

Wiltshire Council

Cabinet

13 December 2022

Subject: Home Care (Adults) Recommissioning

Cabinet Member: Cllr Jane Davies, Cabinet Member for Adult Social Care, SEND and Transition and Inclusion

Key Decision: Key

Executive Summary

Adult's home care services have been purchased through the Help to Live at Home (HTLAH) Alliance since October 2018. Due to the current market challenges, an extension of the current HTLAH Alliance has been put in place until the end of March 2023. As well as the challenges described below, there has been a national cost of care exercise undertaken for the older people's market. This and the uncertainty of the amount and terms and conditions of the market sustainability grant to Local Authorities has meant that it has not been possible to develop a long-term pricing model at this point in time.

A Cabinet report on 26 April 2022 made recommendations which were approved to adopt a Strategic Provider model and increase the number of geographical zones from three to fifteen. However, since then Wiltshire has faced unprecedented challenge in providing care at home for people who need it. Through market engagement it has become increasingly apparent that providers will not, in the current environment, be able to recruit a workforce to meet the sufficiency required of a single Strategic Provider per zone.

There are increased numbers of hand backs where providers give packages of care back to Wiltshire Council as they are unable to continue for a variety of reasons e.g. staff leaving, failure to recruit, financial sustainability. This is caused by a range of issues being experienced nationally including the legacy of the pandemic, workforce supply issues, the lack of a career pathway within the home care sector, the salary and terms and conditions of care workers compared to other professions, and the impact of high fuel costs. This means that supply is not currently meeting demand.

Due to the increased fragility of the home care market the recommendation is to take a revised approach to support and stabilise the market. This will give additional time to co-produce with communities, providers, and voluntary and health sector partners and pilot different concepts in a planned way, taking into consideration the challenges and informed by the 2022 Cost of Care exercise launched nationally by central government and the accompanying Market Sustainability Plan.

Transforming home care is a long-term objective which will require us to listen to customers, carers and communities, engage with the market, and demonstrate our ambition, even in the most challenging circumstances.

The new approach of a one-year Flexible Framework with the possibility of a one-year extension will achieve our aim to undertake co-production as set out earlier in this document, to develop a vision and model to enable people with eligible care needs to live safely in their own homes for as long as possible.

Proposal(s)

This report recommends Cabinet agree the following proposals:

1. That adult's home care services are purchased through a one-year Flexible Framework with the possibility of a one year extension.
2. That officers continue to undertake to prepare and complete the tender programme, award and implement a new Flexible Framework contract for adult's home care by 1st April 2023.
3. To delegate authority to approve the new pricing model and associated uplift mechanisms, award a new contract, extension option and future mini competitions/pilots and all associated documents to the Director Procurement & Commissioning in consultation with the Cabinet Member for Adult Social Care, SEND and Transition and Inclusion, the Corporate Director People and Corporate Director Resources/Deputy Chief Executive.

Reason for Proposal(s)

The purpose of this paper is to provide an update to Cabinet on the Wiltshire Council procurement process for adults' home care and sets out the revised approach that is being taken.

Cabinet is asked to agree:

- the method outlined to complete a tender process that enables the purchase of adults' home care provision through a Flexible Framework
- a one-year Flexible Framework contract with the possibility of a one year extension contract to help stabilise the home care market and test approaches to inform future long-term home care developments

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

13 December 2022

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Key Decision: Key

Purpose of Report

1. This report outlines the proposal for adults' home care services to be purchased through a one-year Flexible Framework with the possibility of a one-year extension.
2. The paper outlines the reasons why it is recommended that a revised approach is taken to the recommissioning of adults' home care. The tender aims to support and stabilise the market in the short term and provide a test environment to review and pilot different concepts in a planned way to inform future long-term home care developments.
3. The tender approach will take into consideration the challenges currently faced by the market and will be informed by Wiltshire's 2022 Cost of Care exercise and Market Sustainability Plan, although it must be noted that this has to be affordable for the Council and to date, we do not know what funding is available from Government
4. Cabinet is asked to agree the method outlined to complete a tender process that enables the purchase of adults' home care provision through a Flexible Framework.

Relevance to the Council's Business Plan

5. The proposal is relevant to the following mission statements laid down in the Council's [Business Plan 2022 to 2032](#):
 - The people of Wiltshire are empowered to live full, healthy and enriched lives
 - Our local economy thrives and is supported by a skilled workforce
 - We lead the way in how councils and counties mitigate the climate challenges ahead.
6. To support the working themes in the Council's Business Plan 2022 to 2023, commissioning priorities are to:
 - Priority 1** - ensure services are in the right place at the right time
 - Priority 2** - ensure right people receive services in the right place i.e. increasing services delivered in the community and in people's homes

Priority 3 - ensure right service, right price

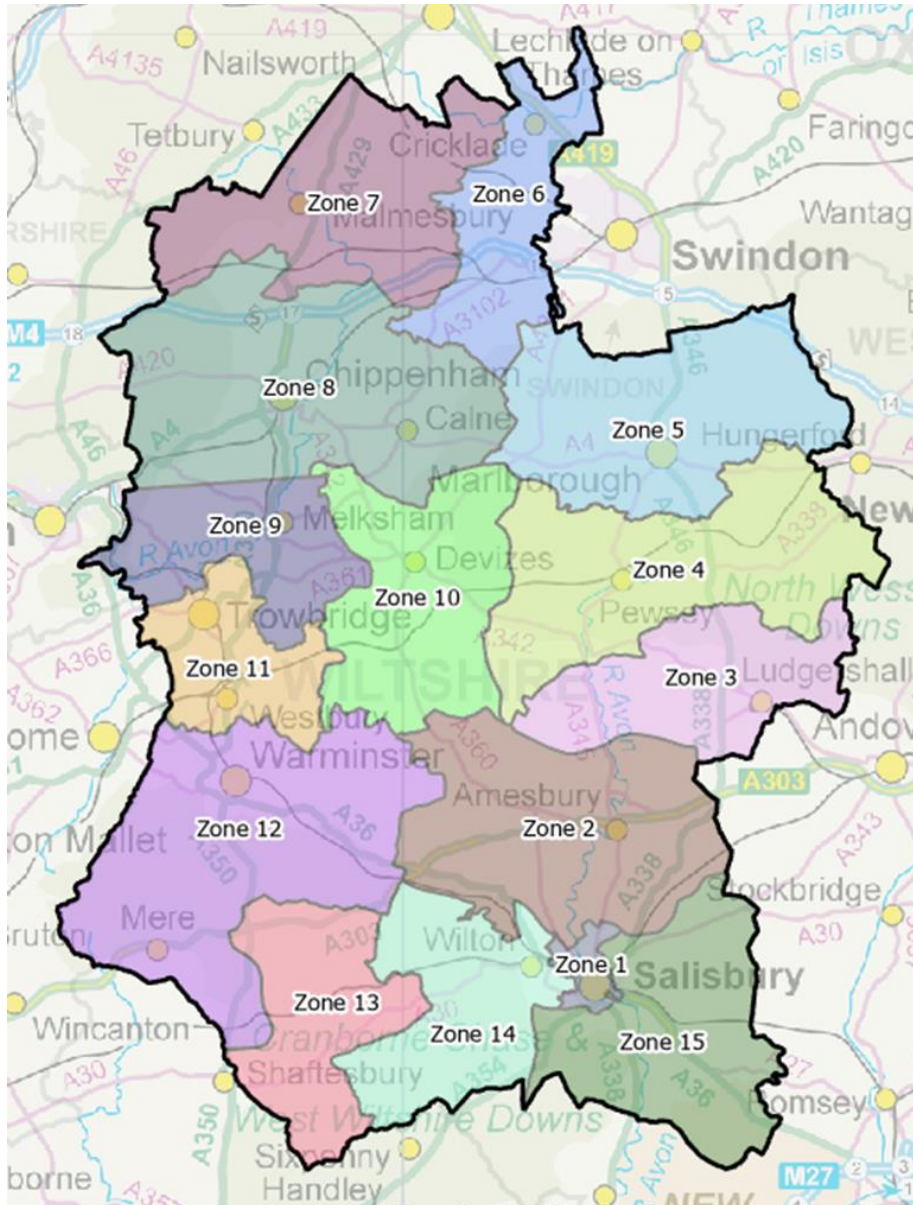
Background

7. **Current Supply arrangements** - Wiltshire's current Help to Live at Home (HTLAH) Alliance was established in October 2018 and ends on 31 March 2023. The HTLAH model, level of demand and issues with supply were laid out in the 26 April 2022 Cabinet paper.
8. **Previously Proposed Solution** – The April 2022 Cabinet paper made recommendations to adopt a Strategic Provider model and increase the number of geographical zones from three to fifteen, however, since then Wiltshire has faced unprecedented challenge in providing care at home for people who need it. Through market engagement it has become increasingly apparent that providers will not, in the current environment, be able to recruit a workforce to meet the sufficiency required of a single Strategic Provider per zone.

Main Considerations for the Council

9. The Council has a statutory duty to ensure that people requiring financial support to meet their care needs are able to access good quality services. The Care Act also requires councils to shape the care services market sustainably in collaboration with providers and to retain local oversight of that market.
10. The Health and Care Bill sets out key legislation to reform the delivery and organisation of health services in England, to promote more joined-up services and it is anticipated greater responsibilities in respect of self-funders.
11. Adult Social Care (ASC) supports people to live independently, with a focus on preventing, reducing, and delaying the need for specialist services. Home care is an essential service to meet people and their family/carers' eligible needs in their own homes.
12. **Proposed Home Care Model** – Only those providers who are in the Flexible Framework can bid for any 'Drawdown Competitions' for example, general home care and pilot service models for home care. This will enable commissioners to maximise the opportunity to manage the supply of home care and spend.
13. The Flexible Framework will include the following drawdown services:
 - General home care
 - Night provision home care
 - Live-in-Care
 - Pilot service models for home care
14. The one-year Flexible Framework with the possibility of a one year extension will support an approach to help stabilise the market and test approaches which maximise independence yet reduce overall demand on the health and care system alongside effective short-term interventions such as reablement.

15. Retaining the smaller more manageable zones from the previously proposed Strategic Provider model, as detailed in the map below, will enable commissioners to run local pilots and help brokerage and providers to create more efficient runs, decreasing travel times and support more effective recruitment.



16. It will allow for the future provision of registered home care to those who will most benefit and support collaborations with voluntary and community organisations and improved use of technology to provide digital solutions.

17. **Price Model** – The price model will be established ready for the tender to be launched in February. Due to the timing of the cost of care exercise and linking this where possible, fee rates are not ready to be published at the time of this report going to Cabinet. Delegated authority to approve this new price model is requested.

18. **Annual Price Review Mechanism** – The annual price review mechanism will be agreed as part of the price model. However, this will take into consideration the national living wage increase and CPI.

19. **Market Engagement & Indicative Tender Timetable** – Market engagement has continued through provider forums with commissioners and POST gathering intelligence. Providers have also been sharing their experiences in the co-development of the Market Sustainability Plan and Fair Cost of Care exercises. This has been during a time of market pressures in the care sector especially around the recruitment of care staff. The table below details the tender timetable:

Date	Task
November 2022	Market Surveys
December 2022	Market Engagement Event – service model
January 2023	Round 1 Go Live
February 2023	Evaluation Period End Date
March 2023	Award Decision Notification
01 April 2023	Alliance Commencement Date

Interdependent projects

20. The Flexible Framework will support an environment to undertake co-productive approaches with the market, communities and the voluntary sector. Working in collaboration with the home care transformation project, the Flexible Framework will help develop our vision and strategy to deliver home care in Wiltshire and give evidence to inform our future home care model.

21. The children’s home care services recommissioning will be under a separate two-year framework arrangement. This will have no impact to adults’ services as a separate market already exists and adults’ providers do not currently provide support for children.

Overview and Scrutiny Engagement

22. A briefing on the proposals was provided for the Chair and Vice-chair of Health Select Committee and Chair of Financial Planning Task Group on 31 October 2022.

Safeguarding Implications

23. Current contract arrangements with the HTLAH Alliance contain robust safeguarding measures in line with Council policy. Contracts give clear direction on how and when to raise a safeguarding alert to avoid any confusion about who will do this and/or assumptions that someone else will raise the alert.

24. Contracts also ensure that any issues relating to child protection are identified and appropriate referral made to children’s services. Any new service specifications under the Flexible Framework will continue to include these robust measures.

Public Health Implications

25. The service specifications are underpinned by public health data and evidence from [Wiltshire Intelligence - Bringing Evidence Together](#) - Joint Strategic Needs Assessment (JSNA). With relevant Key Performance Indicators commissioners ensure the services being designed are able to meet the anticipated demand within the contract time frames, and are effective and efficient to meet the needs of the people of Wiltshire.
26. The Flexible Framework will benefit the overall health and wellbeing outcomes of people in terms of service continuity and reducing the risk that their health and care outcomes could be compromised if the service was not in place.

Procurement Implications

27. A compliant procurement process will be followed in line with Public Contract Regulations 2015.
28. The procurement process will be designed and run, in conjunction with the Commercial and Procurement team. The specification of future services will state that providers are expected to demonstrate social value.

Equalities Impact of the Proposal

29. The recommissioning of home care will support equitable access for any individual to health and social care and impact positively on equality by reducing or removing inequalities and barriers that exist for people with eligible needs. Consideration to Social Value will be given when developing the specification, which will be reflected within our tender documentation.
30. Commissioners will require the provision of services which take account of and are committed to ensuring that the organisations value diversity and promotes equality and inclusivity on all aspects of their business.
31. The performance of the Flexible Framework will be monitored through quality systems and performance management, monitoring and reporting. Providers will report on Key Performance Indicators and lead commissioners will be responsible for monitoring and reviewing reports and ensuring any improvement actions are completed by providers.
32. Joint management boards will be attended by commissioners and key stakeholders across the health and care system for the continual development of the Flexible Framework.
33. Healthwatch Wiltshire and other service user engagement organisations will work with commissioners and providers to identify and implement opportunities to develop a vision and model for delivering home care in Wiltshire in the short and longer-term.

Environmental and Climate Change Considerations

34. The tender evaluation criteria and contract terms and conditions will include sections on environmental and climate change impact to ensure this is

appropriately considered. The specification of future services will state that providers are expected to demonstrate social value.

35. Energy consumption associated with the service area will remain roughly at current levels due to the scope of the service unchanging. Annual reviews of the providers operations will place requirements on the provider to make ongoing improvements in this area and in the day-to-day environmental management of the service.
36. Carbon emissions will be managed through energy efficient options, some of which are:
- Reducing home care workers travelling by car to provide care in peoples' homes and potentially reducing emissions from fossil fuel vehicles by increasing use of low carbon alternatives.
 - Reduction of home care services through improved use of alternative support, such as technology enabled care, voluntary and community organisations and outcomes-based approaches.
 - Encouraging carbon offset projects for any unavoidable carbon emissions or increase a renewable energy or green tariff for avoidable carbon emissions, such as electricity consumption in registered offices.

Risks that may arise if the proposed decision and related work is not taken

37. The report's proposals offer the most effective mitigation to the following known risks:
- Home care being delivered outside of a formal contract once current contract arrangements for home care (Help to Live at Home (HTLAH) Alliance) end in March 2023, increasing use of spot provision and increasing home care costs
 - Undertaking an emergency procurement, which would lack the required time to create a robust opportunity
 - Capacity of the home care market not having the ability to meet the demand for home care services. Home care staffing issues are being experienced nationally, due to pandemic, cost of living, Brexit and increased fuel costs
 - Additional costs incurred by the council when seeking home care to support customers in difficult to resource areas e.g. through use of incentives which is generally higher fee rate/paid travel/additional time

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

38. A risks and issues log is in place and regularly reviewed through the project operational and oversight groups; enabling potential risks and mitigations to be identified and implemented. This is a live document which allows risks and mitigations to be continually revised as the project develops.
39. There is a risk of challenge from providers to the tender process and outcome. However, the impact and likelihood of these risks will be reduced by continued and transparent engagement with providers. This same engagement offers an opportunity to assess providers' appetite and readiness for a new tender as well as the potential impact of current challenges
40. As with all projects of this nature, securing consistent project and oversight resources from across Council functions to take forward project activity will be important to delivering the project to the required standard within the indicative timeline. The Project Oversight Group oversees the procurement of the commissioning of home care services

Financial Implications

41. Total expenditure on home care services equated to £26.990m in 2021/2022. This was delivered through the HTLAH Alliance, spot provision and Good Lives Alliance. The table below shows the expenditure for 2021/2022 and an estimate for 2022 /2023 broken down by service block:

<i>Service block</i>	<i>Estimate 22/23 £</i>	<i>Cost 21/22 £</i>
<i>Learning Disabilities Total</i>	<i>1,516,430</i>	<i>983,724</i>
<i>Mental Health Total</i>	<i>2,490,556</i>	<i>2,104,604</i>
<i>Older People Total</i>	<i>23,560,562</i>	<i>23,902,025</i>
<i>Grand Total</i>	<i>27,567,548</i>	<i>26,990,353</i>

42. All spend under service block Older People will be managed under the new Wiltshire Home Care Flexible Framework and a proportion of LD and MH spend.
43. The annual cost of the new contract will be broadly similar to the current contract but taking into account the increased demand due to population increase and inflationary pressures. This will be informed by the new price model and will remain within the financial envelope available.

Legal Implications

44. Legal advice has been sought and will continue to be sought on this project. The procurement of the Flexible Framework will need to be undertaken in accordance with the Constitution and Procurement Law. The proposed arrangements will ensure the Council meets its duties as described more fully above.

Workforce Implications

45. These proposals relate to a continuation of current activity which is delivered through external suppliers. So, there is little-to-no direct impact on council employed staff.
46. If the incumbent providers are not successful in the new tender, then TUPE may apply. However, while the council would be an interested party, any transfer of staff would be a matter between the incumbent and new provider.

Options Considered

47. Option One: Increased number of zones with a single Strategic Provider and several Approved Providers per zone (6+2-year contract):
- continue with tender for new model – this would be extremely high risk due to the Market facing unprecedented challenge in providing care at home for people who need it.
 - Through market engagement it has become increasingly apparent that providers will not be able to recruit workforce to meet the sufficiency of a single Strategic Provider per zone.
 - Providers submitting higher, front loaded, fee rates to ensure their rates are financially viable for up to 8 years.
48. Option two: Increased number of zones (1+1-year contract) (Recommended Option):
- Smaller geographical zones should help to alleviate difficulty in sourcing providers to deliver packages of care in areas where there is a small volume of villages identified as hard to access care.
 - This option would allow officers to test new approaches and undertake co-production with the market to develop a vision and model for delivering home care in Wiltshire in the long-term.
 - Smaller more manageable zones will help providers create more efficient runs, decreasing travel times and support more effective recruitment.

Proposed Zones

Zone	Areas
Zone 1	Salisbury
Zone 2	Amesbury
Zone 3	Tidworth
Zone 4	Pewsey
Zone 5	Marlborough

Zone 6	Royal Wootton Bassett & Cricklade
Zone 7	Malmesbury
Zone 8	Chippenham, Corsham and Calne
Zone 9	Bradford on Avon and Melksham
Zone 10	Devizes
Zone 11	Trowbridge and Westbury
Zone 12	Warminster and Mere
Zone 13	Tisbury
Zone 14	Wilton
Zone 15	Southern Wiltshire

Recommendations

1. Officers recommend that Option 2 is the preferred option.
2. That adults' home care services are purchased through a one-year Flexible Framework with the possibility of a one-year extension
3. That officers continue to undertake to prepare and complete the tender programme, award and implement a new Flexible Framework contract for adults' home care by 1st April 2023.
4. To delegate authority to approve the new pricing model and associated uplift mechanisms, award a new contract, extension option and future mini competitions/pilots and all associated documents to the Director Procurement & Commissioning in consultation with the Cabinet Member for Adult Social Care, SEND and Transition and Inclusion, the Corporate Director People and Corporate Director Resources/Deputy Chief Executive.

Conclusions

49. All of the above information has been taken into account in establishing this report's proposals.

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