

Theme and Overview: 9. Commissioning: Shaping the Market to Achieve Better Outcomes for Older People

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Overview of proposal:

The Council and Clinical Commissioning Groups (CCGs) face a pressure on supply and demand. Supporting Worcestershire's most vulnerable adults and the elderly in our society and meeting our statutory duty is a priority for the Council. However, demand is increasing due to changing demographics (ageing population and increased need) and a continued joint health and social care emphasis on promoting independence at home. In some areas of the County the supply of home care is only just meeting demand, and this places an upward pressure on costs. This is compounded by the introduction of the National Living Wage which increases staff costs by over 30% by 2020 (70% of supplier costs are direct staff costs). In terms of residential and nursing care, the amount supplied at our standard rate is decreasing due to the increasing cost of care.

To secure the right supply, providers need to have a certainty of business to enable recruitment and allow them to be more efficient. In addition, joint commissioning with Health needs to be developed as the standard approach in order to manage more effectively the cost of impact of discharges from hospital and the discrepancy between the local authority funded support and the Continuing Health Care (CHC) funded support. To address this, the following is proposed:

For Home Care:

- Consolidate existing spot supply into blocks. Block contracts would be available to any provider who has a significant number of hours currently and has a good quality record with the Council. Block contracting will secure business for providers, enabling them to recruit and retain staff, and allow better value for money contracts to be negotiated. Providers will still be able to bid for spot contracts and therefore new providers can still enter the market. The Council will consider using Dynamic Purchasing to keep the market vibrant. (A Dynamic Purchasing System (DPS) is a fully e-Enabled framework that helps the Council take advantage of market changes. DPS allows new market entrants to join at any time during its life and so remove barriers for smaller companies to do business with the Council. DPS encourages competition thereby delivering better value, faster outcomes and saves process time for the Council)
- Evaluate the Home Care Improvement Project using equipment to help keep people independent

- Identify assistive technology solutions for home care support which is not delivering personal care where appropriate
- Work with the Worcestershire CCGs as part of the Sustainability and Transformation Plan (STP) to integrate and jointly commission recovery services (discharge from hospital) and Continuing Health Care
- Work on a model of outcome based commissioning of home care and other community based support, and test in one area, incorporating opportunities for joint commissioning of CHC care packages and transfer of care from Acute to home and learning from Home Care Improvement Project and use of technology

For Residential / Nursing Care:

- Following the decision to reconfigure Howbury House from 1 October 2016 as a residential home, consider future options for the re-provision of Howbury, including re-provision by an independent provider
- Continue to develop extra care housing as an alternative to residential care. This will support individuals' wellbeing and independence. Furthermore it will reduce the Council's reliance on residential care and reduce cost variances
- Explore the opportunity and viability of a 'Care Village' model in Worcestershire, where WCC play a key role as developer / financier to enable long term stability, cost control and more independence for older people
- Apply assistive technology in care homes to create consistent quality outcomes whilst reducing operating costs with a direct impact on quality and price, including potential block contracts

Investment requirements including technology, resources, assets and people:

- Technology investment was approved by Cabinet in November 2015 and included in Capital Programme in January 2016 - as part of New Technology in Care programme and subject to individual business cases for change.

What will be the key outcomes?

For Home Care:

- Different forms of contracts to be explored throughout 2016/17 in order to secure a sustainable and stable market by improving recruitment and retention for home care and enable growth
- More timely and effective use of equipment from November 2016
- Reduce significantly prompt and check-up calls by deployment of technology from April 2017
- Outcome-based contract for all home care and other community based support for older people to be considered following the modelling in a test area, making sure that the true needs of the population (age, level of need, income) are considered and opportunities for joint commissioning with Health fully explored. Innovation site to be live by Autumn 2017

For Residential / Nursing Care:

- Reconfiguration of Howbury Home into residential home from October 2016
- Develop an options appraisal for Howbury Spring 2017
- Implement any potential new Howbury provision model by April 2018
- Business cases developed under the Holistic Housing Approach for development of Extra Care schemes in line with existing strategy - ongoing
- Develop draft business case for 'Care Village' by early 2017
- Deployment of technology in block contracted care homes – this is more viable in new builds and therefore not likely to come on line until April 2018

What additional savings/income is targeted and when is this expected to be delivered?

Budget				
2016/17	£75.5m	Gross Residential and Nursing Budget across all service areas. The Net budget is £54.8m		
	£21.3m	Gross Home Care budget across all service areas excluding Extra Care and Supported Living Services. The Net budget is £17.0m		
Total	£96.8m			
Savings				
Initiative	2017/18 £,000	2018/19 £,000	2019/20 £,000	Post 2020 £,000
Further Market Management	2000	2000		
Total	2000	2000		

What will be the key work streams that will enable the delivery of this theme and who will lead their ongoing development?

1.	Workstream – title and short description: Reconfiguration of Howbury and subsequent options appraisal
	Lead Head of Service: Richard Keble
2.	Workstream – title and short description: Holistic Housing Approach for Extra Care
	Lead Head of Service: Richard Keble
3.	Workstream – title and short description: Consolidation of existing spot contracts into blocks
	Lead Head of Service: Richard Keble
4.	Workstream – title and short description: Develop model of outcomes-based commissioning of home care for older people to be tested in one area
	Lead Head of Service: Richard Keble

5.	Workstream – title and short description: Home Care Improvement Project – review impact and mainstream
	Lead Head of Service: Anne Clarke
6.	Workstream – title and short description: New Technology in Care – identify technology solutions
	Lead Head of Service: Richard Keble
7.	Workstream – title and short description: 'Care Village' business case
	Lead Head of Service: Richard Keble

What are the risks, their impact and mitigations?

#	There is a risk that.....	Which could (impact).....	Which will be mitigated by....
1	Housing Cap decision may have an impact on the scale and pace of delivery	Extra Care only attractive to self-funders and therefore does not offer credible alternative to residential care for low income / WCC funded people	New working relationships to be developed with local housing providers so that greater advantage is taken of capital assets and opportunities
2	Securing blocks does not improve capacity	Capacity shortage continues to lead to rising prices	Work will also be undertaken with provider sector to aid recruitment and retention generally
3	Joint commissioning arrangements take longer to establish	Benefits will be delayed	Working through the Sustainability and Transformation Plan is anticipated to provide a strategic framework to accelerate joint commissioning arrangements
4	Decisions made by CCGs and NHS nationally could result in greater pressures for adult social care	Increased demand on adult social care and costs	Effective joint commissioning through the STP will ensure decisions are made in the best interests of Worcestershire residents and not for organisational reasons
5	Increased care home costs	Reduce the number of beds available to the Council at an affordable price	Active engagement with the market and development of more community-based options will reduce Council usage of care home beds