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**DOMICILIARY CARE AND HOUSING RELATED SUPPORT CONTRACT**

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**Responsible Cabinet Member - Councillor Veronica Copeland, Adult Social Care  
and Housing Portfolio**

**Responsible Director - Murray Rose, Director of People**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To advise Cabinet of the procurement process and seek approval for the forthcoming competitive tender and awarding of new contracts for Domiciliary care and Housing Related Support for eligible adults within the People Group.
2. To bring to the attention of Cabinet proposed changes from the current contract.

**Summary**

3. The Council has a current Framework Agreement (Contract) with 11 approved Providers for the provision of Domiciliary Care for Adults and Older People and a Framework Agreement with ten approved Providers for the provision of Personal and Housing Related Support for Adults with a Learning Disability which is paid at a higher hourly rate. There are 19 providers in total as two hold both contracts. 16 Providers are currently used within the Contract.
4. The current contracts were awarded, for two years from 1 October 2009 to 30 September 2011, with an option to extend the Contract period for a further two 12 months. This extension has been taken up and the contract will expire on 30 September 2013.
5. 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.
6. 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.

7. As part of the commissioning process a review of the current contract highlighted two areas for further consideration:
  - a) An increased understanding and measuring of outcomes achieved for individuals, their carers and the Council.
  - b) Providers reporting a rise in cost of care provision and best value for money for the Council.
8. The new Framework specification from 1 October 2013 will be outcome based to ensure quality care and support is being provided to individuals within their own homes. This will be monitored through the Adult Social Care review process. The Council's outcome and output measures will echo the six areas of delivery in the Care Quality Commission (CQC) outcome framework:
  - a) Involvement and information
  - b) Personalised care, treatment and support
  - c) Safeguarding and safety
  - d) Suitability of staffing
  - e) Quality and management
  - f) Suitability of management
9. Financial modelling has identified that the Council receives value for money 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 inflationary uplift has been awarded to providers over the period of the contract and a proposed new ceiling of £11.25 addresses this with a 2% rise on the current average rate of £11.03.
10. Under the Framework Agreement for adults with a learning disability it has been custom and practice to place those individuals with a learning disability, even where assessed eligible care needs do not necessarily dictate it, on a higher rate than that given to older people and other adults with a disability.
11. It is proposed to combine the current 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 into one Contract for all adults.
12. The proposal aims to address equity, consistency and fairness for all adults in the provision of domiciliary care. It will achieve this by setting a ceiling rate for the standard domiciliary care for all adults with an additional enhanced ceiling rate. This acknowledges that there are those individuals who require additional support from staff with greater expertise and training in meeting the needs of those individuals with more complex and long term conditions. The enhanced care rate will be applied by Adult Social Care Officers following an assessment of individual needs based on four care domains; nature, complexity, intensity and unpredictability.
13. The proposed enhanced rate will have a ceiling rate of £1.50 above the standard ceiling rate of £11.25. This is to acknowledge and recognise an identified need for specifically skilled and trained staff. The enhanced rate reflects the mean

(average) of the current rates within the Framework Agreement for Personal and Housing Related Support for Adults with a Learning Disability.

14. It is proposed to evaluate the tender on 80% quality and 20% cost.
15. Dependent on the outcome of the tender in terms of the types of providers who are successful, the aim is to achieve a similar number of providers on the Framework that we currently commission. It is anticipated these will include a mix of specialist, housing related support and standard domiciliary care providers. This will allow for best value for the Council and an element of choice for the individuals.
16. In making these changes and introducing more rigour into the process, it is anticipated the Council will achieve savings whilst continuing to meet the needs of people with more complex care needs.
17. The proposal is to start the tender exercise in March 2013 to ensure a new contract is in place from 1 October 2013, however awarding the Contract three months in advance of the Framework Agreement starting, so that, if any TUPE issues arise, Providers will have to time to communicate with one another and administer the changes.
18. As with any new Contract starting, there may be a change in the Provider. A transition plan will be developed to mitigate against the potential impact of these changes to make the process as smooth as is possible.

### **Recommendation**

19. It is recommended that:
  - a) Members approve the re-tendering of Domiciliary Care services through an approved procurement process, for the contract period 1 October 2013 to 30 September 2015 with an option to extend by up to a further two years.
  - b) Members approve one Framework Agreement for all Adults including domiciliary personal care and housing related support.
  - c) To introduce a contract ceiling rate of £11.25 per hour for the standard domiciliary care for all adults based on a 2% increase on the current average rate of £11.03.
  - d) To introduce a contract ceiling rate of £12.75 per hour for enhanced care to meet the needs of individuals with complex needs based on a set criteria
  - e) To introduce a sleepover rate of £40 per night and a structured payment in accordance with assessed needs.

### **Reasons**

20. The recommendations are supported by the following reasons :-
  - a) This is an essential service; the current framework contract ends 30 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.

- b) Combining the two existing Contracts will achieve a more equal, transparent, and consistent Framework Agreement. Furthermore it will provide a more robust Framework Agreement that will ensure 'Value for Money' and stimulate the market to deliver on the Personalisation agenda and to allow an opportunity for new providers to enter the local market.
- c) It will also 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.
- d) A further benefit of having one Contract is that service users have seamless access to their current provider regardless of their age or disability.
- e) Introducing an enhanced rate acknowledges there are a number of people with complex needs living with a long term condition(s), who by virtue of their specific 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.

**Murray Rose**  
**Director of People**

### **Background Papers**

Caring For Our Future: reforming care and support, Department of Health, July 2012.

Warren Tweed Extension 2066

S17 Crime and Disorder	This decision will not have an impact on Crime and Disorder
Health and Well Being	This decision will ensure that the current service is in place to ensure people can continue to have choice and control over their social care support, and remain living independently as possible in their own homes
Carbon Impact	This decision will not have an impact on Sustainability.
Diversity	This decision will not have an impact on Diversity
Wards Affected	All
Groups Affected	Those with assessed eligible needs for Adult Social Care
Budget and Policy Framework	This decision is within the current framework
Key Decision	Yes – approval required to begin the procurement process.
Urgent Decision	No
One Darlington: Perfectly Placed	The services procured contribute to delivery of the Community Strategy – People are healthy and supported
Efficiency	Efficiency savings will be made procuring under one framework agreement by applying a standard domiciliary care rate and applying a criteria for the enhanced rate.

## MAIN REPORT

### Information and Analysis

21. 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.
  
22. There is evidence to support that through the commissioning of Domiciliary Care and Housing Related Support individuals are prevented from having to be admitted to hospital or being discharged sooner because an effective support system could be identified for return home.
  
23. 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 to the Council is over and above what can be expected to be good value for money.
  
24. There are an increasing 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 who are over 65 and over 85.

**Table 1:**  
**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	2025
<b>Total Population</b>	100,534	100,431	100,843	101,200	101,700	103,200	105,500	107,400
<b>Population aged 65 and over</b>	17,270	17,436	17,837	18,100	18,800	20,000	21,800	2,400
<b>Population aged 85 and over</b>	2,337	2,363	2,509	2,600	2,700	2,900	3,400	4,000
<b>Population aged 65 and over as a proportion of the total population</b>	17.18%	17.36%	17.69%	17.89%	18.49%	19.38%	20.66%	2.23%
<b>Population aged 85 and over as a proportion of the total population</b>	2.32%	2.35%	2.49%	2.57%	2.65%	2.81%	3.22%	3.72%

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.

25. The growing demand will create a cost pressure on Council funded services. This is shown in the table below:

**Table 2:**  
**Increase in service demand**

<b>Year</b>	<b>Increase in Service Demand £000's</b>
<b>2013</b>	£580
<b>2014</b>	£949
<b>2015</b>	£1,107
<b>2016</b>	£1,239

### **The Current Contract**

26. The current arrangements for the Framework Agreement for the Provision of a Domiciliary Care 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.
27. 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.
28. The current framework contract does not tie the Council into paying a set rate for each contract. The contracts operate on a Framework Agreement basis, 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.
29. The current rate for Domiciliary Care provision for 'Adults and Older People' ranges from £10.90 to £11.03 per hour, however the average rate used is £11.03 as the call off the cheaper providers is negligible. 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.
30. 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 being delivered at the £13.32 rate, whatever the level of need.

31. The contract also includes a standard £63.22 sleepover rate. Waking night is paid at the hourly rate.
32. 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 11,469 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 visits made weekly. This includes figures for three spot contracted Providers commissioned outside of the Framework Agreement.
33. The value of the current contract for housing related support, Supporting People element on the framework is £309,000 pa.

### **The Proposed New Contract**

34. With the shift towards Personalisation, all support is increasingly focused on delivering agreed outcomes for the people they support and for the Council. The aim is to provide 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.
35. The new Framework Agreement will be combined to produce a Domiciliary Care and Housing Related Support Agreement for all Adults that will have a standard domiciliary rate, and an enhanced rate with clear and standardised criteria.
36. The criteria for the enhanced rate will be based on four domains, where eligibility will be determined by a detailed assessment which looks at all aspects of care needs relating to these domains:
  - Nature - the type of condition and/or treatment required
  - Complexity – behaviour and/or symptoms that interact; therefore difficult to manage or control
  - Intensity - one or more health and/or social care needs, that requires regular intervention
  - Unpredictability - unexpected changes in condition that are difficult to manage and present a risk to you or to others.
37. It is proposed to continue with approximately the same number of providers who are active on both Contracts. From the current activity and market structure fifteen providers in Darlington manage the demand well, some in niche services and others are larger providers. This offers choice for the individual and less risk to the Council if a provider goes out of business.
38. In providing an opportunity of an uplift on the current standard rate should ensure continued capacity to meet demand. Without the ability to offer economy of scale it



is important that Darlington is seen as an attractive business proposition to providers.

39. The smaller companies under the Contract, have issued an upper limit on the work they will take from the Council as they do not have capacity to take on any further work.
40. The planned framework agreement is intended to manage both capacity and specialisms available in the independent sector and will give the Council an opportunity of having a variety of Providers with varied specialisms. This will mean we will continue to have a market where there is significant choice. We will have a sector that is able to meet the differing demands, is flexible and provides competition. It will also mitigate against the risk of TUPE as there is a strong likelihood that a number of those Providers who are currently on the Framework will apply for and be successful in the tender for the new Framework Agreement.
41. A Provider meeting was held on 23 January where discussions centred on the cost of care and quality whilst acknowledging the cost pressure. The proposals have been outlined in points nine and ten.
42. The new Contract proposes to introduce a standard domiciliary rate for all adults, based on a 2% increase to the current average rate of £11.03, and provide an enhanced rate as a maximum £1.50 above the new standard domiciliary rate.
43. It is proposed to reduce the sleepover rate to £40 per night from £63.22 per night, however acknowledging that when a staff member is disturbed more than two times during the night they will be paid at the hourly domiciliary rate. If the pattern of disturbance continues beyond what is deemed to be reasonable, a review will be undertaken to ascertain whether a waking night will be required. There are currently 219 sleepovers provided for 76 individuals per week.

### **Financial Implications**

44. The new Framework Agreements to be tendered will maximise and improve value for money. This will be achieved by applying a standard domiciliary 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, will 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.
45. 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.
46. Table 3 indicates the proposed savings the Council could potentially achieve by applying new criteria. The savings will only be realised once individual reviews have been completed as part of the transition period of introducing a new contract, which will begin in October 2013. The table therefore attempts to show the impact of applying the new criteria by showing a comparison of 10% and 50% of those

individuals who are currently under the Learning Disability Contract who could potentially be eligible to receive an 'Enhanced Rate'.

47. A 0% inflationary uplift has been considered which would achieve greater savings for the Council, however considering there has been no uplift for the last three years and taking on board the feedback from Providers on the increased costs associated with delivering home care services it was deemed not to be an option.
48. A 3% increase was also considered however this proposal would not achieve sufficient savings for the Council.
49. A 2% increase is felt to be achievable and proportionate recognising the needs of Providers and the financial position of the Council.

**Table 3: Proposed Savings**

<b>Revised Hourly Rate</b>	<b>Proposed 2% inflationary uplift included in revised rate</b>	<b>Projected Saving</b>
50% @ £12.75 50% @ £11.25	2%	£225,090
10% @ £12.75 90% @ £11.25	2%	£375,214

<b>Current Sleep Over Rate</b>	<b>Proposed Sleep Over Rate</b>	<b>Projected Saving</b>
£63.00	£40.00	£237,610

### **Risk Analysis**

50. Over the last three years there has been no inflationary uplift to the Domiciliary Care rate in Darlington. The Council have demonstrated through consultation with Providers, consideration of the cost of care and quality against a back drop of cost pressure to the Council. These discussions have helped shape the new rates set for all Adults under the new Contract.
51. The commissioning of services through a formal procurement process poses a potential risk if a Provider is not successful or chooses not to tender, that will potentially affect existing service users.
52. Logistical considerations regarding a potential TUPE scenario occurring have been explored, with consultation and communication plans having been developed to manage the potential impact to service users and their carers, along with the development of a transition plan that will assist in managing any changes occurring.
53. A separate risk which is outside the scope of the procurement process, but, nonetheless requires consideration, is the likely impact of any change in the proposed new hourly rate versus the Direct Payment rate. If the proposals are

agreed to change the rates currently being paid to Providers under the Framework Agreement, there will be a disparity with the Direct Payment hourly rate.

54. A separate report will be presented to Cabinet in March on Direct Payments which will include an Equality Impact Assessment that will identify the impact of any change that this may present.

### **Equalities Consideration**

55. An Equality Impact Assessment (EIA) was completed in January 2013 (**Appendix 2**) with service users and their carers following a four week consultation period that took place between 10 December 2012 to 9 January 2013. Service users and their carers were written to informing them of the potential changes that may occur following the tender exercise, and for them to respond with their views. They were also invited to attend focus groups. All information provided was also available on the Councils website.
56. The main impact following the EIA to people who use Domiciliary and Housing Related Support Services would be the potential change in provider.
57. Detailed feedback from service users and their carers can be found in **Appendix 1**. (All comments are anonymous to protect individuals' identities)
58. From the 660 people contacted 127 responses were received. Nine people were happy for the changes to take place in the hope of receiving a better service. These comments have been followed up and are being addressed by the Adult Social Services team.
59. From 56 responses provided they were a mixture of positive comments and general feedback given from people wanting to highlight how pleased and happy they were with their current Provider, not wishing to change to a new Provider.
60. From the responses there were 62 negative impacts raised, relating to both the service user and their family/carers. The main impacts highlighted were: increase in anxiety/worry, stress, sadness, panic and anger.
61. The negative impacts raised were all in relation to the change of carers, causing a number of related issues which include; loss of continuity, change in routine, having to build new relationships, losing trust in carers, the length of time it takes to induct new carers, losing consistency in care and seeing new carers as strangers.
62. To mitigate against the impact of the potential change in Provider due to them either being unsuccessful or not tendering, a transition plan will be implemented by Adult Social Care. This will begin three months prior to the new Contract starting to allow sufficient time for individual Reviews to be undertaken. These changes will be managed by a care manager along with both sets of Providers in an attempt to make the transition as smooth as is possible. Part of this process will include handovers which clearly state individuals' wishes and preferences.
63. Part of this review will be to explore other alternatives in mitigating against any impacts, and as such service users and their cares will have the option of

organising their own care and support through a Direct Payment. In other words, by virtue of a Direct Payment service users will be able to commission care with the Provider they had been receiving care from, therefore there will no change in their care arrangements, other than its administration.

64. The transition plan will address any issues that occur due to the change in rates and how these may affect individuals. It is proposed that when annual reviews are carried out from the date the new Contract begins, 1 October 2013, only then will these rates be applied, and any changes that occur from these rates being applied will be managed by the service user's care manager.

## **Consultation**

65. A Provider Event was held on 23 January 2012 at the Dolphin Centre. The event was set up to provide an opportunity for Providers and the Council to assess current and future costs of providing homecare, and to understand the procurement process in tendering for an outcome based Domiciliary and Housing Related Support service.
66. The main challenge coming from the event centred on the inability of Providers to provide a quality service if current rates remain or a reduction in fee levels is made. The main issues raised related to meeting workers' pay rates ahead of the National Minimum Wage; fuel price increases; increased statutory holiday pay; increase in National Insurance contributions; and administration and management overheads.
67. Other related comments:
  - a) Due to the good relationships and good quality of care currently offered, the feeling for some new Providers is there are less opportunities available.
  - b) Brokerage/call off/ needs to be seen to be fair to all Providers on the Framework.
68. Positive comments highlighted the good relationship Providers have with Commissioning and Contracting Team, and the support that is provided from them, in particular through Provider Forums. They also agreed it was important to maintain a wide and diverse range of provision that affords flexibility and responsiveness.