Brent	**Community and Wellbeing Scrutiny Committee** 4 September 2019
	Report from the Strategic Director of Community Wellbeing

Homecare Recommissioning: A report on the proposed model to recommission homecare services

Wards Affected:	All
Key or Non-Key Decision:	Non-key
Open or Part/Fully Exempt:	Open
No. of Appendices:	Three: • Appendix 1 - Patch Based Proposal • Appendix 2 – Unison Care Charter • Appendix 3 – Eligibility Criteria under the Care Act 2014
Background Papers:	n/a
Contact Officer:	Helen Woodland, Operational Director Adult Social Care; Helen.Woodland@brent.gov.uk Andrew Davies, Head of Commissioning, Contracting and Market Management, Adult Social Care Andrew.Davies@brent.gov.uk

1. Summary

1.1 This report provides an overview of the homecare re-procurement, including an assessment of the different factors considered as part of this process. A version of this report has previously been taken to the Policy Co-ordination Group (PCG) for comment and direction, and the outcomes of that discussion are now reflected in this report.

1.2 The report further comments on how the proposed model will meet the objectives identified as part of the CWB Homecare Task Group report of February 2018 and will make the council fully compliant with the Unison Care Charter.

1.3 Currently the Council spends in excess of £18m per year on homecare. Given the importance of the service, commissioners wanted to ensure that Overview and Scrutiny (OSC) were also sighted on this work and had chance to comment on the proposals before they are presented to Cabinet later in the year for formal approval. The timetable for approval is as set out below:

- Corporate Management Team 3rd October
- PCG 10th October
- Leaders Briefing 21st October
- Cabinet 11th November

1.4 Whilst Brent has good control over spend on homecare and pays a rate to providers that enables them to pay care workers above the National Living Wage (NLW), for travel time, training costs, holiday pay, overheads, as well as covering back office costs and a surplus (profit) for providers, there is a significant challenge if Brent is to pay providers at London Living Wage (LLW) levels. Following discussion at PCG the council have decided to implement LLW for homecare providers. The council has an annual £1m budget in the medium term financial strategy, which is being used to pay LLW on contracts for all of Brent's NAIL schemes. The challenge of LLW in relation to homecare is something that OSC is being asked to consider and comment on, in particular the desired timeframe for implementation of LLW.

2. Recommendations

2.1 OSC are asked to consider this report and comment on the recommendations below. A final report for decision at Cabinet will be prepared based on the views of PCG and OSC.

Recommendations:

i. OCS note the financial implications to the council of delivering a London Living Wage compliant homecare service and comments on the preferred option of delivering LLW in Year 2 (2021/22).
ii. OSC are asked to approve the proposed model and confirm that implementation of the model as set out will deliver the outstanding recommendations from the CWB Homecare Task Group report of August 2018.
iii. OSC are further asked to confirm that the proposed model will deliver the objective of making the council fully compliant with the Unison Care Charter.

3. Background – The Homecare Market in Brent

3.1 Homecare is the single biggest service in terms of volume of service users commissioned by Adult Social Care. For users to be provided with homecare services, they will first need to be assessed as having eligible care needs under the Care Act 2014. Users are assessed according to nationally prescribed criteria as set out in the Act (eligibility criteria attached as Appendix

3). An allocated worker will assess whether a person can perform certain tasks, and what degree of support is required (if any) for them to achieve these tasks. They will then work with the person concerned to devise a care and support plan, which sets out what tasks they require support with, and how much support is needed. It is worth noting that ASC are only required to fund or provide support for what is known as unmet need – this means that a person's care and support plan may identify tasks that they cannot do without support, but if that support is already being provided by a loved one, friend, neighbour or other agency, then this need would not be classified and unmet, and ASC would not be required to fund or provide support to meet it.

3.2 It is further worth noting that ASC support is not free at the point of contact in the way that health service support is. This means that anyone who is assessed as being eligible for ASC support will be required to complete a financial assessment, and that assessment will determine whether they are required to pay a contribution towards their care. Current thresholds mean that anyone with capital (savings, income, investments and property) above £23,250 would be what are classified as self-funders, or people who are required to fund and arrange their care themselves. Where people have savings or assets below these thresholds, it is still likely that they will be required to contribute financially towards their care. If a person's capital is between £14,250 and £23,250 the council will partially fund care, and if a person has less that £14,250 of capital, this will be disregarded and the council will fully fund their care. However, even in the case of an individual having less that £14,250 of capital, income (including most benefits and pensions) is taken into account as part of the financial assessment and it is likely that they will be required to make some kind of financial contribution to their care. How much they contribute will depend on their personal circumstance and the type of care they receive. Currently the government mandate that individuals in residential care must be left with £24.90 per week, which is known as the Personal Expense Allowance, and those individuals receiving care in the community must retain £189 per week (if single and over the Pension Credit qualifying age), which is known as the Minimum Income Guarantee.

3.3 Brent is currently commissioning homecare services from 68 providers for adults and 32 providers for children. In total, these providers deliver over 21,900 hours of homecare per week for adults for 1,700 service users. Children's providers deliver 900 hours per week for 77 service users. The combined cost of services is £18.5m per year.

3.4 Homecare services are delivered to a range of residents with different and distinct care needs. For reporting ease, users of the service are classified according to care need. The care need categories are; Older People, Physical Disability, Learning Disability, Mental Health, Children's Services and Reablement. By far the largest group of people in receipt of homecare is older people.

3.5 In 2014, Brent Council entered into a framework arrangement to commission homecare through the West London Alliance (WLA). At the time, the

framework arrangement allowed the participating West London councils to standardise the way that homecare was commissioned, and the cost per hour that was paid. This was important as in a relatively small geographical region, there were significant variations in both cost and quality, often with the same provider being paid vastly different hourly rates for the same service.

3.6 As part of the WLA framework, an external consultancy firm was commissioned to undertake a piece of analysis work around the hourly rate paid to providers for homecare. Using data from across North West London, and working with commissioners, Care Analytics helped the WLA to produce a dynamic and detailed cost model. This cost model helped each local authority identify the minimum sustainable hourly rate that could be paid for home care, and included a detailed breakdown of how that hourly rate should or could be allocated to allow providers to meet all their statutory requirements around such things as national insurance and pensions contributions, but also identifying allowances for things such as travel, training, uniforms and profit.

3.7 This analysis has allowed WLA participating boroughs to both meet the requirements of the Care Act (2014) to ensure that care markets are sustainable, and has allowed us to successfully defend commissioning practices and the hourly rate for homecare against two different Judicial Reviews brought by providers and by the UK Homecare Association, the national representative body of homecare providers.

3.8 Further, this model has given commissioners a framework to undertake detailed contract monitoring with providers, and a clear contractual standard to ensure providers are paying staff the rates and allowances as set out in the model. We have used the model and our contract mechanisms to successfully challenge at least two providers who were not passing on the agreed allowances for travel and training to staff.

3.9 The WLA framework did not make a distinction between care for different types of care need, i.e. it was a generic framework, meaning providers were not paid according to a specialism. This was helpful in standardizing the prices paid for home care, on the basis that the skill set required to support someone with personal care needs would be broadly similar regardless of the primary care need of the individual. This has helped Brent bring down the hourly cost of care for client groups such as learning disabilities significantly, and has allowed us to harmonize prices across the market to a degree. However, it does have the disadvantage that providers have lost some of the specialisms that may have had that enabled them to manage more challenging clients at home. As the client base in Brent becomes more complex, and with generally higher levels of need (for example, we have an increasing number of double-handed care packages requiring two carers for each care call), it is likely that we now need to invest some effort in supporting the market to re-establish specialisms in particular areas of care.

3.10 Since the expiry of the framework in Sept 2018, services have been commissioned on a spot purchased basis but only from those providers who

had previously been part of the WLA framework, and continuing to utilize the agreed framework rates.

3.11 Whilst there are a large number of providers currently delivering homecare, the majority of care packages are concentrated in a small number of providers. For ASC, twenty providers are delivering 76% of home care hours between them. The remaining 48 providers deliver 24%.

3.12 The current sustainable hourly cost of care in Brent is set at £15.43 ph. This enables providers to pay care workers just above the National Living Wage and includes travel time, training costs, holiday pay, overheads, back office costs and a surplus (profit) for providers. The highest hourly cost per hour Brent pays for a standard homecare package is £16.43, although some Transitions care packages are more expensive than this.

3.13 Within ASC we have a strong record of price control, although expenditure has increased year on year due to increases in complexity of packages and hours of homecare clients are receiving. However, both the external price analysis and intelligence from our own commissioning function has indicated that Brent now pays one of the lowest hourly rate in North West London. Other boroughs that have re-commissioned services are paying in the region of £18 per hour. The combination of a lack of available home care workers (The Institute of Public Policy Research estimates that nationally the industry will need 400,000 additional carers by 2028) and the fact that Brent is now one of the lowest paying boroughs in NW London have both contributed to the need to review our existing model to ensure the market remains sustainable in the future.

3.14 Currently adults and disabled children and young people homecare services are commissioned separately. In order to reduce duplication in commissioning activity and streamline business processes, such as brokerage activity and payments, it is intended to procure new homecare services for both groups at the same time. Discussions are also underway with Brent CCG, who commission a small amount of homecare for Continuing Health Care clients, however, as the NHS are restricted to using their own procurement frameworks, it is likely that they will not be a part of this re-procurement exercise, but may join the model at a future date.

3.15 One of the drawbacks of using a sub-regional model such as the WLA framework is that the number of providers registered on such a framework is very high. This has meant that although the framework was extremely helpful at helping Brent understand and control hourly costs, there has been less focus on quality, and on developing relationships with key providers that would allow us as a council to support better quality. Necessarily, the framework meant that there are a significant number of providers delivering homecare in Brent, and the high number of providers in turn has meant that we do not have the commissioning and contracting resources to monitor providers as closely as we would have liked.

3.16 The Community and Prevention Team in Adult Social Care Commissioning is responsible for quality monitoring homecare providers. There are four Placement Review Officers (PROs) in the team, each responsible for monitoring 15 – 18 providers. In order to effectively undertake this role, they carry out regular contract and quality monitoring visits to providers and complete service user reviews in their homes, providing an opportunity to observe care being delivered. The PROs are expected to complete three service user reviews per week, but generally focus their attention on the larger providers, with more service users to build up a complete picture on the quality of care. They are also required to carry out other duties associated with their role, such as commissioning smaller services.

3.17 Monitoring so many providers is unsustainable and to allow the current approach to commissioning to continue presents too many risks in terms of quality of care and value for money from commissioned services. As a result, commissioners are clear that any re-procurement must reduce the overall number of providers delivering homecare in Brent. This also aligns with feedback from the providers themselves, who tell us that they would prefer to have a smaller geographic area to cover, but more certainty around the number of hours they are being asked to deliver. In essence, the preference is for smaller patches with less providers per patch.

3.18 Over time, providers have developed specialisms based on their ability and willingness to work with different client groups. They have also gravitated towards working in certain parts of Brent. This has been an organic process rather than one that has happened as a result of deliberate commissioning activity. Providers have told us that they find it easier to concentrate services in particular locations that are convenient to them rather than attempt to deliver services across the borough.

3.19 Consideration has also been given to whether homecare services could be brought back in house. Analysis of this option is included in the report, including some initial thoughts on costs and implications of progressing this option.

4. CWB Scrutiny Homecare Task Group and Unison Care Charter recommendations

4.1 The proposed model will allow the Council to become complaint with both the Unison Care Charter, and will deliver the recommendations as set out in the CWB Scrutiny Homecare Task Group report of February 2018. These were:

Unison Care Charter Stage 1	No 15 min calls, no rushed calls, carers paid for travel time and sick pay	This has already been delivered as part of the current model of homecare delivery.

Unison Care Charter Stage 2	Allocate the same carer, better training and development opportunities, clear complaints process and tackle zero hours contracts.	To be achieved through re-procurement
Unison Care Charter Stage 3	Ensuring carers are paid at LLW and Occupational Sick Pay Scheme.	To be achieved through re-procurement
CWB Scrutiny Task Group recommendation 1	The London Living Wage is introduced incrementally as part of a new commissioning model	To be achieved through re-procurement
CWB Scrutiny Task Group recommendation 2	A minimum standard of training is incorporated into the new commissioning model which gives staff in Brent sufficient development opportunities to encourage homecare as a career within the social care sector.	To be achieved through re-procurement
CWB Scrutiny Task Group recommendation 3	A homecare partnership forum should be set up as part of the new commissioning model to discuss issues of strategic importance to stakeholders involved in domiciliary services in Brent	This has already been delivered and has been running successfully in Brent for over a year.

Section 6 below sets out how the proposed model will meet each of the objectives above that have not already been achieved. For ease, these have been grouped into 2 sections as the recommendations from the CWB Home Care Task Group and those required to be compliant with the Unison Care Charter are well aligned.

5. An overview of the proposed model

5.1 The proposed model has several elements to it. An overview of the changes is set out as below:

- A move away from a Brent wide, generic service to a patch based model aligned to the 13 Primary Care Networks for the delivery of service for Older People and Physical Disabilities (details of patches is set out at Appendix 1). Each patch would have a lead provider and a support provider who would be required to deliver at least 80% of all of the hours in the patch. The remaining hours would be delivered by providers from an approved provider list, allowing smaller providers who do not have the capacity to deliver the required volume of hours in any patch to also continue to deliver work for Brent and will also provide a degree of market assurance and allow us to retain enough providers to cover any market failure issues.
- For ‘specialist’ care groups, where there is not enough demand to allow for a split into 13 patches, we are proposing two patches. For reablement and children’s services the proposal is to work on two patches covering the

borough, with four lead providers for each service type. For learning disabilities and mental health services, the plan is to have two patches, with two lead providers for each service type.

- Whilst providers will be able to bid for as many services as they wish, they will only be awarded a maximum of:
  - Up to two older people / physical disability zones
  - One older people / physical disability zone and one of the children's, reablement, LD and MH or dementia zones
  - Providers will only be the lead provider for one of the children's, reablement, LD and MH zones – they will not be awarded two of these zones.
- This model has the benefit of allowing providers to develop relationships with a smaller group of GP practices, less travel time and security around the number of hours to be delivered allowing for longer term workforce planning for providers. This should also result in a smaller number of providers, allowing for better contract monitoring and better training and support for carers.
- Consistency of care worker is something that the council and care providers are committed to, and it will be included as an element in performance and contract monitoring schedules. As part of the re-procurement provider will be asked to commit to providing a small pool of named care workers for each service users, and commit to these named workers being the people who deliver care to the service user for the lifespan of the contract (wherever possible).
- The council has committed to paying an hourly rate that allows workers to be paid at London Living Wage levels.

6. Unison Care Charter Stage 2 and CWB Homecare Task group recommendation 2 - Allocate the same carer, better training and development opportunities, clear complaints process and tackle zero hours contracts.

6.1 Ensuring continuity of care workers is the key issue of importance to people who receive services and their friends, families and carers, and this has been consistently reported back to commissioners when speaking with service users. Establishing a good rapport with the people delivering care is crucial to people's satisfaction with care services, and is only possible if there is consistency and continuity of care worker.

6.2 Consistency of care worker is something that the council and care providers are committed to, and it will be included as an element in performance and contract monitoring schedules. As part of the re-procurement providers will be asked to commit to providing a small pool of named care workers for each service users, and commit to these named workers being the people who deliver care to the service user for the lifespan of the contract. We are currently in discussion with providers about what would be an achievable and appropriate number of people to be allocated into care pools, bearing in mind the fact that for service users with double handed care or very significant packages the number is likely to be larger than for those people with smaller, less complex packages.

6.3 The mandatory use of electronic call monitoring systems will assist with enforcing this, as we will be able to see which carers visit clients, and whether it is in line with the named carers on care plans. The more hours that can be guaranteed to providers, the easier it will be to achieve this as workforce planning can be done with greater certainty and the workforce should be more stable.

6.4 Currently 38% of care workers in Brent work on zero-hours contracts. To mandate that providers don't use zero-hours contracts and instead offer minimum-hours contracts would inevitably have an impact on the way that they are able to organise their staff rotas to deliver care. There are peaks in the demand for homecare services. Unsurprisingly they are in the morning, lunchtime and evenings. Providers don't want to have to pay care workers when they aren't delivering care; the council doesn't want to pay providers more than is necessary to deliver quality services.

6.5 Through discussion with providers, we are also clear that the biggest incentive for a reduction in the use of inappropriate zero-hours contracts will be being able to offer providers a guaranteed level of hours and funding. This can be achieved through reducing the number of providers and implementing a patch based model. This would give providers a clear and consistent number of hours to work with so that they can plan their workforce requirements accordingly. The more confident the council can be in guaranteeing hours of work, the easier it will be for providers to plan their rotas and not have to fill in gaps in provision with zero-hours workers.

6.6 However, it is known that in some instances, zero-hours contracts are the preferred option of homecare workers. Our aim is that where workers would prefer a standard contract and a guaranteed minimum number of hours, this is available to them, but that we allow providers the flexibility to offer other contractual mechanism such as zero-hours contracts, or casual and short term contracts where appropriate (for example for when individuals wish to work during term time only, or to cover extended leave or maternity cover).

6.7 Commissioners believe that through the up-coming tender process providers should be asked to explain how they will keep zero-hours contracts to a minimum and the guarantees that they can make on this, whilst at the same time offering flexibility to care workers who choose to work on a zero-hours contract. If guarantees are made whilst tendering contracts, commissioners would be able to monitor these to ensure that providers are delivering as expected and that zero-hours contracts are kept to a minimum and only used when requested by a care worker.

6.8 Commissioners are clear that at present there are too many providers delivering services for each of them to be closely contract and quality monitored. We are able to use other sources, such as CQC inspection reports, to keep track of the smaller providers. But, commissioning staff are seldom able to quality monitor providers delivering small numbers of care packages unless there is a specific concern raised that needs investigating.

Commissioners want to better manage the market so that 80% of packages are concentrated in our lead providers (between 13 and 25, depending on the outcome of the re-tender) and the remaining 20% delivered by the providers on the approved back up list.

6.9 It is important to see these changes in context. We'll move from a position where 20 providers deliver 76% of care (for ASC), to one where 25 providers deliver 80% and a smaller number of approved providers deliver no more than 20% of all care. What this model will end is the practice of large numbers of providers delivering very low numbers of packages. By giving guarantees on hours of care to approved providers, the council should be able to move away from spot purchasing from providers not on the back up list, giving greater control over spend and quality.

6.10 This model will also allow commissioners and social care staff to develop stronger relationships with providers, both to monitor the quality and efficacy of training that is being delivered to homecare staff, but also to provide training in more specialist areas to homecare staff as and when required.

6.11 The development of providers with particular specialisms such as reablement or learning disabilities will also support better and more targeted training and development opportunities for the workforce, which in turn the commissioning function will be better able to monitor and enforce if necessary due to the reduced number of providers and providers who have particular specialisms.

6.12 Discussions are ongoing with health colleagues to determine whether there are tasks currently being performed by District Nurses that could, with the appropriate training and support, be delivered by homecare workers. This would both allow for a more seamless service to residents, but would also give homecare workers a more technical aspect to their training and development, and may open up career pathways across both health and social care.

7. Unison Care Charter Stage 3 and CWB Homecare Task group recommendation 1 - Ensuring carers are paid at LLW.

7.1 The current cost model allows for providers to pay at or above the National Living Wage, which is £8.21 per hour, but does not enable them to pay London Living Wage, which is £10.55 per hour. Therefore, there are clear cost implications to the Council in paying at London Living Wage levels.

7.2 The Council has a clear commitment to paying LLW where possible, and no one would argue this is not the right thing to do. However, it is worth noting that there is no evidence, locally or nationally, that paying care workers above NLW has any impact on the quality of care. Regardless, discussion at PCG and at CMT has concluded that the Council will offer LLW as part of the new homecare model. The debate therefore is how quickly this can be delivered.

7.3 Home care providers are legally required to pay care workers NLW, and this is a rate that is already subject to inflation. Therefore, the Council has

budgeted an additional £4.4m for adult homecare up to 2023/24 to cover both the cost of inflation and the likely demographic growth we are predicting - £2.4m relates to demographic growth. Regardless of any decision made to fund the LLW, the total spend on adult homecare would increase from £17.5m in 2019/20 to £21.9m by 2023/24 (see table 1 for full breakdown). This is already factored into the council's medium term financial strategy.

7.4 Likewise, to continue to pay children's providers at NMW levels would require an additional £0.4m by 2023/24, bringing total spend on children's homecare to £1.2m per year.

7.5 Cost modelling on the impact of paying LLW is challenging, as the modelling must take a view on whether or not the re-procured provider will be able to keep any increases in back office or due to inflation to a minimum. Working on the assumption that providers control their costs well, then the likely additional cost to the Council would be £4.6m, bringing the total spend to £26.5m per year. If they do not then LLW will cost the Council an additional £5.9m for adult homecare by 2023/24, bringing the total spend on adults homecare to £27.9m per year (see table 1 for full breakdown).

Table 1 – Homecare costs, paying at London Living Wage (overheads at London Living Wage Levels)

Total Homecare Cost	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**23/24**
Adults						
Implement NLW in 19/20 (do nothing option)	£17,078,408	£17,596,059	£18,777,319	£19,751,867	£20,797,650	£21,900,617
Implement LLW in 20/21	£17,078,408	£17,820,636	£23,737,141	£25,039,412	£26,414,413	£27,866,260
Implement LLW in 23/24	£17,078,408	£17,820,636	£20,180,047	£22,638,565	£25,199,499	£27,866,260
Children's						
Implement NLW in 19/20	£963,527	£963,527	£1,022,280	£1,075,337	£1,132,271	£1,192,319
Implement LLW in 20/21	£963,527	£1,005,401	£1,292,304	£1,363,203	£1,438,061	£1,517,103
Implement LLW in 23/24	£963,527	£1,005,401	£1,125,659	£1,250,917	£1,381,341	£1,517,103

7.6 Negotiations with providers currently take place annually to agree a fee uplift, which considers factors such as real term increases in National Minimum Wage, which have an impact on providers' costs. Through a process of negotiation commissioners will look to control homecare price increases and adopt a similar approach to the one that has been taken with extra care, in giving an uplift for increases in wage inflation for carers, but expecting the provider to find other cost increases through efficiencies or a reduction in surplus.

7.7 The impact of paying LLW could be eased if it was agreed to increase the amount paid to providers to reach LLW levels by 2023/24 rather than from the start of the new contracts, essentially a tiered increase in rates over 4 years until full LLW is achieved. The overall impact on the budget remains the same, but the impact is spread across four financial years. By paying at LLW

levels from year one of the new contracts, the impact on the budget in 2020/21 is significant, as the majority of the increase in spending has to be found for that financial year. In subsequent years the annual increases are smaller. The impact of implementing LLW immediately or implementing it incrementally is set out below for illustration.

- Pay LLW at the outset from Year 1(20/21) - £9.3m
- Pay LLW from Year 2 (21/22); - £5.3m
- Pay LLW from Year 3 (22/23); or - £2.5m
- Pay LLW from Year 4 (23/24) - £0.7m

7.8 Recommendations from PCG suggest that the preferred option is to deliver LLW in Year 2 (21/22) as this level of drawdown from reserves is most achievable whilst also balancing the preference to implement LLW as soon as possible.

8. Bringing Homecare Services In-House

8.1 Consideration has been given as to whether homecare services could be brought back in house. The challenges of doing this would be considerable. Firstly, the cost of an in-house service has been modelled, focusing on staff costs alone (not including other overheads, such as premises, equipment, etc). Officers estimate than the annual cost of an in-house homecare service for Adult Social Care only would be £34.4m per year by 2023/24, compared to £27.9m, which is the modelled cost of a commissioned service including LLW. More work would need to be done to model the costs of a Children's service, but it is likely to be more expensive than a commissioned service.

8.2 The modelling is based on needing 750 carers, 50 supervisors and 14 additional managers (Team Leaders up to a Head of Service) which is an extremely conservative estimate of the staffing required. Staffing ratios would need to be considered – the service has been modelled on the basis of 1 supervisor to 15 staff. Officers have also assumed that staff would be working on permanent contracts, and there would be no use of zero hours' contracts.

8.3 There are a number of factors that make in-house homecare services more expensive than services commissioned from external providers. It needs to be recognised that many homecare providers are working with few overheads and little organisational infrastructure. It is not uncommon for smaller providers to be led by a manager / owner, who will perform a number of roles within the organisation, and also directly deliver care when needed. The flexibility that this gives providers can't be replicated if the service was to be brought back in-house.

8.4 Providers are also able to manage their workforce so that they are not working during parts of the day when demand for homecare is much lower. There are peaks in demand in the morning, lunchtime and evening, with little demand between times. Whilst providers use zero-hours' contracts to help manage this (and it's agreed we want to reduce their use), the council would not have this option. Therefore, an in-house service would be paying for staff

at times when they would not be working to full capacity, adding to the cost of services.

8.5 Brent is working to bring in-house estate cleaning services. Whilst comparisons could be drawn between the two services, there are some important differences that make the in-sourcing of estates cleaning financially viable, particularly the fact that the workforce can be organised to work to full capacity throughout the working day. There is also a fixed area that requires cleaning by the estates cleaning service, with no variations in demand. Even taking into account different shift patterns for homecare workers, arranging staff rotas to work to as close to full capacity as possible will be challenging. Additional staff will also be required for a homecare service to take account of spikes in demand at short notice, and to ensure that every homecare call is always made.

8.6 There are other factors that would also make this challenging. Market sustainability would be an issue if Brent was reliant on one, in-house provider and would bring into question our ability to meet our Care Act requirements with regard to market sustainability and choice. There would also be considerable risk in having one provider, and whether we could ensure we could manage the various issues that arise when delivering homecare, such as safeguarding issues, quality management and workforce considerations and customer satisfaction.

8.7 Given that homecare services have been commissioned from other providers in recent years, the council has no experience in managing a homecare service. This expertise would need to be brought in to ensure that services were run in line with rules and regulations, (for instance, the service would need to be CQC registered before care could be delivered) as well as ensuring it was as efficient as possible, making best use of staff time and resources. At this stage, progressing this option is not recommended.

8.8 At the request of PCG, officers are working with finance colleagues to determine whether it would be feasible and/or desirable to in-source the specialist reablement element of homecare. Further work needs to be done to finalise the financial modelling, but early indications are that this would cost a minimum of £2.3m based on 61 staff which is significantly more that the £1.2 per annum currently spent on the reablement service, and does not take into account property, infrastructure and management costs. Officers will continue to work with finance to refine the model in order to present the detail to PCG in October.

9. Risks and Mitigations

9.1 The biggest risk period will be as new contracts are implemented, working through the transfer of care provision from old providers to new. This is something that commissioners are still working on to plan to try to limit disruption and ensure continuity of care where possible. Where TUPE applies we will facilitate the transfer of staff between organisations; if continuity of care worker can’t be maintained during implementation the council and

provider will need to work with service users to explain why, and help to build relationships with new carers as quickly as possible; if service users wish to switch to a direct payment to give them more choice and control over their care they will be able to do so. Through these actions we will try to ensure there is as much continuity as possible.

9.2 Whilst a number of our existing providers will no longer provide services for the council under the new patch based model, some will still retain work from individuals choosing to remain with them via a direct payment. The council would not quality monitor DP providers (unless they were on our approved provider list), as in this scenario the service user chooses to employ a carer or agency directly, and they will manage their care. We would investigate if there were safeguarding concerns and we retain this responsibility.

9.3 There is a concern that small Brent based providers won't have the ability to deliver the number of hours expected from the patch based approach. The 13 patches that have been developed for older people/physical disabilities have been designed to make them attractive to providers - not so large that providers wouldn't be able to deliver the hours, but not so small that Brent ends up with too many providers, as is the case now. This is a delicate balancing act.

9.4 Whilst there will be challenges for some local providers to build capacity to become lead providers, the approved list will give opportunities to smaller providers to take on local authority work. Indeed, given the hours that will be commissioned from the approved list, this may appeal to some local providers more than the geographical patches, because this will enable them to pick up work at a level that they are used to. Commissioners will consider ways that we can work to support local providers, to help build capacity ahead of beginning the tender process.

10. Financial Implications

10.1 To pay providers at a level where they can pay the London Living Wage will cost the council an additional £5.9m for adults homecare by 2023/24, bringing the total spend on adults homecare to £27.9m per year. The implications for the Disabled Children and Young People Service (0-25) of paying the London Living Wage will be an additional £0.3m pressure on the budget, increasing spending on children's homecare to £1.5m by 2023/24.

10.2 Total spend on homecare for adults and children's services would increase from £18.5m in 2019/20 to £29.4m by 2023/24 if London Living Wage is paid.

10.3 The impact of paying LLW could be eased if members agreed to increase the amount paid to providers to reach LLW levels by 2023/24 rather than earlier in the contracts. The overall impact on the budget remains at £5m - £6m, but this cost impact is spread over a number of financial years rather than there being a significant budget pressure from the outset of the new contracts.

11. Conclusions

11.1 The re-procurement of homecare services is schedule to start in November 2019. Further engagement work will be carried out before going out to tender. There will be another set of events with providers to ensure they are clear on the proposals that we will be making, and they have a final opportunity to contribute to the development of the model; likewise, there will be service user engagement so that the views of people using services are captured. This work will build on previous engagement that has taken place over the last 12-18 months.

11.2 Before finalising the model which forms the basis of the service specification it is important that the Overview and Scrutiny Committee is able to consider the key issues presented in this report and express a view on whether these proposals will deliver both compliance with the Unison Care Charter and deliver the remaining outstanding recommendations from the Community and Wellbeing Scrutiny Homecare Task group report.

12. Legal Implications

12.1 There are no legal implications arising from this report.

13. Equality Implications

13.1 An Equality Impact Assessment will be completed as part of the procurement process.

14. Consultation with Ward Members and Stakeholders

14.1 Ward members who are members of the Community and Wellbeing Scrutiny Committee will be involved in scrutinising this report at committee.

Related documents: Community and Wellbeing Scrutiny Committee Homecare Task Group report

REPORT SIGN-OFF:

PHIL PORTER
Strategic Director, Community Wellbeing