

Lancashire County Council

Executive Scrutiny Committee

Tuesday, 7th January, 2014 at 2.00 pm in Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Agenda

Part 1 (Open to Press and Public)

No. Item

- (c) **Recommissioning and Procurement of Home Care for Older People and People with Physical Disabilities** (Pages 1 - 94)

I M Fisher
County Secretary and Solicitor

County Hall
Preston

Agenda Item 5c

**Report to the Cabinet Member for Adult and Community Services and Deputy
Leader of the County Council**

**Report submitted by: Executive Director of Adult Services, Health and
Wellbeing**

Date: 13 and 16 January 2014

Part I

Electoral Divisions affected:
All

Recommissioning Home Care for Older Adults and People with Physical Disabilities in Lancashire 2014/15 to 2021/22

(Appendices 'A' - 'D' refer)

Contact for further information:

Tony Pounder, (01772) 536287, Adult Services, Health and Wellbeing Directorate,

tony.pounder@lancashire.gov.uk

Executive Summary

The vital role of home care services in supporting older people and people with physical disabilities is increasingly acknowledged and understood across society. At a personal level many thousands of individuals, carers and families receive and benefit from home care every year and of course nationally the home care sector makes a vital strategic contribution to the Health and Social Care system.

In April 2013 the Cabinet Member for Adult and Community Services considered a report on the findings of a County Council led review of Lancashire's own Home Care sector. The review was undertaken as groundwork for developing a plan for recommissioning and procuring home care services when the current legal arrangements expire on 31 March 2014. This work showed that we have 150 or more Care Quality Commission (CQC) registered home care organisations involved in service delivery across Lancashire, with 129 of these Providers on the County Council's 'Framework' for Home Care, an arrangement which is commonly referred to locally as the 'Preferred Provider Scheme'.

In Lancashire the sector employs around 4500 staff, supporting over 5000 older people and people with physical disabilities. Current annual gross expenditure on home care for these service groups is in the region of £50m. Net expenditure is in the region of £36m which represents 14% of the Council's net adult personal social care commissioning budget in 2013/14.

Since April 2013 a Project Team has been working to develop robust recommissioning proposals for a fresh round of contracts and these are set out in the recommendations below for approval. Some of the proposals simply reinforce and confirm existing approaches and trends, whereas others mark a sharp break with the current arrangements. Careful consideration has been given to good practice from other councils, from published research and policy guidance and from what we know is good about our existing arrangements.

There have been extensive briefings and communications with current providers during this project, and their experience and expertise has offered us new ideas and a realistic appraisal of some of the options we have considered. The Project Team has also engaged with representatives from groups of older people, people with disabilities and family carers in developing our proposals for quality and performance standards. A recent survey of existing home care service users has been undertaken, the findings from which has shown there is broad support for many of the key proposals set out in this report, but concern about what any change from the current arrangements may mean for continuity of care.

The procurement and implementation is challenging and complex and will take time to implement safely and effectively. This will require a contract extension for up to a further 18 months, and the establishment of a dedicated Project Team within the Adult Services, Health and Wellbeing (ASHW) Directorate to manage the safe and efficient transition from the existing to the new configuration of home care services.

It is also worth highlighting the financial significance of this report. Based on current levels of annual spend and the recommended 7 year duration of the Framework,

these proposals will influence future County Council expenditure in the order of £350m across the contract term.

This is deemed to be a Key Decision and Standing Order 25 has been complied with.

Recommendations

The Cabinet Member for Adult and Community Services is recommended to:

- (i) Approve proposals for Recommissioning and Procuring Home Care services which place an emphasis on:
 - Commissioning Home Care Services which:
 - Promote Personalisation;
 - Become more outcome focussed and maximise independence;
 - Support integrated working with other Health and Social Care services and organisations;
 - Ensure the dignity of individuals and safeguards those who are vulnerable;
 - Incorporate human rights obligations into decision making and commissioning and contracting practices.
 - Investing in and developing Lancashire's home care workforce by:
 - Ensuring all Home Care providers are contractually obliged to follow compliance guidance from Her Majesty's Revenue and Customs (HMRC) on paying National Minimum Wage (NMW);
 - Setting prices on the Home Care Framework on the basis of
 - Minimising the use of zero hours contracts (ZHC) in the Home Care sector;
 - Hourly pay rates converging towards "Living Wage" rates for all home carers during the lifetime of the new contracts';
 - National Minimum Wage Compliance
 - Endorsing the principles contained in Unison's "Ethical Care Charter for Home Care";
 - Working with local workforce and employers' representatives to draft a 'Lancashire Charter for Home Care', detailing annually updated commitments to:
 - National Minimum Wage Compliance at all times;
 - Minimising the use of Zero Hours contracts;
 - Hourly wage rates which converge towards the 'Living Wage';
 - Inviting Home Care Providers who wish to secure places on the Framework to sign up to this 'Lancashire Charter for Home Care', and supporting its use as a vehicle for promoting their reputation, partnership working and the sustainable growth of their businesses;
 - Adopting a strategic approach to training in the sector, analysing the workforce National Minimum Data Set, working with Skills for Care, and leveraging its investment in Lancashire Workforce Development Partnership to ensure delivery of training to Home

Care workers is in line with local priorities and takes account of CQC regulations, the Cavendish report, and the guidance under development by National Institute for Clinical Excellence (NICE);

- Changing the Council's approach to contracting so that:
 - Providers are clear about their responsibilities to act compatibly with the Human Rights Act 1998, and contracts would give users of contracted services a direct right of redress against the provider in the event that their human rights are breached;
 - There is a greater emphasis on quality over price in procurement of home care;
 - Providers are expected to support the principles of Self Directed Support and take greater responsibility in supporting individuals to exert choice and control over the use of their Personal Budgets;
 - There is the adoption of a clear and robust approach to quality based on service user derived standards and Key Performance Indicators, reliable monitoring and incentives to continually improve;
 - The new 'Framework' for Home Care offers a minimum guaranteed level of business to providers which is subject to periodic negotiations and reset according to predicted demand*;
 - Our approach to Electronic Time Monitoring Systems is reviewed, with the intention of presenting a business case for investment in a centralised system to enable more effective monitoring and audit of key cost and quality indicators;
 - The length of contracts offered to providers is extended for up to 7 years on the basis of an initial 3 years with the option of yearly extensions for a maximum of a further 4 years, subject to satisfactory progress and performance, and in order to encourage investment in workforce and systems and to reduce procurement costs;
 - Flexibility is built in to design of the contracts to enable the introduction of new approaches and innovations in service delivery and payment mechanisms;
 - Internal County Council arrangements for quality and contract management are redesigned to ensure consistently high performance is rewarded, mediocre or poor performance is swiftly challenged and consistently poor performance leads to contract termination.

- Shaping the Market including:
 - Significant reductions in home care provider numbers operating under contracts from the County Council allowing for a more collaborative approach to working with commissioners and other providers, encouraging investment in systems and workforce development, reducing the proportion of provider sector's spend on management and overheads; and reducing transaction costs for the County Council;
 - Offering contracts for home care business in specified geographic 'Zones' to promote more efficient working across the system and closer integrated working with joint NHS and Social Care

- 'Neighbourhood Teams' of frontline staff;
- Allocating of new business to providers to secure a balanced and sustainable market in each zone by the end of the transition period, and then using publishing benchmark performance data to ensure focus on maintaining standards and continual improvement for the duration of the contract term;
- Enabling smaller Home Care providers to bid for a smaller volume contract within zones to maintain variation in the market place and reducing the business risk for successful but newer businesses growing from a smaller base;
- Limiting market share for any one provider to ensure the sectors longer term sustainability while ensure healthy competition and choice;
- Encouraging and fostering continued growth in the take up of direct payments.

- (ii) Note the details of the consultations undertaken with Home Care Providers and service users and the main findings detailed in Appendices 'A' and 'B' and the Equality Analysis set out at Appendix 'C';
- (iii) Endorse establishment of a Home Care Business Transitions Project Team to ensure the efficient, safe and timely management of changing from the current configuration of services to those set out in recommendation (i) above;
- (iv) Recommend that the Deputy Leader of the County Council approves a waiver of Procurement Rule 6.1 of the County Council's procurement rules to enable the County Council to extend the current Framework agreements for an initial 6 month period from 1 April 2014 with the option for the County Council to extend on a month by month basis for a further period of up to one year at the end of that period.

Subject to the approval of recommendations (i) and (iii) the Deputy Leader of the County Council is asked to approve the waiving of Procurement Rule 6.1 and approve the extension of the existing Framework for an initial six month period from 1 April 2014 with the option for the County Council to extend for a further period of up to one year on a month by month basis at the end of that period.

Background and Advice

1 Introduction

Home care, also known as Domiciliary Care, is the delivery of a range of personal care and support services to individuals in their own homes. The care delivered can range from a check to ensure that the individual has taken prescribed medication, for example, through to an extensive care package to meet their assessed needs including personal care i.e. support to get in/out of bed, bathing, toileting and meal preparation.

The majority of Home Care services are provided to older people and to people who are physically disabled. In all instances, provision is externally commissioned from the independent and voluntary sectors. Providers are registered with the Care Quality Commission, and typically arrangements are made through the County Council for many hundreds of people each year who become eligible for support following assessment and the application of FACS (Fair Access to Care Services) criteria. It is this set of services and arrangements which are in scope of this report and the recommendations for change.

The current 'Framework' for Home Care Services is due to end on 31 March 2013. This Framework is a legal agreement under which the County Council places new business with one of 129 organisations commonly described as 'Preferred Providers'. In preparation for the Framework's end a programme of work was devised which has four main phases:

- I. Baseline Review of current home care services. This was completed in April 2013, and resulted in approval to go to phase (ii). The findings from the report approved in April 2013 at the end of phase (i) are contained at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?id=3274> .
- II. Development of a Commissioning Plan. This is the main subject of this report.
- III. Procurement. If agreement is given to the recommendations in this report a competitive process will commence to choose home care providers to join a new Framework. This procurement phase will last between January 2014 and September 2014.
- IV. Business Transition. This will involve management of the change from the current arrangements to the new configuration of Home Care service and providers established via the procurement process. The major transitional tasks will begin earlier than September 2014 when the new contracts commence, and preparations must start much sooner on a number of key workstreams. This phase will also require establishment of a dedicated Project Team.

The Baseline Review (phase (i)) demonstrated there are many strengths in Lancashire's current arrangements for Home Care, however, it also showed the need for further development of services and for improvements in the consistency of quality and performance across the Home Care sector. This will be challenging in the context of the unprecedented financial pressures facing Lancashire County Council and its local partners in the NHS, and those experienced by Home Care Providers.

The key areas requiring attention can be grouped under the headings of:

- Workforce,
- Contracts
- Market structure.

and this has determined how the recommendations and the main part of the report has been structured.

Along the way to this final report there have been various consultations with providers and with service users and these have influenced the development of the final proposals in a number of important ways. The final round of these are detailed in the 'Consultations' listed and summarised below and contained in Appendices 'A' (Home Care Service Users) and 'B' (Home Care Providers). Ultimately it does not seem possible to satisfy the views of all respondents in developing a unified and coherent set of proposals, and it is important to consider the implications of this as set out in the Equality Analysis at Appendix 'C'.

Some alternative options are also considered in section 6 below which address the specific concerns of stakeholders regarding the changes that have been under consideration.

2 Principles for Commissioning Home Care in Lancashire

Recommissioning Home Care provides an opportunity to restate our commitment to some key principles.

Personalisation: - we will promote meaningful 'choice and control' in the way that Home Care delivered to older people and people with physical disabilities living at home is commissioned and provided. We will aim to leave flexibility for individuals to determine how their support is adjusted day to day to reflect changing needs or priorities.

Outcomes: - we will encourage Home Care Providers to focus on the achievement of outcomes agreed with individual service users.

Maximising independence: - we will continue to develop and expand the use of Home Care services such as Reablement which focus on helping people to regain and retain their independence as far as possible. This enabling approach will increasingly need to become integral to all Home Care Services.

Integration: - we want Home Care Providers to play an active part in the integration agenda across Lancashire's Health and Social Care system. The true measure of our success is how this is experienced by the individual. We are committed towards 'National Voices' definition of integration which means ensuring that people can say: *"I can plan my care with people who work together to understand me and my carer(s), allow me control, and bring together services to achieve the outcomes important to me"*.

Dignity and Safeguarding: - we will expect Home Care to be provided in ways which promote dignity and safeguards vulnerable individuals from abuse, exploitation or wilful neglect.

In addition, we accept the recommendations of the Equality and Human Rights Commission (EHRC) in its 2013 report 'Closer to Home'.

Human Rights – we will strive to incorporate human rights obligations into decision making and commissioning and contracting practices regarding home care, including requiring Providers to act compatibly with Human Rights legislation.

3. Investing and Developing in the Workforce

The time when 'Home Care' was 'Home Help' and chiefly involved in domestic and household duties is long gone.

This extract from the 2013 Cavendish Review "An Independent Review into Healthcare Assistants and Support Workers in the NHS and social care settings" describes the reality of what society now expects of home care workers:

"The phrase "basic care" dramatically understates the work of this group. Helping an elderly person to eat and swallow, bathing someone with dignity and without hurting them, communicating with someone with early onset dementia; doing these things with intelligent kindness, dignity, care and respect requires skill. Doing so alone in the home of a stranger, when the district nurse has left no notes, and you are only being paid to be there for 30 minutes, requires considerable maturity and resilience"

Four major reports have been published in the last year and their findings widely reported:

- Equality and Human Rights Commission (October 2013), [Close to home recommendations review](#)
- Unison [Unison survey of home care workers](#)
- Leonard Cheshire Disability (October 2013), [End 15-minute care](#)
- Cavendish Review (2013) <https://www.gov.uk/government/publications/review-of-healthcare-assistants-and-support-workers-in-nhs-and-social-care>

The common issues emerging from the first three reports detailed above illustrate how much the relatively poor terms and conditions of Home Care workers are believed to impact on the quality of services they provide. The Cavendish Review emphasises the inconsistent and sometimes substandard approach to training in the health and social care sectors, particularly in relation to home care workers and health care assistants who increasingly undertake the bulk of hands on care with older people and people with physical disabilities.

What is striking is how strong the consensus is among organisations whose primary concern is the wellbeing of service users, as well as those who represent the interests of care workers – all are agreed that the pay and conditions of workers providing services are a key factor in the quality of services received.

The various reports explore a number of obvious and less obvious reasons for this. Good quality care depends on many difficult-to-capture small personal interactions between care workers and those they support, underpinned by a generally friendly, interested and open attitude, respect and recognition of the other's individuality and humanity; and an ability to empathise and see the world from their perspective. It is surely a matter of common sense, therefore, that if workers feel that their own needs and rights are respected, they will have more incentive and energy to attend to the rights and needs of others.

Conversely, if care workers feel that their own needs and the pressures they are working under are not recognised, it must be hard to provide generous and respectful care. Indeed, many of the workers who responded to the various national surveys made the point that one of the worst aspects of the financial – and therefore time – pressures on them is that they cannot give the quality of service and attention to service users that they would like to give and their own pride in their work suffers.

It is also clear that paying below or near the minimum wage as well as other conditions such as the use of zero hours contracts often forces people to seek work in a different sector and this is a serious threat to the quality and continuity of service and therefore to the experience of older and disabled service users, at a time when a stable, well-trained and experienced workforce is needed.

It would be complacent for any of us to assume the problems highlighted are absent from Lancashire. The turnover of Home Care workers in the last 12 months across the home care sector in Lancashire is estimated from Skills for Care analysis to be around 37%. In any terms this is a worryingly high figure, but even compared with turnover rates in other social care sectors and occupations it is between 10 and 20% higher than the norm.

The explanation for this situation in Lancashire is likely to be similar to the general analysis above. We know that the impact of terms and conditions for many home carers can result in hourly take home pay which is barely above National Minimum Wage levels. According to national reports HMRC has uncovered remuneration arrangements in home care providers which are not even compliant with NMW regulations, and so it is very possible that this is the case in Lancashire too.

In Lancashire the consultations with local service users has shown they agree overwhelmingly that improvements in terms and conditions of home care workers are required. Many also recognised the need for improved induction, training and supervision of staff based on their experience of when individuals' knowledge, skills and performance fell short of their reasonable expectations. Understandably, there were also some concerns about the extra costs of these improvements and who would meet them.

Local Home Care providers in Lancashire held more mixed views in this area. Some felt it was not the role of commissioners to get involved in how Home Care providers managed and rewarded their staff. However there were many who felt a common and clear set of standards and expectations, underpinned by realistic funding and actions to ensure compliance was reasonable would ensure a level playing field and improve the expensive recruitment process for both home care workers and employers.

The proposals in this report concerning workforce are a mix of short term immediate changes and longer term aims.

Reflecting the need to set out some minimum, baseline expectations for Lancashire's Home Care sector, we propose to make explicit our requirement for Providers to comply with National Minimum Wage legislation, and to heed the specific guidance for home care businesses.

We also intend to review our approach to training. We aim to direct our own investment through Lancashire Workforce Development Partnership towards meeting the priorities identified recently by the Cavendish Report, and from forthcoming work by NICE.

There are proposals concerning the further workforce changes which will take more time to develop. The Council would like to work with Providers and Unions to begin to reposition Home Care as a career of choice for more people from all backgrounds. This means we want to indicate the County Council's support for the principles contained in Unison's 'Ethical Care Charter' which is at Appendix 'D'. However we wish to work with local workforce representatives and Home Care employers to develop our own 'Lancashire Charter for Home Care'. We will expect those Providers securing a place on the new Framework to be committed to common goals with the Council for investing in the workforce, including minimising the use of Zero Hours contracts, and incrementally moving pay rates towards 'Living Wage' levels as rapidly as can be afforded during the Framework's lifetime.

Such initiatives will also contribute to the Council's responsibilities under the Social Value Act 2012, and make a tangible difference to the lives of a currently poorly paid but critically important sector of Lancashire's health and social care workforce.

4 Contracting for Quality

Effective contracting is the key to ensuring Providers understand and respond to the County Council's commissioning intentions. This is about more than just the contract documentation itself, but also about how we structure the procurement process, how we monitor quality and performance, and manage the contract over its full duration.

Recent high profile criticism of the way local authorities commission Home Care has focused on an over emphasis on price over quality in procurement, and contracts which shift financial risk decidedly towards providers, which they in turn shift to their workforce. Clearly there is a balance to be struck. All local authorities are under tremendous and unprecedented financial pressure, and this is the case for Lancashire County Council. However, it is important that the Council contracts in a way which drives the kind of workforce and operational changes needed across the Home Care sector.

We need to be explicit about the role price will play in procurement decisions. A number of ideas have been considered and the approach now under development involves seeking financial information and analysis from providers outside of the procurement process using a standard 'Finance Workbook'. This will provide commissioners much needed intelligence about the costs and market rates involved in delivering home care in different parts of the county. Alongside consideration of overall affordability this intelligence will form the basis for determining fixed prices for each 'Zone'. These will be set out as part of the final 'Invitation to Tender' documents.

Providers will be expected to comply with a number of requirements regarding how services are delivered. This includes taking a greater lead for working with individuals to promote and facilitate Self Directed Support.

We will ensure that we are clear about the quality and performance standards required, and this will need to be matched by a more robust approach by the County Council to monitoring these regularly and reviewing contracts. The proposals we have now developed for quality standards and performance measures were built initially on research evidence, but their relevance has been validated through discussions with focus groups of service users and carers, and they have been subject to constructive criticism from Providers to evaluate their practicability.

Changing performance management requirements for providers will also mean some internal County Council Procurement workforce and system changes to improve our own performance in managing contracts. Consideration of our approach to the use of Electronic Time Monitoring Systems across the Home Care providers on the Framework is also a priority.

Many providers have agreed with the purpose and principles behind the workforce proposals but have said that in their present form this would shift financial risks unfairly and unsustainably onto them. This risk can be reduced and shared with the County Council by offering a guaranteed minimum volume of business and longer term contracts, and this is what is proposed.

There are also further benefits from longer contract terms as they will also reduce the whole life procurement costs and the frequency and impact of large scale Provider changes. However, this could risk the County Council being locked into contracts for a model of service that is seen as outmoded or with poorly performing providers. It is therefore important that the contract is structured to allow termination of contracts beyond the initial 3 years duration.

It would be beneficial for the contracts to be 'future proofed' so that any significant variations to the model of Home Care service can be negotiated and agreed with Providers on the Framework without the need to retender. NICE is due to produce best practice guidance on models of Home Care in mid 2015. There is likely to be further guidance on the strategic commissioning of Home Care emerging from the Department of Health over the next year in response to the significant research and media reports and public interest over the last year.

This could contain clearer instruction to local authorities to develop outcome based commissioning along the lines adopted by Wiltshire County Council. The Wiltshire approach, where payment is based on achievement of outcomes agreed with the service user, is consistent with similar approaches in the NHS. It is considered too difficult to decide to go directly and immediately towards outcome based commissioning here in Lancashire given the other large scale changes this recommissioning exercise will already set in motion. It is inevitable that revisiting this and other innovations will be needed during the first period of the new Framework and the proposals for contracting are designed to allow flexibility for the County Council to respond.

5 Shaping the Market

By shaping the structure of the home care market, the County Council can improve its efficiency. This can result in significant improvements in the operational and

financial performance of home care, benefitting providers, their staff, the council and service users. This section makes a number of recommendations.

Firstly, it is proposed to reduce the number of Providers operating under Framework from the County Council and this has several benefits. The local provider group Lancashire's Domiciliary Care Providers Forum has already drawn its members' attention to a set of reports which echo earlier themes, especially the poor outcomes that typically arise from commissioning home care from too many providers. (See <http://www.ldcpf.co.uk/index.php?page=news&newsid=492>). These reports are from both the employers' side (UKHCA – United Kingdom Home Care Association) and from Unison. In these reports Lancashire is one of nine Councils specifically criticized for commissioning from over 100 Home Care providers. It is worth quoting from these bodies since their arguments share a common analysis of the causes of the current problems.

Unison says "The crisis in home care is being made worse by councils commissioning home care from a huge number of private and voluntary sector providers on contracts that don't guarantee them any work. The way councils' commission care means that they have a large numbers of contractors on their books but do not guarantee them specific hours from one week to the next. This in turn fuels the use of zero hours contracts for home care workers, fuelling insecurity and low pay and causing high staff turnover in the sector. This has a detrimental impact on services and in turn on the elderly and vulnerable people who rely on them.

This model of commissioning home care leads to a decline in standards, which the union says is putting the elderly and vulnerable at risk on a daily basis. As more and more private companies cut corners on care to protect profits, the union is putting pressure on councils to commission services in a way that safeguards basic standards. Commissioning care from so many providers prevents councils having proper oversight of how contracts are run, how staff are treated, and most importantly the quality of services that are provided"

In support of this position UKHCA said:

"Unison is correct to point-out that the commissioning practices of the majority of local authorities exacerbate the use of zero hours contracts in the home care sector. Severely constrained public spending would make an argument for a return to block contracts, however this is out-of-step with central and local governments' commitment to choice, including choice of provider. In the absence of additional spending, the key to making better use of public money on home care is to commission services which promote the optimum economic 'efficiency' of the workforce, maintaining choice of providers within sensible geographic areas, reducing unnecessary travel time for careworkers created by placing packages of care out to the lowest bidder."

This analysis, the findings from the April 2013 Home Care Review and the approaches recently taken by other Councils in recommissioning their Home Care Services suggests a very significant reduction in the number of providers on the Framework is necessary if the recommendations contained under 'Contracting for

Quality' and 'Investing and Developing the Workforce' within this report are to be affordable and practically achievable.

A reduction to a far fewer providers, with perhaps a handful of Providers operating in each zone, will enable a more collaborative approach between the County Council and providers. Benefitting from greater economies of scale the Council can expect to see a reduction in its overall share of spend on the home care sector's management and overhead costs. There will also be a reduction to transaction costs for providers and the Council.

Current organisational arrangements for allocating new home care business to Providers via the Council's own Care Navigation Service will remain. However it is proposed to change the operating protocols in a number of ways, in support of our commissioning intentions and procurement plan.

The new Framework will involve allocating contracts to Providers for clearly defined 'Zones' in Lancashire. These zones will broadly match the footprints of District Councils and/or Clinical Commissioning Groups. This should facilitate strategic cooperation with local statutory agencies, but more importantly it opens up the prospect of integrated working with 'Neighbourhood Teams'. These Teams are extended community teams typically comprising social care staff, occupational therapists, district nurses, and physiotherapists. They aim to provide multi-disciplinary, integrated and streamlined care closer to a patient's home so as to reduce emergency hospital admissions, support earlier discharge, increase rehabilitation provision and enable patients to manage their conditions in their own homes. The potential for Home Care workers' performance to benefit from closer working and supervision from the members of such Neighbourhood Teams is clear.

Opting for relatively small zones together with fewer Providers also allows for better deployment of Home Care workers, reducing travel time, costs, and downtime.

Decisions about which Providers secure places on the Framework will depend on the quality of their submissions. Whether a Provider is large or small, local, regional or national, private or voluntary, it is those providers that score highest against our criteria that will be awarded contracts.

There have been concerns that earlier suggestions for zoning and target market shares could shut out even the very best local, smaller Providers. For that reason we propose to allow Providers to indicate the level of business they think they can reasonably take on by the end of the business transition period, (i.e. the time from the current arrangements to the full transfer of business and staff to the Providers on the new Framework). For the smaller provider this will reduce the business risks of expanding too rapidly. However, we will have to balance this proposal against the need to reduce overall Provider numbers operating in each zone in reaching final decisions about the award of contracts for each zone.

Throughout the lifetime of the contract, we will develop and work within protocols to manage the share of new business allocated to Providers to ensure a healthy and competitive market place, characterised by sufficient choice of providers, and the ability of service users to select who will support them on the basis of their demonstrable quality and performance.

We also wish to continue to see the growth in take up of Direct Payments. It continues to be national and local policy to promote the take up of direct payments among all user groups, and we believe there is considerable potential for further growth here in Lancashire particularly among older people. Providers keen on expanding their business into this area will need to consider how they differentiate themselves from competitors, both in how they market their services and in terms of the service they actually offer.

6 Alternative Proposals

The recommendations set out in the Executive Summary form a coherent and interdependent set of proposals. Adopting a 'pick and choose' approach to the recommendations risks a severe loss of coherence and cumulative impact and benefits.

There are some discrete proposals which have been subject to greater levels of concern and consideration. It is worth noting:

Improving Terms and Conditions

Terms and conditions for Home Care workers could be left entirely as a matter for Providers to determine themselves. Arguably if hourly rates for home care are set reasonably by the Council then Providers should be able to set wage rates based on their knowledge and experience of the local labour market.

Such an approach would be a major risk. Few disagree with the analysis that Home Care workers should be better rewarded. However, some Providers may be reluctant to pay higher wages and instead choose to shore up operating margins in ways which lead to little change on key indicators such as turnover rates and performance. This would not be conducive to fostering the type of collaborative provider relationships that the Council could benefit from.

Zero Hours Contracts

Some argue that they are popular and preferred by home care workers and there is clearly a role for zero hours contracts at the margins of many businesses, and this includes Home Care.

However zero hours contracts should not be the default approach across the sector; it reduces commitment to the work and leads to higher staff turnover as people search for permanent posts and a reliable income in other sectors. The Council will lessen the risk to providers of reducing the use of ZHC by guaranteeing hours over a given period, and in return the Council should be able to expect providers to sign up to and abide with a 'Lancashire Charter for Home Care'.

Provider Numbers and Market Share

Few question the overall case for reducing provider numbers on the new Framework. However, if the risks and consequences of making these reductions are judged unacceptable, it would mean a number of the other key recommendations would almost certainly be unaffordable or unachievable.

7. Managing the Business Transitions

Providers and the County Council recognised that going from the current number and configuration of home care services to the far fewer number in each zone suggested in this report will be challenging in a number of respects including changes to finance and technology arrangements, workforce, communications and operations.

A Home Care Business Transitions Project Team be established to ensure that the changes are managed effectively, over a reasonable timescale and with due regard for the safeguarding needs of everyone who relies on Home Care services whether they are known to us or are 'Self Funders'.

To illustrate the complexity, the award of contract to 3 to 5 providers in each of 7 zones could mean:

- Reduction from over 129 current Preferred providers to a much smaller number of providers who will be on the new Framework, perhaps 20 to 30;
- All providers will be able to seek business and work with Direct Payment recipients and this may lead to some changes of approach and focus for many of them;
- Some providers will see rise in business turnover and some will see decline. These may be steady or sharp changes.

Home care staff may experience some combination of:

- TUPE transfer from an existing provider to a new home care employer;
- Changes to terms and conditions which should be improvements if other recommendations in this report are approved;
- Different expectations and monitoring arrangements for how Home Care workers work and are managed;
- Some changes to the service users who they work with.

For Service users/Carers:

- Significant numbers of existing Home Care users may shift to Direct Payments – in Wiltshire this was as high as 30%. To grow direct payment numbers is an explicit aim
- Some may experience a change of provider and;
- This may mean some changes to the staff from whom they receive their support;
- Some will be anxious about the prospect of changes and the concerned about timescales.

For the County Council there may be:

- Unusual flows, peaks and troughs of work during the transition period;
- Larger volume of queries;
- Rise in unscheduled review work;
- System management changes to plan and implement.

This will all be taking place during a period when the County Council's major ICT systems are changing and the organisation is downsizing and restructuring.

Our initial proposals to manage this as effectively as possible include the following:

- Actively shaping the process of TUPE transfer of staff between providers: We have explained to Providers that we think that TUPE will apply and that we may facilitate this by linking a successful bidder for a zone with a defined group of outgoing providers in that zone for transfer of business and staff. Our offer could be to utilise the skills and experience of our own Council HR staff to oversee/ manage/coordinate some of this TUPE transfer work.
- Supporting recruitment into the Home Care sector. During this period of transition, the County Council could coordinate some zone-based recruitment events for all successful providers, particularly those who sign up to the Lancashire Charter for Home Care. This could also support recruitment of Home Care staff during the lead up to the contract start date.
- Liaising with other Councils for lessons learned from similar change processes. Providers who have particular experiences from elsewhere regarding these changes have been particularly helpful in saying what worked better/poorer from their perspectives during these types of transition.
- Planning and execution of an effective communication strategy for the transition period, providing reassurance for staff and service users.
- Determining our preferred approach to Electronic Time Monitoring Systems with the successful providers in late 2014/early 2015 and presenting a Business Case for any necessary upfront investment.
- Managing arrangements to signpost people who wish to take on Direct Payments.
- Ensure all the system changes needed to support the new approach are documented, staff are trained, and providers are ready for the contract commencement date.

Experience from another County Council managing a similar scale of change suggests 6 - 9 months Transition Period was needed, but Lancashire is larger still so it may be more realistic to anticipate it could take a full 12 months from commencement date for the transfer of existing business to the new providers on the Framework.

This analysis of the scope and complexity of the transition provides the basis for the recommendation to extend the current Framework which is currently due to end on 31 March 2014. The procurement will be underway but not completed by then, and so the projected contract commencement date is now early September 2014. A maximum of a further one (1) year extension of the current Framework on a month by month basis should enable all business and TUPE based staff transfers to be completed successfully by the proposed Project Team.

Consultations

There are two major groups of stakeholders who have been involved in consultations regarding the recommissioning of home care services for older people and people with physical disabilities. The details of these consultations are contained in Appendices 'A' and 'B'.

In regard to the specific proposal to endorse Unison's Ethical Care Charter (Appendix 'D' refers), it should be noted that Pendle Borough Council's Chief

Executive wrote to the County Council in April 2013 following a Full Council motion to recommend that the County Council should commit to becoming an Ethical Care Council.

Implications

This item has the following implications, as indicated.

Legal

Service proposals

The authority is entitled to include reasonable terms and conditions in contracts with providers where the terms relate to the service delivered. The proposals set out in this report must be viewed in this context. Furthermore, the recommendations relating to remuneration of provider staff must be kept under review as the Authority gathers information with a view to fixing the hourly rate.

Procurement

The level of spend between now and the date when all contracts under the framework have been let is likely to be substantial and should therefore in principle be procured openly through a form of competition. However, given the extent of the proposed changes there is little to be gained by undertaking an extensive procurement exercise to appoint to what would be an interim framework for a period of six months to a year. As the services in question fall under "Part B" (and not therefore subject to the full procurement regulations) and were originally let following an open procurement exercise, the risk of extending existing contracts as proposed are limited.

Financial/Procurement

Current annual gross expenditure on Home Care for Older People and People with a Physical Disability in Lancashire is in the region of £50m. Net expenditure is in the region of £36m which represents 14% of the Council's net adult personal social care commissioning budget in 2013/14. Increases in demand for Home Care services are expected over the lifetime of the proposed framework agreement in response to the strategy of delivering a greater proportion of support at home rather than hospitals or care homes, in addition to the on-going demographic pressures of an increasing older person population.

Proposals contained in this report present a consolidation in the number of providers from which services are commissioned allowing an opportunity for some efficiencies through reductions in the amount spent on Home Care sector overheads e.g. premises, management, travel and recruitment costs. Closer control over costs may also be possible through the use of an Electronic Time Monitoring System. However, there exist financial pressures in the sector and these cannot be underestimated.

A fixed price per Zone will be set out as part of the final 'Invitation to Tender' documents. The approach now under development involves seeking financial information and analysis from providers outside of the procurement process using a

standard 'Finance Workbook'. This will provide commissioners much needed intelligence about the costs and market rates involved in delivering home care in different parts of the county. Alongside consideration of overall affordability this intelligence will form the basis for determining the fixed price for each Zone. Clearly the success of such a process will depend on the willingness of providers to participate, and provide, in confidence, accurate and robust financial information.

The intention is to analyse the aggregate data and the Home Care Project Team will make recommendations as to the 'Fixed Price' for each Zone to a Panel comprising the Executive Director and Interim Director of Commissioning, Adult Services, Health & Wellbeing Directorate, and the Deputy County Treasurer.

Procurement

One Connect Limited accords with the advice set out above by officers within the Council under the headings 'Legal' and 'Finance/Procurement'.

If the item is approved, One Connect Limited will work either alongside or within the transition project team to provide professional procurement and contract management resources to manage negotiations and relationships with outgoing and incoming suppliers.

As the proposals involve the County Council setting a fixed price for each zone in advance of the tender process, in order for One Connect Limited to influence the commercial strategy and support the Council to obtain the best value for money, it will be necessary for a senior officer from One Connect Limited to be included in the 'price setting' panel referred to within the item.

Equality and Diversity

An Equality Analysis has been undertaken to consider the implications of the recommendations for commissioning and procuring home care services for older people and people with a physical disability. This therefore takes fully into account the duties imposed by s.149 of the Equality Act 2010 and is set out at Appendix 'C'.

Risk management

The major risks are in managing the changes from the current arrangements to the new configuration of home care services. This is the basis for recommending both the establishment of the Home Care Business Transitions Project Team and the extension of the current Framework on the terms outlined in the recommendation. Agreement to these specific proposals is essential for the success of the project including maximising continuity of care for individuals using these services and ensuring continuity of employment for home care workers.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Commissioning and procurement arrangements for the Domiciliary Care Market for Older Adults in Lancashire	25 April 2013	http://council.lancashire.gov.uk/ieDecisionDetails.aspx?Id=3274
Records of consultations with providers and service users	December 2013	Tony Pounder, Adult Social Care, Health and Wellbeing Directorate, (01772) 536287

Reason for inclusion in Part II, if appropriate

N/A



Appendix 'A'

Recommissioning Home Care for Older People and People with a Physical Disability in Lancashire

Feedback from Service User consultation

December 2013

Bhanu Reddy



Recommissioning Home Care 2013 – Service User Consultation

Introduction

This consultation was conducted by postal survey with 6017 service users who were elderly or had a physical disability and were currently receiving home care in Lancashire. Of the 6017 questionnaires sent out, 1756 were returned completed. This is a response rate of **29%**.

The letter and questionnaire set out proposals for changes to the homecare service that would take effect in 9 months time. Service users were asked to fill in a self completion questionnaire and return back in a pre-paid envelope. The letter is contained at the back of this report.

The main part of the report is contained in two sections. The first provides details of the questions posed, numbers and percentage breakdown of responses and the main themes which emerged from the many comments individuals made. The second section contains a detailed breakdown of the backgrounds of service users contacted and who responded.

**Section 1 - Summary of findings for the
Home Care Review Service User questionnaire**

1. Working with fewer providers

The County Council believes that we contract with too many home care providers and that by working with fewer we will get better quality at a fair price. This means we will go from over 129 home care providers to certainly less than 50 and possibly as few as 15. We believe this will still provide a good choice for individuals needing home care.

1a. Do you agree that the County Council should contract with fewer home care providers if that leads to better quality and value for money for the taxpayer and for people paying charges?

	Number	%
Yes	1076	63%
No	229	13%
Not sure	407	24%
Grand Total	1712	100%
No response	44	

1ai. Please provide any concerns or suggestions you may have

General themes from comments provided by respondents:

- Respondents agreed that there are currently a large number of providers to monitor and that a reduced number would be better if it led to better quality and value and that the providers can cope with the extra workload
- Respondents felt that reducing the number was a good idea but not if it meant a decline of quality of service
- Respondents were concerned that a reduced number of providers would mean losing the provider they have at present who they are happy with
- Respondents felt that the idea was good but the change would be unsettling to them and their established routines – continuity of care is very important, individuals with personal and complex needs (including those living with dementia) need reliability and continuity of care workers who understand their needs
- Respondents were concerned that a reduced number of providers would involve a reduction in staff numbers and would impact on staff cover in emergencies and for sickness
- There were concerns that if providers were to be larger this would impact on the care given – it could get worse and standards may drop and not allow for flexibility

- Care for the service user is imperative and providers need to be regulated and proper training given – regular monitoring is important to ensure a good standard of care is being provided
- Respondents were concerned that fewer providers would mean not enough competition with smaller providers being forced out and a decline in quality and a loss in personal contact
- Respondents felt that as long as the changes did not affect the prices they pay then the reduced numbers of providers was a good idea

1b. Do you support the proposals for Home Care Providers to have contracts for specific areas of the county to reduce travel time and costs for staff?

	Number	%
Yes	1456	86%
No	62	4%
Not sure	172	10%
Grand Total	1690	100%
No response	66	

1bi. Please provide any concerns or suggestions you may have
General themes from comments provided by respondents:

- Respondents felt that currently time is wasted on care workers having to go from one location to another and keeping to timetables and that anything that reduces travel time would be a great improvement
- Respondents felt that zoning would cause too much disruption to the people who rely on specific areas that they are used to
- Respondents felt that having contracts for specific areas would benefit service users from the time saved in less travel as currently a half hour visit may only consist of 10 minutes actual time spent with the service user and as long as there is adequate cover in all areas
- Respondents felt that it is important that the care workers live in the area where the service users they support are as this would improve time spent with the service user and greatly reduce travel time
- Respondents felt that, at present, rotas of care workers are not well thought out to take into account locations of service users and care workers covering unnecessary ground – waste of travel time and petrol

- Respondents said that they would like to see all care workers provided with a fuel allowance for mileage

2. Quality – Providing Better Home Care Services

All Home Care providers have to provide services that meet minimum standards but we know that many people want to see improvements to the quality of home care services. People using services often tell us that:

- ***All home care workers should be well trained to do the job***
- ***Home care workers should arrive on time and stay for the agreed length of time at visits***
- ***People should have the same group of home care workers supporting them so that they know who will be coming to support them each day***
- ***Home Care workers should be flexible in what they do during visits and should be able to respond to the needs of the people they support if they change on a day to day basis***

2a. Do you agree that these are the main areas where Home Care services in Lancashire need to improve?

	Number	%
Yes	1533	91%
No	62	4%
Not sure	97	6%
Grand Total	1692	100%
No response	64	

2ai. Please provide any concerns or suggestions you may have

General themes from comments provided by respondents:

- Respondents felt that training is essential in the following areas:
Cooking
Moving and handling
Food hygiene
Bed making
Nutrition
Using home aid equipment
Personal care
- Respondents felt that training is essential in relation to the service users they support and their specific needs - e.g supporting people living with dementia.
- Respondents said that it would be better if the same care worker could be used for people with dementia as recognition through regular contact can be an important part of accepting support
- Those respondents needing personal care said they would like to have the same group of care workers and not just anyone and not have too many care workers
- Generally respondents were happy with the service they were receiving from their current provider

- Respondents felt arriving at the correct time, familiarity and flexibility are particularly important in care workers
- Respondents said care workers should have several weeks training not just accompanying senior staff. Training should cover a wide range of needs.

2b. Do you have any other suggestions for improving home care services that you would like us to consider?

	Number	%
Yes	481	36%
No	841	64%
Grand Total	1322	100%
No response	434	

2bi. If yes, please provide your suggestions

General themes from comments provided by respondents:

- Service users to be informed of a change of care worker in the event of sickness or absence and care worker to be informed of the service user's needs/situation prior to the visit
- Having fewer care workers and regular care workers who are used to the service users' needs – makes the job easier for the care worker and the service user
- Travelling time should not count in allocated caring time with service user
- A basic understanding of food preparation and cookery, also how to clean.
- A limit on age of care workers, experience and training. Young girls are put into care jobs - supporting the most vulnerable and elderly people and people who need specific care. The age gap is problematic if elderly service users are not able to relate to young care workers
- Service users with complex needs should have trained and experienced care workers as some service users cannot speak out for themselves when things go wrong and their health can end up badly deteriorating due to inappropriate care and understanding
- Being able to contact the provider directly instead of going through an answering service and having the mobile number of care workers if the provider supplies them with one
- Better pay for care workers doing personal and more complex care several times a day for fewer service users than those doing more social and domestic work for larger number of service users
- Regular monitoring of providers to ensure that providers are not failing in their commitment to the service users they support. Providers to meet standards –

e.g care workers appearance (uniform), hygiene of the care workers, arriving on time

3. Improving Conditions for Home Care workers

The Council aims to improve employment conditions for home care workers, and to make sure that if they want them, care workers have a guaranteed minimum number of working hours per week;

The Council will also work with providers that are awarded new contracts to try to improve pay levels for home care workers in the future.

3a. Do you agree with the County Council's intention to work with providers to improve employment conditions for home care workers?

	Number	%
Yes	1550	94%
No	21	1%
Not sure	83	5%
Grand Total	1654	100%
No response	102	

3ai. Please provide any concerns or suggestions you may have

General themes from comments provided by respondents:

- Improvement in working conditions for care workers is good as they do an essential job in a poorly paid profession.
- Poor training and low pay does not encourage caring staff to stay for any length of time. A living wage would give care workers more incentives to provide better care. Guaranteed hours would ensure less staff turnover
- Providers should not be using zero hours contracts – care workers are trying to earn a salary and are not getting proper hours
- Who will ultimately pay for these changes?
- Will this have financial implications for the service user?

3b. Do you agree that improving employment conditions will encourage people to work as home care workers and improve the quality of care?

	Number	%
Yes	1430	85%
No	70	4%
Not sure	180	11%
Grand Total	1680	100%
No response	76	

3bi. Please provide any concerns or suggestions you may have

General themes from comments provided by respondents:

- Respondents felt that better pay, possible fuel allowance and better working conditions for care workers would help in increasing staffing levels
- Very low wages do not always encourage the right calibre of permanent staff. Everyone needs pride, appreciation and empathy towards the service users that they support. Care workers need to know they are valued and good work recognised/acknowledged
- Younger people do not necessarily have the life skills re: meals/cooking. Not all service users want processed frozen meals
- Improving employment conditions encourages better quality people coming into the industry. Pay, conditions and good training should attract and retain good qualified staff
- It will encourage more people to work as care workers because of the extra pay etc but it will have to be done in conjunction with closer monitoring of how the care is delivered by the providers or nothing will change.

4. Other comments

Do you have any other comments or suggestions that you would like to make about Home Care in Lancashire?

General themes from comments provided by respondents:

- Respondents were happy with the care they are currently receiving and do not want to lose that
- Respondents felt that if these changes were to happen, continuity of care was essential. Respondents did not feel comfortable with big changes
- Providers must be checked to see who is providing a good service and who is providing a bad service and those that exploit their staff before these changes take place
- Monitoring checks need to be made to ensure people are getting the time that they pay for
- There needs to be better communication between the organisers of care and service users to ensure service users know in advance who their care worker is and their time of arrival to reduce anxiety
- Care workers are invaluable and crucial. They should be better paid, better trained, given a basic expense allowance for use of their own vehicles and given guaranteed weekly hours. The work they do is comparable with district nurses but their pay and conditions are nothing like what district nurses get

5. Did someone help you to complete this questionnaire?

	Number	%
Yes	1085	64%
No	620	36%
Grand Total	1705	100%
No response	51	

5a. If yes, who helped you complete this questionnaire?

	Number	%
A Care worker	74	7%
A family member	897	84%
A friend	87	8%
A Social care or Health professional	15	1%
Grand Total	1073	100%
No response	12	

Section 2 – Background Information on Respondents

A breakdown of the service users who were contacted

Table 1 - Financial client category

	Number	%
Elderly	4822	80%
Physically Disabled	1195	20%
Grand Total	6017	100%

Table 2 - Gender

	Number	%
Female	4090	68%
Male	1927	32%
Grand Total	6017	100%

Table 3 - Age

	Number	%
A- 18 - 24	15	0%
B - 25 - 34	46	1%
C - 35 - 44	120	2%
D - 45 - 54	270	4%
E - 55 - 64	446	7%
F - 65 - 74	923	15%
G - 75 - 84	1902	32%
H - 85+	2295	38%
Grand Total	6017	100%

Table 4 - Ethnicity

	Number	%
Asian or Asian British	150	2%
Black or Black British	16	0%
Chinese or other ethnic	9	0%
Mixed	13	0%
White	5797	96%
Not stated	32	1%
Grand Total	6017	100%

Table 5 – Area

	Number	%
NORTH LANCASHIRE	1886	31%
CENTRAL LANCASHIRE	2267	38%
EAST LANCASHIRE	1864	31%
Grand Total	6017	100%

Table 6 - District

	Number	%
LANCASTER DISTRICT	773	13%
FYLDE DISTRICT	404	7%
WYRE DISTRICT	709	12%
PRESTON DISTRICT	675	11%
SOUTH RIBBLE DISTRICT	509	8%
CHORLEY DISTRICT	511	8%
WEST LANCASHIRE DISTRICT	572	10%
HYNDBURN DISTRICT	397	7%
RIBBLE VALLEY DISTRICT	195	3%
BURNLEY DISTRICT	472	8%
PENDLE DISTRICT	478	8%
ROSSENDALE DISTRICT	322	5%
Grand Total	6017	100%

Of the 6017 questionnaires sent out, 1756 were returned completed. This is a response rate of **29%**.

Table 7 – Response rate by area

	Number	Questionnaires received	Response rate
NORTH LANCASHIRE	1886	607	32%
CENTRAL LANCASHIRE	2267	632	28%
EAST LANCASHIRE	1864	517	28%
Grand Total	6017	1756	29%

Table 8 – Response rate by district

	Questionnaires sent	Questionnaires received	Response rate
LANCASTER DISTRICT	773	253	33%
FYLDE DISTRICT	404	130	32%
WYRE DISTRICT	709	224	32%
PRESTON DISTRICT	675	177	26%
SOUTH RIBBLE DISTRICT	509	170	33%
CHORLEY DISTRICT	511	150	29%
WEST LANCASHIRE DISTRICT	572	135	24%
HYNDBURN DISTRICT	397	108	27%
RIBBLE VALLEY DISTRICT	195	56	29%
BURNLEY DISTRICT	472	128	27%
PENDLE DISTRICT	478	135	28%
ROSSENDALE DISTRICT	322	90	28%
Grand Total	6017	1756	29%

A breakdown of the service users who responded and returned a completed questionnaire is as follows:

Table 9 – Respondent financial client category

	Number	%
Elderly	1430	81%
Physically Disabled	326	19%
Grand Total	1756	100%

Table 10 – Respondent gender

	Number	%
Female	1201	68%
Male	555	32%
Grand Total	1756	100%

Table 11 – Respondent age

	Number	%
A - 18 - 24	3	0%
B - 25 - 34	6	0%
C - 35 - 44	30	2%
D - 45 - 54	68	4%
E - 55 - 64	118	7%
F - 65 - 74	295	17%
G - 75 - 84	520	30%
H - 85+	716	41%
Grand Total	1756	100%

Table 12 – Respondent ethnicity

	Number	%
Asian or Asian British	20	1%
Black or Black British	1	0.1%
Mixed	6	0.3%
White	1720	98%
Chinese or other ethnic	1	0.1%
Not Stated	8	0.5%
Grand Total	1756	100%

Table 13 – Respondent area

	Number	%
NORTH LANCASHIRE	607	35%
CENTRAL LANCASHIRE	632	36%
EAST LANCASHIRE	517	29%
Grand Total	1756	100%

Table 14 – Respondent district

	Number	%
LANCASTER DISTRICT	253	14%
FYLDE DISTRICT	130	7%
WYRE DISTRICT	224	13%
PRESTON DISTRICT	177	10%
SOUTH RIBBLE DISTRICT	170	10%
CHORLEY DISTRICT	150	9%
WEST LANCASHIRE DISTRICT	135	8%
HYNDBURN DISTRICT	108	6%
RIBBLE VALLEY DISTRICT	56	3%
BURNLEY DISTRICT	128	7%
PENDLE DISTRICT	135	8%
ROSSENDALE DISTRICT	90	5%
Grand Total	1756	100%

Letter sent to Service Users Accompanying the Questionnaire

Home Care Services in Lancashire

Dear

I am writing to tell you about some changes planned for the home care services which Lancashire County Council arranges for older people or people with a physical disability living at home.

Our records show that you currently receive home care, which is why you are one of more than 5000 people receiving this letter and questionnaire. The changes described below will begin in about a year's time, from September 2014 onwards, and we will write to you again nearer the time to give you more details.

It is important to say that nothing is going to happen to your current arrangements for home care within the next few months, so please don't worry that anything will change overnight. However, we are talking to the people who manage the home care services you receive about the changes we would like to make, as they need time to get themselves and their staff ready.

So now is the best time for us to write to you to explain what we are thinking of doing, and to make sure you can give us your views.

What is planned?

Over the next nine months we will change the contracts we have with the providers of home care services in Lancashire. This is something that the law says we must do every few years. When this happens we consider what improvements we can make to the current services. The main changes we want to make this time are as follows

- We will contract with fewer home care providers;
- Not all providers will work in all areas of Lancashire
- Improve employment conditions and training opportunities for staff and make sure that if they want them, they have a guaranteed minimum number of working hours per week;
- We will aim to make sure pay levels rise during the period of the new contracts from Minimum Wage Levels (£6.31 per hour) towards a 'Living Wage' (£7.65 per hour)
- We will set clearer and higher standards and check the quality of home care services more closely, to make sure what matters most to people who use services is monitored and improved where needed.

Why are we making these changes?

Home care is a vital service for many thousands of people in Lancashire, many of whom also receive support from their families and the NHS. We want to make sure these services are not only of a high standard but are also affordable for people who pay towards their costs.

We believe that we contract with too many home care providers and that reducing the number of organisations will help us to get better quality at a fair price. But we will still have the same number of people to support and will need at least the same number of home care workers.

From previous surveys we also know many people feel that pay and conditions for home care workers should be improved. Having contracts with a smaller number of home care

providers will mean we can work with them better to make improvements. We believe this will mean greater rewards for staff and will encourage them to work as home care workers for longer.

Working with fewer home care providers also means we can check more regularly to see how good their services are and then make sure they make any improvements where needed.

When will this happen?

We need to do a lot of work with the home care providers before any changes are made, especially those changes that will directly affect the people who use the services and the staff who provide them. We will write again to keep you up to date with what is happening at key points throughout 2014.

How to have your say

We realise you may have concerns about the changes, and we want to reassure you that you will be able to discuss your options with our staff over the next year. This will include thinking about whether you wish to use a Direct Payment to have more control over your care and support.

However, for now we want to give you a chance to give us your views about the proposals and let us know what matters to you the most. We have enclosed a short questionnaire and we would be very pleased if you could fill it in and post it back to us by 5th December 2013.

What to do if you have queries

If you, or your friend or relative, have questions you would like to ask about the survey, or if you would like the questionnaire in large print then please ring our Care Connect Service on 0845 0530009 Monday to Friday.

Confidentiality

Your answers will be treated as confidential: they will not be passed on to your social worker, care and support worker or anyone providing you with services. You will not be personally identified and your answers will not affect the services you receive.

The code found on the bottom left on this form is used only to make sure that when you return the questionnaire we do not send you another one. However, if you say on the questionnaire that you are being hurt or harmed by anybody or your safety or health is at risk then we will use this code to identify you so that someone (but not your care and support worker) will contact you initially to talk about it. This is the only circumstance under which this code will be used to identify you.

Yours sincerely

Steve Gross

Executive Director of Adult Services, Health and Well Being



Appendix 'B'

Re-commissioning Home Care for Older People
and People with Physical Disabilities in Lancashire

Home Care Providers feedback from consultation

December 2013

Nick Metcalfe



1. Introduction

This report summarises the results from the final round of consultations that took place with Providers during October - November 2013, about the proposals for recommissioning of Home Care in Lancashire.

The consultation process is described in the next section, s2. The draft proposals that were tabled are contained during October / November is at the rear of this document under 'Summary of Proposals' along with the template we asked Providers to use for returning their responses.

However the most important content is in Section 3, where the responses from Providers are summarised.

2 Consultation Process

It is obvious to have an effective, high quality home care market we need to understand and appreciate the views of everyone involved.

Lancashire County Council arranged two sets of consultation events for current and prospective home care providers to hear our proposals for changes to the system and to give us the opportunity to listen to the opinions of people and organisations that provide home care. The first of these was during July 2013, and the second was during October 2013. It is this second round of consultation and feedback that forms the subject of this report, but papers from the earlier round is available on request.

Feedback was received from home care providers in a variety of ways. At the events comments and questions were noted. All home care providers on the current scheme were also asked to email in any further questions or comments they thought of after the events. These have been compiled with responses and will be sent out to all home care providers before they receive the final tender documents.

All providers were given detailed proposals of Lancashire County Council's current vision for what home care services should look like in the future and the information that will be required from providers as part of the tendering process for the new contracts. A questionnaire was sent out with information about the proposals giving providers further opportunity to feedback their views. Providers were asked for their opinion on the changes to existing arrangements and were invited to detail which aspects of the proposals they agreed with and to which aspects they had concerns or issues about. They were also asked for ideas and suggestions of alternative ways that the service could operate.

There were eight events split across Lancaster, Chorley, Preston and Accrington held between 17 and 23 October. All home care providers on the current scheme were invited and the invitation was extended to any other provider that expressed an interest. Overall the events were attended by 120 provider representatives ranging from owners to operational staff. 84 different home care provider organisations attended

The feedback received from the consultation process has been used to inform, revise the initial proposals.

3 Feedback Summary

3.1 Zoning

This section asked whether home care providers understood the Council's proposals on Zoning, whether they thought having seven zones was the right approach and if they had any alternative suggestions

All providers that responded said they understood the council's proposals for 7 Zones and 75% agreed with them.

Providers called for more detailed information to be made available on current business levels and projected volumes of work. Some believed the zones to be too big for the smaller providers to be able to service and one felt they were not big enough. New dividing lines will disrupt some existing care worker and service user relationships which should be looked at prior to transition.

It was suggested that a provider should have a connection with a zone in order to understand its residents and their needs. More rural zones would benefit from having more providers than in the current proposals to handle any geographical challenges.

3.2 Quality and Performance

Home Care providers were asked whether they understood the Council's proposals on quality and performance, whether they felt that this was the best approach and for any suggestions they had to improve it.

All providers felt that they understood the council's proposals and half directly agreed with the approach. There were a number that were unsure and a few in opposition

Questions were asked about how some of the feedback mechanisms would work, how indicators would be measured and why ISO (international Organisation for Standardisation) and IIP (Investors in People) are no longer specified as essential.

The quality requirements that were opposed:

- Staff having to be on guaranteed hours needs further measures put in place to make it workable.
- Having set service user outcomes could be difficult to monitor and can detract from a personalised approach and create false positives.
- Setting sickness targets isn't a valid indicator of quality in all cases.
- Specific requirements on how providers can and can't pay staff, removes flexibility and creates difficulty with current contracts.
- Some felt it inappropriate for the council to try and stipulate wages in a private business and other rates and enhancements such as mileage.
- Some felt the electronic monitoring around visits were prohibitive in some situations to providing a quality service.

There were also a number of suggestions:

- Regular service user reviews would provide the best source of feedback.
- Training should be audited.

- Higher hourly rate will result in better staff retention, experience and therefore quality and standards.
- Penalties for not meeting set standards or unsatisfactory CQC (Care Quality Commission) rating should be put in place

3.3 Allocation of Work

This section asked whether the Council's proposals were understood, whether providers thought the proposal to allocate new Home Care business to Providers

- Firstly, on the basis of 'service user choice of Provider' &
- Secondly, 'by rotation' where service users have no preference

was the right approach and whether they had any suggestions for changing it.

All providers that responded felt that they understood the Council's proposals but views were split on whether this was the right approach.

There were concerns around the rotational aspect of work allocation including the potential for providers to cherry pick packages that suited them and work being allocated to other providers when they already have packages in similar locations which would be more efficient for them to deliver. There was a suggestion that smaller numbers of providers would increase the regularity of work coming in which would help planning and improve economies of scale. Providers would like more information on how the rotation will operate in practice and be governed. The system should be regularly reviewed in order to ensure it's the most fair and efficient means of allocating work.

Service user needs were also brought up as an area of concern. More information should be given to providers when taking on new service users to understand their needs. The needs of service users may not be adequately met or taken into consideration if there are only a few large scale providers left in market. It was felt that service users may not have access to information about direct payments quickly enough to make an informed choice.

3.4 Pricing - Hybrid and Phased approach

Home care providers were asked whether they understood the Council's pricing proposals, whether they agreed with setting a price for each zone, whether this approach was fair and sustainable, how often the price should be reviewed and for their suggestions.

All providers suggested that they understood the proposals on how the price would be determined.

Most providers agreed that the approach should result in setting a sustainable and affordable price in each zone. Although some still felt that a different rate should be paid for more rural areas within a zone. There was concern shared about how the approach would result in the 'right' price being awarded for high quality sustainable service for service users.

Two out of every three providers that responded felt that the information they would be given on each zone would be sufficient to submit a unit cost. However, there

were concerns that submitting a calculated unit price without knowing the full nature of new pension reforms, TUPE (Transfer of Undertakings (Protection of Employment) regulations), the staff salary rate expected by the council, would be very hard to predict and could be impossible to stick to.

Response was evenly split on whether 2 years was the right amount of time between price reviews. With those that didn't agree unanimously asking for it to be shorter, especially to start with.

A number of providers still thought it would be more transparent if a price was set before tender that all providers had to work towards.

3.5 Living Wage and Zero Hour Contracts

Home Care providers were asked whether they understood the Council's proposals, whether the proposals would help tackle recruitment issues, whether they would improve quality and if they had any suggestions of their own.

Almost all providers understood the Council's proposals for moving towards the living wage and ending the use of zero hour contracts (ZHC).

Providers responded that moving away from ZHC would have to be facilitated by guaranteeing hours to care providers to mitigate the inherited risk. Providers generally wanted more information on what will constitute a ZHC.

Two out of every three providers felt that the current proposals on living wage and ZHC would help the sector with recruitment and improve quality

Providers largely stated that both ideals were positive for the industry but warned they would come at a large financial cost. Some providers suggested that some staff could be worse off, and resist moves to larger hour contracts due to the link with available benefits. It was felt that some staff do genuinely prefer ZHC and shouldn't be made to move off them against their will.

3.6 Market Share

Home care providers were asked whether they understood the Council's proposals on market share, what they felt the optimum % of market share should be, the maximum number of zones a provider could be allocated and for their comments.

Every provider bar one said they understood the Council's proposal on market share.

Most providers had a view on the percentage of market share a provider should be able to gain through the new arrangements. Smaller providers tended to champion a 2.5% market share to retain a presence of 'local' providers. Larger providers suggested around the higher option of 5% with some wondering why there was any limit at all as long as the service offered was of the required quality. Larger providers that already operate above 5% market share expressed concern at market share being taken from them without good reason.

The number of zones a provider should be able to be awarded a contract for again split opinion. Different providers suggested all options from just 1 to all 7 with the same reasons given as they were for the market share %.

The viability of profit margins of between 4-7% was questioned. With outside factors beyond provider control whole margins can be wiped out before price reviews take place. Asking for information on forecasted profit margins would skew results between private sector business and those that are 3rd sector making it unfair.

3.7 Managing Transition

Home care providers were asked if they understood the Council's proposals for managing the transition between existing and new arrangements and for any comments they had on this aspect.

Almost all providers said they understood the proposals for managing the transition period but wanted more information on dates and timescales as soon as possible.

More information is wanted regarding TUPE arrangements and who will determine which staff go to which provider. There were a number of concerns about the potential unforeseen costs arising from TUPE and the impact on provider budget forecasts for these costs. Providers also wanted to know whether management and administrative staff would be included as part of TUPE.

Providers expressed some concern that staff may leave the sector rather than TUPE to other providers. There is support for the council to run zone based recruitment events where necessary around transition time to mitigate against this. The Council needs to have contingency plans in place to potentially manage providers closing at short notice or recruitment shortfalls if these arise.

Concern was shown regarding whether the council's internal departments would be able to cope with a likely influx of direct payments.

The Providers who responded

There were 18 home care responses from providers in total. The responses were received from a cross section of organisations including two that are not part of the current scheme, some that are large national providers, some regional providers and a number of smaller local providers. One was from the Lancashire Domiciliary Care forum.

All were CQC registered and all but one attended one of the consultation events in October.

The below table shows the home care providers who completed and returned the questionnaire.

Provider	CQC registered	On current Scheme	Attended Event
Adult Care Initiatives (ACI)	Yes	No	No
Arc Community Care Ltd (ARC)	Yes	Yes	Yes
Care UK	Yes	Yes	Yes
Crossroads Care East Lancs	Yes	Yes	Yes
Bare Hall Quality Carers Ltd	Yes	Yes	Yes
Ginger Homecare Ltd	Yes	Yes	Yes
Willowbrook (Hyndburn) Ltd	Yes	Yes	Yes
Housing 21	Yes	Yes	Yes
ICare GB Ltd	Yes	Yes	Yes
Lancashire Domiciliary Care Provider Forum	Yes for all members	Yes for all members	Yes
Spring Cottages Home care Ltd	Yes	Yes	Yes
Sure Care (Preston and South Ribble)	Yes	Yes	Yes
The Local Care	Yes	Yes	Yes
Watch Home Care Services Ltd	Yes	Yes	Yes
BRS Care Ltd	Yes	No	Yes
Platinum Care	Yes	Yes	Yes
Sevacare	Yes	Yes	Yes
Right Care	Yes	Yes	Yes

SUMMARY OF RESPONSE TEMPLATE AND DRAFT PROPOSALS OCTOBER / NOVEMBER 2013

Lancashire County Council

Recommissioning Home Care for Older People and People with a Physical Disability

Providers Responses to Key Proposals

If you wish to provide a response to the latest proposals for Recommissioning Home Care in Lancashire which are set out in the 'Key Proposals' document and which were presented at the Provider Events in October 2013, please complete the template attached and return to Nick Metcalfe at nick.metcalfe@lancashire.gov.uk by no later than 5th December, and preferably before.

Organisation Details

Organisation's name:	
Contact name:	
Email address:	
Are you operating already in Lancashire?	Yes / no
Are you CQC registered for delivery of home care?	Yes / no
Are you on Lancashire's Preferred Provider scheme?	Yes / no
Did you attend the provider briefing events in October 2013	Yes / no

Questions below are designed to check whether

- we have explained the proposals clearly enough, and what we may have to do to flesh them out for the procurement phase
- you agree that the proposals are the right way forward, and / or
- if you have alternative and better suggestions you wish us to consider

Providers should refer to the following documents alongside this

- "Recommissioning Home Care for Older People and People with Physical disabilities – Key Proposals"
- Market share / Zoning spreadsheet
- Quality / Performance proposals
- Powerpoint Presentation – Oct 2013

1. Allocation of work

a	Do you understand the proposals for how home care business will be allocated via Care Navigation set out in the 'Key Proposals' document?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you agree the proposals for allocating work are the right approach?	Yes / no / not sure. Please explain
c	Do you have suggestions for changing and improving our proposals for allocating work?	Please complete

2. Zoning

a	Do you understand the proposals for zoning set out in the 'Key Proposals' document?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you agree the proposals for 7 zones are the right approach?	Yes / no / not sure. Please explain
c	Do you have suggestions for changing and improving our proposals for having (7)	Please complete

	seven zones?	
--	--------------	--

3. Quality and Performance

a	Do you understand the proposals for Quality and Performance set out in the 'Key Proposals' document and the other attachment?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you agree the proposals for Quality and Performance are the best approach?	Yes / no / not sure. Please explain
c	Do you have suggestions for changing and improving our proposals for Quality and Performance?	Please complete

4 Pricing – Hybrid and Phased Approach

a	Do you understand the proposals for determining the price for home care set out in the 'Key Proposals' document?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you agree the process for setting price for each zone is fair and reasonable?	Yes / no / not sure. Please explain
c	Do you agree that it should result in the setting of a sustainable and affordable price for home care for each zone?	Yes / no / not sure. Please explain
d	Do you think the proposed data that we will provide about business activity information (<i>volumes / costs of packages of care, geographical spread, churn rate, pattern of delivery contracts</i>) for each zone is the right data to enable you to submit a unit cost?	Yes / no. If no please clarify what's missing
e	Do you agree the proposals for reviewing price after 2 years is the best approach?	Yes / no

f	Do you have suggestions for changing and improving our proposals for setting prices?	Please complete

5. Living Wage and Zero Hours contracts

a	Do you understand the proposals for moving towards Living wage and ending use of Zero Hours contract set out in the 'Key Proposals' document?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you agree these proposals will help tackle recruitment and retention difficulties in the sector and improve quality?	Yes / no / not sure
c	Do you have suggestions for changing and improving our proposals for Living Wage and ending of Zero Hours contract?	Please complete

6. Market share

a	Do you understand the proposals for calculating market shares set out in the spreadsheet and in the 'Key Proposals' document?	Yes / no. If no please clarify what's missing or needs further explanation
b	Do you have a view as to the optimum market share we should target for each provider on the new framework?	Yes / no - please provide a number as a % and explain why
c	Do you have a view as to the maximum number of the 7 zones a successful provider should be awarded contracts for in order to maintain a sustainable and competitive market?	Yes / no – please provide a number of zones from one to seven and explain why
d	Other comments on market share?	

7 Managing Transition

a	Do you understand the proposals for managing the	Yes / no. If no please clarify what's missing or needs further explanation
---	--	--

	<p>transition from the existing arrangement to the new arrangements as listed in the 'Key Proposals' document?</p>	
b	<p>Do you have any other suggestions for how we may manage any aspects of the transition?</p>	<p>Please complete</p>

Thank you for completing this, please return to Nick Metcalfe at nick.metcalfe@lancashire.gov.uk by no later than 5th December 2013.

Lancashire County Council

Recommissioning Home Care for Older People and People with a Physical Disability

Key Proposals

This is a summary of the proposals we shared with Home Care providers during October 2013. As a separate attachment we have provided a questionnaire for completion and return by no later 5th December 2013, but preferably before if at all possible.

The proposals are as follows

1 Allocation of Work

Essentially we propose no change from the present arrangements. We do not believe other approaches fit with the options detailed below for zoning, pricing etc or offer any improvements on what we have got now. So allocation of new home care business will continue to occur as now via Care Navigation, although quite separate changes currently underway to LCC's ICT systems may mean the web portal that providers currently use will change later in 2013.

Thus in descending order, allocation of new business will occur as follows

- Emphasis on choice for the individual
 - To take a Direct Payment and make their own arrangements if possible
 - If using the "managed Personal Budget route" eg using Individual Service Funds, individuals would be encouraged to choose their own provider from those on the new framework operating in the zone they are living

Followed by
- Ensuring providers within the zone have capacity to respond to the particular requirements of the individual for support.

Followed by
- Allocation on rotational basis between providers on the framework operating in that zone

This approach may be implemented more flexibly during the transition period eg first 6 months to a year.

2 Zoning

We are proposing to adopt the principles of "zoning" for the allocation of home care business.

Our proposals would mean there are 7 zones in all, which is the option with the greatest number of zones and will lead to the smallest geographical coverage for each zone. The

spreadsheet shows what those zones would look like. All the zones are district based (either 1 or 2 adjacent districts) with the exception of a division of Ribble Valley into an East Lancashire area (around Clitheroe), and a Greater Preston area (around Longridge).

This should make the transition easier to manage, for providers new or old, and for small or very small providers this should also be easiest for them to manage growth.

This means that providers will be bidding to be on the framework for particular zones.

3 Quality

Our proposals on quality and performance measures are chosen from the options we have previously shared with providers in July / August and were subject to discussions with a Citizens Panel including representatives from existing groups of service users, carers and other older citizens groups. There is an emphasis on training, staff continuity, consistency / punctuality, outcomes - and measures that we can use to drive improvement and quality above the minimum thresholds for registration set by CQC.

Having considered the feedback we have eliminated some of the ideas that were going to be too difficult or costly to implement, and that leaves us with a final shortlist of proposals detailed on the attachment.

A copy of the proposals is now attached, and these show the comments we had already received from providers.

4 Pricing – Hybrid and Phased Approach

This is probably where we have the greatest innovation, some of the details of this are still to be worked through, but the principles of the process were explained at the sessions and are repeated below.

Stage 1

LCC won't fix prices ahead of the procurement. However, we will provide detailed business activity and financial information for each zone.

Then we will require providers to submit detailed budget and business plans alongside their hourly rates for the zones they are bidding to operate in. We will therefore understand how costs are built up and be able to challenge / explain / benchmark those in particular areas – eg travel time / mileage, training; what do those cost and what assumptions have providers made in calculating their hourly rates?

Separately we will examine providers' submissions to judge their quality, and only those above a quality threshold will we consider further.

Stage 2

We will then further rank providers on the shortlist based on scoring system (details to be confirmed) but broadly

- Quality
- Finance incorporating
 - Headline hourly rate / price
 - Robustness / value for money of budget

Based on the budget / price submissions for each zone for the shortlisted providers, we (ie LCC) will propose a fixed price for that zone. This will be what we regard as the optimal and affordable hourly rate for delivering good quality home care.

We will then return to each of the shortlisted providers in ranking order and ask them whether they can provide services at that rate and what changes to their service delivery model and budget they may need to make to come in at that price (if it's lower than the price that they submitted for that zone). We will consider the implications of the responses and final determination of the fixed price will be made. We will then return to providers with our 'Fixed price' for each zone.

Ultimately providers will decide whether they want to be in or out at the agreed price for that zone. This will result in awarding places on the framework contract to a number of providers for each zone – anything between 2 and 7 (a maximum number of zones per provider will be determined) according to the other decisions we have to make.

For simplicity we may consider setting common prices for similar zones eg Lancaster and Preston, Fylde and West Lancs.

Stage 3

After 2 years we agree to revisit the prices for each zone to take account of the fact that

- The transition will have occurred in the first year after contract award
- The 2nd year should have given the both County Council and providers experience of how things are working in the zone
- By the end of that period all providers and ourselves will be clear about volumes, cost / quality pressures, market shares etc

We will then revisit the price and it could change and either increase or decrease for each zone. We may wish to set out how we will move towards a system of payment based on the successful achievement of outcomes.

5 – Living Wage and Zero Hours Contracts

The County Council has adopted the following stance on these issues

- The County Council does not want providers to use zero hour contracts and the tender documents will be clear that this practice will result in contracts not being awarded ;

- We want to strongly encourage providers to embrace the Living Wage. The County Council understands the implications of this and have started work on this to see how it can be achieved, the costs and timescales.

Questions still to be resolved are

- how we define 'zero hours contracts',
- the appropriate balance of contracts to ensure / provide some business flexibility
- timescales for implementation

6 Market Share

We have modelled some options regarding this (ie not just 5%, but also 2.5%, 3% and 4.34% market share). This is on the spreadsheet attached.

Providers can apply for business in all zones across the county, but e may want to limit the number of zones any provider can win.

8 Managing the Transition

Providers and the County Council recognise this will be a major challenge. Our initial proposals to manage this as effectively as possible include the following

- Managing TUPE transfer: We have explained that we think that TUPE will apply and that we may facilitate this by linking a successful provider in a zone with a group of outgoing providers in each zone for transfer of business and staff.
- LCC could run some zone-based recruitment events for all successful providers to take part in to recruit staff ready for the contract start date,
- Talk to and visit other Councils for lessons learned – Manchester, Wolverhampton, Cardiff, Cumbria all suggested so far. Providers who have particular experiences regarding this will be welcome to comment to say what worked best / worst from their perspectives during these types of transition
- Plan and execute an effective communication strategy for the transition period, providing reassurance for staff and service users
- Employ our own LCC HR staff to manage / coordinate some of this transition work,
- We will determine our approach to Electronic time monitoring systems with the successful providers on the framework in late 2014 / early 2015

Tony Pounder

Head of Commissioning

28 October 2013

Appendix 'C'

Equality

Analysis Toolkit

Re-commissioning Home Care for Older People and People with Physical Disabilities in Lancashire

For Decision Making Items

December 2013

Name/Nature of the Decision

Recommissioning Home Care for Older Adults and People with Physical Disabilities in Lancashire 2014/15 to 2021/22

The Cabinet Member for Adult and Community Services is recommended to:

- (i) Approve proposals for Recommissioning and Procuring Home Care services which place an emphasis on:
- Commissioning Home Care Services which:
 - Promote Personalisation;
 - Become more outcome focussed and maximise independence;
 - Support integrated working with other Health and Social Care services and organisations;
 - Ensure the dignity of individuals and safeguards those who are vulnerable;
 - Incorporate human rights obligations into decision making and commissioning and contracting practices.

 - Investing in and developing Lancashire's home care workforce by:
 - Ensuring all Home Care providers are contractually obliged to follow compliance guidance from Her Majesty's Revenue and Customs (HMRC) on paying National Minimum Wage (NMW);
 - Setting prices on the Home Care Framework on the basis of
 - Minimising the use of zero hours contracts (ZHC) in the Home Care sector;
 - Hourly pay rates converging towards "Living Wage" rates for all home carers during the lifetime of the new contracts';
 - National Minimum Wage Compliance
 - Endorsing the principles contained in Unison's "Ethical Care Charter for Home Care";
 - Working with local workforce and employers' representatives to draft a 'Lancashire Charter for Home Care', detailing annually updated commitments to:
 - National Minimum Wage Compliance at all times;
 - Minimising the use of Zero Hours contracts;
 - Hourly wage rates which converge towards the 'Living Wage';
 - Inviting Home Care Providers who wish to secure places on the Framework to sign up to this 'Lancashire Charter for Home Care', and supporting its use as a vehicle for promoting their reputation, partnership working and the sustainable growth of their businesses;
 - Adopting a strategic approach to training in the sector, analysing the workforce National Minimum Data Set, working with Skills for Care, and leveraging its investment in Lancashire Workforce Development Partnership to ensure delivery of training to Home Care workers is in line with local priorities and takes account of CQC regulations, the Cavendish report, and the guidance under development by National Institute for Clinical Excellence (NICE);

- Changing the Council's approach to contracting so that:
 - Providers are clear about their responsibilities to act compatibly with the Human Rights Act 1998, and contracts would give users of contracted services a direct right of redress against the provider in the event that their human rights are breached;
 - There is a greater emphasis on quality over price in procurement of home care;
 - Providers are expected to support the principles of Self Directed Support and take greater responsibility in supporting individuals to exert choice and control over the use of their Personal Budgets;
 - There is the adoption of a clear and robust approach to quality based on service user derived standards and Key Performance Indicators, reliable monitoring and incentives to continually improve;
 - The new 'Framework' for Home Care offers a minimum guaranteed level of business to providers which is subject to periodic negotiations and reset according to predicted demand*;
 - Our approach to Electronic Time Monitoring Systems is reviewed, with the intention of presenting a business case for investment in a centralised system to enable more effective monitoring and audit of key cost and quality indicators;
 - The length of contracts offered to providers is extended for up to 7 years on the basis of an initial 3 years with the option of yearly extensions for a maximum of a further 4 years, subject to satisfactory progress and performance, and in order to encourage investment in workforce and systems and to reduce procurement costs;
 - Flexibility is built in to design of the contracts to enable the introduction of new approaches and innovations in service delivery and payment mechanisms;
 - Internal County Council arrangements for quality and contract management are redesigned to ensure consistently high performance is rewarded, mediocre or poor performance is swiftly challenged and consistently poor performance leads to contract termination.

- Shaping the Market including:
 - Significant reductions in home care provider numbers operating under contracts from the County Council allowing for a more collaborative approach to working with commissioners and other providers, encouraging investment in systems and workforce development, reducing the proportion of provider sector's spend on management and overheads; and reducing transaction costs for the County Council;
 - Offering contracts for home care business in specified geographic 'Zones' to promote more efficient working across the system and closer integrated working with joint NHS and Social Care 'Neighbourhood Teams' of frontline staff;
 - Allocating of new business to providers to secure a balanced and sustainable market in each zone by the end of the transition period, and then using publishing benchmark performance data to ensure focus on maintaining standards and continual improvement for the duration of the contract term;
 - Enabling smaller Home Care providers to bid for a smaller volume contract within zones to maintain variation in the market place and reducing the business risk for successful but newer businesses growing from a smaller base;
 - Limiting market share for any one provider to ensure the sectors longer

- term sustainability while ensure healthy competition and choice;
 - Encouraging and fostering continued growth in the take up of direct payments.
- (ii) Note the details of the consultations undertaken with Home Care Providers and service users and the main findings detailed in Appendices 'A' and 'B' and the Equality Analysis contained at Appendix 'C';

What in summary is the proposal being considered?

The vital role of home care services in supporting older people and people with physical disabilities is increasingly acknowledged and understood across society. At a personal level many thousands of individuals, carers and families receive and benefit from home care every year and of course nationally the home care sector makes a vital strategic contribution to the Health and Social Care system.

In April 2013 the Cabinet Member for Adult and Community Services considered a report on the findings of a County Council led review of Lancashire's own Home Care sector. The review was undertaken as groundwork for developing a plan for recommissioning and procuring home care services when the current legal arrangements expire on 31 March 2014. This work showed that we have 150 or more Care Quality Commission (CQC) registered home care organisations involved in service delivery across Lancashire, with 129 of these Providers on the County Council's 'Framework' for Home Care, an arrangement which is commonly referred to locally as the 'Preferred Provider Scheme'.

In Lancashire the sector employs around 4500 staff, supporting over 5000 older people and people with physical disabilities. Current annual gross expenditure on home care for these service groups is in the region of £50m. Net expenditure is in the region of £37m which represents 14% of the Council's net adult personal social care commissioning budget in 2013/14.

Since April 2013 a Project Team has been working to develop robust recommissioning proposals for a fresh round of contracts and these are set out in the recommendations below for approval. Some of the proposals simply reinforce and confirm existing approaches and trends, whereas others mark a sharp break with the current arrangements. Careful consideration has been given to good practice from other councils, from published research and policy guidance and from what we know is good about our existing arrangements.

There have been extensive briefings and communications with current providers during this project, and their experience and expertise has offered us new ideas and a realistic

appraisal of some of the options we have considered. The Project Team has also engaged with representatives from groups of older people, people with disabilities and family carers in developing our proposals for quality and performance standards. A recent survey of existing home care service users has been undertaken, the findings from which has shown there is broad support for many of the key proposals set out in this report, but concern about what any change from the current arrangements may mean for continuity of care.

The procurement and implementation is challenging and complex and will take time to implement safely and effectively. This will require a contract extension for up to a further 18 months, and the establishment of a dedicated Project Team within the Adult Services, Health and Wellbeing (ASHW) Directorate to manage the safe and efficient transition from the existing to the new configuration of home care services.

It is also worth highlighting the financial significance of this report. Based on current levels of annual spend and the recommended 7 year duration of the Framework, these proposals will influence future County Council expenditure in the order of £350m across the contract term.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

This review and re-commissioning process will apply to all service users in the Older People and Physical Disability groups who receive Home care funded by Lancashire County Council

Approximately 6000 people fall into this category along with approximately 4500 staff, the number of these directly affected will depend on which providers are successful in tendering for the new scheme and in which zone they are awarded a contract. The current 12 largest providers account for a high percentage of the market and should they be successful there will be fewer service users needing to move to new providers and fewer staff needing to 'follow the work' by moving to a new employer.

Different geographic zones may have a different hourly rate to allow for degrees of rurality, however all providers contracted to work within a zone will be paid the same hourly rate and be expected to meet the same quality standards in the delivery of care and support.

Self funders and those with direct payments are not directly in the scope of these changes.

However, the impact of the broader changes on Providers and their workforce may have a knock on effect on those who make arrangements directly with the organisations on the current Framework

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes – see question 3.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

See below

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

1. Service Users

Data from ISSIS shows the breakdown of service users at November 2013 under some key headings.

Table 1.1 – Service user need category

	Number	%
Elderly	4822	80%
Physically Disabled	1195	20%
Grand Total	6017	100%

Table 1.2 - Gender

	Number	%
Female	4090	68%
Male	1927	32%
Grand Total	6017	100%

Table 1.3 - Age

	Number	%
A - 18 - 24	15	0%
B - 25 - 34	46	1%
C - 35 - 44	120	2%
D - 45 - 54	270	4%
E - 55 - 64	446	7%
F - 65 - 74	923	15%
G - 75 - 84	1902	32%
H - 85+	2295	38%
Grand Total	6017	100%

Table 1.4 – Ethnicity

	Number	%
Asian or Asian British	150	2%
Black or Black British	16	0%
Chinese or other ethnic	9	0%
Mixed	13	0%
White	5797	96%
Not stated	32	1%
Grand Total	6017	100%

Table 1.5 District Breakdown

	Number	%
LANCASTER DISTRICT	773	13%
FYLDE DISTRICT	404	7%
WYRE DISTRICT	709	12%
PRESTON DISTRICT	675	11%
SOUTH RIBBLE DISTRICT	509	8%
CHORLEY DISTRICT	511	8%
WEST LANCASHIRE DISTRICT	572	10%

HYNDBURN DISTRICT	397	7%
RIBBLE VALLEY DISTRICT	195	3%
BURNLEY DISTRICT	472	8%
PENDLE DISTRICT	478	8%
ROSSENDALE DISTRICT	322	5%
Grand Total	6017	100%

2. Home Care Staff

Data is available from Skills for Care 'National Minimum Data Set' (NMDS) for some of the characteristics. The NMDS figures are for fewer numbers of home care workers than the number of people we estimate are actively working in that role in Lancashire.

Table 2.1 - Gender

	Number	%
Female	3,184	83.6%
Male	598	15.7%
N/K	28	0.7%

Table 2.2 - Age

	Number	%
A- 24 and under	646	16.9
B - 25 - 34	833	21.8
C - 35 - 44	697	18.2
D - 45 - 54	976	25.5
E - 55 - 64	574	15.0
F – 65 and over	94	2.5

Table 2.3 - Ethnicity

	Number	%
Asian or Asian British	81	2.4%
Black or Black British	38	1.1%
Mixed	223	0.7%
White	2751	81.4%
Other ethnic	8	0.2%
Not stated	478	14.1%

Table 2.4 – Nationality

	Number	%
British	2787	67.2%

EEA (non British)	31	0.9%
Non EEA	46	7.9%
Unknown	513	15.0.4%
Non British (nationality n/k)	49	1.4%

Table 2.5 - Disability and Sickness rates

19 people or 0.5% of the Home Care workforce are recorded as having a disability on NMDS

Sick days lost per year average 6.3 days for Home Care workers employed in the private sector compared to an average of 5.3 days for other social care staff employed in the private sector. Sick days lost per year by Home Care workers in voluntary sector are slightly lower at 6.1 days

Table 2.6 - Length of Service

Group	Number	%
Before 1990	1	0.0 %
1990 to 1999	59	1.6 %
2000 to 2004	255	6.8 %
2005 to 2010	1,510	40.0 %
After 2010	1,947	51.6 %

Table 2.7 - Turnover Rates- Home Care workers

Group	Number of staff	%
All - Lancs	4,224	36.0 %
Private sector only - Lancs	3,732	37.8 %
Voluntary Sector - Lancs	424	23.6 %
Council run - NW region	1,545	15.6 %

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when.

(Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

With the review of home care potentially affecting so many people it has been necessary to conduct extensive consultation.

As part of the consultation home care providers, service users, county councillors, social care staff, older peoples forums, carers forums, Healthwatch, Lancashire 50+ Assembly and NHS were contacted - details of these consultations are given below.

Providers

Two series of events were held for Providers in July and October 2013.

During **July 2013** a series of 10 provider briefings were held across Lancashire as follows

- Chorley 3
- Preston 2
- Accrington 3
- Lancaster 2

Numbers of people:

- Individuals who applied for a place – 185
- Individuals Attended - estimated 170

Numbers of organisations:

- Providers Invited: 275 – but this will have included many who are not registered with CQC as Domiciliary Care Agencies,
- About 160 invited were home care providers including all on the current Preferred Provider Scheme
- Total organisations who applied for a place: 136
- Total organisations with a representative who attended: 104

During late October 2013 a second round of briefings were held with providers. This time there were 9 sessions in all,

- Accrington 2
- Lancaster 2
- Preston 3
- Chorley 2

This time 120 people attended from a total of 143 who had booked places. Again the invitations had gone to all 275 organisations that do social care business with us in Lancashire, of which 160 would have been CQC registered home care providers. Altogether 84 Providers were represented.

At each event Providers were invited to ask questions both orally and in writing via post it notes against many of the various proposals. These were all collated and responded to back to all Providers.

Also have each series of events Providers were also sent questionnaires giving them time to review the information and provide a more considered and informed opinion.

Home Care Workers

The County Council does not have access to personal information about all the staff employed in the sector so it was not possible to contact them directly to gauge their views about the changes.

However in response to suggestions to Providers, in November 2013 a briefing note was sent to all Providers asking them to cascade to Home Care workers about the proposed changes to existing arrangements for home care. This was also shared with regional Unison for further dissemination via local networks and membership.

Service Users

In July / August 2013 about 40 representatives were invited to focus groups from Lancashire based older peoples forums, carers forums, Healthwatch, Lancashire 50+ Assembly. This concentrated chiefly on explaining the changes and seeking input into a range of quality indicators.

All 6000 older people and people with a physical disability who are current service users were informed of the decision to review our approach to commissioning home care providers during the period 12 - 28 November 2013. A letter was sent explaining the latest round of proposals, the timescales for when any changes would happen, the reasons we were making changes and what the effect might be on the care that people currently receive. Attached to the letter was a questionnaire that gave all service users an opportunity to let us know their thoughts on our proposals. 1756 completed forms were returned, a 29% return rate overall.

Information has been sent to all Personal Social Care staff about the changes to current arrangements through a staff briefing and a meeting was held in November 2013 with Advanced Practitioners and questions asked on behalf of service users have been asked of the Project Team

County Councillors have been kept informed of the review and the changes made to the approach through a cabinet item on April 2013. They have also been informed of the consultation work done through briefing letters. Some Councillors have passed on letters or made representations on behalf of service users or Providers.

Clinical Commissioning Groups were briefed about the proposals in July 2013.

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how

serious, or perhaps minor, it may be – will people need to walk a few metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

Through the consultation with home care service providers and service users anxieties have been expressed about a number of key issues and their impact on two main groups, service users and staff

Service Users – Older People and People with a Physical Disability

Continuity of care is very important to people in people using home care and any changes to existing arrangements may disrupt that. Some service users have complex and/or multiple needs making the continuity and standard of care even more important. For example people living with Dementia could be very adversely affected by changes to regular care. However the current reality is that Home Care workers turnover rates In Lancashire of 37% in the last year and this clearly suggests that many people's experiences fall far short of their needs

and expectations for continuity.

For some service users this is a real concern that the set of proposals in the Cabinet report will upset existing arrangements with home care workers. However intervening in the market place and addressing the underlying reasons for the extremely high turnover rate in the longer term is probably the better option, not just for the existing service users but also for the 15,000+ new service users who will likely use home care services during the lifetime of the new contracts. We are hoping to address and improve staff retention and training by a variety of means and this in itself will represent an improvement in an important quality measure.

In the short term however there may be instances where peoples' lives are affected adversely by the changes we are making and do not trace any disruption to the routinely very high staff turnover in the home care sector, but to the immediate changes involved in this project. For some people, and to some degree, that is likely to be the case.

Whatever the causes, there have been situations that have been documented in the media where home care providers have closed in an unplanned way. In Surrey, following a raid by Borders and Immigration Agency on illegally employed staff, an unplanned closure meant some self funding service users had not been identified and so were not offered alternative support by another provider. Every effort will of course be made to ensure a seamless transition for all service users that change home care provider, not just for LCC funded but for others who self fund or use their option for direct payment. However, it has to be acknowledged the the potential consequences if mistakes are made during the transition between care providers could be adverse for some individuals, so excellent planning and reasonable timescales are vital for all involved, including incoming / outgoing providers and the County Council. This of course should be balanced in any consideration with those who may experience much improved and safer support from home carers after the transition to a new provider.

This could leave service users without enough care staff if the situation is not properly monitored and managed. The reduction in providers has also been raised as an issue having the potential to remove the personal touch offered by some of the smaller providers. Service users felt that workers need to be better trained in certain areas to meet their needs. This should be resolved by having better quality controls with all providers needing to have robust training plans.

If service users are currently with a provider that is not successful in securing a new contract they will be given the choice of moving onto a direct payment and staying with their current provider. Through consultation with current providers, service users and other councils who have undergone similar changes we are expecting a significant number of citizens to opt into the direct payment scheme in order to stay with their current provider. However there are currently no plans in place to monitor the quality of providers who are **not** on the Framework. The new proposals allow us to monitor quality more closely by dealing with a smaller number of providers. This could potentially leave service users who opt for a direct payment vulnerable to standards of home care below the benchmark that we have set, but this has long been the case with the Direct Payments scheme. This is of course individual choice and people are free to change their home care provider whenever they choose, including moving back to one of the providers on the new Framework.

If there are any increases in the hourly rates of Home Care due to the procurement this will impact as increases on the costs incurred paid by the 600 - 800 people who are maximum charge payers.

It is important to note that the majority of service users agreed with the proposals put

forward. In the survey there were many accounts from individuals ranging from occasional episodes or occurrences, to more or less routine and regular patterns of home care which they considered substandard. There was considerable agreement with the analysis of what the Council should do about reducing provider numbers, about improving pay and conditions of staff, and improving training and monitoring standards. This shows that many people recognise that the problems they sometimes or regularly encounter in their home care needs to be addressed by some fundamental changes.

For many individuals, if what they are experiencing right now is working well enough, it is not surprising that uncertainty about how changes may affect them in a year or so means they often lean strongly towards preferring the status quo.

Home Care Workers

The labour market for home care is currently turbulent and staff move between employers quite frequently.

We would expect significant staff transfers once the new contracts are awarded. Tupe legislation will guide many but not all of these staff transfers.

Overall, the package of proposals for improving staff terms and conditions and investing in training should improve the status and reliability of take home pay for many thousands of low paid, part time and predominantly female workers.

We do not foresee any large scale loss of jobs in the Home Care sector in Lancashire as the amount of work will remain at similar levels but will potentially be delivered by fewer and possibly a different set of organisations. Employees may of course choose to leave the sector of their own free will if they are not happy with the changes being made, but longer term we are confident that the package of changes we propose will reduce turnover rates.

Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

There are major proposals for changes across the county council driven by reductions in finance over the next year and it is difficult to foresee all the potential implications.

However within the terms of this project and the specific proposals in the report, there is of the prospect of improved job security for staff, and improved pay and conditions. It has been countered that for some there are welfare benefit thresholds which could act as disincentives for individuals to take on more hours or go from Zero Hours contracts to contracts with specified hours, but this is a trend which is likely to be outside of the control of LCC, driven as it is by Government policies to get more people working and reduce welfare expenditure.

For service users, there is a great deal of concern about changes across the welfare, housing, NHS and social care systems. For some this additional strategically driven change to home care will add to cumulative stress. However this needs again to be compared to the current experience of unplanned changes as a result of high staff turnover.

If there are any increases in the hourly rates of Home Care due to the procurement this will impact as increases on the charges paid by the 600 - 800 people who are maximum charge payers.

Overall, the mitigation for both staff and service users will involve ensuring clear and timely communications to people over the next 2 years. Reaching staff may be particularly difficult and will require cooperation from current employers, and this may not always be forthcoming.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

The impact of the changes has been considered at every stage of the review.

Extensive consultation has taken place in order to listen to everyone involved and responses have been used to shape and adjust the proposals being put forward, for example by the length of time now recommended for the contract extension to allow time for effective transition, and by the establishment of a Business Transitions Project Team, and specific actions such as the letter drafted for sending to Home Carers. Neither of these were in the initial thinking of the Project Team in April 2013.

We therefore believe we are in a position to continue with our plans for tendering and implementation with due regard given to all the feedback collected and consultation undertaken.

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

The cabinet member for Adult and Community Services has been recommended to endorse the establishment of a Home Care Business Transitions Project Team to ensure the efficient, safe and timely management of changing from the current configuration of services to the new arrangements.

This team will ensure that a robust plan is in place to ensure that any changes to care and support currently received by those sharing any relevant protected characteristic is well managed and that as a result of the proposed changes no individual receives less support than previously.

Plans will reflect the need to work closely with both incoming and outgoing providers to manage changes in workforce to ensure that Home care workers are informed about any changes affecting them and changes in the people supported by the provider organisations to ensure that each individual whose provider organisation and/or care workers are going to change is informed, aware and supported through every part of the transition.

The project team will work closely with the direct payments team to carefully manage any increase in requests to support people that would either prefer to manage their own support with a direct payment or would like to keep their existing provider where this is not possible through new contracting arrangements.

The new contract will require all providers to comply with all legislation covering those with protected characteristics in the delivery of home care services.

Lancashire County Council will continue to communicate with people affected by this project to ensure that they are kept up to date with information about how the changes may or may not affect them in the future and how they will be supported through any transition period.

We are very aware that changing the home care provider market will bring about some negative effects including increased anxiety and loss of continuity for some people, and these could be serious if not managed carefully and individuals supported sensitively. These effects have not been taken lightly and every effort is being made to minimise risks at every step. It is important to note that these changes are seen as entirely necessary to improve the services offered.

We are legally required to change our current contracting arrangements and we would be remiss not to take the opportunity to improve. Service users have told us that whilst many of

them are very happy with their current situation, on the whole they agree with the proposals being put forward. There are concerns that they have made us aware of and we are factoring these into our detailed proposals before the tendering exercise takes place in early 2014.

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

There are many potential barriers and risks associated with the review and re-commissioning of home care. Some of which can be mitigated to a degree with careful planning. For others we simply have to be aware of them and try to manage communication and resources as effectively as possible to minimise potential problems.

If the proposed changes bring about the desired outcomes then all service users should benefit from an improved quality of service in the long term. However, there will obviously be some worry and disruption to some service users in the transition process and a proportion may experience these at particularly critical or sensitive points in their lives. There are many service users that are very happy with the current arrangement with their home care provider and the care workers they see on a day to day basis that will not be happy about changes that will inevitably happen. There are service users with some complex needs who value the familiarity and reassurance they currently have with a settled arrangement. The transition will be closely managed to mitigate the effects as far as possible but for some service users things may well get worse before they get better.

Care workers should benefit from the quality measures put in place through improved training and conditions in the long term. Again, there will be a number of care workers that are happy with arrangements as they are and do not wish things to change. We have been told through the home care provider feedback that some staff would rather leave the industry than be made to work for another provider through TUPE arrangements. Some workers have apparently expressed concerns about the removal of zero hours contracts which they actually find favourable as they suit their current needs.

Home care providers that are awarded contracts on the new scheme would benefit from increased economies of scale and more collaborative working with Lancashire County Council. On the other hand there will be a large number of providers that are not successful

and this will lead to large scale disruption in these organisations and some may not be viable businesses without receiving work from Lancashire County Council. We expect that service users will be advised to stay with their current provider by their current providers through the take up of a direct payment which may put pressure on service users. Through our letter to service users explaining the situation we have aimed to make all of their options as clear to them as possible and hope to continue open lines of communication to ease any concerns they have.

Service Users opting for direct payments and choosing to stay with or join a home care provider that is not on the scheme will not be covered by the improved quality monitoring. If a large number of service users adopt this approach then it could also slightly affect the economies of scale that can be achieved by the successful providers.

Service users may be unhappy with having to change provider should theirs not be successful. This could happen even if their provider is successful if they are awarded a contract outside of the zone that the service user is based. The transition process may be stressful for some, especially those who are particularly frail or vulnerable and for whom stress may be highly detrimental to health. Service users cite continuity of service as something that's very important to them and making changes will undoubtedly cause problems. We will need to communicate our intentions on the process of transfer between providers as clearly as possible to service users to provide the necessary reassurance.

Service users may be at some risk if unsuccessful providers do not constructively engage with TUPE arrangements in the transition period.

With the proposed changes happening, it has been suggested that some home care workers may choose to leave the industry, leaving a worker shortage. The current proposals include improving conditions for staff in home care sector so hopefully this won't be the case. Plans have been discussed to facilitate recruitment drives in affected areas should TUPE arrangements not be sufficient to meet the staffing needs of the successful providers.

There is a risk of a negative impact on service users in rural areas if the zoning process is not completed accurately and the allocated zones are not commercially appealing or viable, this could potentially lead to less choice for service users in isolated areas. By combining rural areas with high density urban areas within zones this risk should be mitigated.

The changes to the use of Zero Hour Contracts and the movement towards living wage are designed to improve the quality and minimise staff turnover of care workers. These changes may come at a cost to Lancashire County Council. More information will be known about this after when the hourly rates have been determined. Establishing an unsustainable price from either Lancashire County Council or home care provider perspectives would lead to an unstable market. If the price is set too low providers will not be able to sustain business, levels of service could drop and ultimately service users could suffer.

Legally, the Council has to complete a re-tender of existing arrangements and with consideration given to the shorter term issues and potential disruption identified in this document together with robust mitigation of the risks, existing proposals will be implemented to realise the longer term benefits of new arrangements.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

The final proposal has evolved considerably over the last 6 months and risks to affected groups have been mitigated as far as possible.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

During the transition phase (until all arrangements with incoming and outgoing providers are completed) the Home Care Business Transitions Project Team will closely review implementation of the new arrangements on an ongoing basis. They will provide regular reports to senior management on progress

The contractual framework allows for work to be undertaken that will improve arrangements over the lifetime of the contracts, with provision for formal review processes after three years if required. The initial requirement for successful providers will be the submission of performance information on a monthly basis. This will inform the work of the Home Care Business Transitions Project Team and enable them to ensure that any issues or concerns are identified and remedied quickly. Following the successful transition from outgoing to incoming providers the submission of routine performance management information will occur quarterly.

An extensive quality framework is being established with Key performance Indicators (KPIs) in order to monitor the effectiveness of the home care services in Lancashire.

Having a reduced number of home care providers means the contracts monitoring team will be able to work closely with them. This will allow problems to be identified and remedied quickly. Electronic systems are also in place to remotely monitor some aspects of home care delivery, but these will also be reviewed to see if better arrangements can be managed.

The project will aim for the submission of data to be undertaken remotely by providers directly into Lancashire County Council's system for collation, reducing the need for a resource to input and analyse submissions

Providers are required to self-assess against a range of requirements with a clear expectation of auditable evidence that may be required for scrutiny at any stage by officers working for or on behalf of Lancashire County Council.

Home care service providers will be required to work with the people that they support to identify and achieve individual outcomes for each person and use feedback about their experience to inform continuous improvement. Service users are also able to contact the Council through the normal complaints procedure.

Equality Analysis Prepared By **Emma Ince / Nick Metcalfe**

Position/Roles - **Area Commissioning Manager /Project Support**

Equality Analysis Endorsed by Line Manager and/or Chief Officer **Tony Pounder, Head of Commissioning**

Decision Signed Off By

Cabinet Member/Chief Officer or SMT Member

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Directorate's contact in the Equality and Cohesion Team.

Directorate contacts in the Equality & Cohesion Team are:

Karen Beaumont – Equality & Cohesion Manager

Karen.beaumont@lancashire.gov.uk

Contact for Adult & Community Services Directorate

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Contact for Environment Directorate, Lancashire County Commercial Group and One Connect Limited

Saulo Cwerner – Equality & Cohesion Manager

Saulo.cwerner@lancashire.gov.uk

Contact for Children & Young Peoples Directorate

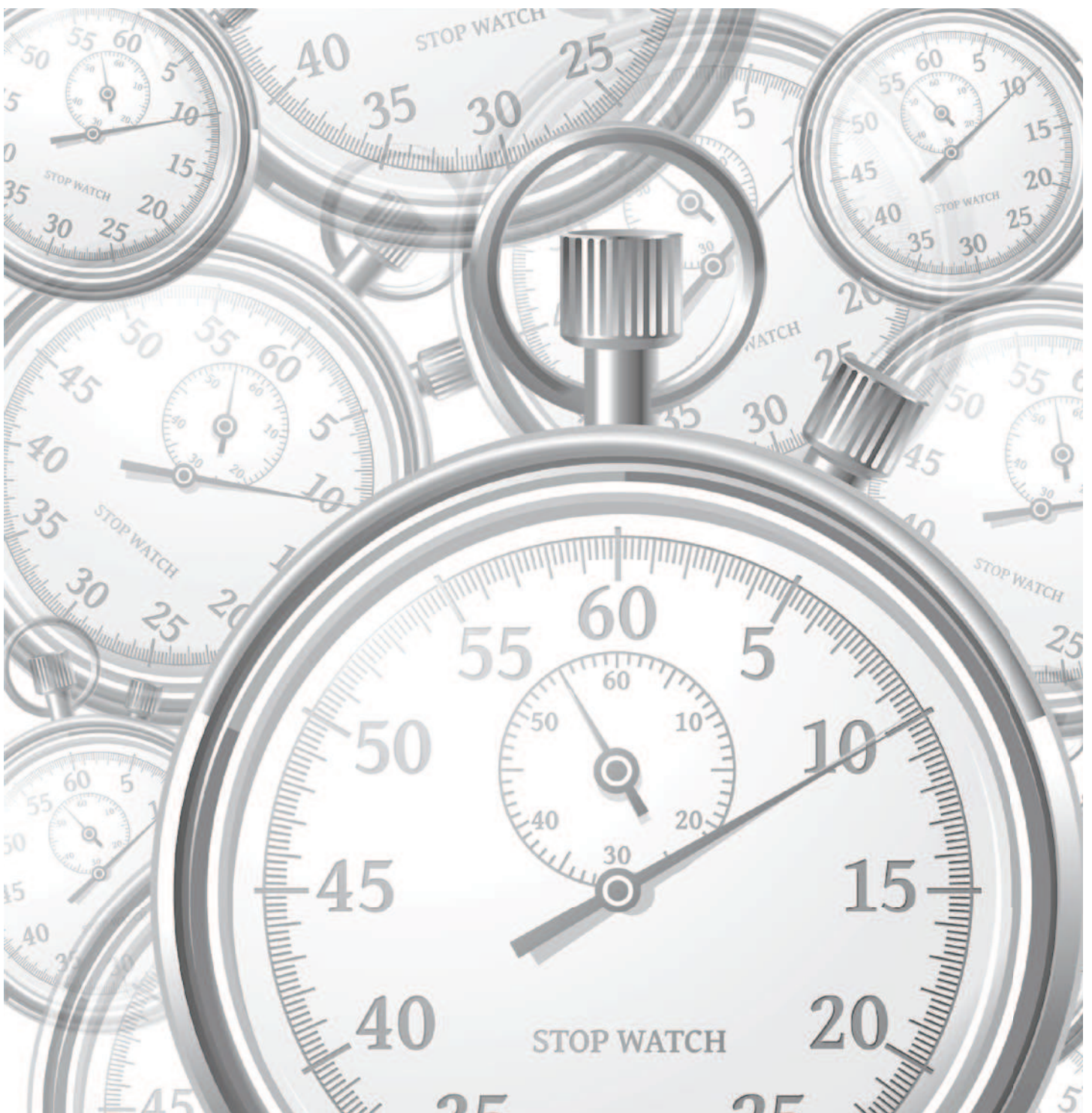
Pam Smith – Equality & Cohesion Manager

Pam.smith@lancashire.gov.uk

Contact for Office of the Chief Executive and the County Treasurer's Directorate

Thank you

UNISON's ethical care charter



Contents

Introduction	1
Key findings	2
Ethical care councils	4
Ethical care charter for the commissioning of homecare services	5
Guidance for councils and other providers on adopting the charter	6

Introduction

A number of reports from client organisations, consumer groups, and homecare providers have recently been produced which have been highly critical of the state of homecare services in the UK. Little consideration however has been given to the views of homecare workers themselves as to why there are so many problems in this sector.

UNISON, the largest public service union, conducted a survey of homecare workers entitled “Time to Care” to help address this imbalance and to illustrate the reality of homecare work. The online survey which was open to homecare workers who were either UNISON members or non-members attracted 431 responses between June and July of 2012.

The responses showed a committed but poorly paid and treated workforce which is doing its best to maintain good levels of quality care in a system that is in crisis. The report highlights how poor terms and conditions for workers can help contribute towards lower standards of care for people in receipt of homecare services.

Key findings

- 79.1% of respondents reported that their work schedule is arranged in such a way that they either have to rush their work or leave a client early to get to their next visit on time. This practice of ‘call cramming’, where homecare workers are routinely given too many visits too close together, means clients can find themselves not getting the service they are entitled to. Homecare workers are often forced to rush their work or leave early. Those workers who refuse to leave early and stay to provide the level of care they believe is necessary, also lose out as it means they end up working for free in their own time.
- 56% of respondents received between the national minimum wage of £6.08 an hour at the time of the survey and £8 an hour. The majority of respondents did not receive set wages making it hard to plan and budget. Very low pay means a high level of staff turnover as workers cannot afford to stay in the sector. Clients therefore have to suffer a succession of new care staff.
- 57.8% of respondents were not paid for their travelling time between visits. As well as being potentially a breach of the minimum wage law, this practice eats away at homecare workers’ already low pay.
- Over half the respondents reported that their terms and conditions had worsened over the last year, providing further evidence of the race to the bottom mentality in the provision of homecare services.
- 56.1% – had their pay made worse
- 59.7% – had their hours adversely changed
- 52.1% – had been given more duties
- 36.7% of respondents reported that they were often allocated different clients affecting care continuity and the ability of clients to form relationships with their care workers. This is crucial, especially for people with such conditions as dementia.
- Whilst the vast majority of respondents had a clearly defined way of reporting concerns about their clients’ wellbeing, 52.3% reported that these concerns were only sometimes acted on, highlighting a major potential safeguarding problem.
- Only 43.7% of respondents see fellow homecare workers on a daily basis at work. This isolation is not good for morale and impacts on the ability to learn and develop in the role.
- 41.1% are not given specialist training to deal with their clients specific medical needs, such as dementia and stroke related conditions.

The written responses to our survey paint a disturbing picture of a system in which the ability to provide some companionship and conversation to often lonely and isolated clients is being stripped away. Some recounted the shame of providing rushed and insufficient levels of care because of the terms and conditions of their job, whilst many detailed insufficient levels of training that they had been given to carry out the role. Others made the point that rushed visits are a false economy leading to a greater likelihood of falls, medication errors and deterioration through loneliness.

However the survey also showed the selflessness and bravery of homecare workers who, to their own personal cost, refused to accept the imposition of outrageously short visits and worked in their own time to ensure that their clients received good levels of care. Some homecare workers were doing tasks and errands for their clients in their spare time, despite the seemingly best efforts of the current care model to strip away any sense of personal warmth or humanity.

Homecare workers are personally propping up a deteriorating system of adult social care, but they are being pushed to breaking point. That they are still willing to deliver good levels of care in spite of the system is nothing short of heroic. For the system to work it needs to be underpinned by adequate funding and a workforce whose terms and conditions reflect the respect and value they deserve. Crucially they must be given the time to care.

“ I never seem to have enough time for the human contact and care that these people deserve. ”

“ A lot of the people I care for, are old and lonely, they are not only in need of physical support, but they are also in need of company and someone to talk to. The times given to these people are the bare minimum to get the job done, no time for a chat, just in and out. ”

“ People are being failed by a system which does not recognise importance of person centred care. ”

“ We are poorly paid and undervalued except by the people we care for! ”

“ I have worked as homecare worker for 15 years. Things have to change but not at the expensive of clients. It’s appalling the care they receive now. ”

Ethical care councils

In light of UNISON's findings, we are calling for councils to commit to becoming Ethical Care Councils by commissioning homecare services which adhere our Ethical Care Charter.

The over-riding objective behind the Charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which a) do not routinely short-change clients and b) ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels. Rather than councils seeking to achieve savings by driving down the pay and conditions that have been the norm for council – employed staff, they should be using these as a benchmark against which to level up.

Councils will be asked to sign up to the Charter and UNISON will regularly publish the names of councils who do.

Ethical care charter for the commissioning of homecare services

Stage 1

- › The starting point for commissioning of visits will be client need and not minutes or tasks. Workers will have the freedom to provide appropriate care and will be given time to talk to their clients
- › The time allocated to visits will match the needs of the clients. In general, 15-minute visits will not be used as they undermine the dignity of the clients
- › Homecare workers will be paid for their travel time, their travel costs and other necessary expenses such as mobile phones
- › Visits will be scheduled so that homecare workers are not forced to rush their time with clients or leave their clients early to get to the next one on time
- › Those homecare workers who are eligible must be paid statutory sick pay

Stage 2

- › Clients will be allocated the same homecare worker(s) wherever possible
- › Zero hour contracts will not be used in place of permanent contracts
- › Providers will have a clear and accountable procedure for following up staff concerns about their clients' wellbeing

- › All homecare workers will be regularly trained to the necessary standard to provide a good service (at no cost to themselves and in work time)
- › Homecare workers will be given the opportunity to regularly meet co-workers to share best practice and limit their isolation

Stage 3

- › All homecare workers will be paid at least the Living Wage (As of September 2012 it is currently £7.20 an hour for the whole of the UK apart from London. For London it is £8.30 an hour. The Living Wage will be calculated again in November 2012 and in each subsequent November). If Council employed homecare workers paid above this rate are outsourced it should be on the basis that the provider is required, and is funded, to maintain these pay levels throughout the contract
- › All homecare workers will be covered by an occupational sick pay scheme to ensure that staff do not feel pressurised to work when they are ill in order to protect the welfare of their vulnerable clients.

Guidance for councils and other providers on adopting the charter

Seeking agreements with existing providers

1. Convene a review group with representation from providers, local NHS and UNISON reps to work on a plan for adopting the charter – with an immediate commitment to stage 1 and a plan for adopting stages 2 & 3
2. Start by securing agreement for a review of all visits which are under 30 minutes. The review will include getting views of the homecare workers and client (and/or their family) on how long the client actually needs for a visit and what their care package should be

Looking for savings

3. Are providers' rostering efficiently – for example are there cases of workers travelling long distances to clients when there are more local workers who could take over these calls?
4. How much is staff turnover costing providers in recruitment and training costs?
5. How much are falls and hospital admissions amongst homecare clients costing the NHS and could some of these be prevented by longer calls and higher quality care?

6. Are there opportunities for economies of scale by providers collaborating around the delivery of training and networking/mentoring for workers?
7. Are there opportunities for collaboration between providers to achieve savings on procurement of mobile phones, uniforms and equipment for workers?

The commissioning process

1. UNISON's evidence, along with that of other bodies such as the UKHCA, shows that working conditions are intrinsically bound up with the quality of care.
2. When councils are conducting service reviews and drawing up service improvement plans, the Charter will provide a helpful benchmark for ensuring service quality – whether for an improved in-house service or in relation to externally commissioned services.
3. Where a decision has been taken to commission homecare externally, identify how the elements of the charter will be included as service delivery processes, contract conditions or corporate objectives in the invitation to tender documents. It must explain how these are material to the quality of the service and achieving best value.

Service monitoring

1. Work with providers and trade unions to agree how service quality will be monitored and compliance with the Charter assured
2. Build regular surveys of homecare workers into this process to gain their views and consider establishing a homecare workers panel from across local providers who can provide feedback and ideas on care delivery

The provisions of this charter constitute minimum and not maximum standards. This charter should not be used to prevent providers of homecare services from exceeding these standards.

UNISON has more than a million members delivering essential services to the public. Services that protect, enrich and change lives.

We want to see changes that put people before profit and public interest before private greed. Join our campaign to create a fairer society.

To find out more go to unison.org.uk/million

Join UNISON online today at unison.org.uk/join
or call 0845 355 0845



Published and printed by UNISON, The UNISON Centre, 130 Euston Road London NW1 2AY
CU/OCT 2012/21049/stock no: 3179

unison.org.uk