

Meeting of the Executive Members for Housing and Adult Social Services and Advisory Panel

5 June 2006

Report of the Director of Housing and Adult Social Services

Review of Home Care Purchasing and Commissioning

Summary

1. This report informs the Executive Member on the progress of the review of the current purchasing and commissioning arrangements for home care services. The Executive Member agreed in January 2006 to receive a further report detailing progress on proposals submitted within the report, an update on further consultation and a full financial appraisal of the proposed re-configuration of Services. The appraisal has now been completed and this report proposes the next stages to be undertaken to finalise the reviews of home care services across York.

Background

2. Members received a report in March 2004 detailing the initial re-configuration of services which included establishing a range of specialist services including a high dependency team, a challenging behaviour service, overnight home care service, an Intensive EMI Support Services and the establishment of a Rapid Response Home Care Service. All of these developments have been successful and have contributed to the authority being able to support more customers at home and to the achievement of very low levels of delayed discharges from the Acute Hospital. The recently published personal social service survey of home care recipients suggests that a large majority of home care customers in York are very satisfied with the services they receive.
3. Members received a further report in January 2006. The Executive Member agreed to progressing the implementation of the re-configuration of Home Care Services, to receive a further report in June 2006 including a full financial appraisal and for the Council to work in partnership with Apetito (Wiltshire Farm Foods) to deliver a frozen meals service directly to customers homes.

4. Members will recall that for 53% of existing meals customers, the proposals represented no change; customers were already receiving frozen meals delivered by Council Home care staff on a weekly/fortnightly basis. It was agreed that priority be therefore given to the transfer of customers whom were receiving a service via the WRVS and “Meals on Legs”. Work is progressing and it is hoped that the transfer and review, where appropriate, will be completed by August 2006. Further discussions have taken place with Apetito in respect of monitoring arrangements for customers transferring and the Council is pleased with the monitoring that is been proposed and that Apetito will look at individual circumstances as to the regularity of delivering meals.
5. The review has clearly demonstrated the need to plan services for the future, to take account of changing demographic profiles and for service providers to change a whole range of “employment” practices. These steps will enable services to “modernise” and meet the objective of enabling more people to be supported at home.
6. A summary of the data/evidence shows that the council needs to be planning now for an increase in the number of older people between 2005 – 2025, with the most significant rise in the 85+ age group where there will be a 77% increase over the next 20 years (2,476 people in York). In respect of older people with dementia, we should be planning for a 36% increase in the next 10 years with a 30% increase in the following 10 years.
7. Recent research from the Personal Social Services Research Unit (PSSRU) states that by 2051 there will be between 3 and 6.4 million more dependant older people requiring an increase at national levels of 150% in care beds and 140% in home care.
8. These population statistics show the need to both increase and modernise the range of services that we offer. It is clear that the introduction of specialist services 18 months ago has contributed to enabling more people to remain independent and live at home. New service provision needs to take account both of changing demographic profiles, the needs and aspirations of customers, eligibility criteria, workforce issues and the impact of Government policies and initiatives such as Individualised budgets.
9. The review has identified the need to address the non-contact time within in-house services. Non-Contact time includes, Training, Holidays, Sickness, Administration, Travel, Supervision and Team Meetings as opposed to Contact time that is “face to face” time spent with customers in delivering care.
10. The review has looked at all options for future delivery of services. It has been established that the existing City of York Council Home Care Service needs to “modernise” and that existing levels of non-contact time within the service need to be addressed whilst the principle and aim of

the review has been to ensure that the level and capacity in Home Care services commissioned by the Council remains consistent with current demand.

11. In order for the In House Provider to achieve the “targets” suggested by the analysis, the service will be adopting a different approach to service delivery with staff having more autonomy over the services they deliver. There will be stricter monitoring systems in place that will enable services to be targeted at those whose needs meet the Council’s existing eligibility criteria. The in-house service is developing a clear plan to address these issues and to change the balance between existing levels of non-contact time and contact time.
12. The review should ensure that all services however should be commissioned in a flexible, responsive manner and be able to meet the needs of both customers now and in the future. The review takes account of the need to develop specialist service provision against the projected demographic growth in population.
13. Recent analysis shows that the in-house service averaged a total of 6,158 paid hours per week plus a further 1,184 contracted hours making a total of 7,342 paid hours per week. Against a total of 3,599 actual hours delivered to customers per week across a similar period, it equates to 51% non-contact time. Clearly this figure needs to be addressed as part of this review.
14. There are concerns regarding the recruitment and retention of staff in both the independent sector and the local authority. The proposals within this review will give services stability, provide a viable service structure and afford staff greater opportunities for career development. This will assist all Providers in recruiting staff and been able to deliver higher quality services.

Consultation

15. Prior to the report in January, meetings had taken place with UNISON, staff groups, the voluntary and Independent sector and representative groups. Initial discussions on the proposals had been well received by Providers of Services and there had been a wish by all parties to work in partnership with the Council.
16. Within this report there are details of the consultation that has taken place with City of York Council Staff and UNISON on the new service proposals and the impact on existing staff. (see paragraph 47-53)
17. It is recognised that a major change in a service that has 230 staff and 900 homecare customers will require a detailed communication strategy to ensure staff, customers and other stakeholders (including Members) are kept informed and have opportunity to raise questions or concerns.

18. Officers have outlined the proposals for future service delivery and meetings have been held with several interested parties. These have included;
 - Social Services User Consultation Panel (outline of proposals)
 - Older Persons Assembly
 - Age Concern
 - Carers Forum
 - Voluntary Sector Organisations
 - Older Persons Partnership Board (outline of proposals)
19. Further consultation and information sessions following this report are planned with the following;
 - Older Persons Partnership Board (meeting in July)
 - Social Services User Consultation Panel
 - Selby & York Primary Care Trust
 - Staff and Trade Unions
20. Partners in the Independent Sector including the Independent Care Group have been briefed on the proposals and whilst there are concerns on the impact of the proposals reducing the number of Providers the Council work with, the proposals have been well received. Providers have also acknowledged and welcomed the open manner in which the review has been conducted.
21. The key points that have been raised during the consultation with stakeholders are;
 - Concerns about customers potentially having to change service providers. Whilst accepting that customers may have a service more appropriate to their needs, there will be some whom will have to have a new provider. This may be disruptive initially and potentially upsetting for many people whom have been used to an individual worker or staff team.
 - Some customers and carers were concerned about the change in meals provision but have been assured that individual reviews of circumstances will be undertaken and, if necessary support to prepare meals will be given.
 - Some concerns over the relative merits and qualities of In-house service provision and the Independent Sector mainly around the impression that some Independent Sector Providers do not provide services of the same quality as in-house. Currently the Independent Sector provides the Council with approximately 55% of all the Home Care Services it commissions. This figure will fall marginally as a result of this review and the reduction to three main locality providers will ensure closer monitoring of quality.

- The move to “guaranteed” hours would also enable Providers to recruit, train and retain staff to a higher level. Despite all the concerns expressed, the quality of the provision in the sector is good. Quality Monitoring of services is encouraging and CSCI inspection reports are positive. The proposals within this report will enable the services to improve further.
- Agreement on approach to the review with the focus on locality services, closer links with Health and community based services and the development of new services such as Home Support.
- Staff concerns about the Human Resource implications are being dealt with through the City Change Management policy as described in a later section (paragraphs 47-53).

Options

22. Members agreed in principle the approach to re-commissioning these services in January 2006. The options presented are to proceed to the next stage of the review of home care services or to retain services within the current structures.

Analysis

23. The Services, which we propose to deliver in the future, are detailed in the table below. A summary of the services is attached at **Annex A**. Members will note the growth in specialist service provision and the development of new services including, Enabling Service, Home Support Service and a Functional Mental Health Service.

Service	Existing Services Delivered at Present	Proposed Hours of Service to Customers
High Dependency Service (CYC)	594	767
Overnight Home Care Service (CYC)	280	420
EMI/Challenging Behaviour Service (CYC)	310	408
“Functional MH” Service (CYC)	Not currently Provided	100
Home Support Service (CYC)	Not currently Provided	900
Enabling Service (CYC)	Not currently Provided	1600
Extra Care Housing Schemes (CYC – 4 Schemes)	317	477
Carewatch Rapid Response	230	Enabling Service assumes hours
Non – specialist Service Home Care Provided by Independent Sector and City of York Council (Adults and Older Persons)	CYC 1,881 Independent Sector 4,411 (Total 6,292)	Part of Overall Proposals

Locality Home Care Services (Independent Sector)	Not currently Provided	3674
Totals	8023(**)	8346

** The actual Services delivered at present are 8796 hours per week. This however includes 773 hours delivered to Learning Disabilities, Meals Services, Mental Health etc, which need to be deducted from the capacity required for this review making the total service capacity required 8023 hours per week.

24. The review, as outlined, is looking at services required for Adults aged 18+. It is proposed that services currently purchased by Mental Health and Learning Disabilities from the In House Service at present are commissioned as part of the Locality Home Care Services. Currently they utilise approximately 30 hours per week of service. Services however currently commissioned from the Independent Sector will continue. The Service areas will continue to make individual purchasing decisions against the specialist needs identified but in the future some specialist city-wide services will be commissioned. These will be identified in the coming months with operational and health colleagues.
25. The review has however identified that some additional capacity in services can be achieved to meet the needs of customers with EMI and High Dependency requirements. A total of 323 hours has been identified as been required and can be delivered as part of an increased service profile from November 2006. The increase in capacity is to be achieved by the reduction in “non contact” time within In house services to 33% and then 25% over the next two years. Operational Managers in the Council are confident that they can achieve this by;
- A reduction in management hours and providing management across all the hours provided in new services.
 - Reducing absence from work.
 - Move to a locality model approach reducing travel and mileage costs
 - Management of flexible rota’s and the introduction of revised contracts to achieve this.
 - Review of Administration to reduce administration pressures for home care staff.
 - Move forward the approach to service delivery and staff development to support this.
 - Development of a dedicated action and improvement plan to achieve the above which will be developed and consulted on during the preparation for new services. This will be reported to members in a further report.
26. It is proposed that the Council maintains its role as specialist Service Provider as this is a strength of existing service provision. The service has enabled the Council to meet the varying needs of customers and has enabled individuals to remain independent and to be supported within their own homes. Both the move to the Council meeting all customers needs for the first 6 weeks and the maintaining of specialist services will enable closer links to be built between staff and other statutory input such as community nurses.

27. An important factor in developing the capacity to deliver the required services within the in-house service is to ensure staff are available to deliver services across all areas and at times needed. The current contractual agreement with staff does not lend itself to this. As a result we are reviewing existing contractual arrangements in consultation with staff and are proposing a move from the current banded hour system, where staff are not guaranteed hours over a certain level, and may not be available to work when they are needed. The move will be to fixed hours on a more flexible contract. It is also proposed that the staff move to monthly pay to reduce administration costs. There are approximately 230 staff affected by this.
28. It is proposed the current services provided by the Council in Extra Care Housing settings should remain classed as specialist with council home care teams based around these settings as approved in November 2005.
29. A similar service to the Home Support Service is currently provided by In – House Home Care Services, there is the clear opportunity to link the service to Warden Call and for the service to meet all low level support needs and assist in the Council’s preventative approach to services. There is the clear scope both to enhance and increase this provision. There are also an increasing number of support roles such as pension collection etc that the authority may need to provide for in the future. This service based on a locality model and approach will it is felt, prove invaluable in meeting the needs of customers in future years. There is currently significant duplication with customers receiving services and warden call which are essentially meeting the same needs. It is proposed therefore that the Home Support Service is established alongside Warden Call building on existing service structures.
30. It is proposed that that the Independent Sector then offers longer term non-specialist support through Locality Sector Services organised within three geographical zones in the city. This is an existing strength of current service provision by the sector. They are able to offer a flexible approach and will become a key locality contact for all professionals involved in the longer term support of customers. The providers of these services will be selected through a tendering exercise.
31. The current position shows that; 8,796 hours per week services are provided which result in a total of 12,539 paid hours per week. From November if the proposals are agreed, a total of 8,346 hours will be provided with paid hours totalling 10,696 hours. From May 2007 these figures will be 8,346 actual hours and 10,278 paid hours.
32. Current Contractual commitments to Home Care workers in the in-house service are for 3,823 hours per week at present. From November the in-house service will require 7,022 hours to deliver the required services.

Corporate Objectives

33. The current proposals from the review of home care will support the following Corporate objectives when approved.
- 5.3 Ensure that adults eligible for social care are helped to maintain or achieve independence, and to maximise their life chances from education, health, leisure and work.
 - 5.5 Promote healthy-living, and ensure the delivery of high quality modern social care and health facilities and services in conjunction with partners in the public and voluntary sectors.
 - 5.6 Strengthen the range of existing support mechanisms that help older people maintain their independence.
 - 8.2 Adopt a 'can-do' philosophy ensuring continuous service improvement and high quality in the delivery of services plus class leading accessibility arrangements for residents.
 - 8.6 Continue to provide sound and timely financial management, and improve medium and long term financial planning

Financial Implications

34. In achieving the position outlined, the savings levels agreed for 2006/7 will be achieved. The review presents a balanced budget approach to service delivery, services have exceeded budget projections in recent years due to a mixture of demand and high costs of in-house provision. Whilst the unit costs of in-house services remain high and present cause for concern, action has been taken to address this and the in-house service need to consider its costs and achieve further efficiencies.
35. Within the proposals, the non-contact time allowance has been set at 33%. Given the need to review the services further and address this level of "time" it is proposed that a 33% figure is acceptable from November 2006, the proposed start date of services until May 2007 when In-House provision will have to aspire to reach and maintain a figure of 25%.
36. Members will recall that as part of the budget process for 2006/7, savings of £110K were identified as part of this review. The re-commissioning of services can achieve this saving and as the financial evaluation attached at **Annex B (Confidential)** details, achieve further efficiencies from services in 2007/8.
37. The proposals for re-commissioning services therefore address the issues of high costs, levels of non-contact time within services and high

demand for services by allowing for a growth in capacity whilst delivering significant savings in 2006/7 and 2007/8.

38. However, if the Executive Member agrees to continue to the next stage of the review as out-lined within this report, there will need to be an acceptance that in-house costs will be higher than commissioning services from the independent sector. The additional costs can be justified because of the added value to be gained by closer working with the care management services, training, closer working with partners and by the specialist nature of the services.
39. Whilst it is acknowledged there is a premium to be met for specialist services, steps need to be taken to address the costs of services. in-house services will still be more expensive. There is an awareness that a regional solution is been looked at by the Centre of Excellence amongst others, there is however no proposals in place to be considered but it maybe an option which is considered at future review of services.
40. An option that was considered was to commission specialist services from the independent sector. Whilst savings could be achieved over a period of time, the potential implications of TUPE would be significant. It is proposed that this position is reviewed in 2008 when the in-house service has had the opportunity to reduce it's costs and increase the capacity of it's services. The comparative costs of commissioning in the independent sector which are highlighted in Annex B do not include any implications of TUPE considerations. It is proposed that the Locality Providers are offered three year contractual agreements to provide services whilst the in-house services agree a two year service level agreement which affords the early opportunity for review in 2008.
41. It is proposed that the in-house services are to be commissioned via Service Level Agreements and there will be a review clause after 18 months to review the progress made in achieving further efficiencies. Whilst it is accepted that it may be difficult due to existing terms and conditions, recharges etc to achieve further efficiencies, it is believed that there is the opportunity to increase service delivery within allocated resources to customers. This will assist in meeting the increase in services required as per paragraphs 6-8 of this report and reduce the unit costs of in-house services to an acceptable level.
42. The two key variables that will need fully testing in the remaining stage of the review are for the assumptions of the likely costs of both the independent sector sand in-house services to be confirmed. This can be done on completion of the tendering process for the locality services and the outcome of the next stages of consultation concerning the proposed restructure of the in-house home care services. It is proposed that a further report considering the outcome of both is considered by the Executive Member.

43. If Services are commissioned in line with the above proposals, then increased capacity can be achieved within a “cost-neutral” approach allowing for the £110K identified savings. This will address some of the existing in-efficiencies within in-house services. A detailed Financial appraisal is attached as Confidential Annex B of this report. The financial appraisal is currently calculated on an indicative start date for the re-commissioned home care of 1st November. The actual date will depend on the outcome of the tendering and staff consultation.
44. The total costs of providing the new services as proposed will be £6,040,443 including the additional costs incurred to implement the proposals. With the budget available for re-commissioning set at £6,083,180, this is a potential full year saving of £42,737 in addition to the £110,000 already agreed by Members. Within the financial appraisal, the Executive Member will note that the proposals may achieve a further savings in this financial year and in 2007/8. It is proposed that any further savings that could be realised and how these should be utilised are considered by the Executive Member in a future report following completion of the tender exercise and consultation with staff and their representatives on the home care restructure.

Legal Implications

45. The tendering process is being conducted in accordance with the Council’s Financial Regulations. The tendering of services will be in line with the MEAT criteria included within the regulations and the Criteria for award will be agreed with the Executive Member in advance of tendering commencing.
46. The consultation process with staff and representatives is being conducted with guidance from the Human resources section.

Human Resources Implications

47. Consultation with staff and UNISON started prior to the EMAP meeting in January. Since then as the detail of the proposals has developed there have been further meetings with staff and UNISON. These are undertaken within the Council’s Change management process and are ongoing.
48. The main changes within the proposed in-house home care service restructure will be;
 - 48.1 Management of the service.

The 2 Specialist Home Support Manager posts originally endorsed at EMAP in December 2005 are being put in place in the two remaining Extra Care services at Marjorie Waite Court and Gale Farm Court, (posts at Barstow House and Glen Lodge are already established). The proposed management structure outlined below builds on the creation of

Home Support Manager Posts. The proposals currently being consulted on include:

- Deletion of the current Home Care Manager, Team Leader and Senior Care Assistant Posts
- Creation of new Team Leader Posts

Management Structures – Current & Proposed

Post	Numbers of FTE at present	Numbers of FTE posts in New Structures
Home Care Managers	4.35	0
Home Support Managers	2	4
Team Leaders (existing posts)	3	0
Specialist Services Manager	1	1
Team Leaders – New posts	0	13.5
Senior Home Care Assistants	15	0

A revised in-house management structure chart and the existing structure chart are attached at Annex C.

48.2 Home Care and Home Support Workers

The proposals that are being consulted on concerning proposed changes to the way the home care and home support are delivered relate to:

- The revision of the Home Care Assistant post to provide Home Care Worker posts in the Enabling Service and Home Support Workers in the Home Support Service.
- The revision of contracts for the new Home Care Worker and Home Support worker posts to a monthly paid contract for a set number of hours to be worked on a flexible work pattern.

49. Job descriptions for the new posts are currently being evaluated for a provisional grading. Should the recommendation be agreed the grade should be specified as a “proviso grade “ subject to the final outcome of Job Evaluation along similar lines to that of new posts.

50. Consultation has yet to commence with staff regarding the way frozen meals will be provided although this will commence shortly. It is likely that the revised arrangements will give rise to a TUPE situation with the staff currently providing this service transferring employment to the new service provider. Consultation will be undertaken between now and the change of service and the transfer will be managed in accordance with established Council procedures in this area.

51. The full details of the proposed restructure, responses to consultation and the financial impact of any pay protection issues once all the individual consultation is completed will be reported to the Executive Member. The Council will be trying to introduce the changes to working arrangement and new structures by agreement but if agreement can not be reached on these matters, consideration will need to be given to implementing them by issuing staff with notice. If agreement can be reached with staff the indicative date for introducing the proposals is November but if not the implementation date may need to be revised.
52. Job evaluation etc may have an impact on addressing some costs within services and any review should reflect this. The restructuring proposals in respect of the current Management will lead to a redundancy situation due to the restructure of Management as detailed above. However this will be managed in accordance with Council procedure and as many redundancies as possible mitigated through the redeployment of staff into other suitable posts. The introduction of the proposals may lead to a redundancy situation for home care workers. Again the situation will be managed in accordance with Council procedure and as many redundancies as possible mitigated through the redeployment of staff into other suitable posts.
53. If approved the restructure will be implemented using the Council's Change Management process.

Equalities

54. The Home Care Service is provided to Older People, Learning Disabilities, Physical Disabilities and Customers with a Mental Health problem. The proposals are intended to ensure they receive the service they require in the best possible way. Consideration was given to the need for specialist services for the BME community. Current demand indicated this was not necessary but Contracts and Service Level Agreements will require Providers to provide culturally sensitive services.

Crime and Disorder

55. There are no implications within this report

Information and Technology (IT)

56. The proposals will not require any significant changes to current IT systems.

Property / Other

57. Not Applicable

Risk Management

58. Identified below are risks if the review does not continue, these are in line with the Department's risk register analysis;

- Current working practices remain un-changed with cost implications
- Unlikely to achieve balanced budget for services
- Increased capacity of in-house services will not be available to meet the projected demand created by the anticipated increase in the number of older people between 2005-2025.
- Services will not be commissioned in line with the needs of customers

59. Identified below are potential risks following the agreement of the proposals within this report;

- There is a risk that the HR changes to in-house services may not be achieved in line with indicative timetable which may delay implementation of the proposals.
- There would be risks of legal challenge to the authority if the proposals were approved and implemented before full consultation with staff has been completed. There is also the risk of unfair dismissal claims and a protective pay award of up to 90 days per employee if there is inadequate consultation due to implementation timescales.
- Staff may not accept re-engagement if we have to issue notice of dismissal and re-engagement in order to implement the re-structure.
- The costs from the Locality Tender exercise may be higher than that projected within the financial analysis.
- Impact on customers of the proposed changes. A detailed communication plan needs to be developed to minimise this risk and manage the change.
- Whilst the indicative date for implementation of these proposals is November 2006, this will be dependent on a tight implementation timetable and a January 2007 date maybe more indicative.

It is felt that the impact of the risks if the review is not completed are higher and more likely to happen, if the proposals are agreed at a future stage, any potential risks can be managed through contingency planning.

Recommendation

60. Following the analysis and financial appraisal that has been undertaken, it is recommended that the tendering exercise for the independent locality services is now undertaken. Consultation with staff on the proposed restructure and contractual changes will continue, with a further report to be submitted to Members on the proposals.

Reason: To improve the efficiency and effectiveness of the service.

Contact Details

Author:

Gary Brittain
Commissioning & Contracts Manager
Housing & Adults Social Services
(Corporate Services)
Tel No.01904-554099

Chief Officer Responsible for the report:

Bill Hodson
Director of Housing and Adult Social Services

Report Approved **Date** 22.06.06

Specialist Implications Officers:

HR/Legal Implications

Ken Green
Head of HR
01904 551700

Financial Implications

Debbie Mitchell
Head of Finance – Community Services
01904 554161

Claire Waind
HR Advisor – Community Services
01904 554519

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Review of Purchasing Arrangements for Home Care Report January 2006

Review of Purchasing Arrangements for Home Care Report March 2004

Review of Purchasing Arrangements for Home Care Report July 2003

Review of Purchasing Arrangements for Home Care Report June 2002

Review of Purchasing/Commissioning Arrangements for Home Care Report
December 2002

Making Connections: a review of options for 24-hour care for older people in
York. Nuffield Institute for health. July 2000

Inspection of Social Care Services for Older People, City of York Council.
September 2001

Best Value Review of 24 Hour care – Final Options Report. October 2001

Review of Services for Older People with Mental Health Problems in York –
Dementia North October 2002.

Annexes

Annex A Summary of Services

Annex B (CONFIDENTIAL) Financial Appraisal

Annex C Structure Charts