

Service and Community Impact Assessment (SCIA)

Directorate and Service Area:

Adult Social Care

What is being assessed (e.g. name of policy, procedure, project, service or proposed service change):

The impact of the proposed Commercial Improvement plan for our relationship with providers.

Responsible owner / senior officer:

Kate Terroni

Date of assessment:

04/12/2018

Summary of judgement:

This assessment considers the impact of the proposed Adult Social Care Commercial Improvement on individuals, communities, staff, other council services and providers.

Our Commercial Improvement proposals centre on a renegotiation with care providers which would include:

- A shift to a block-purchasing system for most care home beds
- A review of how the council contracts for short term beds for older people
- Benefits that are anticipated through the development of a regional framework for Learning Disability Care homes

We have reviewed our relationships with care providers as part of our service and resource planning for 2019-2023. A number of proposed business cases were presented and are expected to generate combined savings of £1.500m from 2019/20 with an estimated further £0.200m saving from the regional framework from Learning Disability Care Homes from 2020/21. These will help to manage pressures in adult social care and enable the council to set a balanced budget overall. The impact of changes to our 'Core Offer' to people accessing services and 'Pathway Management' can be found in separate SCIA's.

The suggested changes are likely to have both positive and negative impacts. The changes would contribute to managing forecast pressures within Adult Social Care, help to enable the council to set a balanced budget overall and allow us to deliver the best possible services with the greatest value for money. The regional framework would also allow for more consistency with other local authorities in terms of the cost people incur for their support. However proposed renegotiations and efficiencies in what we pay could lead to a potential destabilising effect on some providers in the market. We will ensure that potential adverse impacts are minimised by working with system partners and providers. There are also potential impacts on staff, other services and providers in terms of increased workload, we will however ensure that those affected are supported in the event of any increases in workload.

Detail of Assessment:

Purpose of assessment:

The purpose of this assessment is to analyse the impact of commercial improvements, including how we negotiate with our providers to deliver value for money. The proposals are:

- **A shift to a block-purchasing system for most care home beds**
- **A review of how the council contracts for short term beds for older people**
- **Developing a regional framework for Learning Disability Care home placements**

Section 149 of the Equalities Act 2010 (“the 2010 Act”) imposes a duty on the Council to give due regard to three needs in exercising its functions. This proposal is such a function. The three needs are:

- o Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- o Advance equality of opportunity between people who share a protected characteristic and those who do not.
- o Foster good relations between people who share a protected characteristic, and those who do not.

Complying with section 149 may involve treating some people more favourably than others, but only to the extent that that does not amount to conduct which is otherwise unlawful under the new Act.

The need to advance equality of opportunity involves having due regard to the need to:

- remove or minimise disadvantages which are connected to a relevant protected characteristic and which are suffered by persons who share that characteristic,
- take steps to meet the needs of persons who share a relevant protected characteristic and which are different from the needs of other people, and
- encourage those who share a relevant characteristic to take part in public life or in any other activity in which participation by such people is disproportionately low.
- take steps to meet the needs of disabled people which are different from the needs of people who are not disabled and include steps to take account of a person’s disabilities.

The need to foster good relations between different groups involves having due regard to the need to tackle prejudice and promote understanding.

These protected characteristics are:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – this includes lack of belief
- sex
- sexual orientation
- marriage and civil partnership

Context / Background:

In the current medium term financial plan, the Adult Social Care budget is set to increase from £198m to £215m over the next 5 years. Meanwhile, unless action is taken Adult Social Care spending is forecast to increase from £199m to £223m in the same period.

The four main drivers for the forecast increase in expenditure are:

1. Increasing numbers of older people

There are more people over 65 and many more people over 85. By 2031, the number of people aged 85 and over is expected to have increased by 55% and people aged 65+ is predicted to increase by 44%. Some adult carers are themselves becoming older and cannot continue to provide care for others

2. Increasing complexity in the community

There are more people with complex needs who need on-going care. System practice has changed so more people live at home, for longer, and with more significant conditions. There are predicted to be an additional 3000 people living with dementia by 2031.

3. A price challenge for care homes

In response to the need to find care to help the system we have been buying individual placements, competing with other authorities and with the NHS.

4. A capacity challenge for home care

There are not enough home care hours available so more expensive options are used instead.

In order to meet these pressures as outlined within the Adult Social Care Medium Term Financial Plan for 2019/20-23, a range of business cases have been put forward.

A shift to a block-purchasing system for most care home beds

The current commercial model for purchasing of long-term care home beds outside of the existing block contract is to use a spot purchasing model (unplanned purchases of beds) with a weekly price per placement agreed at an individual level. These prices are governed by the Council's published Target Banding Rates for care homes but the actual price paid varies based on the person's individual needs and the market conditions at the time of placement.

Spot purchase beds are invariably more expensive than those purchased through the planned block contracts. This is further exacerbated by increasing complexity and acuity of need for both residential and nursing placements which requires increasingly intense and specialist input from care home staff. Furthermore, there is a restricted market supply of beds which can meet complex needs, resulting in premium pricing.

Short stay beds

There are currently four different types of short stay residential beds, spread across over 25 different care homes. Because the beds have been purchased at different times by different organisations in the health and social care system in response to current needs; performance measures, contractual expectations and prices vary across these beds.

Devising a regional framework for Learning Disability Care homes

Currently there are a small number of vacancies for people with Learning Disabilities within the south-east at any one time with many local authorities competing for those

places. The Transforming Care programme, which has seen a shift from people with learning disabilities being in hospital to living in the community, has also had the unintended effect of reducing the number of available placements and leading to demand led price pressure.

Proposals:

A shift to a block-purchasing system for long term care home beds

Through introducing a block contract purchasing mechanism for the purchase of long term residential and nursing placements we aim to establish economies of scale in the pricing structure; establish greater control over costs; and develop stronger relationships with the care homes that become our block contract partners.

Short stay beds

We propose to create a block contract for a core number of beds. This will provide a cohesive and standardised approach to commercial management and sufficient services to meet the system's expected demand. Under the new service specification there is a requirement that contracted care homes notify the commissioning partners of their capacity during periods of peak demand with the aim of providing additional capacity to support the system when needed.

It is estimated that a combined saving of £1.5m from 2019/20 can be achieved through increasing the use of block contracts for both long and short stay care home beds.

Devising a regional framework for Learning Disability Care homes

We will work with other south-east councils to set up a regional framework for Learning Disability placements. This will aim to ensure that the local authorities involved are offered consistent prices from different residential care providers. A regional framework would move away from the current seller's market for places, to enable a more stable and consistent pricing structure which in turn is expected to reduce costs. An estimated saving of £0.200m 2019/20 is estimated to be achievable as a result of the implementation of this framework.

Evidence / Intelligence:

In developing these proposals, the Council has considered the business plan 2018-19 for meeting social care needs of Oxfordshire residents: adults of working age, people with disabilities and older people. Business intelligence sources have been considered across the whole cycle of activity: operational, commissioning, sourcing and contract management. Key documents include:

- Joint Strategic Needs Assessment
- Key commissioning strategies
- Market position statements
- Performance, activity and finance data for teams across operations, sourcing and contract monitoring.

These proposals used regional and local market and contract performance benchmarking data. These sources contain commercially sensitive information and therefore are not included in this document.

A shift to a block-purchasing system for most care home beds

Procurements for care home beds carried out in 2017/18 and 2018/19 have indicated that lower weekly rates can be achieved through purchasing care home placements through block contracting arrangements.

Short stay beds

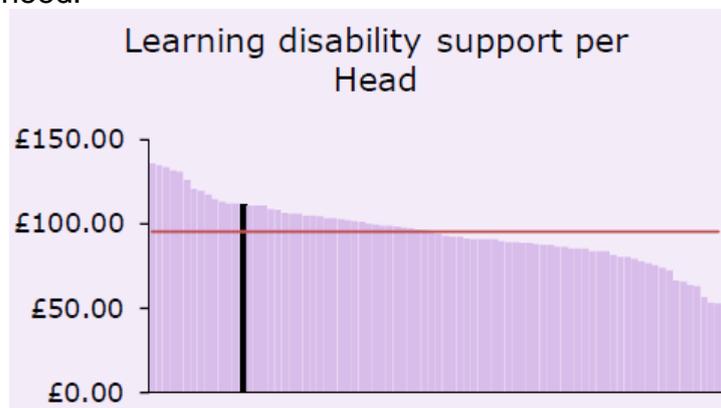
As a health and care system we aim to support people to live well at home, admission to a bed should only take place where remaining at home is not possible. For some people, a temporary stay in a care home bed is appropriate, to enable a short period of recuperation and rehabilitation after their hospital stay. In this way, short stay care home beds support our system's strategic aims to enable people to remain in their own homes for as long as possible.

Due to the fragmented approach to short stay beds, a meaningful and detailed set of performance data is not available for all current beds. However, we have modelled demand going forward taking into account occupancy levels in Oxford University Hospitals Foundation Trust, historic usage of beds and the predicted demography. This indicates that 125 short stay beds in care homes will meet the predicted demand, with the ability to increase the number built into the contract to assist with times of increased demand.

Due to the short stay nature of beds and the intention that people will return to their own homes following their stay, with the intention of reducing the number of people admitted to a care home on a permanent basis. This number is currently increasing, resulting in financial pressures for the Council to fund these admissions.

Devising a regional framework for Learning Disability Care homes

Oxfordshire spends slightly more on services for adults with Learning Disabilities than the national average. That might partly reflect the cost of care in Oxfordshire as well as levels of need.



Benchmarking carried out for south east councils by the Association of Directors of Adult Social Services (ADASS) South East Finance Group indicates that the Council spends just over the median for the south east but funds less people per 100,000 population than average. That implies that packages cost more than average for the south east but the data is insufficient to indicate what the reason for that is. As noted above, some care packages can be very large (£5k to £7k per week) so the average can potentially be significantly skewed by a few high cost service users in each council.

Alternatives considered / rejected:

In order to ensure the sustainability of Adult Social Care in Oxfordshire the Council has a responsibility to make sure it does not overspend against its allocated budget. It is for this reason that doing nothing is not an option.

Short stay beds

We have used the Council's Gateway Review Process to review our options for short stay beds:

1. Do Nothing

This option will result in system partners pursuing individual purchasing and contracting arrangements; the efficiencies and economies of scale from system purchasing will be lost and system partners will be competing with one another to purchase beds from the same providers.

The discharge pathway will remain fragmented and the current system complexity will remain. There will be no improvement for patients, in-reach services will be stretched and inefficient and there will be reduced value for money.

2. Framework Contract of Nursing Home Suppliers

A creation of a framework of suppliers to deliver rehabilitation services would potentially provide sufficient provision of care beds but is unlikely to provide an efficient in-reach medical support service. Therapy and medical cover arrangements are best provided alongside consistent care home providers; a framework contract would not permit medical cover arrangements to be consistently and efficiently provided.

There is likely to be a vast range of fees, and there is a potential for insufficient GP support.

It is likely that the framework would be seen by the market as their opportunity to fill vacancies, rather than create a high quality bespoke service

3. Block Contract for Core Care and Spot Purchase Framework for Additional Care

A single block contract for the minimum number of beds would be beneficial and provide sufficient high-quality care in a limited number of homes, and this would maximise the efficiency of in-reach services.

A framework of spot purchased provision would also manage the demand during peak periods. The framework would not commit the parties to work together, and there is potential for providers on the framework not to offer placements.

There are two negative aspects to the framework option, firstly it expands the numbers of providers that would form part of the system and secondly there is a likelihood of the rates for placements increasing through the spot nature of the placements on the framework. These two areas are critical to improve relationships with providers by being a better customer and to deliver increased value for money.

4. Inclusive Block and Expansion Contract

This model would

- maximise the effectiveness of the in-reach services,
- improve the relationship between the providers and the commissioning partners,
- maximise the occupancy in the providers' system
- provide maximum financial benefit to the commissioning partners

Devising a regional framework for Learning Disability Care homes

We have considered renegotiating costs of the Learning Disability care homes (out of county placements) with each provider on our own. This option has been rejected because collective renegotiation of costs across all providers on a regional basis is likely to deliver better and more sustainable outcomes for the council, other commissioners in the region and the care providers.

Impact Assessment:

Impact on Individuals and Communities:

These proposals concern Oxfordshire residents eligible for social care: adults of working age, people with a range of disabilities and older people. This impact extends to men and women, people living in cities, market towns and rural communities across the county.

Risks	Mitigations
Proposed commercial renegotiations might lead to destabilisation of the market.	In carrying out proposed commercial renegotiations the Council will ensure that potential adverse impact on stability of the market is minimised.
Short stay beds – The relocation of current services to a reduced number of sites means that people receiving services and their families may need to travel further under the proposed model.	<p>These beds will normally only be used for a short-term period prior to their return home.</p> <p>In securing the provision of short stay beds for the future, we will ensure that this includes county wide coverage with consideration given to the location of services, as well as the ability of services to meet the quality requirements.</p>

Impact on Staff:

Proposals to renegotiate with providers may impact on council staff in operational social care teams, as it will affect their priorities and workload.

Risks	Mitigations
Resource required from commissioning and operations will reduce capacity to do other work	Workloads will be reviewed to ensure they are managed appropriately and that sufficient resource is given to enable business as usual work is able to continue.
A higher workload may cause increased levels of stress for staff.	Staff will receive support from managers and the Employee Assistance Program is available.

Impact on other Council services:

Risks	Mitigations
No known risks	n/a

Impact on providers:

Risks	Mitigations
Changing contracts may increase dependence on other services.	We will examine alternative ways to meet those wellbeing and employment needs through engagement with the voluntary sector

Action plan:

Action	By When	Person responsible
Shift to block-purchasing system for most care home beds	June 2019	Rachel Pirie
Devise a regional framework for Learning Disability Care homes	March 2020	Eleanor Crichton

Monitoring and review:**Person responsible for assessment:**

Version	Date	Notes (e.g. Initial draft, amended following consultation)
v.2	30/11/2018	Initial draft
v.3	04/12/2018	Draft for Adult Social Care leadership sign-off