

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Member for Adult Social Care |
| Date: | 20 September 2013 |
| Title: | REACT - permission to tender for the Reablement and Assessment of Care Team service |
| Reference: | 5104 |
| Report From: | Director of Adult Services |

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1. Executive Summary

1.1. The purpose of this paper is to

Request permission to go out to tender for the Reablement and Assessment of Care Team service (REACT) which would be a service jointly delivered by Hampshire County Council and the Independent Sector involving predominantly the engagement of the Community Response Team (CRT).

Describe the necessary changes to existing business practice to facilitate the introduction of REACT e.g. referral pathways.

1.2. This paper seeks to

- Outline progress and learning from the REACT pilot currently underway
- Set out the key issues associated with the project
- State the value, volume and long term financial impact of the contract
- Outline contract and tender arrangements
- Set out briefly the next steps required to deliver the project

2. Contextual information

2.1. Currently there is growing demand for services but resources to deliver services are declining. The need to promote independence and achieve meaningful and sustainable outcomes for people is necessary if we are to ensure that the maximum number of people can continue to have their needs met in the future.

2.2. There is growing acceptance that commissioning services that are delivered on a 'time and task' model do not offer people the best opportunity to remain independent. This model focuses on achieving an output within a defined timeframe that does not always recognise or respond to the changing needs

of an individual. It also only enables commissioners to measure outputs, i.e. the number of care hours delivered to an individual in a week. It does not facilitate the measurement of outcomes i.e. the impact the service has had on an individual's quality of life as a result of the service being delivered.

- 2.3. Reablement is an outcome focused service. Outcome focused services direct the emphasis away from the completion of tasks and onto quality and impact.
- 2.4. Reablement services are generally provided for a period of up to six weeks although people often meet their goals in a shorter period of time and are not subject to financial assessment. The focus is on promoting and optimising independent functioning rather than resolving health issues. It is about helping people to do as much for themselves as possible rather than doing to or for a person.
- 2.5. There is a growing evidence base of the value in supporting people living with dementia through reablement and the REACT service is inclusive of people with dementia.
- 2.6. The REACT model of service is currently in pilot phase and commenced in April 2013. The purpose of the pilot is to test the model, use learning to develop the service specification for the forward tender and evaluate the Council's readiness and capacity to deliver outcome based reablement services in a more joined up way with the independent sector.
- 2.7. This joint delivery approach sees the various functions of the service shared between the CRT and the independent sector provider. The function of assessment and reablement planning is completed by CRT and the implementation of the reablement plan is delivered by the independent sector organisation. However progress towards service user goals are jointly monitored and reviewed as is planning for discharge from the REACT service. This approach will continue post pilot if permission is given to go out to tender and when the contract is awarded.
- 2.8. The REACT pilot is providing an opportunity for staff within CRT to share their skills and expertise with the independent sector resulting in an 'upskilling' of staff across both organisations. Collaboration and communication skills are being enhanced and a positive approach to risk management undertaken resulting in improved quality of provision for service users. CRT are at the forefront of learning and delivery of reablement and are an excellent leader to be moving this service forward.
- 2.9. The contract for the pilot was awarded to a large organisation who operates across a number of Local Authority areas.
- 2.10. Early indications are that of the current number of people undergoing reablement via REACT 30% have been discharged with no further care needs.
- 2.11. The development of the REACT service sits firmly within the department's strategic vision around Early Intervention and Prevention, reablement and the integrated delivery of services. The REACT service is being developed during the introduction of The Integration Transformation Fund (ITF). The ITF is a national initiative that has been described as a single pooled budget for

health and social care to use in working more closely together based on a plan agreed between the NHS and local authorities. The aim is to bring about a health and social care system that is truly seamless so that people receive the right care at the right time in the right place.

- 2.12. Whilst the ITF does not come into full effect until 2015/16 a joint plan needs to be in place by March 2014 for the integration of services. Taking account of national directions local leaders will be agreeing relevant outcomes for Hampshire. This plan must demonstrate the improvements anticipated locally across health and social care. Focus should be on services that bring about improved outcomes for people – REACT is one such service as it being commissioned using an outcome focused service specification with a move away from a time and task model as detailed in 2.2 and 2.3.
- 2.13. Hampshire County Council is also engaged in preparing for the transformation of domiciliary care services across the county. This transformation will bring about improvements in how care is delivered and outcomes for people from said care. Work is underway to reconfirm the vision for the future of social care in Hampshire, appraise the options and plan how best to move forward. Providers of domiciliary care services have been included in this process and their views and opinions sought.
- 2.14. The REACT service will be closely linked with the use of Telecare and users of the REACT service will be referred for Telecare where appropriate. The impact of targeting these resources jointly is expected to help manage risk and reduce falls and accidents in peoples homes, address demographic pressures caused by an ageing population and enable the more effective use of limited resources. The use and combination of REACT and Telecare as a package option will support people to remain independent and help delay admission into residential care as they are facilitated to self care through technology.

3. Finance

- 3.1. As this is a new service, a financial modelling exercise has been undertaken to determine the expected client referrals to the service and the expected hours of reablement required, as well as the expected savings in ongoing care costs. This modelling informed a business case for the development of REACT.
- 3.2. The modelling has been based on data from CRT on the current reablement service for hospital discharges and the activity data for existing domiciliary care clients. The expected referrals to the new REACT service include:
 - all new OP clients during the year that would receive long term domiciliary care as their first service,
 - all existing OP domiciliary care clients on long term packages of care who would otherwise have an increase to their package of care of five hours

- all existing OP domiciliary care clients on long term packages of care who would otherwise have gone on to a residential placement
- clients discharged from hospital who would previously have received the Welcome Home Service.

Whilst other client groups will be included in the service, their numbers are expected to be relatively low, and therefore absorbed within the above activity.

3.3. The costs of the contract, funding source and expected savings are detailed in the table below:

| 2014 – 2018 | Expected Case | Worst Case Scenario |
|--|---------------|--|
| Contract Costs | £11,452,000 | £11,452,000 |
| Savings target | £8,000,000 | £8,000,000 |
| Total ie funding required to meet contract costs and efficiency targets | £19,452,000 | £19,452,000 |
| Funding available | | |
| Cessation of Welcome Home Service | £2,596,000 | £2,596,000 |
| Funding that would otherwise have been spent on standard domiciliary or residential care | £5,060,000 | £5,060,000 |
| Expected savings from reduced ongoing care costs | £11,796,000 | £10,200,000 |
| Total ie funding available to meet contract costs and efficiency targets | £19,452,000 | £17,856,000 |
| Balance on contract end | Nil | - £1,596,000 to be met through other plans |

3.4. The number of clients expected to be referred to the service annually totals 5,100 which includes 4,100 from community services (including all new clients receiving domiciliary care, clients at risk of a significant increase in domiciliary care or clients at risk of admission to residential care), and 1,000 from the existing welcome Home service.

3.5. It is expected, using the learning from the pilot, that the first year of the contract will be a phased implementation.

3.6. A total of 150,800 reablement hours per annum are expected to be required to deliver the service

- 3.7. The cost of the service of £3.0m per annum, or £11.5m over the four year life of the contract including phased implementation, will be met from existing domiciliary care budgets, including the budget for the decommissioned Welcome Home service which will cease in June 2014.
- 3.8. There are additional upfront costs with reablement due to the higher hourly rate as it is a more skilled service, however these costs will be met from savings resulting from the expected lower ongoing package costs following a period of reablement.
- 3.9. Total savings due to the lower ongoing package costs are anticipated to be approximately £2.7m per annum, or £10.2m over the four year life of the contract with phased implementation. These savings will be used to offset the additional upfront costs of the service as above, and to offset efficiency savings targets of £2m per annum from 2014/15 onwards, which have been incorporated into the budget for the REACT model. There is expected to be a shortfall of £1,596.000 against the efficiency savings targets over the lifetime of the contract.
- 3.10. A research briefing produced by the Social Care Institute for Excellence in April 2011 '*Reablement: a cost effective route to better outcomes*' states that reablement services appear to have a higher cost per hour compared to traditional domiciliary care. However costs have been shown to be reduced in the longer term by up to 60% because of the reduction in subsequent care needs that have been brought about by undergoing a period of reablement.
- 3.11. The delivery of the REACT service is intrinsically linked to the department's efficiency programme and the ethos of reablement is underpinning and influencing the commissioning of other services. It is considered that TUPE is unlikely to apply to this contract. However if it does bidders for the new contract will be cautious of any potential costs to them and will most likely price their bid accordingly.

4. Performance

- 4.1. The national and local vision for Adult Social care is for support services to be delivered in a more personalised way with the emphasis on individual choice taking into account issues of diversity and equality.
- 4.2. The development of this service allows for this and supports the Hampshire Health and Wellbeing Strategy and the delivery of the department's vision 2012- 2015.
- 4.3. There are three levels in the department's social care offer and this service sits within Level 2 of maximising Independence. It is also in line with the recommendations made in Hampshire's Commission of Enquiry into personalisation '*Getting Personal – a fair deal for better care and support*'.
- 4.4. If the REACT service is commissioned it will form part of The Councils broader Reablement Offer which currently consists of CRT and Bed Based Reablement. However a specialist sensory reablement service is proposed for the future also.

- 4.5. The service would also provide evidence and data required by the Adult Social Care Framework published in April 2012. This is a set of outcome measures which have been agreed to be of value for demonstrating the achievements of social care. In particular:
- Domain 1 - Enhancing quality of life for people with care and support needs
 - Domain 2 - Delaying and reducing the need for care and support
 - Domain 3 - Ensuring that people have a positive experience of care and support
- 4.6. A new referral pathway into REACT from Hantsdirect, Community Teams and Hospital Discharge Teams would be developed during the tender period which would bring about a change to existing business practice. This one pathway to REACT would ensure that people are directed to the most appropriate reablement service or mix of reablement services for the maximum service period of six weeks. Please see Appendix 1. Workshops and training events would be held for staff to ensure that referrals are routed to the appropriate service for their needs. This work would be undertaken during the tender period.
- 4.7. CRT staff are highly skilled and they are working at Level 3 of the National Diploma in Care. It is anticipated that staff within the independent sector will need to be equally skilled. Shadowing and learning opportunities were provided by CRT during the initial stages of the pilot and managers from both services worked together to develop common practices and procedures. A common language was agreed for staff to use so as to minimise confusion for service users around dual organisational involvement in their reablement service.
- 4.8. A new reablement training package has been developed by Adult Services Partnership and Care Training team (PaCT) and a provider engagement event has already taken place to promote reablement with another planned for the Autumn.
- 4.9 Another positive indication from the pilot is that Adult Services is fit, ready and equipped to work in a more joined up and cohesive way with the independent sector to deliver outcome focused reablement services.

5. Equalities Impact Assessment

- 5.1. A full Equalities Impact Assessment has been carried out and it highlighted that this service is likely to have a positive impact on age and disability. This service is an inclusive service. It will provide opportunities for people to be active participants in the delivery of their care services as they will be central to the production of their reablement plan. The service will support people to remain or regain independence by working with them to achieve outcomes that are meaningful to them and the lives they wish to live. The service will have a positive social impact on the lives of the people using the service as it will support them to make choices about their future and where possible

enable people to live at home with the minimum number of interventions necessary for independence.

- 5.2. People using this service will experience improved health and emotional wellbeing, increased levels of independence be encouraged, stay healthy and be part of their community and be reabled to live safely, independently and with dignity. The service will link with other services available in the community thus improving access to information, advice and guidance and reducing isolation.
- 5.3. For more details please see Integral Appendix B.

6. Contract Arrangements and Tender Process

- 6.1. Executive Member approval for a restricted competitive tender for the proposed new service is sought for contracts to commence by mid June 2014. Contract duration would be for a maximum of four years awarded on a 2+1+1 basis with capacity to move towards an incentivised payment method.
- 6.2. The proposed Service Specification states that a review of the specification will be undertaken in year two of the contract to facilitate the service to respond to learning and to evolve to meet the needs of its service users. If required the specification facilitates working with service providers during this time to develop a payment by results / incentivised payment model which would then be introduced in year 3 of the contract.
- 6.3. The value of the service is above the EU Threshold. Contract Standing Orders require that all services above said threshold are procured in accordance with the full EU Tender Process.
- 6.4. This tender would be made up of four lots .Boundaries for lots would be coterminous with CRT and two providers would be sought to deliver the service in each lot.
- 6.5. As CRT are integral to the operational delivery of the service and would be working along side the commissioned provider it is felt that aligning the boundaries for the lots to be tendered with those of CRT would be most efficient and practical and would facilitate the development of the service most effectively.
- 6.6. Two providers per lot are sought to ensure maximum levels of flexibility and responsiveness for service users. It also protects the delivery of the service should there be a failure to deliver from one provider, for example during extreme weather conditions or unprecedented levels of staff absence.
- 6.7. The Service Specification proposed for this tender is a developmental specification meaning that as the service progresses and learning is made the service can be developed accordingly to ensure the delivery of excellence.

Social Value has been defined as ‘the additional benefit to the community from a commissioning and procurement process over and above the direct purchasing of goods, services and outcomes’. In a bid to encourage the development of socially conscious markets the service specification the

proposed contract for REACT will explicitly require independent sector providers of the service to pay their staff the minimum wage after arrangements for travel and mileage have been taken into account and that staff delivering this service should have fixed hour or salaried contracts.

7. Legal

- 7.1. In exercising its functions an authority must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8. HR and Training

- 8.1. The Welcome Home service previously met the needs of some people being discharged from hospital. The contract for this service ends in June 2014 and the service will not be retendered. REACT will be responsible for this provision. We have been advised that the outcomes required for people using the service, the skills required to meet these outcomes and the model being proposed to deliver it are sufficiently different to make it unlikely that TUPE will apply.
- 8.2. A new reablement training offer for Hampshire County Council and the independent sector has been developed to ensure staff involved in the delivery of the service are equipped to meet the requirements of the specification.
- 8.3. This contract will not affect the headcount within CRT or the delivery of the service provided by CRT.

9. Risks

- 9.1. The market is in its early stages of development to deliver services in a reabling way. There is a risk that the tender will not attract quality bids and as such Adult Services will be unable to award the contracts. This is mitigated by the level of provider engagement events planned and specific training available to interested providers.
- 9.2. Domiciliary care providers across Hampshire are finding it increasingly difficult to recruit and retain staff. Providers will be expected to demonstrate that they are complying with the minimum wage after taking account of their arrangements for paying for travel time and mileage. It is hoped that it will be possible to engage the Economic Development Team in raising the profile of care work across Hampshire supporting recruitment into the industry and supporting the market to grow.
- 9.3. Input from the Occupational Therapy Service is fundamental to the successful delivery of this contract. Indications are that input has been sufficient for the pilot but will need to be considered if the service is rolled out across the

county. However the development of this service and the introduction of the ITF and the early development of the Hampshire Integrated Care Partnership with Southern Health Foundation Trust signals the commitment to shared leadership, expertise and resources to driving the delivery of integrated care in Hampshire.

- 9.4. As explained in section 3 above there is not sufficient data from the pilot to inform the financial modelling, which has instead been based on data from CRT in relation to clients receiving reablement after a hospital discharge. Both the costs and potential savings could vary if the assumptions used prove to be different in reality.
- 9.5. The proposed contract would be advertised on a 2+1+1 basis. This service will be substantially funded via a S256 agreement which is renewed on an annual basis and there is a risk that funding would not be forthcoming for year 2 of the service. However wider discussions are taking place with the five Clinical Commissioning Groups regarding the ITF and the transfer of funding to Hampshire Adult Services which would encompass the funding required for this service.

10. Future direction

- 10.1. The REACT service would facilitate the development of services that begin to manage demand on limited resources by empowering people to remain independent and active participants in their own care rather than passive recipients of services. It would promote the growth of flexible and person centred models of service delivery and facilitate the shaping of the social care market to be better placed to respond effectively to the changing demography of Hampshire. The contract would be tendered with a developmental specification to allow the service to evolve over its lifetime to ensure it remains responsive to market and demographic challenges.

11. Recommendation

- 11.1. That the Executive Member for Adult Social Care gives approval to go out to tender and award the contract for the REACT service for up to four years with a maximum contract value of up to £11.5m on 2+1+1 basis.
- 11.2. That the REACT Service is to be part of the early scoping of the development of the Hampshire Integrated Care Partnership.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

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| Hampshire safer and more secure for all: | Yes |
| Enhance community engagement and partnership working – strengthening and empowering communities | |
| Maximising well-being: | Yes |
| Improved quality of life for all , particularly those who are vulnerable or disadvantaged | |
| Enhancing our quality of place: | Yes |
| Corporate Improvement plan link number (if appropriate):if yes Diversity is promoted as people are empowered and supported to remain active , independent and living within their own communities | |

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment

- 1.1. This service will be available to people of all faiths and race. Cultural and faith needs will be respected during the delivery of this service and during any activities undertaken as part of this service as per the Service Specification.
- 1.2. Tenderers will be tested and scored during the Invitation to Tender stage of the procurement process on how they intend to meet the equalities requirements of the contract to ensure inclusivity. The service will be available to men and women who are transgender and men and women regardless of their sexual orientation or marital status. No negative impacts are expected for those categories listed as low or no impact.
- 1.3. A provider consultation event has been held to raise awareness about reablement and to support providers to position themselves for the proposed upcoming tender in the Autumn of 2013. Service users were also consulted about the service via The Voice Of Older People in Hampshire. Outcome focused performance measures have been built into the Service Specification and the contract will be monitored quarterly to ensure quality and service user outcomes are being met.

<http://www3.hants.gov.uk/as-equality-ia-archive.htm>

2. Impact on Crime and Disorder

- 2.1. This service is expected to have a positive impact on crime and disorder as people will be empowered to stay independent within their own homes and communities.

3. Climate Change

- 3.1. This service is not expected to have implications with regards to climate change as providers will be expected to zone and plan routes for efficient travel.

