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Executive

15 March 2011

Report of the Director of Adults, Children and Education

## **Update on Reablement Service**

### **Summary**

1. This report is a follow on report from an item on the agenda of the Executive meeting of the 14 December 2010. It updates the Executive on the opportunities of a remodelled reablement service as part of a wider strategy to meet the challenges both financially and qualitatively of the changing demographics within the City. It also seeks to facilitate decision making on the next steps for the service. A copy of the original report is at Annex 1.

### **Background**

#### **Previous Executive Decisions**

2. A report was presented to Executive on the 14 December 2010 recommending the option to remodel the current in-house reablement service to create an expanded reablement service, purchased from the independent sector, which would meet the needs of the changing demographics within the City. The recommendation also sought approval to offer staff the option of dismissal for business efficiency reasons in addition to the opportunity to transfer to any new provider under TUPE. The original report also sought approval for officers to update Executive Member in public on the ensuing procurement process and the outcomes of further consultation.
3. Executive agreed to:
  - a) progress purchasing the ongoing entire expanded reablement service from the independent sector, with staff to be offered the option of voluntary severance for business efficiency reasons, in addition to TUPE;
  - b) review any further changes that may be needed to the in-house service in order to maintain that provision;
  - c) request Officers to update the Executive on progress with the procurement process, the outcome of ongoing consultations, and the production of tables comparing the costs of provision of services (in-house and independent sector) and consequent outcomes;
  - d) request Officers to provide details of the Equalities Impact Assessments of any changes to the service.

### **Reablement model**

4. Reablement is a short-term service to customers, which is aimed to maximize independence and minimise the ongoing need or intensity of a longer-term support package. It focuses on independence and results in significantly better outcomes for customers and a reduction in overall spend on continuing long-term home care packages. The focus of staff within the reablement service is to support people to move through the service as they increase their independence, with a maximum period of a 6-week intervention. This requires a different approach from staff to that of a traditional home care service delivery model, and does not rely on long term relationship building with the customers.

### **Size and Costs of the remodelled service**

5. The previous report outlined the need arising from demographic changes to increase the face-to-face hours of reablement to the customer to 1012 hours per week which is a 50% increase in capacity for face-to-face support. The previous report detailed how existing in-house service delivers 503 hours of face-to-face care at a cost of £1.39m.
6. The previous report also advised that the costs of expanding the service by purchasing it through the independent sector would be in the region of £986,700. Allowing costs for TUPE and the option of staff the option of dismissal for business efficiency reasons, the costs would be £1.313m. (See Paragraph 58).
7. The previous report also proposed that a prospective transfer to the independent sector would be based on 80% actual face-to-face support time to allow time for planning, case management and assessment (this would mean that a total of 1215 hours would be needed to be commissioned to deliver 1012 face-to-face contact hours).

### **Update on Size and Costing model from Independent Sector**

8. Discussions with both providers, the UKHCA and the Independent Care Group, have welcomed the approach in agreeing a non-contact time allowance for training, management, assessment etc and it is viewed as a positive and bold approach by the council.
9. Mike Padgham, United Kingdom Home Care Association, Chair said:

*"I am delighted that City of York Council is proposing to offer out their domiciliary reablement services to tender in the wider market place. It makes economic sense. The Association has long held the view that to achieve Best Value for the taxpayer, the independent sector should be allowed to bid for the reablement contracts. Sadly not enough local authorities are doing this as yet and therefore the few that are - including York - are to be praised for their forward thinking. As a result of this, hard pressed local authorities are ensuring they get value for money; people will receive individually tailored services to meet their needs and the quality of services overall will be maintained or even improved."*

10. Costs that were anticipated within the previous Executive report “in the region of £15 per hour” is still applicable following the discussions with independent care providers. These costs do not include the costs of any TUPE transfer costs.
11. Average rates for recently secured Framework contracts are £13.64/hour, with an additional council premium for the reablement approach indicate we fully expect that the costs will be in the region of £15-17/hour.

### **Update on Market testing**

12. Officers from the have undertaken some “soft” market testing of the council’s approach with several providers and representatives of the sector. Indications from the meetings are that there will be interest from organisations wishing to deliver the service and as detailed in paragraph 8.
13. Officers of the council have also had conversations with a “mutual” or “social enterprise” organisation that has already offered a franchising scheme within other local authority areas. Should any organisations operating this model wish to be considered as potential providers of the reablement home care service they would have equal opportunity to compete through the tendering process.
14. The recent re-tender of the council’s Locality Home Care Contracts produced a total of 82 expressions of interest. This was a joint Pre Qualification and tender process but still led to 16 organisations submitting a tender wishing to deliver these services. In summary we believe the market would respond positively to any new opportunities made available.
15. In summary the projected costs presented in the last report continue in the light of dialogue and soft market testing to remain applicable.

### **Update on other local authority experiences for provision of a reablement service**

16. We have gathered information from other local authorities relating to outsourced reablement services. The reason for including this information in the report is to explore the comparative performance of in-house and external provision particularly in delivering a reablement service. All agree that any additional volume increases in provision achieved through outsourcing would be negated if the quality of that provision were open to question. Quality in this context must be judged both from the perspective of the customer in terms of the support received but also the extent to which that provision delivered the best practice outcome levels of reablement.
17. A survey was undertaken of local authorities that have either partly or are wholly running their reablement service indirectly. There are around 20 local authorities in this category and responses have been received from 10 authorities. Some responses are below - others can be accessed as part of Annex 2.

18. Reablement is a relatively new type of service and as a consequence authorities are continually refining and adapting the model, as more is understood about best practice and performance. These refinements affect both in-house and externally provided services alike.
19. The models adopted by authorities vary considerably. For example some apply fair access to care criteria, some only take customers discharged from hospital, some have an emphasis on assessment, others have health input and some do not. It is therefore difficult to directly compare performance outcomes and this is exacerbated by variations in calculations used to measure performance.
20. It is only in relatively recent times that there has been an attempt to share best practice and move towards a more common model. This is reflected in the most recent survey by the Joint Improvement Partnership in their report of February 2011, which outlines best practice in reablement. Consequently the councils that responded to the survey were concentrating on achieving best practice within the overall care pathway for the customer and were less concerned about the delivery platform.
21. Of those local authorities that responded to the survey, all said that feedback from customers was positive and there were few concerns about the way the external contract was being operated. Some had experienced better reablement rates than originally anticipated. All considered that managing the contract and the relationship with providers was essential to success.
  - Several, including Brent, had experienced early difficulty around the flow of referrals through care management into reablement and on to long-term care provision:
  - Essex County Council could see few disadvantages in outsourcing reablement and had achieved 98% customer satisfaction.
  - Hertfordshire County Council were very positive about the whole experience although they had had some early difficulties from lack of referrals from care management. Hertfordshire Council has achieved 70% reductions in ongoing care needs so far.
  - Camden in their post project evaluation found that their deliverables had all been met and their reablement targets had been achieved. Camden along with others recognised the need and value of training (a factor which is equally critical within in-house provision).
  - Medway concluded that outsourcing had been a success but like all outsourced services required careful monitoring and Poole was starting to consider expanding their outsourced service in light of their experience so far.
22. In conclusion the survey indicated that there was little difference in performance between in-house and external provision and that the key to better performance in both areas was the development of a performance management culture where reablement was seen as a system involving care management, commissioning staff, occupational therapist and care staff.

## Update on Quality Issues

23. In looking at existing quality issues we have considered the Care Quality Commission ratings, number of complaints, number of safeguarding referrals and also the customer surveys for both the in-house service and the independent sector. Whilst it is not possible to compare the in-house reablement service with an independent service within the City (as one currently does not exist), the overall home care situation gives an idea of qualitative issues. Information on each of these is covered in paragraphs 28-35 below.
24. It is also important that we are able to monitor the quality of any service that is outsourced on a regular basis and in a robust way. To ensure this, as per existing contract monitoring arrangements, regular meetings with the provider would take place where quality of service delivery would be discussed and measured against the service specification. Regular surveys of customers' views would take place and feedback through the care management teams of customers' views is given.
25. The oversight of the whole reablement service - which would include the outsourced reablement home care service - would be through officers of the council's Assessment and Safeguarding arm. A specific service manager role is dedicated to overseeing the workflow and quality of support offered to customers using the reablement service. By bringing the role of reablement more closely aligned within the assessment function, the ability to manage the service to the best advantage to customers is given.
26. Further additional benefits which will add to the quality of provision will be given by closer working relationships with health partners, with particular regard to a more joined up reablement and intermediate care service. Initial discussions with managers in health have shown a willingness to make these arrangements operate in a practical way to the benefit of the citizens of York with shared resources and systems management.
27. Additional quality of service delivery will be given through introducing the non-charging for the reablement home care service. This will ensure the time that staff give to customers is not constrained by time limited charged slots. This will allow both staff and customers to focus on a more reabling approach rather than a time limited intervention. The costs for any associated loss of income are taken into account in the overall costs of the service

## Latest Care Quality Commission (CQC) Ratings

28. The last published ratings from CQC gave the following outcomes to local independent providers:
  - Riccall Carers - Excellent
  - York Helpers - Good
  - Goldsborough - Good
  - Surecare - Excellent

- Prestige - Good
29. The last published ratings from CQC gave the following outcomes to CYC services (please note the promoting independence teams were amalgamated to become reablement team). These ratings were the last given ratings. CQC no longer rate in this way:
- Promoting independence team - Glen Lodge - Good
  - Promoting independence team - SE - Good
  - Promoting independence team - GFC - Good
  - Promoting independence team - Barstow House - Good
  - Care Services (formerly EMI and High Dependency) - Good
  - Home Support - Not required to be registered with CQC

### Customer Surveys

30. Customer surveys are undertaken on a regular basis. These include both in-house provided home care services, including reablement and independent provided services.
31. These surveys show no discernable difference over a period of time. From time to time providers in both the independent sector and our in-house services have shown 'dips' in satisfaction. When this happens it triggers a proactive approach between the commissioners and providers to address any issues. In the most recent surveys for example, one independent provider showed lower satisfaction rates in respect of consistency of times of delivered care. This is now being addressed and will be reviewed through the next survey. One other area of quality that needs to be improved for all providers is in the area of "knowing which carer is coming to see you". Only 22% of CYC care services customers, 29% of one independent provider, and 37% of CYC reablement services customers responded favourably to this. This again is an area that providers have been required to address and improve.
32. As part of the planned service changes the following areas will enhance the delivery of the service and the customer experience:
- non-charging for the service will allow staff a greater ability to offer a reablement approach without the constraints of a limited time slot. This means customers will not be concerned re rushing the home carers visit due to the costs associated with a charged service against time spent

### Safeguarding Referrals

33. 73% of York's home care delivery is done by the independent sector, the remaining 27% by CYC in-house provision. It would therefore be reasonable to presume that statistically 73% of safeguarding referrals relating to older persons home care service should be with regard to the independent sector. This is not the case however. The number is less than this given that for the 4 months up to December 2010, of 61 Safeguarding referrals 60% (36) relate to the independent sector providers and 40% (25) of referrals related to

customers using CYC services. These are referral numbers only and do not relate to “proven” safeguarding incidents.

### Complaints

34. From April 2010 to end January 2011 there have been 13 formal concerns/complaints raised regarding home care service. Of these 8 were relating to the independent sector and 5 relating to CYC provision. These should again be viewed in light of volume of service deliver outlined above.
35. In summary the challenge that the independent sector cannot match the in-house service in terms of quality of provision may have only an anecdotal evidence base. .

### **Update on Consultation with Staff and Unions**

36. At the time of drafting this report a total of 7 open meetings with groups of reablement staff have been held since the 14 December meeting of the Executive. These weekly meetings were supplemented by 2 further sessions devoted to questions and answers on TUPE in response to requests from staff. Unison and GMB representatives were invited to attend the weekly meetings and the TUPE sessions and attended where they could.
37. The purpose of the meetings has been to communicate the Executive’s decision taken in December and to encourage further suggestions from all staff whilst continuing a dialogue and involvement about planned service changes and improvements.
38. Three specific meetings were arranged with Unison and a GMB representative to discuss the improvements in the service and any suggestions they wished to make for further improvements. The first meeting on 4 January was cancelled due to Unisons representatives’ sickness but meetings on 20 January and 11 February went ahead without a GMB representative in attendance. A separate briefing with GMB took place on 26 January. A Directorate JCC was held on the 13 January.
39. The meetings with unions explored any opportunities for further flexibility in working practices but in the absence of any new proposals a focus on monitoring existing planned changes was helpful.
40. A further Directorate JCC was held on 2 March where an update was given on the reablement progress and recent discussions with the mutual company.

### **Update on improvements in performance within in-house service**

41. There has been a concerted focus for the last two years on improving the face to face contact time in all in-house home care services following the last review of home care services that concluded in January 2009.
42. The actions and changes arising from that review were approved at a meeting of the Housing and Adult Social Care EMAP on the 29 January 2009 and these have been implemented. In addition, subsequent actions for

example on adopting the council's lone working policy, changing shift patterns, reducing levels of sickness absence and becoming a keyless service have all contributed to the 8% increase in the last two years.

43. In June 2008 the face-to-face contact time in the Promoting Independence Team (the forerunner to the reablement service) was 32% and currently stands at 50% of the hours deployed each day to work with customers. The most significant change since the December Executive meetings is the introduction of a new rota which had been planned for a late January start with staff also operating in one of six team areas across the city. These actions have also improved the availability and quality of the service to its customers.
44. Information on current and proposed rates of face-to-face time can be seen in Annex 3.
45. The scope for further improvement to face to face time is however limited due to various factors that reduce the time reablement staff are available to work and are available to be in face to face contact with customers. These are based on staff terms and conditions such as annual leave and public holiday entitlements, paid sickness, staff travel time between customers visits and customer related tasks. The effect this has is that 43% of staff time is not available for face-to-face work with customers. The table below demonstrates this.

Deductions from staffing hours and hours available for face-to-face contact time

Annual leave & public holidays	8%
Sickness absence	8%
Travel time	20%
Handovers, customer related tasks etc	9%
	43%

46. This shows that with existing terms and conditions the absolute maximum time available for face-to-face work by the in house team is 57%. This 57% would rely on the service deploying and utilising its staff to a 100% maximum efficiency and not incur any downtime from staff working outside of peak times of customer demand. Travel time between visits etc varies but it has not dipped below 20% of the overall time spent in work.
47. In addition that hourly rate of pay afforded to in-house staff is greater than that of the independent sector thus further restricting the possibility of favourable cost comparisons against an independent sector provision.
48. All of these costs are already factored in to the hourly costs of the external service providers, and their hourly rates include the costs associated with the factors in the table above any allowance for this.
49. The National Lead in CSED (Care Services Efficiency & Delivery) for Reablement, Gerald Pilkington, advises that in-house services across the



country are delivering between a 30 to 40% face to face contact time for similar reasons to those listed above. The recent improvements are the culmination of a two-year programme and place the in-house service amongst the higher performing in-house services in the country but given the constraints posed by the council's terms and conditions, the in-house service will not be able to compete with the cost and efficiency level of the independent sector.

### **Consultation with partners**

50. Further consultations with partners relating to the proposal to increase the size of the reablement service which have taken place since the last Executive are outlined below:

- Levels of Care Meetings - these meetings have GP consortia representatives/PCT/York health trust and CYC staff input. Discussions about increasing reablement capacity has been fully supported as a priority action to benefit not just customers but also the overall system in terms of improving capacity and throughput.
- Winter pressures meetings. These are multi-agency meetings looking at pressures relating to seasonal influences. The increase in reablement capacity is seen as one of the major positive steps to ensure faster, smoother throughput of customers through the system, aiding hospital discharge protocols and is welcomed as a concept.
- Joint Commissioning group – Senior officers from the PCT, the council and the current GP Commissioning Consortium met in January and confirmed their agreement to the work undertaken by the Levels of Care Group, including joint investment plans to develop the wider reablement team approach, and to increase our capacity to deliver more reablement care.
- York Hospitals Foundations Trust - Mike Proctor the Chief Executive of the trust has advised:

*“We are aware that the proposals to potentially outsource the reablement service has been discussed at key partnership planning forums. In so doing the LA is positively seeking to increase the scale of the service and as a result the level of community based support available in the city. We welcome developments which could have a positive impact in reducing hospital admissions and facilitating earlier discharge.”*

### **Equality Impact Assessment**

51. The equality strands mostly affected are age and disability and the impacts of both are positive as we move to an enhanced more flexible service.

52. In summary:

- More customers (up to 50% increase) will receive the opportunity to be reabled within the existing cost envelope of the existing service.

- The opportunity for an increase in independence and diminishing reliance on large ongoing support packages will be offered to more citizens of York.
53. Staff will be affected by the proposal as outlined in the previous report, and due to the nature of the staff team being mainly composed of females it is inevitable that this will have a disproportionate affect on female reablement workers. However, the TUPE arrangements will offer some protection for all staff irrespective of gender.
54. The full equality impact assessment can be seen at Annex 4.

### **Corporate Priorities**

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

#### **Inclusive City**

56. 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**

57. 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**

58. The current budget for the in-house reablement service is £1.39m to deliver currently 602 hours of face-to-face support. The financial implications for delivering the expanded service in the independent sector of 1012 face-to-face hours remain as per the original report. This shows a minimum cost of £0.987m in year 5 as opposed to a maximum cost of £1.313m for a much greater level of service delivery.
59. As agreed in the previous report a small part of the differences in costs from the in-house costs to the independent sector costs will be used to develop the expanded reablement service, eg for occupational therapy costs, training costs and will meet the expected loss of income as the service moves to a non-chargeable one.
60. In addition, cost avoidance savings have been identified in the first year of full operation of an expanded model of £696k. Please note these cost avoidance savings are based on the assumption of the delivery of an increase in the

capacity of the service of 50% which can only be delivered within the current budget if it is outsourced.

61. The table below summarises the overall financial implications.

	Independent Sector with TUPE costs to new provider (assuming 80% contact time and TUPE transfer of all staff)			Independent Sector with costs associated with dismissals for business efficiency (assuming 80% contact time)		
	Year 1 £m	Year 2-5 £m	Year 6+ £m	Year 1 £m	Year 2-5 £m	Year 6+ £m
<b>Estimated Cost Of Options</b>						
Reablement Service Delivery Costs	1.313	1.313	1.313	0.987	0.987	0.987
Occupational Therapy Staffing	0.035	0.035	0.035	0.035	0.035	0.035
Trusted Assessor Training	0.004			0.004		
Project Management Costs	0.050			0.050		
Severance Costs				0.272		
Pension Access Costs				0.014	0.014	
<b>Total Cost Of Service</b>	<b>1.402</b>	<b>1.348</b>	<b>1.348</b>	<b>1.362</b>	<b>1.036</b>	<b>1.022</b>
Less Cost of Existing Reablement Service	(1.342)	(1.342)	(1.342)	(1.342)	(1.342)	(1.342)
Add Removal of Charging Income	0.100	0.100	0.100	0.100	0.100	0.100
<b>Net Additional Budget Requirement</b>	<b>0.160</b>	<b>0.106</b>	<b>0.106</b>	<b>0.120</b>	<b>(0.206)</b>	<b>(0.220)</b>
Less Estimated Future Cost Avoidance	(0.696)	(1.254)	(1.254)	(0.696)	(1.254)	(1.254)
<b>Overall Net (Saving) / Cost Of Option</b>	<b>(0.536)</b>	<b>(1.148)</b>	<b>(1.148)</b>	<b>(0.576)</b>	<b>(1.460)</b>	<b>(1.474)</b>

## Human Resources

62. There are currently 59 Reablement Workers in the service, which make up 33 full time equivalent (FTE) posts. Reablement Workers work a range of contractual hours, from 15-30 hours per week, and are paid within Grade 5, which has a gross salary range of £17,415-£19,147 per annum.
63. There are also a small number of management (Team Leader) and administrative support, which work solely in reablement, and so would be affected by these proposals.
64. The option presented within this report involves 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.
65. 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, and will apply to this proposal.
66. 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.

67. The process of transfer will be managed in line with the council's Policy on Transfer of Staff, which is compliant with TUPE regulations. If Members agree to the recommendation to pursue an outsource of the service, then formal consultation with staff would commence.
68. 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.
69. Early consultation with staff has resulted 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 still need be considered (including associated financial costs) and presented to Staffing Matters and Urgency Committee. There will still be an opportunity for staff to express an interest in Voluntary Severance, following Members' decision.

### **Legal**

70. The Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply to any transfer of staff.
71. Any employees wishing to leave early should agree to sign a compromise agreement by which the employee will agree not to pursue any legal claims, including unfair dismissal claims. The compromise agreement should detail the terms of the severance agreement, so that there can be no doubt the employee is voluntarily accepting termination of their contract.

### **IT**

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

### **Property**

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

### **Risk Management**

74. The risk in not moving to the recommendation is:
- A lack of a robust strategy to enable cost avoidance of the foreseeable changes in the demographics of the older persons population.
  - A missed opportunity for a greater number of the customers of adult social care to be enabled therefore reducing individuals dependency on the adult social care system with subsequent improved outcomes for customers and financial savings to the authority.

75. The risks in moving to implement the recommendation are:
- 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.
  - The communication to any current customers of the reablement service at the time of change. The mitigation for this will be a staggered handover of service delivery, ensuring that current customers “finish” their reablement period with the same service provider, and also a robust customer communication strategy to ensure people are aware of planned changes.

## **Summary**

76. Within the body of the report information has been given which shows the results of cost and quality comparisons, informs Executive of the market testing work undertaken, shows the improvements that have been made within the in-house service whilst recognising the limitations on potential future improvements, and reconfirms existing financial profiles. From this information the case for the expansion of the reablement service by outsourcing to the independent sector in order to offer a service to more citizens of York within the same cost parameters is reconfirmed as the officer recommendation.

## **Recommendations**

77. Members are asked to:
- (a) Agree to CYC progressing the purchasing of its ongoing expanded reablement service from the independent sector at the same time giving approval for offering staff in the existing CYC reablement service options of dismissal for business reasons in addition to TUPE.

Reason: To ensure the authority is able to deliver increased level of reablement services which will match changing demographic needs within the city.

## Contact Details

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**Wards Affected:**
**All**


## Background Papers

December Executive Paper on reablement changes

## Annexes

- Annex 1 - December Executive Paper on reablement changes
- Annex 2 - Feedback from other local authorities that have had experience in outsourcing their reablement services
- Annex 3 - Existing and proposed reablement face-to-face contact times
- Annex 4 - Equality impact assessment