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**Executive**

**14 December 2010**

Report of the Director of Adults, Children and Education

**The Reablement Service in York**

**Summary**

1. This report advises the Executive of the opportunities of a remodelled reablement service as part of a wider strategy to meet the challenges, both financially and qualitatively of changing demographics within the City. It also seeks a decision from Members on the option for how best to meet these challenges.

**Background**

**Home Care in City of York**

2. Home care support for older people constitutes one of the major areas of spend within Local Authority Adult Social Care. It is set to expand nationally over the coming years as a result of significant demographic increases. York currently has a population of over 33,000 over the age of 65 and this is expected to increase to 37,000 by 2015 and to 40,100 by 2020. This population increase will place significant strain on the availability of home care within the City and also on adult social care budgets over the coming years. City of York Council (CYC) currently spends in total approximately £6m on home care provision per annum. This is made up of £3m per annum purchased from the independent sector and £3m for in-house home care of which the in-house reablement service comprises £1.39m.

**Reablement- what is it and why it is needed?**

3. A Reablement service within social care is nationally considered to be an essential component within the Government's agenda for the transformation and modernisation of social care. It provides a means to reduce dependency on traditional domiciliary care packages and residential care by optimising individual's functional abilities. This in turn can negate the need for a long-term package of support for some people and for others it can diminish the size of a long-term support package. It focuses on independence rather than dependency and results in significantly better outcomes for customers and a reduction in overall spend on continuing long-term home care packages. In other localities where this has been fully implemented, reductions of between 40% and 60% of ongoing care needs for new customers have been seen. Furthermore, such schemes have the potential to be used for existing customers in subsequent years when their care is reviewed. Most local authorities with a social care

responsibility have either established or are in the process of establishing a comprehensive Reablement Service.

### **The Reablement Service in York**

4. An in-house Reablement service was established in York Adult Social Care in 2008. The service is designed to be of short duration input for customers - not exceeding six weeks - and aims to promote independence and reduce dependency on long-term packages of care. Reablement staff are expected to help customers to regain skills or develop alternative skills in order that they can fend for themselves again either with no home care support or with a reduced package.

### **Context of reablement within the overall Older Persons strategy**

5. As part of the Long Term Commissioning Strategy for older people previously agreed by Members, reference was made to a strategy which allows:
  - The “maximisation of independence and optimising people’s health and well-being - support that enables rather than disables, intervenes early to prevent problems becoming acute and uses assistive technology.”

and that

- “the strategic outcomes developed through the joint vision with our health partners included the desire that more older people will enable older people to achieve greater independence and remain within a home of their own.”

and that as a Council we needed

- "To invest in services that reduce the need for and funding for residential and hospital based care and increase independence”

### **The components/design of a successful reablement model**

6. It is considered essential that the following elements are available within a redesigned Reablement service:
  - Reablement home care workers
  - Occupational therapy assessment
  - Telecare staff
  - Care Management input for complex cases
  - Reviewing staff (from care management teams)
  - Placement team capacity (for ongoing home care package organisation)
  - Management capacity for workflow and performance delivery
  - Intermediate care services from NHS required to support design

*The details of the design and component staff elements are dealt with in more detail at Annex A*

## Consultation

### 7. Specific Consultation has taken place with the following:

- ACE Directorate management team
- Trade Unions (Unison and GMB): Meetings with Unison representatives took place on the 22 October and the 19 November to brief them on the future of Reablement and the options being considered. Meetings with GMB representatives took place on the 10th and 15th November. Both unions have expressed their opposition to transferring the in-house service to the independent sector. Unison advise that whilst they recognize the financial pressures within the department and the authority as a whole, they ask for further opportunities for consultation. Unison have also questioned the ability of the private sector to deliver this amount of extra work and feels due consideration should be given to the inherent difficulties of reliance on external care providers. This is a concern managers are mindful of but do not share. The report's recommendation allows members to monitor the markets response to any new opportunity offered.

- Ongoing consultation with staff:

The current Reablement service began operating in February 2009 and has had a clear and open focus on a programme of improvement in readiness for an expected soft market testing in 2010. This challenge was openly discussed with front line staff and managers and underpinned the need for change in all the workshops and communications with staff throughout 2009 and to date. Like all our home care services it included improvements to try to match our capacity better to peak hours of customer demand, reducing our unit costs, whilst also driving up our service quality and outcomes for customers. The levels of engagement of our managers and staff in this agenda have been excellent.

A briefing meeting was held on 22 November 2010 with service managers, front line staff and admin support workers to discuss the future of Reablement and the options for the service which feature in this report. Approximately 50+ staff attended and managers provided an onward briefing for those unable to attend. Representatives from Unison and the GMB were present. Reablement staff expressed an ideal preference for the service to remain in-house and to continue work for the council.

- Health Partners:

There have been extensive consultation and discussions with the Adult Commissioning group for York. Partners from the PCT, the GP commissioning group and York Foundation Trust, have reached a shared understanding of the need to expand the reablement function in an integrated way with the remodelling of the intermediate care service that is currently underway. This work is finalising a joint model for the area of York, and the reablement model proposed supports this integrated overall strategy.

- Consultation with older people:

When we consulted with older people in 2008 about how we could face the challenges of an ageing population, 70% believed that provision of personal care would help people stay independent for longer. 50% wanted us to look at using more telecare, and 73% wanted us to help people access equipment and home adaptations to help them stay independent. The reablement model proposed above addresses all of these elements.

## Options

8. The option being put forwards to Members is to increase the volume of reablement available to the citizens of York. In order to enable an expansion of the service, members are recommended to progress the outsourcing of the service to the independent sector in order to make available the resources required to expand the service. The analysis on options to achieve this is outlined below.

## Analysis

### Potential Reablement advantages for York

9. The Department of Health have estimated that on the basis of 600 new referrals into City of York per annum<sup>1</sup> and using benchmarked reabling rates from other local authorities, that when fully operational up to £696K could be saved in the first full year of operation and the potential of £1.254M in subsequent years. These are cost avoidance measures and savings relate to reductions in long-term care packages and assume that the service runs at a capacity which meets demand,<sup>2</sup> that no customers overstay the six-week reablement period and staff/customer contact time is optimised. However in considering potential savings, attention is drawn to information further in the report that highlights the costs associated with recommendations.

### The size of service needed in York

10. Experience so far shows that the size of the existing Reablement Service in CYC is not adequate to deliver the expected benefits. The model needs to allow all customers (with some noted exceptions) to access the service to gain the benefits outlined in paragraph 9 above.
11. The data used is from the Department of Health (DoH) benchmarking information gathered from other local authorities using the population of older people in their area, which calculates the number of older people that might become candidates for Reablement in York. The DoH judges that 2.1% of the population over 65 would be potential Reablement candidates.

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<sup>1</sup> Based on average expected demographic growth

<sup>2</sup> Demand within York is dealt with in [para 11 and 12 in this paper](#).

12. In York this would equate to 693 customers per year. Using the DoH formula we believe we need to provide some 1012 per week of face to face contact to meet this increasing need

*More detail relating to these working can be found in Annex B.*

### **Performance currently against hours needed**

13. The current in-house service is funded to deliver 1258 hours per week reablement and from the funding made available (£1.39M) is able to deliver 503 hours per week staff face-face at a contact time of 40%.
14. Although significant progress has been made in developing the in-house reablement service in York there is a significant waiting list of referrals to come into the service. This has arisen because of:
- an under capacity within the team to deal with the number of referrals that need a reablement approach
  - a difficulty in always achieving a timely transfer of customers into long term care packages, due to a lack of capacity/funds to purchase in the private sector
  - (Consequently) customers often stay within the Reablement service for longer than the optimum six weeks - an average time of over 10 weeks.
  - Staff contact time with customers runs at 40%. This means that delivery of support to people is only available for 40% of the total time that the service is funded for.
15. It is recognised that when the reablement service was put in place in 2008, there was no useful national data that assisted in the sizing of a model. The in-house reablement service size, was at that time based on the hours available from existing home care teams. There is also a recognition that even if the existing team were able to continue to improve its face to face contact time, and the ability to do this is minimal given the improvements already undertaken, this would not be sufficient, without additional investment to meet the size of the service required.

### **Expansion costs of a future deliver model**

16. If a reablement service is to be effective within York and be fit to meet the needs of the growing demographics, it needs to deliver 1012 hours of face-to-face contact time weekly. The following costs show existing in-house costs and costs for expansion models.

### **In house current costs**

17. The following table 2 describes the costs associated with existing in-house reablement service and how much face-to-face contact time is given.

Table 2

Existing Hours budgeted for per week (In house service)	Contact time %	Number of hours delivered face to face	Cost of service	Cost per hour delivery of face to face contact
1258	40%	503	£1.39million	£53.25

NB Please note that there is £48k of recharges associated with this budget. If this is removed it means the hourly cost is £51.42.

18. Although the current service operates at a contact time of 40%, it is recognised that in addition to face to face contact time between staff and customer some time must be allowed for planning, case management and assessment. It is estimated that this would be in the order of 20% and this should therefore be included in calculating costs for both independent and in-house provision. The costs in table 3 below reflect this in each scenario by an increase in independent sector hours purchased and a reduced unit cost of £42 for the in-house service. *Further details relating to contact time and costs can be found in Annex C*

### **Existing Staff and the Implications of TUPE**

19. The Transfer of Undertakings (Protection of Employment) Regulations 2006 is the main piece of legislation governing the transfer of an undertaking, or part of one, to another. The regulations are designed to protect the rights of employees in a transfer situation ensure they receive the same terms and conditions, with continuity of employment, as formerly.
20. The option presented within this report involve a “contract out” of the Reablement Service to the independent sector, and TUPE applies to all relevant transfers where services are outsourced, ‘insourced’ or assigned to a new contractor.
21. Therefore, all employees employed in the service, are covered under TUPE legislation and have a right to transfer to the new organisation with their existing terms and conditions of employment. Their continuity of service is also preserved.
22. Without prejudice to their right to transfer to the new organisation, staff may wish to volunteer to be released from employment on the grounds of business efficiency. The Local Government, Early Termination of Employment (Discretionary Payment) Regulations 2006, provide Local Government employers with powers to consider a one off lump sum payment to an employee whose contract is terminated in the interests of the efficient exercise of employing the authority’s functions.
23. Whilst employees would not be dismissed as a result of this transfer, requests would be considered from those who did not wish to transfer and instead wanted

to be released to access their pension (if over 55), and/or to receive a lump sum payment (based on the Council's Redundancy Payment table).

24. It can be demonstrated that by allowing staff who wish to volunteer to leave that this would create a business efficiency, as the costs associated in purchasing the service from the independent provider would reduce due to there being a reduced number of staff on CYC terms and conditions (which are significantly more expensive than their existing workforce).
25. Option B3, provides an example of the indicative costs, should a number of staff volunteer to be released from the service early, and not wish to transfer to the new provider.
26. All other staff would transfer to the new provider on the agreed date of transfer of the business.

### **Expansion costs**

27. In considering the expansion costs to deliver a 1012 hours face to face contact time, the table below shows costs associated with the following possibilities:
  - A - the expansion of the in-house CYC service.
  - B1 - purchase of the service from the independent sector.
  - B2 - purchase of the service from the independent sector including costs as TUPE will apply, as existing staff have a right to transfer.
  - Please note that B3 is shown as an illustration of costs should some staff opt to exit the organisation early. (see notes in paragraphs 19-26 above).
28. The following table 3 shows Year 1 costs of each option of expansion (as seen in total cost on above table, and also ongoing annual costs.

Table 3

	A In House service including expansion costs (assuming 40% current contact time plus 20% allowance)	B1 Independent Sector delivering full reablement model (assuming 80% contact time)	B2 Independent Sector with TUPE costs to new provider (assuming 80% contact time and TUPE transfer of all staff)	B3 Independent Sector with costs associated with dismissals for business efficiency (assuming 80% contact time)
Year 1 TOTAL Costs	<b>£2.5m</b>	<b>c£986,700</b>	<b>£1.313m*</b>	<b>£1,258,938m</b> (made up of £986,700 + £272,238 severance costs)
Year 2 – 5 costs	<b>£2.5m</b>	<b>c£986,700</b>	<b>££1.313m*</b>	£0.987m +£14,316k pension access costs paid each year for 5 years <b>£1,001,316m</b>
Year 5 costs	<b>£2.50m</b>	<b>c£986,700</b>	<b>£1.313m*</b>	<b>£0.987m</b>

29. Estimate of TUPE costs. This is based on indicative hourly rate of provider costs of in the region of £25 for the 503 hours that could transfer under TUPE, plus the expansion costs for 509 hours at in the region of £15 per hour (as in model B1). Please note that option B1 is for illustrative purposes only, as to the costs of a fully outsourced service as it is not possible to opt for this given CYC have staff in place already.
30. We have considered and discounted the option of a “hybrid” model whereby we retain the existing service provided by the CYC in-house team and purchase the remainder of the required hours of reablement from the independent sector. This has been discounted as an option due to it being unduly complex to implement in terms of management of a hybrid service including overall workflow management, performance management and accountability. In addition the costs associated with this arrangement would be an investment required to fund additional reablement hours for which there would be no diminishment in costs that are associated in models B2 and B3. This investment is £496,271 for additional hours needed plus £52,000 for additional management support - a total of £548k.
31. In addition to the issues of number of hours available within the reablement service we must also take opportunities to enhance the quality of the reablement service available in the city to deliver better outcomes for the customers using the service.



32. As described earlier the components/design of a successful reablement model suggest that it is nationally considered essential that the following elements are available or better integrated within a redesigned local Reablement service:
- Reablement home care workers
  - Occupational therapy assessment
  - Telecare staff
  - Care Management input for complex cases
  - Reviewing staff (from care management teams)
  - Placement team capacity (for ongoing home care package organisation)
  - Management capacity for workflow and performance delivery
  - Intermediate care services from NHS required to support design

*The details of the design and component staff elements are dealt with in more detail at Annex A*

33. As outlined in paragraph 12, the expanded service will need some additional capacity to ensure maximum efficiency can be gained from the service. This is minimal and is shown in Table 4 below. These costs would be required irrespective of which model of service was recommended.

Table 4 -Additional Costs

<u>Year 1</u>	<u>Year 2</u>
Occupational therapy Staff £34,575	Occupational therapy Staff £34,575
Project management costs £50,000	
Trusted Assessor training costs £4000	
Total £88,575	£34,575

34. Please note that there will be other service supports required for the expanded reablement model, such as additional contract management and commissioning time but these will be funded from a redistribution of existing budgets. It is crucially important that any newly designed service is developed on a partnership basis and that opportunities are also taken to support current integrated commissioning discussions which seek to address deficits in intermediate care provision.

**Charging regime**

35. Current charging regime: The majority of local authorities with a social care responsibility have opted not to charge for Reablement. York is one of the minority that do and until now it has been a local decision to decide whether to charge or not. Recent communications from the Care Services Efficiency Delivery (CSED) team and the Department of Health indicate that Reablement

Services should not be chargeable to customers. Reablement would become classed as intermediate care which does not attract a charge. Current charging for Reablement has introduced a complication in CYC around the way in which the Reablement Service is commissioned. Reablement is commissioned in 15-minute charging blocks which is cumbersome to operate and works against a smooth flow through the system. It re-enforces a culture of “doing for” customers, who understandably want to pay as little as possible for the service, hence wanting a quick turnover of support rather than a reablement approach. The cost of removing this will be Approx £100k per annum income loss. This cost will be irrespective of the model chosen. A free service would provide greater flexibility for the way the service is provided and would clearly facilitate the move toward integrated reablement/intermediate care arrangements.

### **Ensuring the quality and availability of any expanded reablement service**

36. Considerations have been given in relation to quality and availability of the market to deliver an expanded service.
37. The data available from the Care Quality Commission reflects ratings of home care providers. From this we can ascertain that there is equal quality delivered from in-house home care providers and independent sector providers.
38. It is considered that capacity is available from within the independent sector market. This information is gleaned through the recent re-commissioning and procurement of the home care locality contracts within York.
39. Through the recent home care re-tender we have assessed the quality cost effectiveness and sustainability of providers who would wish to work in York. Providers were tested on their approach to service delivery, their understanding of local constraints, their approach to staff recruitment and retention, and training and supervision. They were asked to give evidence of their ability to work in a personalised way and how they would work with customer to agree support to deliver agreed outcomes. Our contracting arrangements mean that the providers will be regularly monitored on service delivery, and on customer feedback.
40. There is information available from the national annual survey (PSSEX) which shows that 75-80% of local authorities have already outsourced their homecare service. In York we have 50% outsourced and 50% internal.
41. Current numbers of outsourced reablement services is less common as the process is less developed in this area across the Country, however, 16 Local Authorities have done so with information from CSED advising that another 20 authorities have contacted them this month re their plans to consider doing so.

## Corporate Priorities

42. This report takes account of the following corporate priorities:

- Inclusive City

City of York Council will make York an inclusive City. We will do our best to make sure that all citizens, regardless of race, age, disability, sexual orientation, faith or gender, feel included in the life of York. We will help improve prospects for all, tackle poverty and exclusion and make services and facilities easy to access.

- Healthy City

We want York to be a city where residents enjoy long, healthy and independent lives. For this to happen we will make sure that people are supported to make healthier lifestyle choices and that health and social care services are quick to respond to those that need them.

## Implications

### Financial

43. The detailed analysis behind the financial implications is set out in the main body of the report, with all of the key financial and budget figures brought together in the table at Annex E. Table 5, below, then provides a summary of the implications for each option.

**Table 5:**

	<b>Option A £m</b>	<b>Option B1 £m</b>	<b>Option B2 £m</b>	<b>Option B3 £m</b>
<b>Year 1:</b>				
Net Additional Budget Requirement	1.347	(0.166)	0.160	0.120
Over Net (Saving) / Cost	0.651	(0.862)	(0.536)	(0.576)
<b>Years 2-5:</b>				
Net Additional Budget Requirement	1.293	(0.220)	0.106	(0.206)
Over Net (Saving) / Cost	0.039	(1.474)	(1.148)	(1.460)
<b>Year 6 Onwards:</b>				
Net Additional Budget Requirement	1.293	(0.220)	0.106	(0.220)
Over Net (Saving) / Cost	0.039	(1.474)	(1.148)	(1.474)

44. Option A requires an increase in budget of £1.3m to expand the reablement model, a sum that would not be fully recouped by the estimated reductions in future cost pressures.

45. Options B2 & B3 require much more modest increases in the base budget requirement (£0.1m to £0.2m) and these additional costs are more than offset by the significant reductions in estimated future cost pressures, rising to a total net overall future cost saving of up to £1.5m.

### **Human Resources**

46. There are currently 59 “Reablement Workers” in the service, with a full time equivalent of 33 full time equivalents (FTE).
47. The majority of staff work 30 hours per week, and are paid within Grade 5, which ranges from £17,415-£19,147 per annum (pro-rata).
48. There are also a small number of management (Team Leader) and Administrative Support attached to this function, and the consultation and further detailed work will determine if any of these posts are also subject to transfer to the new provider.
49. The transfer is protected by TUPE legislation, and as such all staff have the right to transfer to the new provider, and retain their current terms and conditions.
50. The process of transfer will be managed in line with the Council’s Policy on Transfer of Staff, which is compliant with TUPE regulations.
51. The consultation process may result in some staff indicating their wish to be released from City of York Council employment and not transfer to the new provider. These requests will be managed in the same way as we currently manage requests for Voluntary Redundancy, and a business case would be considered before agreeing to release a member of staff. Any early release, and subsequent dismissal would not be connected to the transfer.
52. This process is designed to be flexible and respond to staff needs, however, this does not replace the right of staff to transfer to the new provider.
53. It is also worth noting that given the skill set of those staff who currently work in the service, it is entirely possible that they may wish to gain employment with any new independent provider. Discussions would be ongoing with staff, and support for staff given through this process. It is possible that negotiations with any independent provider could include an undertaking to interview any CYC staff who are interested in applying for employment with the provider.

### **Equalities**

54. An equality impact assessment has been undertaken and the impact is that on staff as outlined in paragraphs 46–53 above.

## **Legal**

55. Legal advice has been sought, and has confirmed that TUPE regulations will apply. Any staff who have volunteered to be released early would be required to sign a compromise agreement to minimise the risks of any legal challenge, including claims for unfair dismissal.

## **IT**

56. There are no IT implications arising from the report.

## **Property**

57. A movement to an outsourced service would also potentially release property occupied by the in-house service.

## **Risk Management**

58. The risk in moving to implement the recommendation lie in the ability to continue to adequately staff the current service until handover to the independent sector. The mitigation for this is the option for severance or TUPE which will only come into force at the handover of the service.
59. The risk in not moving to the recommendation is lack of a robust strategy to enable cost avoidance of the foreseeable calculable rise in demographics of the older persons population. In addition there is a missed opportunity for a greater number of the customers of adult social care to been enabled therefore reducing individuals dependency on the adult social care system.

## **Recommendations**

60. Members are asked to:
  - (a) Consider that CYC progresses purchasing its ongoing need for the entire expanded reablement service from the independent sector with approval for offering staff the options of dismissals for business efficiency reasons in addition to TUPE as outlined in paragraphs 19-26 and 50-53 above.
  - (b) ask officers to update Executive Member in public on progress on the procurement process and the outcome of ongoing consultations.

### **Reason:**

*To allow the city to increase the scale of home based support to older people in a way which is financially deliverable, provides employment security for staff and which seeks to maintain for as long as possible the independence of local residents.*

## Contact Details

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**Report Approved** ✓ **Date** 2 December 2010

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**Wards Affected:**

**All** ✓

For further information please contact the author of the report

## Background Papers

None

## Annexes

Annex A (B1) - Components of a remodelled reablement service

Annex B (B2) - Size of reablement service needed

Annex C (B3) - Costs of running CYC reablement service

Annex D (B4) - Staff costs associated with dismissal due to business efficiency reasons/and or TUPE

Annex E (B5) - Financial Implications of Reablement Model Options