

5.1 The current Care Home Services Framework and Dynamic Purchasing System contracts are due to end on the 31 March 2023. The proposed extension until a maximum date of September 2023 will create sufficient time including a prudent short contingency to recommission a new framework by July 2023.

5.2 In recognition of the incoming reforms, post covid market turbulence, impact of the cost of living on the cost of delivering care and the low wages of care workers WNC has embarked on a bold, multi-faceted and strategic review of its model and approach to homecare. Much more than simply a "tendering exercise", the Home Care Recommissioning Project (HRP) is a total overhaul, rethink, and co-design of the homecare sector in West Northamptonshire.

5.3 The new model and service specification along with the intention to recommission in 2023 will be an opportunity to decisively advance WNC's move towards provider consolidation and more concise geographic/place based and demographic commissioning.

5.4 Amongst several key deliverables, the new model will support an additional focus on the following outcomes:

- a. supporting people to remain independent for longer in their own homes
- b. increasing the available capacity of services and support
- c. making it easier for people to find support and participate in their communities
- d. helping people to manage their own conditions for example, through peer support, using digital solutions for assistive technology.

5.5 Commissioning of homecare will also integrate closely with WNC's successful 3 Conversations Model and seek to achieve strengths based commissioning and progressive delivery.

5.6 Within the specification workstream work has been undertaken with WNC's Reablement West, providers, service users, Adult Social Care teams and Brokerage to ensure that the ethos of home first and strengths based reablement are embedded within ongoing service delivery by independent providers.

### **5.7 Specific Deliverables of the Homecare Recommissioning Project (HRP)**

- a. A compliant procurement exercise via competitive tender
- b. New approach and model for commissioned home care services
- c. New Service Specification for commissioned home care services
- d. New Contract for commissioned home care services
- e. New approach to quality assurance including the use of Electronic Call Monitoring (ECM) and outcome focused KPIs
- f. Revised internal systems and processes to support the new model including the potential for a digital provider portal
- g. Increased support and imperatives for providers to build capacity
- h. Improved customer experience including a potential requirement for only providers rated GOOD by CQC being eligible to join the framework
- i. Technology as standard throughout the end-to-end homecare process
- j. Improved availability of quality homecare throughout West Northants
- k. Better pay and terms and conditions for care workers
- l. Increased support for providers on recruitment and retention
- m. A reduction in the environmental impact of service delivery via an increase in walking runs and electric vehicles
- n. The introduction of the mandatory use of Electronic Rostering and digitised Care Planning systems
- o. New opportunity for providers to embrace the 3-conversation model and deliver strengths-based services
- p. New opportunity for community assets and the community themselves to become part of delivery
- q. Increased individualised outcomes linked to 3 conversations, increase in satisfaction with the service. and a subsequent reduction in demand
- r. New approach to rate setting which will lead to better margins
- s. A more resilient and sustainable home care sector
- t. Improved efficiency of service delivery including reduced travel time
- u. Increased collaboration between providers and WNC at a strategic and operational level
- v. Need to describe fit to local area partnerships
- w. Increased economy of scale
- x. Single handed care requirement

## **6 Contribution to the Corporate Strategy/Service Plans**

6.2 The overarching project and the products it delivers (including a redesigned service specification and contract for homecare) will place particular emphasis on linked priorities within the Corporate Plan:

#### 6.2.1 *Priority 1: Green and Clean*

In recognition of the environmental impact of homecare (particularly in the rural zones, via travel by care workers), the specification will include performance measures linked to reduced mileage, efficiency of rotas, progression towards the use of electric vehicles and an increase in the use of walking and cycling care rounds.

#### 6.2.2 *Priority 2: Improved Life Chances*

In recognition of the prominence of homecare in the daily lives of some of our most vulnerable residents, the redesigned approach will deliver improved outcomes using community assets and creating strengths based and technology led care located at the geographic centre of communities to ensure delivery with localised context.

#### 6.2.3 *Priority 3: Connected Communities*

The project will deliver an improved use of transport networks, increase the use of electric vehicles, and encourage geographic, zone-based recruitment to minimise travel. The increased use of technology (mobile and fixed) in both the frontline delivery of care and the operational aspects of care delivery such as rostering and call monitoring will connect communities more closely with the service, build resilience and increase access to support networks.

#### 6.2.4 *Priority 4: Thriving Villages and Towns*

High quality care often derives from being localised geographically and by recognising the cultural and demographic conditions of an area. A care worker who lives in the area that aligns with the zone in which they work can make a huge difference to the quality of care and empathy that an individual receives. Simple things such as a care worker being able to speak in the individual's first language which may not be English and being able to chat about local news issues whilst in the customer's home can make the individual feel a continued connection to their community. Villages and smaller towns benefit greatly from a cluster of care workers who concentrate their delivery within the area and the new contract will encourage local recruitment bringing employment and revenue to communities.

#### 6.2.5 *Priority 5: Economic Development*

Health and Social Care are often one of the largest employers in a local authority area and contributes hugely to GDP in West Northants. The homecare project has an estimated value of c.£17 million per annum (c.£85 million overall) and sustains and creates employment for 1000's of people. The homecare sector currently has recruitment and retention issues, and the project will deliver increased numbers of care workers and increased revenue in all areas of West Northants.

#### 6.2.6 *Priority 6: Robust Resource Management*

The project will seek to reduce the number of care providers that WNC contract manages, quality assures and commissions with. Creating economy of scale and efficiency from both increased volumes with less providers and reducing overheads of operating care the new contract will utilise council resources more effectively and proactively.

Creating a more sustainable footing for the care sector with long term, robust but fair contracts will allow providers to confidently invest in technology and work collaboratively with the Council and each other.



A fragile homecare sector such as West Northants has (along with many other English LA's) is expensive, resource hungry and difficult to manage. This results in unplanned costs and demand failure for WNC, and the project will seek to bring this under control.

6.3 The project will also link to the objectives and outcomes of the Council's Anti-Poverty Strategy; good, high-quality, sustainable homecare can be an enabler to help support people out of poverty, for example:-

6.3.1 The Anti-Poverty Strategy states: *"There is still a strong association between unemployment and poverty, along with a significant rise of in-work poverty.*

*Some people living in higher working households comprised 17% of people living in poverty in 2018/19, compared to 14% 10 years earlier and 9% in 1996/97.*

*People living in lower work intensity households comprised 47% of people living in poverty in 2018/19, compared to 42% 10 years earlier and 35% in 1996/97."*

6.3.2 Better employment conditions and an increase in employment opportunities for care workers can support people to move out of the position of living in poverty whilst in work.

6.3.3 The Anti-Poverty Strategy also states:

*"Lone parents, large families, carers and care leavers are more likely to experience poverty than people without children or caring responsibilities."*

6.3.4 A deliverable of the project is that good, high-quality, sustainable homecare will support family carers to enjoy more fulfilled and active lives in the knowledge that their relative is safely supported at home.

## **7 Financial Implications**

7.1 It is not anticipated that the proposed framework will have any impact on the current resources available. The new arrangements should reduce any delay in the provision of home care. This will also ensure the resources of the Home First service are focussed on reablement and hospital discharge.

7.2 The Council's annual gross expenditure on commissioned home care during the 2022/23 financial year was £18 m. The expenditure will continue the strength-based ethos to ensure people receive the right amount of care at the right time in the right place.

7.3 A detailed business case was produced, and this has been fully supported by the Council's Programme Management Office and Corporate Procurement Unit.

## **8 Legal Implications**

8.1 The Council has a statutory duty to provide care and support for people who meet the eligibility criteria as set out in the Care Act 2014 and supporting legislative framework. The Council has a duty to provide or arrange services that help prevent people developing needs for care and support or delay people deteriorating such that they would need ongoing care and support. The Council may meet that duty by providing the care and support itself or by arranging for a person other than it to provide a

service. The legislation anticipates that needs for care and support can be met in a variety of ways, including the provision of homecare.

8.2 It is anticipated that the proposed procurement exercise will enable the Council to continue to provide a diversity of service that will continue to meet these requirements.

8.3 Under the Public Contract Regulations (PCR 2015), provision of homecare services for people age 65 and over is covered by the Light Touch Regime. The estimated value of the framework is in excess of the Light Touch Regime threshold and therefore governed by PCR 2015. Regulation 33 of the Public Contracts Regulations PCR 2015 sets out the procedure for establishing and awarding contracts under a framework. It states that a framework agreement 'shall not exceed 4 years, save in exceptional cases duly justified, by the subject-matter of the framework agreement.

8.4 The award of the new framework is subject to the Council's Contract Procedure Rules in that Cabinet approval to award the framework would be required. This report is requesting that Cabinet delegate authority to award the framework to the Executive Director of Adults, Communities and Wellbeing.

8.5 The procurement and contractual provisions for the implementation of the recommended option will be undertaken with the advice and support provided by the Council's Legal and Procurement services.

## 9 Risk management

9.1 If the recommendations described in the report are not approved, it will result in the Council not having appropriate arrangements in place to purchase homecare services. This means without the recommended extension the council could fail to meet its statutory duties under the Care Act 2014 when the current framework expires in March 2023.

9.2 The introduction of a framework will enhance the customers experience by improving providers' operational and financial viability linked to an improved service specification and suitable contract.

9.3 Providers may choose not to apply, or their application may be unsuccessful. However, extensive and ongoing engagement has indicated that the majority will wish to continue to deliver to current commissioned customers if successful and until review if they are unsuccessful. Many providers, if unsuccessful, have indicated that they will realign their businesses to focus on providing home care services to people that fund their own care. Therefore, it is doubtful that any significant discontinuity of service provision will occur directly because of the introduction of the framework.

9.4 It should be acknowledged that all recommissioning of homecare exercises come with the risk of some potential disruption to individuals and the Council. The risks associated with this project are acknowledged and detailed within an ongoing Risk Register which has been/will be reviewed regularly throughout the project.

*Table 4*

### 9.5 Risk Register

Risk	Score	Proposed Mitigation	Score
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Destabilising the market	<b>MED</b>	The proposal will be co-produced with council-approved providers during the next 6 months. A Provider Reference Group has been created to inform the new approach and model. Ongoing market engagement indicates significant levels of interest in the opportunity both from current suppliers and prospective providers wishing to deliver commissioned home care on behalf of the council.	<b>LOW</b>
Lack of interest from current providers in the new arrangements	<b>MED</b>	<p>Providers may discontinue the delivery of commissioned care and focus their activity on self-funders. It is estimated that provision to people who purchase their own care equates to a large percentage of the care delivered by many approved providers.</p> <p>However, as stated in the previous mitigation, there is currently no indication that there will be insufficient interest in this opportunity.</p> <p>Incumbent suppliers who choose not to apply or are unsuccessful in the tender will have the option to continue to deliver commissioned care to current individuals (until annual review at the latest). Should providers decide to exit the market, support will be offered to ensure a timely and seamless transition of provision.</p>	<b>LOW</b>
Disruption to continuity of service provision for customers	<b>MED</b>	A communications plan is being developed which will ensure individuals who receive care and stakeholders are aware of the process and outcome of the tender, along with key timescales. All measures to minimise any disruption will be taken.	<b>LOW</b>
Damage to the Council's reputation as a result of enforced changes of service provision to individuals who receive care as a result of the tender	<b>MED</b>	The communications plan will provide timely, accurate and transparent messaging that explains the process and outcome of the tender to customers and stakeholders. All measures to minimise any reputational impact will be taken.	<b>LOW</b>

Delay in awarding the contract as a result of challenge from applicants regarding the delivery and /or outcome of the tender process	<b>MED</b>	The tender process will be compliant with legislation and council processes. In the event of delay it has been recommended that the current contract is extended until September 2023 to create a 2/3 months contingency.	<b>MED</b>

<b>Low</b>	Monitor as necessary
<b>Medium</b>	Medium Likely to cause the project some difficulties – regular monitoring needed
<b>High</b>	High Excess of likely project risk appetite – action needed to redress; very regular monitoring needed

## 10 Consultees discussion point and suggested consultees

10.1 Healthwatch are to be requested to seek the views of people who receive care and families

10.2 Care at Home Approved Providers – A Provider Reference Group was established in October 2022 for providers to inform the design of the approach and model.

10.3 All Member Briefing Sessions will be arranged early in 2023 to ensure councillors are kept informed and engaged on the process

10.4 Adult Social Care Operations have been actively involved in all project workstreams

10.5 The New Arrangements for Commissioned Home Care report can be reviewed by the appropriate Scrutiny Committee.

## 11 Equality implications

11.1 An Equalities Impact Assessment (EIA) will be undertaken if the tender is approved to progress

11.2 Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

11.3 The Council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.

11.4 The Public Sector Equality Duty (specific duty) requires us to consider how the Council can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in its decision making in the design of policies and in the delivery of services. Providers will be made aware of their contractual requirements regarding equality legislation.

11.5 The decision does not discontinue any service and has no detrimental impact to eligible service users.

## **12 Communications and engagement**

12.1 Communications activities must effectively inform all those affected by the recommissioning and support and serve to increase further engagement with providers. To achieve this a robust communications and engagement plan is being developed.

12.2 The communications and engagement plan aligns with key project milestones with a focus on targeted messaging and activities to identified audiences, including current and prospective providers, stakeholders, members of the public, service users and stakeholders.

### **Appendix A- Map of West Northamptonshire's Homecare Zones**



Home Care Zones  
Northamptonshire Co

