
NEW CONTRACT FOR DOMICILIARY CARE

SUMMARY REPORT

Purpose of the Report

1. To inform members of a forthcoming tender for new contracts for domiciliary care.
2. To bring to the attention of members proposed changes from the current contract.

Summary

3. The Council has two Framework Agreements (Contract):
 - (a) 11 approved Providers for the provision of Domiciliary Care for Adults and Older People and a Framework Agreement.
 - (b) ten approved Providers for the provision of Personal and Housing Related Support for Adults with a Learning Disability.
4. There are 19 Homecare Providers in total as some providers hold both contracts, but only 16 Providers are commissioned to provide care and support under the Contract.
5. Following a tender exercise, contracts were awarded to these providers for two years from 1 October 2009 to 30 September 2011, with an option to extend the Contract Period for a further two years. This extension has been taken up and the contract will expire on 30 September 2013.
6. The current contractual arrangements have worked successfully for the Council and the system overall is robust and effective. The service is well regulated both by the Care Quality Commission (CQC) and locally by the Councils' Services for People Commissioning and Contracting Team and as such offers security and allows choice. The contracting team meet with CQC on a bi-monthly basis where any concerns are discussed about any provider they may have issues with.
7. Partnership working with providers has been positive, with providers embracing new initiatives even though they were not contractually bound to do so. Most recently this has included providing additional hours to support reablement.
8. As part of the commissioning process a review of the current contract highlighted two areas for improvement:
 - a) Understanding and measuring outcomes achieved for individuals, their carers and the Council.

- b) Analysis of cost of care to the providers and best value for money for the Council.
9. The new Framework specification will be outcome based to ensure quality care and support is being provided to individuals within their own homes, which will be monitored through the Adult Social Care review process. The outcomes have been identified as:
- (a) Promoting and maintaining independence
 - (b) Maximising dignity and respect
 - (c) Supporting and improving emotional health and wellbeing
 - (d) Quality of life
 - (e) Exercising choice and control
 - (f) An environment free from abuse, discrimination and harassment.
10. Financial modelling has identified that there are no savings to be made on the standard rate for older and disabled people as this is deemed to be competitive and the rising cost of care has been taken into consideration. No uplift has been awarded to providers over the period of the contract and there is potential challenge to this.
11. Under the framework agreement for adults with a learning disability it has been custom and practice to place those individuals with a learning disability on a higher rate than that given to older people and people with a physical disability, even where care needs do not necessarily dictate it.
12. It is proposed to combine and procure under one Framework Agreement the Domiciliary Care Contract for Adults and Older People, with the Personal and Housing Related Support Agreement for Adults with a Learning Disability.
13. The proposal will aim to address equity, consistency and fairness across adults in the provision of domiciliary care. It will achieve this by having a standard domiciliary fee rate for all adults and introducing criteria for an enhanced rate, acknowledging that there are those individuals who require additional support from staff who have greater expertise and training in meeting the needs of those individuals who have more complex and long term conditions.
14. Making these amendments could make savings for the Council whilst meeting the needs of people with more complex care needs. The proposal is to limit the use of the rate to those people in need of a more enhanced level of care using criteria based on Continuing Health Care. This will also ensure equality across age groups and conditions.
15. A consultation and Equality Impact Assessment is underway with service users, who have been written to informing them of the potential changes and for them to respond with their views. They also have the opportunity to attend focus groups that have been set up in January 2013.
16. A Provider event is also being arranged to present information on the Outcomes for the new specification and to answer any questions relating to the procurement

process. It will also create an opportunity for Providers and the Council to assess current and future costs of providing homecare.

17. A report will be presented to Cabinet on 5 February 2013 and the proposal is to start the tender exercise in March 2013 to ensure a new contract is in place from 1 October 2013.

Recommendation

18. It is recommended that:

- (a) That Scrutiny Committee note the contents of the report.
- (b) That Scrutiny Committee comment on proposed changes outlined in the report.

Murray Rose, Director of People

Background Papers

The Putting People First
Transforming Social Care (Local Authority Circulars (LC(DH)2008(1) and
LC(DH)2009(1)

EOB: 2844

S17 Crime and Disorder	No
Health and Well Being	Yes- to provide good quality domiciliary care will promote health and wellbeing.
Carbon Impact	No
Diversity	Yes – proposals for the specialist rate will support non discrimination.
Wards Affected	All
Groups Affected	People requiring Council funded domiciliary care.
Budget and Policy Framework	Adult Social Care
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	People are Healthy and supported
Efficiency	Yes – proposals in the report.

MAIN REPORT

Information and Analysis

19. The provision of domiciliary and housing related support for people experiencing difficulties due to illness or disability is an essential service that supports and maintains peoples' wellbeing and independence for as long as it is safe for them to remain in their own home.

20. There has been a significant shift, at both a national and local level, over the past number of years in trying to ensure that people are only admitted to residential or nursing care homes when it is accepted that to remain at home would pose potential risk to the safety of self or others or the cost is unreasonable.

21. The provision of domiciliary and housing related support has also resulted in people either not having to be admitted to hospital or being discharged sooner because an effective support system could be identified for return home.

22. There are a growing number of older people in Darlington with a projected growth over the next 15 years and beyond. Advances in medical science and technology also means that people with long term illnesses, impairments and/or a learning disability are living longer and needing more complex care and support arrangements to be put in place. The table below shows the projected growth in the population in Darlington over the next 15 years and the projected increase in the percentage of the population in demographic who are over 65 and over 85.

Total population, population aged 65 and over and population aged 85 and over as a number and as a percentage of the total population

	ONS MID YEAR ESTIMATES			ONS 2010-based Subnational Population Projections			
	2008	2009	2010	2011	2012	2015	2020
Total Population	100,534	100,431	100,843	101,200	101,700	103,200	105,500
Population aged 65 and over	17,270	17,436	17,837	18,100	18,800	20,000	21,800
Population aged 85 and over	2,337	2,363	2,509	2,600	2,700	2,900	3,400
Population aged 65 and over as a proportion of the total population	17.18%	17.36%	17.69%	17.89%	18.49%	19.38%	20.66%
Population aged 85 and over as a proportion of the total population	2.32%	2.35%	2.49%	2.57%	2.65%	2.81%	3.22%

Figures are taken from Office for National Statistics (ONS) subnational population projections by sex and quinary age groups. The latest subnational population projections available for England are based on the 2010 mid year population estimates and project forward the population from 2010 to 2035. Long term population projections are an indication of the future trends in population by age and gender. The projections are derived from assumptions about births, deaths and migration based on trends over the last five years. The projections do not take into account any future policy changes.

23. The growing demand will create a cost pressure on Council funded services. Financial modelling of all Adult Social Care spending shows the overall cost of this growth to be £1 million per year to the Council which by 2021 will have accrued to over £11. This is shown in the table below and moderated by attrition rates (people leaving the service).

Year	Moderated ASC Cost Forecast	Total Rise in Budget per Annum
2013	£27,885,533	
2014	£29,203,621	£1,318,088
2015	£30,536,549	£1,332,928
2016	£31,986,473	£1,449,924
2017	£33,727,921	£1,741,448
2018	£35,076,997	£1,349,076
2019	£36,375,794	£1,298,797
2020	£37,741,279	£1,365,486
2021	£39,027,535	£1,286,256
Total Increase		£11,142,003

The Current Contract

24. The current arrangements for the Framework Agreement for the Provision of a Domiciliary Care and Domiciliary Continuing Healthcare Service for Adults and Older People (which sets the service specification and price paid by the Council) has 11 approved providers under the Framework Agreement. Following a tendering exercise, contracts were awarded to these providers for two years from 1 October 2009 to 30 September 2011, with an option to extend the Contract Period for a further two years. This has been taken up, the contract therefore ending on 30 September 2013.
25. The current arrangements for the Framework Agreement for the Provision of Personal and Housing Related Support for Adults with a Learning Disability has ten approved providers under the Framework Agreement. The Contract has been awarded over the same time frame as above.
26. The current framework contract does not tie the Council into paying a set amount for each contract. These contracts operate on a Framework Agreement basis i.e. there is no guaranteed minimum volume, instead Adult Social Care pays for the

service provision as and when services are called off each Framework Agreement.

27. The current rate for Domiciliary Care provision for 'Adults and Older People' is from £10.90 to £11.03 per hour. There is also a 'specialist rate' of £13.32 per hour that applies the principles of the continuing health care criteria, such as complexity, intensity, nature etc of condition, albeit below the threshold of nursing care. For Adults with a 'Learning Disability' the current rate ranges from £12.13 to £13.32, however custom and practice over the years has resulted in almost all provision under this framework delivered at the £13.32 rate.
28. Both the contracts include a standard £63.22 sleepover rate. Waking night is paid at the contracted hourly rate for both Framework Agreements. The Domiciliary Care Contract includes a 15 minute call which is paid at 40% of the hourly rate. Care provided over and above 15 minutes is pro rata of the hourly rate. There are no enhanced rates for weekend or evenings nor is there an added rate for mileage.
29. The outturn for 2011/12 covering all client groups (excluding domestic packages in Extra Care) is £6.6 million. This paid for 458,974 hours and 1,469 sleepovers in 11/12. Approximately 666 service users are supported at any one time and there are over 312 care workers involved in providing the care in Darlington with approximately 9,950 separate Domiciliary Care visits made weekly. This includes figures for three spot contracted Providers commissioned outside of the Framework Agreement.
30. The value of the current contract for the supporting people element on the framework is £309,000 pa.

The New Contract

31. With the shift towards personalisation Domiciliary Care and support is increasingly focused on delivering agreed outcomes with the people they support and in providing a more flexible model of support designed around the needs and aspirations of the individual. The new Agreement will include outcomes for the individual which will be monitored through Adult Social Care processes.
32. A provider meeting is being planned for January where discussions will take place as to how the Council can be considerate of the cost of care and quality whilst minimising the cost pressure. The proposals have been outlined in points 9 and 10.

Financial and Other Implications

33. Retendering the Domiciliary Care contracts will continue to drive efficiencies and should improve value for money which will be evaluated through the tender process. This will be achieved by applying a standard rate by combining both Framework Agreements. Also by designing and applying clear and standard criteria for an enhanced rate the number of people, specifically those people with a learning disability, should decrease. A 'specialist' enhanced rate has been available under the current contract for older people and people with physical disability, however has not been widely applied. It is anticipated that the new

contracts will cover the full range of Adult service users.

34. Ensuring the best value for money in all contracts has been a high priority and this has been considered in designing the changes for the new Framework Agreements.

Risk Analysis

35. This is an essential service; the current framework contract ends in September 2013 and can not be extended. It needs to be brought in line with personalisation and reflect developments over the past three years in respect of outcome based accountability.
36. As part of the re-tendering this service it is proposed that we combine both the contracts for Adults and Older People with Learning Disabilities in order that we have a more equal, transparent and consistent framework agreement.
37. There are however a number of people with a learning disability and those older people with long term conditions, who by virtue of their specific supports needs will require skilled support over and above what would be expected as part of a quality service. These needs within the new agreement will be met through an enhanced rate that will be linked to clear criteria for such support.
38. Re-tendering Domiciliary Care under the one framework Agreement provides an opportunity to ensure 'Value for Money' and to stimulate the market to deliver on the personalisation agenda and to allow an opportunity for new providers to enter the local market.
39. It will also provide an opportunity to ensure that inequalities within the current Domiciliary Care market are addressed through improving access to the service (consistency of service available in which service users will be able to choose from), providing opportunities for a more diverse workforce and provision of a more flexible and responsive service.
40. Other benefits of having one Contract include service users having seamless access to their current provider regardless of their age or disability.
41. The United Kingdom Home Care Association (UKCHA), have written to all Councils in an attempt to convince them to get their base-line pricing right and so avoid swingeing cost-cutting.
42. Over the last three years there has been no uplift to the Domiciliary Care rate in Darlington. There is, therefore, a risk of being challenged if no uplift is given. This will form part of the discussion with Providers at the workshop that is to be arranged late January to assess the current and future costs of providing homecare.
43. There is also the potential risk that if we reduce the rate currently paid to LD Providers, the Providers will be unable to deliver the service due to their businesses having budget forecast with the current rate in mind. As a Council we

may have some room to challenge LD Providers as practice suggests that staff are only receiving £1 per hour over the minimum wage.

Outcome of Consultation

44. The consultation programme that has been planned will include an equality impact assessment covering the scope of the proposed service. Tender documents will include requirements and questions relating to equalities and diversity issues.
45. Letters have been sent to service users to inform them of the potential changes in providers asking them to respond.
46. People are also being invited to focus groups in January 2013 to review the outcomes and gain more information on potential impacts.
47. The provider meeting planned for January will open up discussions on the Outcomes the service wishes to achieve and how these will be monitored and report on, as well as the costs associated with homecare provision.