Hampshire County Council

Appendix A

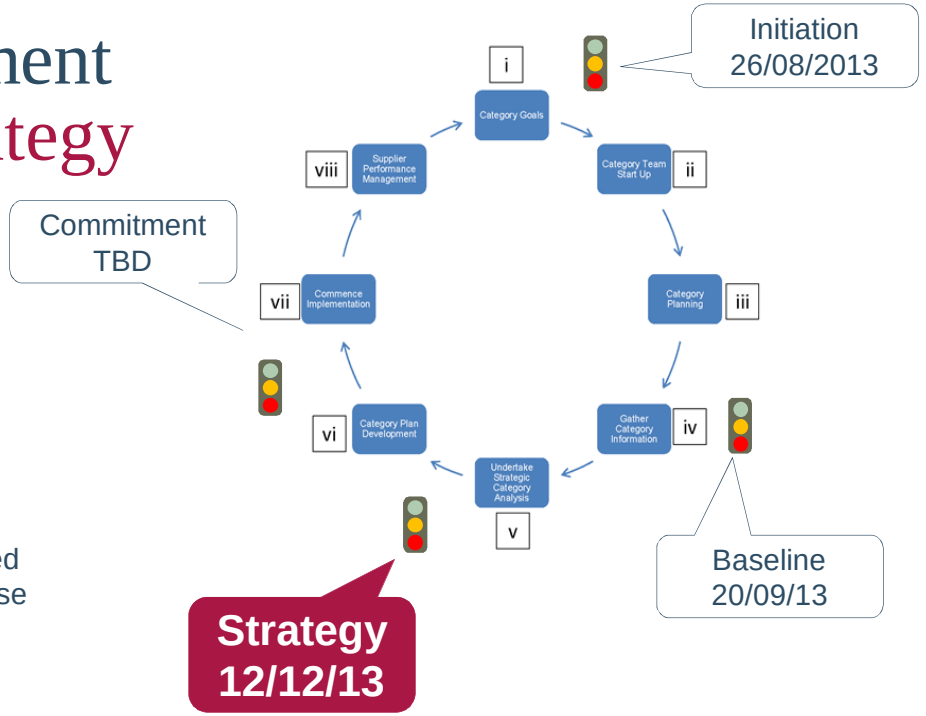
Commissioning and Procurement
Support to stay at home - Strategy

This document is based on:

- FY12/13 external spend data from SAP for Dom Care
- Key market provider interviews
- Internal Comissioner and Procurement interviews
- Various market reports including Lang & Buisson
- Interviews with other market leading County Councils
- Strategy review December 2013

No in-house commissioned services are included to date but will need to be reviewed and considered during the strategy development phase

Version Master Dated: 14/01/2014



Contents

The Strategy document is the third document to be approved by the category sponsors.

Chapters 1-5 provide a management summary of the category strategy with further detail and working analysis contained in the annexes

Executive summary

- The Council's aims within the Adult Social Care Support to Stay at Home category are to achieve long term quality outcomes, manage demand and reduce costs.
- Initiatives have been prioritised for each sub category which together provide a cohesive journey to develop the outcome based delivery model within the Support to Stay at Home market.
- There are three initiatives within the Support to Stay at Home Category
  - Older people Care at Home
  - Shared Living and Support Services (predominantly learning disability)
  - Reablement

  Note : - These initiatives include Service Users with MH and PDSI conditions where appropriate.
- The Support and Care to Stay at Home initiatives within this category plan covers FY12/13 spend of £81.4m.
- Reablement is currently being tendered for a REACT service to run inline with CRT.
- Although an initial benefits review was undertaken at the baseline decision point, the data was reassessed to ensure any changes to data are incorporated.
- A programme of sixteen months has been developed for category initiatives to be procured and implemented. Roll out and management of initiatives will need to transition into business as usual activities in key roles within the department in order to be successfully fully embedded within HCC
- Contract will allow for growth should CCG's and or Health wish to jointly provide care and support services along side the services set out in the Specifications
- Culture Change and workforce development internally and by Providers will be needed to build sustainable partnerships, including those with CCG's and Health, that achieve quality outcomes for service users and optimise the management of demand
- Development of processes to change internal work practices, needs to be undertaken.
- Market analysis has been further developed since the initial baseline activity, in order to assess subcategory strategy options and is included within the annex

Service line vision and category design principles

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	Overarching adult social care principles	Design principles for future delivery of adult Support to Stay at Home
Achieve long term quality outcomes	To maintain a constant focus on long term quality of care, safeguarding and the achievement of outcomes for service users. To ensure that fairness and equality in the broader context underpins every decision that we make. To give service users and their families choice and control over their outcomes.	• Maintain a constant focus on long term quality of support to live at home service users by promoting their health, well being and independence. • Increase and improve the variety of services and outcomes available to service users whilst supporting the personalisation agenda. • Establish the right commercial incentives for providers to deliver and maintain high service quality which delivers on it's outcomes. • Effectively manage provider relationships on a proactive basis to drive continuous improvements in quality of services. • Improve the transparency of provider performance whilst giving consideration to the Council resource impact.
Manage demand	To increase self-sufficiency and independence, reducing dependency on services where possible and appropriate.	• Increase service user self-sufficiency and independence through enablement of service users, reducing dependency on long term services e.g. residential care, where possible and appropriate, and reducing package growth. • Reduce the level of intervention over someone's life in care with realistic expectations of the role of the service user, family and other informal carer support. • Establish a commissioning model that is adaptable and can be integrated within rapid and challenging timescales • Ensure that the delivery model proactively manages demand and is adaptable that to take advantage of new ways of working e.g. technological advancements. • Incentivise innovation (e.g. technology and Management Information) in the market to encourage improved performance and manage demand.
Reduce cost	To protect the sustainability of services to meet current and future demographic, financial and statutory constraints.	• Deliver an integrated, efficient and effective service through encouraging internal and external collaboration and partnerships. • Increase transparency of cost and cost drivers. • Deliver a scalable service model that reduces provider risk and is achievable in manageable stages within current budgetary constraints.

Note: On 28 August 2013 the Council agreed a set of adults and care at home design principles from which the new sub categories were to be developed

Culture Change

Person Centred Outcomes, Partnerships, Demand Management, and Payment by Results

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The new Commissioning Strategy requires a significant *change in culture.* This will be a journey where the *Partnership* between the service user, the Provider and the Authority will progressively evolve during the life of the contract.

The new approach

- Service Users will be fully engaged in the achievement of outcomes that improve, sustain or delay the decline in their health and wellbeing.
- The Provider will work with the service user to develop and deliver outcomes that allow the service user to maximise their own capability to do things for themselves.
- HCC will allow the Providers a term of contract and scale to support sustainable businesses. For OP it will have a geographic ownership focus.
- HCC REACT will initiate the outcome based assessment and monitor increases in packages. LD will develop a similar in-house approach. Outcome based packages will be typically priced over 12 weeks and none longer than 26 weeks. The successful outcomes will include a payment on results element.
- A developmental contract will accommodate future options such as health integration

Benefits

- The evidence is that our reablement process improves a service users' independence, however within a short period time this is rolled backwards by the time constrained, task specific support that is "provided for them".
- The Provider is incentivised to be "person centred" and innovative in the approach taken. For example, a service user who needs a meal at the moment may have an on-going small amount of time for a visit to defrost. On a person centred outcomes basis the Provider may help the service user to learn how to create a menu, shop for items and prepare their own meals. HCC will pay the Provider to help Customers achieve outcomes that are defined in the Plans and not to deliver a prescribed number of units of service – typically hours of domiciliary care – as we do now. Providers will use a variety of resources to support a customer to achieve their outcomes.
- Providers will have sustainable business models and be expected to invest in their workforce with pay rates that encourage retention and offer quality support to clients.
- Demand Management will be a shared Partnership between HCC and Providers. REACT for OP and an LD demand management team, will review growth in packages and payment on results will initially be c.10% of the hourly rates used to price the Plan. Of that 10%, half will be paid on achievement of Personal Outcomes, and half paid on the achievement of reduced demand measured in on-going packages by the Provider concerned. By the first contract extension it is intended that the co-development of the contract will provide confidence for greater risk transfer to the Providers through a rebalancing of fixed price and payment by results on the achievement of outcomes.

Culture Change

- It is recognised that Adult Social Care and Provider staff need to make a significant shift in culture to collaborate in optimising the achievement of person centred outcomes, demand management and payment by results.
- A trusted partner relationship needs to be developed with Providers so that successful co-development over the period of the contract maximises service users' independence.
- Actions to foster the trusted relationship will include:
  - Training for ASC staff in partnership working, setting expectations and realistic outcomes through assessments.
  - Joint development and training with Providers of outcome based assessments, plans and techniques for managing demand.

Support and Care to stay at home spend baseline

The current spend in scope for this Category is £81.4m.

- Full details of the breakdown efficiencies required are provided in (exempt) Appendix B
- Personal care represents around 50% of spend. in scope. Older People account for approximately 41% of the total spend.
- Personal care may contain some support services when these are delivered together as part of a package of care (breakdown not known)
- Shared Living services account for over 31% of the total spend.
- Mental Health accounts for less than 1% of spend in scope, except where dual diagnosis applies e.g. Aged frail and with Dementia
- Just over 80% of purchased personal care, support work and Take a Break services for people living in Hampshire is currently through the PPP.
- Figures for the Care at Home and Shared Living and Support Frameworks have been provided in (exempt) Appendix B

Framework Costing‘s

The OJEU notices will reflect a range of values for the frameworks, that take into account that these are developmental contracts. We are anticipating that health integration and Children’s Learning Disability transitions may take advantage of the frameworks, and that the nature of the lots within the framework may cause service users to move between the frameworks. This will be put to the market through OJEU, it will not relate to the current budgets of Adult Services, but the commitment will not exceed Adult Services approved spend.

The commissioning responsibility for Supporting People budget for OP, LD, PD/SI will transfer to mainstream Adults Services budget, and therefore included in these frameworks.

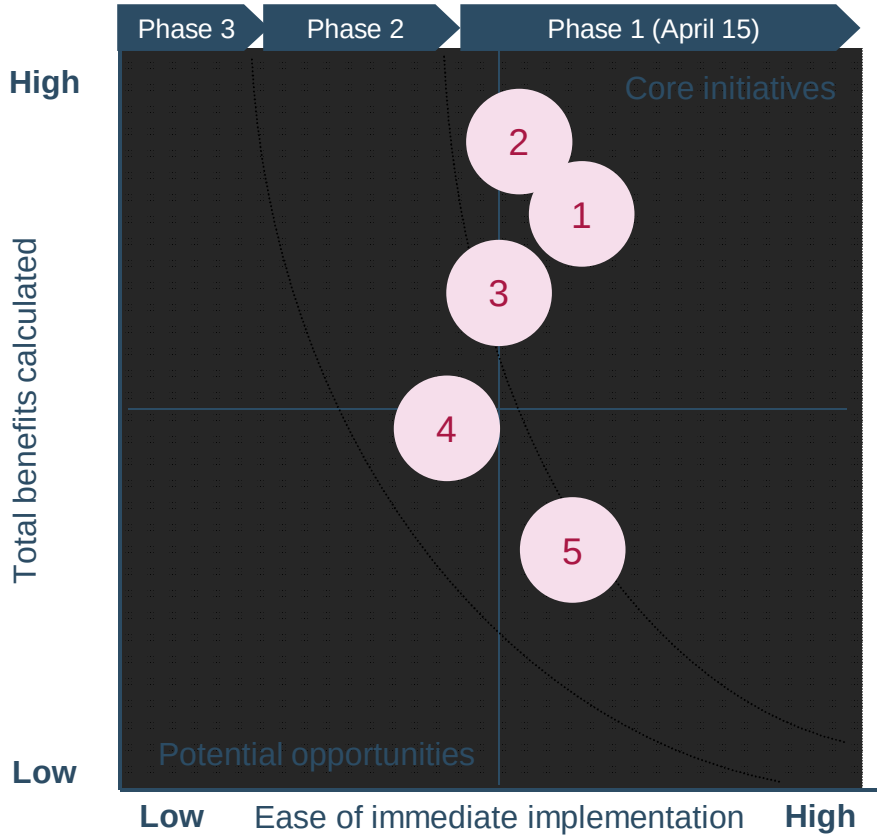
Taking into account these factors, the figures below reflect a gross Adult Services commitment before efficiencies outlined in this strategy are applied:

- The up to contract spend for the Care at Home framework will be £410m
- The up to contract spend for the Shared Living and Support framework will be £320m (£20m of this will only be available if there is a like for like reduction in the cost of residential care for learning disabilities)

In addition to the Adult Services commitment and to allow for potential growth arising from integrated care it has been agreed by the Clinical Commissioning Groups that an initial figure of £210m will be added to the framework value.

Support to stay at home initiatives priorities

Initiatives have been prioritised which together provide a cohesive journey to develop the delivery model within this category



Initiatives proposed	
Personal and Support care	
1	Reablement services contract
2	Framework for Outcomes focused contract for Older People (may include PDSI & MH as appropriate)
3	Framework for Outcomes focused contract for Learning Disability (may include PDSI & MH as appropriate)

Other potential opportunities	
4	Framework for LD Accommodation project
5	LD Enablement & Demand Management Focus

Support to stay at home initiatives

The following initiatives within personal and support care need to be implemented in order for the potential benefits to be realised by FY15/16.

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Ref #	Initiative	Rationale	Qualitative benefits potential	Assumptions
1	Outcomes based **reablement** services contract	• Providers not currently incentivised to improve service users outcomes during reablement service or beyond	• Reduced demand for longer term home care; increased user independence	• Outcomes to be developed with providers on on-going basis • CRT and REACT proactively manage demand on intake and variations in longer term support plans – primarily for OP
2	**Older People** Outcomes focused contract for Care at Home	• Currently little consolidation or collaboration of providers and reactive environment of securing care packages. Population demographics and economic indicators would suggest increasing demand so providers need to be incentivised to reduce or manage demand whilst delivering quality care. Supporting People contracts to be consolidated within this contractual arrangement.	• Increased quality, enablement and demand management.	• Consolidation of Providers to 4 Zones of 4 Providers (including consortia). Hampshire fixed price and scale will support sustained quality approach from Providers to service users and work force. • Procurement Process is completed prior to Dec 2014 to align with necessary implementation before Apr 2015
3	**Learning Disability** Outcomes focused contract for personal and support care	• . Population demographics and economic indicators would suggest increasing demand so providers need to be incentivised to reduce or manage demand whilst delivering quality care. More Providers required in certain areas and services. Supporting People contracts to be consolidated within this contractual arrangement.	• Increased quality, enablement and demand management	• More Providers for certain areas and services. Hampshire fixed price and size of opportunity will support sustained quality approach from Providers to service users and work force • LD Framework is completed prior to Dec 2014 to align with necessary implementation before Apr 2015

A preferred approach to PBR on outcomes has been developed in Hampshire

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- HCC wants to achieve reduced costs and on-going lowering of demand for services by
  - focusing on quality and achievement of outcomes that enable clients
  - incentivising Providers to invest in employee training and retention and to be able to evidence that they are meeting the requirements of minimum wage legislation, including after travel time and costs are taken into account.

- The provider is paid a fixed fee based on a County Hourly rate to achieve individual service user outcomes in the Plan and timeframe given.

- The provider is incentivised by PBR to reach aggregate outcomes for the Provider population of clients (or penalised for not reaching them).

- The PBR element is paid on successful achievement
  - Up to 50% on achieving the outcomes where it is intended a substantial proportion is shared with the care worker.
  - Up to 50% on achievement of the Provider Population results each quarter.
  - The hourly fee is expected to be fixed with a further success amount for PBR. Details of expected rate is shown in (exempt) Appendix B
  - A full success rate will be based on achievement of outcomes and demand management.
  - By the first extension of the contract, end of year 3, it is expected that the conditions and understanding of Outcome Based Commissioning will have developed between HHC and the Providers for significantly greater risk to be transferred to Providers and a greater proportion of payment being based on achieving outcomes that minimise service users dependency.

Personal and Support – External market analysis

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Political

- The Care Bill 2013 takes forward the recommendations of the Law Commission to consolidate existing care and support law into a single unified statute and puts in legislation the changes recommended by the Commission on the Funding of Care and Support.
- The Dilnot review of 2011, recommended that social care costs in England should be capped, after which the state should bear the costs.
- Government & Opposition both have policies that require Health & Social Care integration around "person centred" outcomes.

Economical

- Changes in Minimum Wage can impact the pay which Care at Home workers are legally entitled to. There is concern and debate as to the appropriate application of minimum wage to travelling time. In addition, the European working time directive provides EU workers the right to a minimum number of holidays each year, rest breaks and dictates the maximum hours of work.
- Greater choice of employment – staff in home care market can seek similar/better pay in other industries e.g. retail.

Social

- The breakdown of the traditional family unit will see an increase in older people, especially men living alone. This will reduce provision of 'informal care' and is likely to have an impact on demand for formal care services at home.
- The projected increase in the elderly population (in particular the 'very old') will increase demand for Care at Home services.
- There is a reduction in the number and availability of young females who are training as a first career in Nursing or as a care worker.

Technological

- The introduction of Telecare will change the way in which traditional home care is provided.
- Advances in IT systems will improve providers processes significantly e.g. rostering, mileage calculations etc. In addition, it is anticipated that there will be a larger uptake in the way technology is used to interact with commissioners and service users. For example, providing a user with the ability to see their scheduled care visits and the worker visiting or alternatively, to cancel a visit if a relative is providing support that day.

Legal

- The Care Quality Commission is the regulator for adult social care in England. Since October 2010 every health and social care service in England has been legally responsible for making sure it meets new essential standards of quality and safety. The intention is for the CQC to assess and review the care received, rather than the systems and processes of the providers.

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Environmental

- Home Care involves care workers travelling between service user homes. There is a growing emphasis on reducing emissions, so consequently Home Care providers should promote the efficient planning of cases to lower travelling time and consider environmental impact of inefficient travel planning.

References

Mickelbrough, P. (2013) "*Domiciliary Care UK market report 2013*". Laing & Buisson. Twelfth edition.

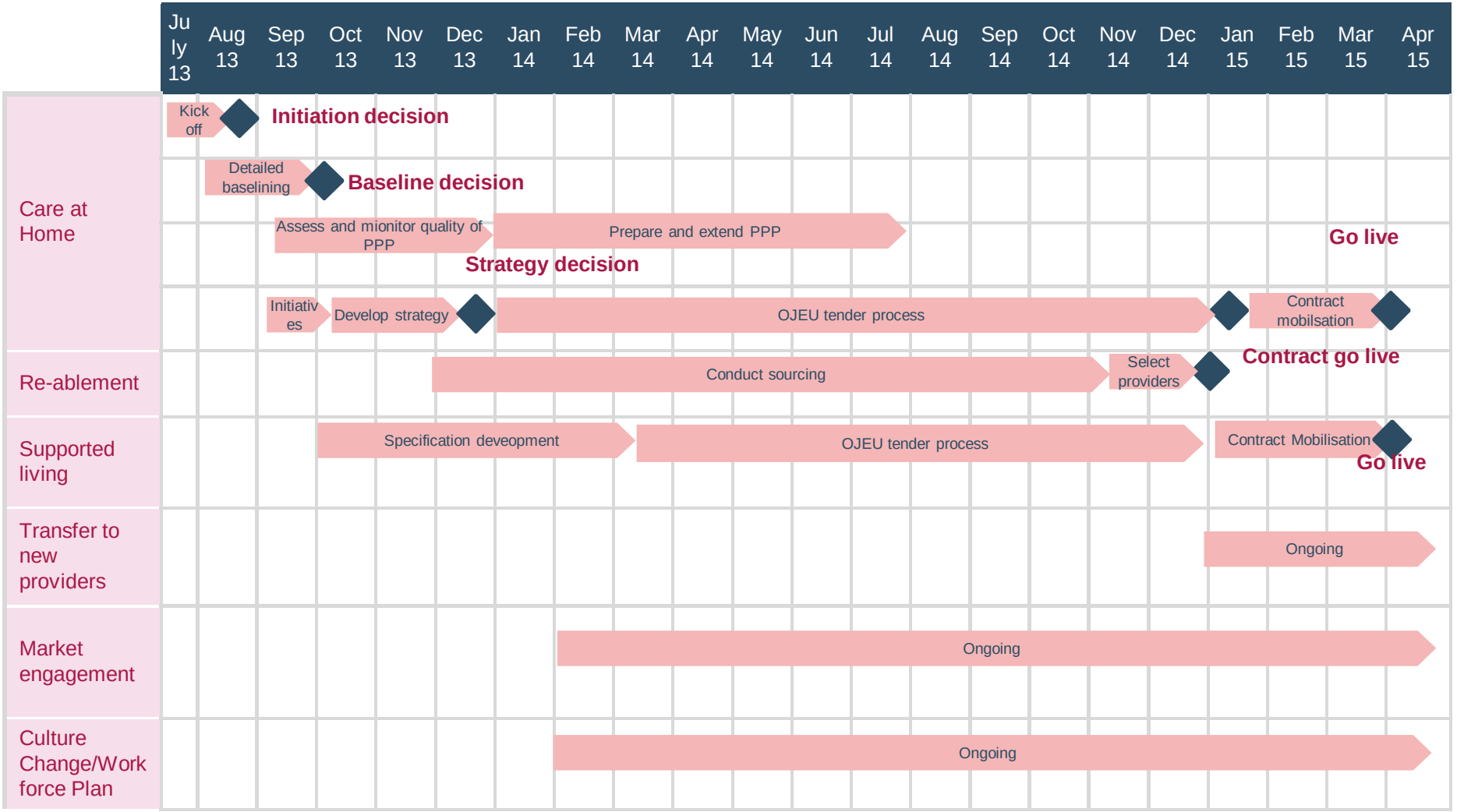
SWOT Analysis

Top 3 priorities arising from SWOT review

- A strong and comprehensive stakeholder engagement plan, linked to the procurement timetable and implementation plan is essential
- The current in house procurement and contract monitoring skills and expertise must be maintained in what will be an era of substantial change
- As the Outcome Based Commissioned (OBC) delivery and payment models evolve the Authority's ICT systems must be able to handle this

Procurement Timetable for Category Plan

A programme of sixteen months has been developed for category initiatives to be developed and implemented . Roll out and management of initiatives will need to transition into business as usual activities in key roles in order to be successfully fully embedded within the Council



Support to Stay at Home – Risks

Risk	Mitigating Action
Transfer of service providers may lead to poor transitions leading to quality and safeguarding concerns.	Detailed service user transition planning and communications to all stakeholders, quality monitoring by care managers
Reputational risk e.g. risk of complaint from service users and stakeholders	Member briefings, communications strategy, high quality implementation plan, Adult Services Department Management Team (DMT) briefings. Extra resources to manage change management
Reputational risk e.g. risk of complaint from providers	Member briefings, communications strategy, high quality implementation plan, DMT briefings. Extra resources to manage change management
Risk of challenge as to potential length of the issued contracts relative to the period of the framework	To be mitigated by the tender documentation in particular the Notice and advertisement will ensure the arrangements are clear and transparent. Extending the contracts beyond the initial 3 year term is at the Council's discretion.
Failure to meet required efficiencies or authorised spender under a framework is reached before end of the 4 year framework period	Implementation plan with benefits checks that are monitored regularly. Spend under each framework will be monitored and a further report brought to Executive Member with proposals if required. Change management initiative which focuses on enablement and prevention and robust re-assessment. Provider market will be actively engaged and new providers encouraged
Workforce planning and cultural change does not support person centred outcomes, and partnerships relationships management	Investment in staff development and supplier relationship management

Support to Stay at Home Category

Recommendation –
That approval be given to undertake the following actions.

That the Executive Member for Adult Social Care and Public Health gives approval to go out to tender for the Care at Home Framework at a total value of £585m with authority to spend up to maximum of £410m under the four year Framework as detailed in this report and approval to the award of contracts under the Framework for a maximum duration of 7 years .

- That the Executive Member for Adult Social Care and Public Health gives approval to go out to tender for the Shared Living and Support Framework at a total value of £355m with authority to spend up to maximum of £320m under the four year Framework as detailed in this report and approval to the award of contracts under the Framework for a maximum duration of 7 years

- That the Executive Member for Adult Social Care and Public Health gives approval to extend the current service provision for domiciliary care for one year from July 2014 to July 2015 at a cost of up to £47.23m

- That the Executive Member for Adult Social Care and Public Health gives approval to the development of Phase 2 of the Support to Stay at Home Category, namely, the development:

LD Accommodation Based Project
LD Reablement and Demand Management Service

A report on Phase 2 will be brought to the Executive Member for approval at a later date

Annex

- Care at Home
- Shared Living and Support
- Reablement

Care at Home (exc. Shared Lives)

Care is the provision of Basic Activities of Daily Living (BADL) e.g. personal hygiene, feeding etc. in association with a minor element of Instrumental Activities of daily living (IADL) e.g. housework, medication etc.

Support is the provision of social and emotional support to encourage and support independence. These services includes the provision of IADL, and exclusion provision of BADL.

Geographical coverage: All Areas

Lead: Ruth Dixon

Care at Home
Strategic approach

Care at Home
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Long Term Quality Outcomes
  • By defining, managing & measuring performance against person-centred outcomes & population level outcomes that reduce dependence and maximises wellbeing & quality of life
  • By using community resources to develop inclusion in the community
  • Incentivising providers to invest in quality workforce and systems/processes (scale & duration of contract)
  • Maximising independence
  • Reduce reliance on paid for services
  • Efficient & effective processes
  • Involving service users & carers in the Quality Assurance of services
  • Quality improvement framework(HanQAF)
  • Give service users flexibility and choice to plan their support in order to achieve outcomes

Care at Home
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Manage Demand
  • By focussing on enabling service users away from long term dependency on funded care
  • To work inline with the REACT service
  • To reduce input demand and ongoing demand (flattening growth in demand)
  • Avoid duplication of service delivery
  • Stopping inappropriate referrals and having a clear process if this happens
  • Block 12 weeks – incentivise maintenance or reduction
  • Joint commissioning & funding of Health & Social Care
  • Clinical supervision for dual needs people
  • Short term lower level intervention (CIT)
  • Longer term lower level intervention (Old SP)
  • Managing user expectations

Care at Home
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Savings Targets
  • Outcomes and incentivised payments
  • Competitively reduce number of providers
  • Foster a culture of enablement and innovation from providers
  • Single county rate
  • EDCM monitoring
  • Supplier relationship management
  • Good contract monitoring
 	
• Reflect market conditions – where it is now and where it could go to & ensure Market sustainability
  • More than 1 provider / zone
  • Improving training
  • require agencies to be able to evidence that they are meeting the requirements of minimum wage legislation, including after travel time and costs are taken into account

Care at home
Strategic approach

Key objectives		
Objective	Measure (KPI)	Target
Efficiencies Target	Reduction in budget	Detailed in (exempt) Appendix B
Service User Satisfaction	Provider data, performance workbooks and Service User Survey	Maintain as a minimum existing benchmarking levels, currently at 54.6%
Yr 1 at least – have achieved the minimum requirements in HanQAF	Workbook	Minimum requirement as set out in Specification

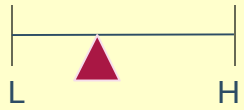
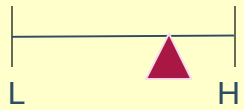
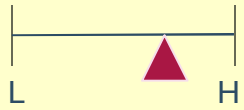
Care at Home
Strategic approach

Key success factors
• REACT reduces input demand and in-life growth in packages
• Reduced dependency and improved outcomes through enablement
• Providers are able to respond effectively to the challenge in terms of people & processes
• Savings from Baseline are achieved and sustained
• Culture change in SW/CM supports new approach and creativity by providers
• Supports a whole system approach across Health, Social Care & Community Sector going forward

Care at Home
Market analysis

Care at Home – Market forces analysis

An analysis of the market demonstrates that the Council are in strong go to market position to achieve based value when undertaking the procurement exercise :

Force	Competition	Competitive climate	
Market competition		• High number of providers • Low workforce solidarity; carers are transient across providers • Low switching costs for the Council as rate card is pre-agreed	• Providers differ in availability, workforce pay, quality of care and training
Supplier bargaining power		• Many providers depend on the Council for core business; few have large private practice • In most areas there are multiple providers for the Council to select from	• Low number of direct payment take up • High reliance by the Council for providers to deliver service as no in house provision
Buyer bargaining power		• High bargaining leverage • Significant volume offered • High price sensitivity; price is currently 90% of supplier selection	• Little service differentiation • Substitutes available • Little financial incentives for providers
Barriers to entry		• Previous trend was to increase supplier base • Many established carers set up own organisation • Low economies of scale	• Currently low capital requirements • Slow growth rate • Given fragmented market, incumbents cannot defend market
Threat of substitution		• Low switching costs • The Council inclines to substitute when quality poor	

Care at Home Initiatives

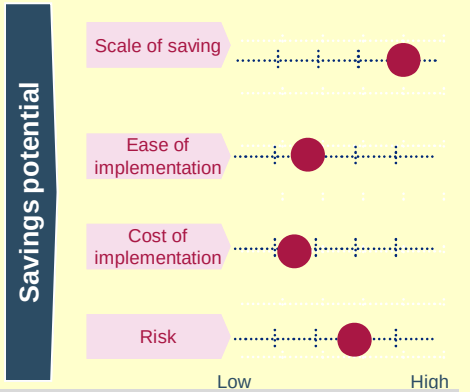
Initiative: Tender Care at Home

Hampshire County Council

Opportunity description

- The Council needs to establish a new contract vehicle as the PPP cannot be extended further.
- The market facing and commercial model has been finalised and outcomes focused payment by results, with volume commitment and zoning being recommended.
- Successful implementation of the contract will be critical to realise benefits. It is therefore recommended that the overall category lead is made responsible for managing and monitoring the implementation of the contract and ensuring a smooth transition to new providers as part of supplier relationship management.
- In addition, it is recommended that the payment by results outcome data is reviewed after the initial 12 months to ensure it is fully aligned to our quality and savings targets.

Opportunity summary



Implementation steps

- Develop/finalise preferred commercial and market facing models and engage early with service users, providers and other stakeholders.
- Define client transition plan from PPP to Care at Home Framework
- Developmental specification to enable on-going service development.
- Define benefits realisation methodology and owner to track cashable savings, efficiency gains and the level of service provided by each supplier
- Define and implement workforce and culture changes required

Estimated potential benefits – quantitative (£)	Expected benefits – qualitative
Detailed in (exempt) Appendix B	• Reduced or managed demand; increased innovation and supplier investment through commitment.

Estimated time to implement	• The above benefit will be realised by end of 16/17 • The new Care at Home Framework will be in place October 14 • New Services will be starting April 15.	Risks / dependencies	• Risk of disruptions to service delivery during implementation • Detailed options analysis required to produce robust savings estimates • Operations/procurement joint working dependencies • TUPE
Key stakeholders	• HCC staff • Providers • Clients	Levers	• Specification change; Demand management • Supply route; Volume concentration; • Commitment; from all stakeholders

Initiative: Tender options for Care at Home

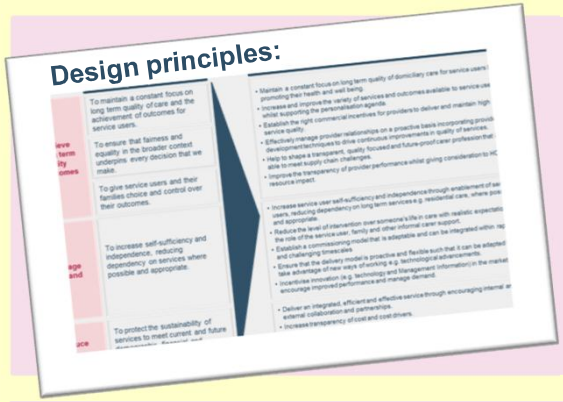
A number of commercial and go to market models options were considered for this sub category (listed below) and the options being taken forward are Outcomes based, fixed rate and Framework A

Commercial models options	Market models options
Outcomes based commissioning	Lead provider
Average cost of care package	Alliance
Fixed rates	Co-source
Block contracts	Framework A (limited providers)
Enhanced As-Is	Framework B (multiple providers)
As is	As is

Care at Home
Options appraisal

Care at Home
Options appraisal - Design principles agreement

Agreement of home care design and external influences enabled the options appraisal to be conducted within a formal framework



- Building on the adult social care principles agreed by the Council in mid August 2013, a set of home care specific design principles were developed and agreed by the Council.
- The principles underpin the category strategy and the route of travel over the next three to five years and formed a framework against which alternative go to market and future commercial models were considered.

When performing the strategic options appraisal there were several other factors also considered not aligned with the design principles:

- **Policy change:** Political drive to integrate health and social care; New means testing legislation
- **Integration:** Increase integration with health services e.g. community, acute and children's services to support transition
- **Range of requirements:** Consider all service users types and the full spectrum of service requirements in assessing strategic options
- **Carer quality:** Minimum training; reduction in reliance on zero hours contracts where appropriate
- **Personalisation: S**olution must consider the personalisation agenda e.g. direct payment approach
- **Local economy impact:** Demonstrate local investment and local employment; Role of SMEs

The following considerations were discussed and agreed by the options assessment group:

Segmentation	Preference
• Single region or multi region (rural vs. costal vs. urban)	• Multi region –regions to be decided. Division of the county would enable a greater number of providers to have sufficient capacity to deliver volume

Volume commitment	Preference
• No commitment or set minimum hours / minimum spend	• Volume commitment which will enable providers to invest in innovation and technology

Care at Home
Options appraisal - Commercial model options

The following commercial models were analysed

	Description	Option to be ranked?
Block contract Payment per service user group / geography	• Paid upfront contracts based on a fixed total annual payment or budget, usually calculated based on historic 'baseline' spend • Amount is agreed based on multiple pieces of work e.g. Reablement, Dementia support etc… • Amount does not vary if activity levels under / outperform expectations	✓
Activity based Payment per activity	• Commissioners pay service providers for each individual service / task delivered e.g. getting service user out of bed • The Council determine rates for each tasks of care provision	✗
Average cost of care package Payment by service user	• Fixed payment per person calculated at the population level where all payments are the same for all service users regardless of service provided or service required • Statistics driven at a macro level across care requirements	✓
Outcomes based Payment adjusted based on quality metrics	• Payment determined by outcomes achieved • Can incorporate risk / gain share, where council and service provider share the fluctuating levels of activity / expenditure (risk) and cost savings (gain) • Possibility to set premiums for rural / specialist services	✓
Fixed hourly rate HCC fix per service user	• Fixed hourly rate set by the Council with providers commissioned according to service quality offered / delivered • Possibility to set premiums for rural / specialist services	✓
As Is (enhanced) Competitive rate setting, selection driven by quality	• No fixed hourly rate, but service providers commissioned according to a best value ranking (quality and cost equally weighted) • Possibility to set premiums for rural / specialist services	✓
As Is Competitive rate setting, selection driven by rate	• Competitively bid predetermined hourly rates that may vary by service provider • Service providers commissioned based on cost (90%), market share (10%) with carer availability also used to determine selection	✗

Care at Home
Options appraisal - Market facing model options

The following market facing approaches have been analysed.

		Description	Option to be ranked?
	**Framework agreement A (few providers)** Standard framework with few providers	• One standard agreement between the commissioner and a small number of providers who are approved to deliver a service against one overall performance and contractual standard • Frameworks can be divided into lots e.g. for specialist requirements or for geographic regions • Providers bid on price and / or quality	✓
	**Framework agreement B (many providers)** Standard framework with many providers	• One standard agreement between the commissioner and are large number of providers who are approved to deliver a service with one overall performance and contractual standard • Frameworks can be divided into lots e.g. for specialist requirements or for geographic regions • Providers bid on price and / or quality	✓
	**Co-sourcing** Joint approach with Health and Private sectors	• Joint initiative between the council, health partners and the private sector • Possibility to 'trade' and generate income e.g. from the self-funder market / other councils • Model examples include: Company Limited by Guarantee, Community Interest Company (CIC), Not for Profit Council Controlled Company, Joint Venture Mutual	✓
	**Alliance contract** Single contract between multiple parties	• A single contract between the commissioner and an 'alliance' of providers, with collective ownership of risk and responsibility • A single performance framework is agreed under which the parties collaborate and are collectively responsible for good or poor performance	✗
	**Lead provider** One contracted lead party	• One lead contractor with full responsibility for service delivery and developing coordinated and integrated care pathways • May or may not subcontracts some services to other e.g. for provision of specialist providers and or to support specific geographical regions	✓
	**As Is** Multiple PPP providers	• Most services called off from panel of preferred providers (~150 PPP providers, 50 of which are used regularly; many of whom are SMEs • Provider paid on time and task using a variety of rates that vary by provider • No contractual incentivisation to reduce demand on services	✗

Care at Home
Options appraisal Scoring summary

Hampshire County Council

Scores were applied to the ranking of each model.

Market Approach – Scoring		
Approach	Option taken forward?	Commentary
Framework A (Few providers)		• Shortlist for further detailed analysis and investigation
Lead Provider without sub-contractors		• Shortlist for further detailed analysis and investigation
Lead Provider with sub-contractors		• Potentially shortlist for further detailed analysis and investigation
Framework B (Many providers)		• Potentially shortlist for further detailed analysis and investigation
Co-sourcing LD		• Potentially shortlist for further detailed analysis and investigation
Co-sourcing OPMHGPD		• Do not take forward to shortlist
Commercial Model – Scoring		
Commercial Model	Option taken forward?	Commentary
Outcomes based		• Shortlist for further detailed analysis and investigation
Average cost of care		• Shortlist for further detailed analysis as may be suitable for some specific cohorts
Fixed rates		• Do not take forward to shortlist
Block Contract		• Do not take forward to shortlist
As Is		• Do not take forward to shortlist

Shared Living and Support Services (predominantly learning disability)

Hampshire County Council Adult Services Department are committed to providing a range of high quality, person centred and co-produced services which proactively promote, enable and maintain the independence and community inclusion of people with Learning Disabilities, Autism Spectrum, Physical Disabilities, Sensory Loss and Mental Health problems.

Geographical coverage: All areas

Lead: Jessica Hutchinson

Shared Living and Support Services Strategic Approach

Shared Living and Support Services
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Long Term Quality Outcomes
  • By defining, managing & measuring performance against person-centred outcomes & population level outcomes that reduce dependence and maximises wellbeing & quality of life
  • By using community resources to develop inclusion in the community
  • To meet the requirements of the Winterbourne View Recommendations
  • To meet the requirements of the Hampshire LD plan for Adults
  • Incentivising providers to invest in quality workforce and systems/processes (scale & duration of contract)
  • Reduce reliance on paid for services
  • Efficient & effective & responsive processes
  • Involving service users & carers in the Quality Assurance
  • Quality improvement framework(HanQAF)
  • Give service users flexibility and choice to plan their support in order to achieve outcomes

Shared Living and Support Services
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Manage Demand
  • By focussing on enabling service users away from long term dependency on funded care
  • By introducing time limited enablement for clients and creating and enhancing prevention services
  • To manage demand at all key decision points (referral, assessment, review, transitions & provider service delivery)
  • Avoid duplication of service delivery
  • Block up to 6 months support plans – incentivise maintenance or reduction
  • Joint commissioning & funding of Health & Social Care
  • Clinical supervision for people with complex needs
  • Good communication with stakeholders to manage expectations

Shared Living and Support Services
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Savings Targets
  • Outcomes and incentivised payments
  • Competitively select the correct number of providers
  • Increased competition, a culture of enablement and innovation from providers
  • Single county rate
  • EDCM monitoring
  • Good contract monitoring
• Reflect market conditions – where it is now and where it could go to & ensure Market sustainability
  • Rebalancing of providers at award of business
  • Improving training
  • require agencies to be able to evidence that they are meeting the requirements of minimum wage legislation, including after travel time and costs are taken into account

Shared Living and Support Services
Strategic approach

Key objectives		
Objective	Measure (KPI)	Target
Savings Target	Reduction in budget	Detailed in (exempt) Appendix B
Service User Satisfaction	Provider data, performance workbooks and Service User Survey	Above 90% at very satisfied
Yr 1 at least – have achieved the minimum requirements in HanQAF	Workbook	Minimum requirement as set out in Specification

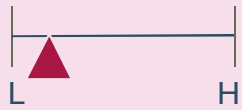
Shared Living and Support Services
Strategic approach

Key success factors
• To reduce dependency and improve outcomes through enablement • Providers are able to respond effectively to the requirements of the new framework • Savings from Baseline are achieved and sustained • Culture change in SW/CM supports new approach and creativity by providers • Supports a whole system approach across Health, Social Care & Community Sector going forward

Shared Living and Support Services Market analysis

Shared Living and Support Services
Market forces analysis

An analysis of the market demonstrates that the Council are in strong go to market position to achieve best value when undertaking the procurement exercise :

Force	Competition	Competitive climate	
Market competition		• High number of potential providers • Market diversity is increasing	• Providers differ in availability, workforce pay, quality of care and training • Trouble recruiting staff, but good staff retention, but work with clients with more complex needs can cause 'burn out'
Supplier bargaining power		• Many providers depend on the Council for core business; few have large private practice • In most areas there are multiple providers for the Council to select from, but some areas are dominated by 1 or 2 providers	• High reliance by the Council for providers to deliver service as little in house provision
Buyer bargaining power		• Bargaining leverage will increase with the Framework • Significant volume although not committed	• Substitutes available • Financial incentives for providers from scale & complexity
Barriers to entry		• Some established carers set up own small organisation • Low economies of scale	• Slow growth rate reduces opportunities for new entrants • Lack of skill mix required to meet more challenging behaviour
Threat of substitution		• Mergers & acquisitions are a market threat • Framework will improve purchaser's ability to switch providers • Substitution when quality poor	• Substitution is complicated

Shared Living and Support Services Initiatives

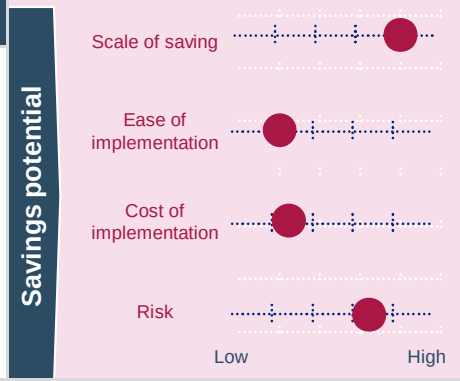
Shared Living and Support Services **Initiative: Framework for Shared Living & Support Learning Disability**

Hampshire County Council

Opportunity description

- The Council needs to establish a new contracting vehicle for Shared Living & Support LD Services
- The model has been finalised as outcomes focused and will include an element of payment by results.
- Successful implementation of the contract will be critical to realise benefits as will ongoing Supplier relationship management.

Opportunity summary



Implementation steps

- Develop consistent Service Specification, statement of model and expectation of ethos of service delivery: Enablement, person centred planning and outcomes.
- Detailed communication plan required
- Procure the new providers onto the framework on the basis of capability to achieve outcomes in accordance with the specification
- Detailed implementation plans required from providers for change of support packages for service users in order to manage risk
- Develop guidance establishing SRM approach and communicate to care brokers and commissioners and monitor adherence to guidelines going forward
- Perform on-going contract and supplier performance management to encourage continuous improvement
- Define benefits realisation methodology to efficiency gains and the level of service provided by each supplier

Estimated potential benefits – quantitative (£)		Expected benefits – qualitative	
Detailed in (exempt) Appendix B		• Reduced or managed demand; increased innovation and supplier investment through commitment.	
Estimated time to implement	• The above benefit will be realised by end of 16/17 • The new LD Framework will be in place Oct 14 • New Services will be starting April 15.	Risks / dependencies	• Risk of disruptions to service delivery during implementation • Resource requirements • Detailed options analysis required to produce robust savings estimates • Operations/procurement joint working dependencies • TUPE
Key stakeholders	• HCC staff • Providers • Clients & their families	Levers	• Specification change; Demand management • New framework;

Reablement (external providers only)

Reablement helps people learn or re-learn the skills necessary for daily living. These skills may have been lost through deterioration in health and / or through a change in circumstances. Through the use of timely and focused services delivered in a person's home this service aims to improve the individuals quality of life, maximise their long term independence and enable them to remain or return to live in their own home within the community. This requires the focus of the Service to be on the promotion of independence rather than the resolution of health care needs.

Geographical coverage: All regions

Lead: Sally Jones

Reablement
Strategic Approach

Reablement
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Long Term Quality Outcomes
  • By defining, managing & measuring performance against person-centred outcomes & population level outcomes that reduce dependence and maximises wellbeing & quality of life
  • By moving from a time and task model to an outcome based commissioning model
  • By incentivising providers to invest in quality workforce and systems/processes (scale & duration of contract)
  • By creating and supporting the market to develop efficient & effective processes
  • Present community resources to be used to develop a community based and focused service
  • Involving service users & carers in the Quality Assurance
  • Quality improvement framework (HanQAF)
  • This service will maximise opportunities for independence and give service users flexibility in use of care hours
  • Reduce reliance on paid for services

Reablement
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Manage Demand
  • By focussing on enabling service users away from long term dependency on funded care
  • To reduce input demand and ongoing demand (flattening growth in demand)
  • Avoid duplication of service delivery
  • Stopping inappropriate referrals and having a clear process if this happens
  • 6 weeks – incentivise maintenance or reduction
  • Development of an outcome plan to be implemented through Care at Home where appropriate
  • To review care packages if the grow beyond set parameters (Eg. 5 hours)
  • Joint commissioning & funding of Health & Social Care
  • Clinical supervision for dual needs people
  • Managing user expectations

Reablement
Strategic approach

Strategic approach rationale

We have chosen this approach in order to
• Achieve Savings Targets
  • Outcomes and incentivised payments
  • By having a single hourly rate
  • Use of EDCM monitoring if appropriate
  • Good contract monitoring
 	
• Reflect market conditions – where it is now and where it could go to & ensure market sustainability
  • Two providers per lot
  • Improving training
  • Ensuring at least minimum wage + 20% (excluding travel if not paid) as detailed in the tender requirements

Reablement
Strategic approach

Key objectives		
Objective	Measure (KPI)	Target
Savings Target	Reduction in budget	Detailed in (exempt) Appendix B
Service User Satisfaction	Provider data, performance workbooks and Service User Survey	This is to be benchmarked during the 1yr of the contract.
Yr 1 at least – have achieved the minimum requirements in HanQAF	Workbook	Minimum requirement as set out in Specification

Reablement
Strategic approach

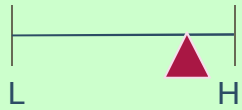
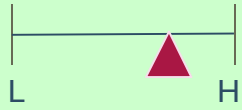
Hampshire County Council

Key success factors
• REACT will have reduced input demand and in-life growth in packages • Providers are able to respond effectively to the challenge in terms of people & processes • Market is facilitated to develop to meet the demand for this service in terms of recruitment, training, ethos etc • Savings from Baseline achieved and sustained • Culture change in SW/CM supports new approach and creativity by providers • Supports a whole system approach across Health, Social Care & Community Sector going forward

Reablement
Market analysis

Reablement– Market forces analysis

An analysis of the market demonstrates that the Council are in strong go to market position to achieve based value when undertaking the procurement exercise :

Force	Competition	Competitive climate
Market competition		• New Model – 52 providers responded to PQQ
Supplier bargaining power		• New Model – 52 providers responded to PQQ
Buyer bargaining power		• New Model – 52 providers responded to PQQ • High bargaining leverage • Significant volume
Barriers to entry		• Proven track record and skilled workforce • ITT requirements
Threat of substitution		• Low switching costs • The Council inclines to substitute when quality poor

Reablement Initiatives

Reablement

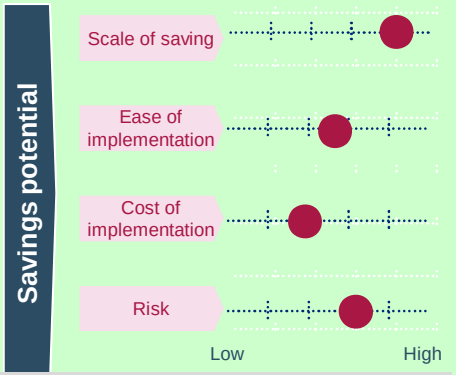
Initiative: Tender Reablement

Hampshire County Council

Opportunity description

- The Council needs to establish a new contract vehicle.
- The market facing and commercial model has been finalised, which is outcomes focused and zones have been developed .
- Successful implementation of the contract will be critical to realise benefits. The overall category member is responsible for monitoring the implementation of the contact and ensuring a smooth transition to new providers and undertakes supplier relationship management
- In addition, it is recommended that the allocation of spend across providers is reviewed after the initial 12 months using quality assessments to incentivise providers to maintain quality outcomes.

Opportunity summary



Implementation steps

- ITT was released late November 2013
- Define benefits realisation methodology and owner to track cashable savings, efficiency gains and the level of service provided by each supplier
- Finalise interface with Care at Home service

Estimated potential benefits – quantitative (£)		Expected benefits – qualitative	
Detailed in (exempt) Appendix B		• Reduced or managed demand; increased innovation and supplier investment through commitment.	
Estimated time to implement	• The above benefit will be realised by end of 17/18 • The new REACT service will be in place June 14	Risks / dependencies	• Risk of disruptions to service delivery during implementation • Market could be destabilised when REACT is introduced and providers recruit to meet demand of the contract • Operations/procurement joint working dependencies • Staff Working practice changes
Key stakeholders	• HCC staff • Providers • Clients	Levers	• Specification change; Demand management • Supply route; Volume concentration;