

## **Care and Support at Home**

### **Service Provider Consultation and Engagement**

The Council's contract arrangements for care and support at home and domiciliary care are coming to an end in January 2021. Before commencing the commissioning of new arrangements, the Council was keen to work with service providers and stakeholders to develop the proposals and hence embarked on a series of engagement activities.

The purpose of the service provider engagement was to:

- Understand providers' challenges and barriers in delivering care in West Sussex.
- Seek views on the development of future commissioning plans
- Test out the appetite and potential for changes from current models.

The consultation and engagement activities included:

- Market engagement events (13<sup>th</sup> May & 7<sup>th</sup> August 2019)
- Provider survey on payment options
- 'Have Your Say' provider survey on the proposals.

We are grateful to all providers who took the time to attend events and to respond to surveys and we have carefully considered all points raised.

This document summarises the themes and messages received during the engagement and what the Council have done or are doing to reflect on the feedback.

### **Provider Engagement Session May 2019 – key themes**

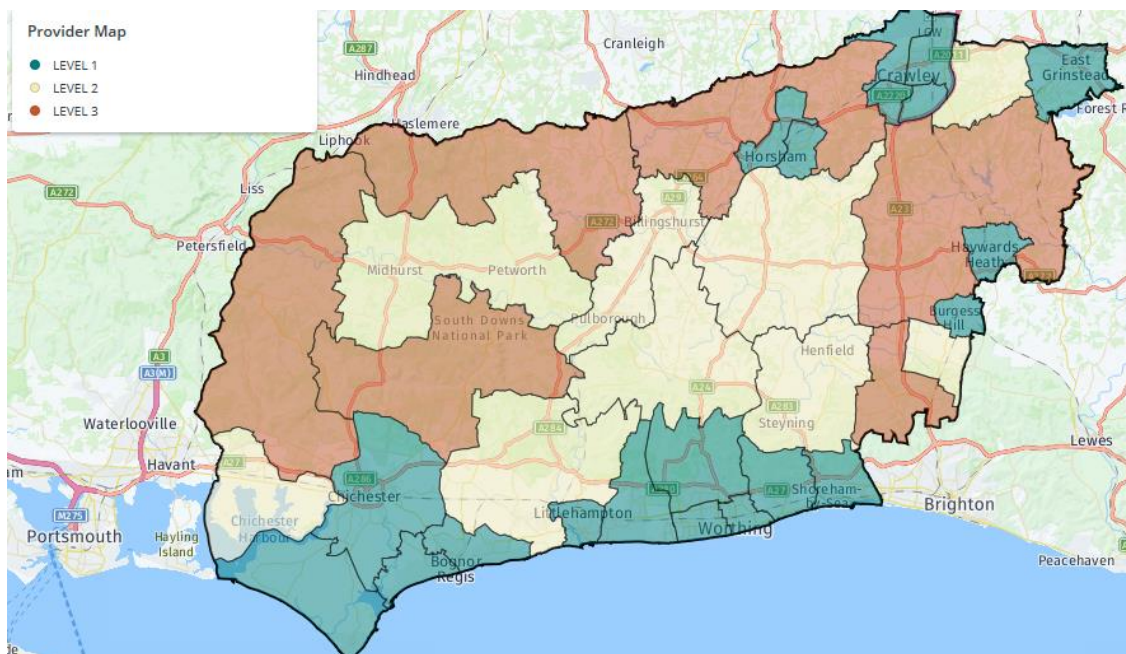
This session gave an overview of the challenges, strategy and vision and asked providers for input into 4 key workshop areas. The boxes below contain the key themes arising from the workshops, with confirmation below each theme of the Council's response. (More information from this provider engagement session, including the slides and workshop outputs is available on request)

#### **Staff recruitment and retention is the biggest challenge**

- Proud to Care is being extended into 2020/21 with a focus on the Council's strategic priorities. This will continue to support providers to recruit and retain a care workforce in sufficient numbers to manage demand and support providers to grow their business.
- The Council is exploring alternative models of care delivery, for example a current pilot in the Horsham area is focusing on attracting new people into care careers with more responsibility and a different pay structure, to encourage opportunities for care workers. The Council is keen to work in partnership with providers to proactively explore alternative models of care delivery.
- The Council is exploring ways of enabling additional resource and investment into the sector to help providers to encourage more people to consider care as a career.

**Block contracts based on smaller geographic areas with a small number of providers (in rural areas) to ensure service viability. Areas should reflect optimum volumes and customer numbers.**

- The new commissioning arrangements will reduce the size of the geographic areas significantly, with 35 areas in total as seen in the map below. Level 1 areas will have highest levels of demand. Level 2 areas have less demand hence the Council is aiming to have a block element to enable providers to have a level of assurance to support viability.
- Each level 1 area will have a primary provider. To support continuity and manage risk, a secondary provider will also be sought and the Council will also be keen to encourage other providers operating in the area to join the framework as a reserve list of provision.
- Each level 2 area will have a single primary provider as well as encouraging other providers to join a reserve list.
- The Council will seek providers for the level 3 areas from the reserve list in these areas, primary or secondary providers will not be sought in these areas as volumes are lowest in these areas. However we will be keen to work with providers who can deliver and are already delivering in these areas. The Council will also be keen to explore alternative models in these areas.
- The areas have been developed based on feedback from the provider event and include a geography that is not too large, which will enable more efficient rounds, reduce travel costs and time and include a volume of hours that reflects what providers told us was viable both for the more rural areas and in terms of total service levels.



### **Investment is required**

- The Council currently spends up to around £28m on these services annually but has listened to the feedback that costs for providers are increasing. To date the Council has responded by including new clauses in the main framework agreement around price variations and also in providing an uplift of at least 3% a year every year since 2015.
- The Council is currently planning potential uplifts in rates for 20/21. The proposals for this will be subject to a decision over the next month.

### **Significant training, development and culture change is required to move to a more outcomes and strengths based approach**

- The Council is developing a plan to ensure we can work with providers to move to a more strengths based and outcomes focus in line with the Council's priority to support people in their own home. More information will be provided on this during 2020/21.

### **Market Engagement Event 7<sup>th</sup> August 2019 – key themes**

This session gave an overview of the proposals developed following the May engagement session. A question and answer document was published after the event and is available on request. The key area of concern which prompted further work was on the payment terms. A response to this is identified below:

### **There is uncertainty around the payment terms and what the implications may be.**

- Subsequent to the 7<sup>th</sup> August session and as a result of concerns raised about the payment structures, the Council issued a survey to all providers to seek feedback on various options of different payment models. The outcome of this is covered later in the document.
- The documents issued as part of the procurement process (which are currently being developed) will outline the payment terms. In addition a briefing will be held at the commencement of the procurement for all providers interested in the new commissioning arrangements. All providers doing business with or interested in doing business with the Council from January 2021 are encouraged to attend to ensure they are clear on what the proposals mean for them.
- Currently it is anticipated that the payment structure will be largely unchanged (see response to cost survey) therefore providers (including primary, secondary and reserve providers) will be paid for services provided and providers will be able to submit their own rate.

- In responding to concerns about costs increasing, the Council is exploring options for 20/21 that will support providers to manage cost increases, and reflect rates that providers may be looking to charge in the new arrangements.
- The Council will continue to look at the non-financial benefits that it provides, for example training and development, business support, and recruitment support and advice as well as continuously looking to improve its systems and processes to support efficiencies for the Council and providers.
- There was insufficient evidence at this stage available to mitigate for risks of changing the payment structure, however the Council will be keen to work with providers to trial and test different options for payment models in the future.

### **Provider Survey on the proposals, September 2019 – key themes**

A provider's survey was published on the Council's Have Your Say website, asking providers to comment on the proposals presented at the 7<sup>th</sup> August event and outlined in the 'have your say' consultation document. 13 responses were received which did not allow enough for a thematic analysis but was considered important to take into account alongside the other provider engagement completed. Selected key points are included below:

#### **Costs can't be reduced.**

- This has been a consistent theme and the Council understands the level of cost pressures for the market. The Council is exploring options for an annual uplift for 20/21.
- The Council will not be setting a rate as part of the new commissioning arrangements. Providers will be asked to confirm their own rate for each area and will be asked to ensure it is sustainable and viable. Any comparatively low rates will be reviewed to ensure they are achievable and sustainable.
- The Council has significant financial pressures, and it is important to ensure value for money for public funds, therefore cost will be a large part of the tender evaluation for primary and secondary providers. However provider's quality will be assessed first to ensure that only the rates of providers evidencing a satisfactory level of quality are evaluated. For reserve providers it is anticipated that all costs will be accepted, although providers with high rates in comparison to other providers may find that they are less likely to receive work from the Council or costs may not be affordable for current customer's budgets. However, as previously covered, the Council remains committed to paying sustainable rates to enable providers to support the Council to meet its strategic objectives and enable care to be sought for customers.

#### **It needs thought on what providers cover which areas and the number of areas a provider can bid for.**

- There are three key areas here:
  - 1) Providers need a volume of business which is sustainable;

- 2) The Council and service users are at risk if a provider is successful as a primary provider across multiple areas and subsequently is unable to deliver the volumes or goes out of business and has to withdraw entirely; and
  - 3) Service Providers may be restricted in responding to council referrals in all areas they currently cover.
- The Council has therefore been carefully reviewing the number of areas that a provider could be successful for as part of the forthcoming procurement.
- The emphasis on the new arrangements is on focusing volumes in smaller geographic areas. This reflects the feedback from providers on optimum geographical size and is more likely to be deliverable and provide efficiencies for providers in terms of travel. Each level 1 area has significant volumes of expected demand and hence it is unlikely that a provider spread over multiple level 1 areas would be able to deliver the total volumes required or expected in all areas. Therefore the number of level 1 areas and level 2 areas will be limited to manage the risks and to reflect what is likely to be achievable.
- Service providers may not be able to be successful for all areas in which they currently provide services. However, if they are successful in one area as a primary provider it is likely that future volumes will be higher than current spread across a wider geographic area. Providers are also able to retain their existing customers (as long as they remain on the new arrangements in the area their customers are located in, either as primary, secondary or reserve provider) and therefore it is likely that changes in the focus of customer locations will be gradual.
- The Council works with many providers across West Sussex. If there were no restrictions on numbers of areas then it is possible that a very small number of providers could be successful for all level 1 and level 2 areas which would limit ability for other providers to grow volumes with the Council as well as presenting a risk to the Council of impact of provision failing.
- It is important to be aware that currently around 25% of services are provided by 'reserve' provision and it is possible that this may be reflected similarly in volumes to secondary and reserve providers in the new arrangements, with initial volumes potentially much higher. The Council commissions around 1 million hours of service per year and hence even on reserve, providers will have the opportunity to support customers referred by the Council. In addition, the Council estimates that it purchases around 25-30% of the total care and support at home business in West Sussex and therefore providers will still have the opportunity to seek business from other funders.

**More emphasis on quality – rewarding providers for responding to customers in hard to reach areas with incentives**

- The Council is very keen to work with providers who can respond to need and demand and can provide a good quality service to customers with a range of often complex needs. Primary and secondary providers in level 1 areas will be required as part of performance monitoring to accept a minimum of 75% of

referrals in the specific area and to reflect the range of customer requirements and locations across the customers they support and the referrals they accept. The incentive in this comes from receiving all referrals first prior to these being referred to secondary, and reserve providers, which supports businesses to grow volumes.

- Financial incentives are something that the Council is very keen to trial and test with providers. Information initially from providers did not evidence that a change in the payment model would be well accepted or would identify sufficient benefits, but the Council is keen to keep this under review and work with providers to consider opportunities around different payment models.

#### **Need to consider customer call times and care workers locations.**

- Whilst it is appreciated that care worker locations and customer call times would give a better level of intelligence about each location the Council does not hold this information. The information used has therefore included the number of customers and the estimated volume of hours. In addition, the areas have been identified to reflect the feedback regarding care workers travel and trying to keep areas more focused to enable efficient travel and rounds for care workers.

#### **Consider joining large and small volume areas together.**

- The Council considered this option. However, previous experience has shown that joining large and small volume areas (or urban and rural areas) together can lead to many providers only responding to the large volume or urban areas at the expense of the smaller volume rural areas. This led to difficulties accessing solutions in more rural areas.

#### **Concerns about existing customers not being transferred under the new arrangements.**

- The Council has considered the option of transferring existing customers to the successful providers within the relevant areas. However, in previous experience successful providers were only able to take existing customers if they had more staff to provide the services. In the majority of cases however, TUPE did not apply because staff were not spending the majority of their time on existing customers. Therefore staff did not transfer and successful providers could not take existing customers in the volumes required.
- In level 1 areas, demand is high and therefore it is anticipated that there will be a relatively swift build-up of new customers from the outset. Where the demand is less and the build-up may take longer (in level 2 areas) the Council proposes to pay for a block of hours in order that providers have stability and can manage the risk at the outset of the new arrangements.



- Customers also value consistency and a transfer of arrangements can have an impact on health and wellbeing therefore the decision was taken, that where possible, existing customers would stay with their current provider as long as the provider remains on the new arrangements to enable customer consistency. In some very exceptional circumstances this may not be possible – for example if the rate changes significantly or the needs can no longer be met.

**Existing provider services should be given credit for providing services to an acceptable standard in an established area.**

- As a public authority the Council will be required to follow a competitive procurement process open to all providers, ensuring equal treatment and transparency in line with the Public Contracts Regulations 2015.
- Existing providers will be encouraged to draw upon their experience, their skills and achievements and the benefits of having established provision to assist them in responding to the questions posed in the tender.

**Creating winners and losers is not ideal.**

- The Council's focus is on having a wide range of provision in each area. Urban areas with high volumes will suit some providers, more rural areas with less competition will suit other providers and the ability to respond as and when they have capacity will suit some other providers. If a provider is not successful, or does not bid, for a primary position they may still work with the Council in another capacity.

**There are concerns about undertaking a change in a fragile market state.**

- The existing arrangements need to be replaced not least due to contract expirations and the Council has a duty to procure services fairly and transparently.
- The Council wanted to ensure that the market is engaged in the process long in advance to ensure that the proposals are workable and achievable for the market and to mitigate the potential risks a procurement process can bring.
- Where possible the Council has decided to avoid moving or changing arrangements for existing customers in order to help reduce impact both to the market and to customers' lives. Should a provider not be successful in gaining a primary position they will still be able to work with the Council as long as they join the new arrangements in some format – e.g. as a secondary provider or on the reserve list.

**What about specialist services and Live in Services?**

- The Council has other arrangements accessed specifically by adults with Learning Disabilities and Mental Health requirements – these are separate to the care and support at home arrangements.

- Care and support at home services are expected to provide to customers who may have complex needs such as dementia.
- Live-in care services will be a part of the new care and support at home arrangements.
- Extra care is not included within the new care and support at home arrangements.
- The Council is exploring alternative means to meet people's needs and will welcome new and innovative ideas from provider services.

**Improving and enhancing Mental health and emotional well-being heavily influences outcomes.**

- Adults' Social Care is currently adapting a delivery model focused on individuals' own strengths, the outcomes they want to achieve and linking them to other community assets and networks. A key output of this is expected to be improved mental health and emotional wellbeing for customers. The Council is currently developing plans as to how service providers can work alongside us in developing this strength based approach.

**Has the Council considered giving over more control over how personal budgets are spent? (for example Direct Payments being offered to all customers)**

- Wherever possible adults' services already offer individuals the opportunity to receive their personal budget in the form of a Direct Payment (DP).
- Customers will continue to have the option to use a DP to source services or solutions that meet their outcomes in a variety of different ways. The Council is looking to work with providers to develop the range of options available so that customers can use this choice and control to find solutions that suit them and enhance their wellbeing.

**What is the impact on restricting work to the reserve provider list – is there a risk of destabilising provider services?**

- At the moment many service providers receive the majority of their business from privately funded customers with only a small proportion of business coming from the Council. The Council's plans to have a reserve list are anticipated to benefit service providers who wish to continue to work in this way and also enable providers to retain existing Council funded customers where possible. Other providers will want to secure higher volumes of work and primary and secondary positions will give providers the opportunity to work with the Council as strategic partners to manage the high volume of referrals.

**To deliver the benefits the Council wants to see (strengths based outcomes focused services) the council will need to (for example); ensure adequate call durations, offer guarantees for staff, sustainable rates, increase rates at weekends, cover voids in hospital, increase hours to enable growth.**



- The Council is committed to working with providers to enable strengths based and outcomes focused services. Alternative payment models have been explored but there has been insufficient evidence at this stage to suggest that paying in a different way will result in the outcomes the Council is focused on. However, within the new arrangements, the Council is looking to support providers through the following:
  - Not capping the rates for submission or setting rates;
  - Focusing more on outcomes for individuals, with providers working with customers on individual calls required to meet outcomes;
  - The Council is looking to enable payment to providers for 2 days when a customer is taken to hospital as an unplanned emergency to enable providers to pay staff whilst reorganising rotas;
  - Allowing providers to incorporate all costs in the rate submitted; (including out of office hour additional payments to staff, bank holidays etc)
  - Focus primary providers on growing volumes to ensure sustainability.
- In response, the Council wants to work with providers to focus on the customer's strengths and assets and to support people at home for as long as possible whilst meeting their outcomes.

### **Provider Cost Model Survey – September 2019**

Finally, providers were requested to complete a survey around cost models following some of the feedback from earlier engagement. The response to the survey was small – 12 responses were received. This is not sufficient to be representative of the market view and thus did not provide sufficient evidence to change the cost models significantly. The results included:

- 58% of 12 responses would prefer to be paid on actuals as opposed to a 'rightsizing' approach.
- There is an inability to reduce costs due to market pressures, challenges with recruiting and retaining staff and high cost of living in the South of England.

As result of the survey the Council will not be implementing a different payment model, as there is no evidence that this would enable additional benefits to the outcomes of the services being provided. The traditional payment model of payment for services provided will therefore continue. However, the Council is keen to work with providers to move forward with exploring different payment models over the course of the new contract arrangements and will look for opportunities to test and trial different approaches that will deliver better outcomes for customers and for the health and social care system. Some examples of this may include rightsizing, individual service funds, gain share and outcomes based payments.

### **Summary**

The Council would like to thank all providers who have been involved in the engagement in any form. Your feedback has been carefully considered and has supported the development of the proposals which have now been agreed by the Cabinet Member for Adults and Health.

Providers will now be invited to a meeting on the 26<sup>th</sup> February through which the outcome of the engagement will be summarised, the new commissioning approach confirmed, and the next steps identified to support providers to understand what this means for their business.

Thank you also for the care and support that you and your organisations provide to the residents of West Sussex every day. We look forward to working with you in the future to continue to meet the needs of the residents of West Sussex.