

**CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE****DEVELOPMENT OF PROCUREMENT ARRANGEMENTS FOR DOMICILIARY CARE  
FOR OLDER PEOPLE AND PEOPLE WITH A PHYSICAL DISABILITY****3 OCTOBER 2013****1. Purpose of the Report**

- 1.1 To report to the Committee on the progress with developing new arrangements for the purchase of domiciliary care.

**2. Background**

- 2.1 The purchase and supply of domiciliary care in North Yorkshire is a complex issue. Currently, the Directorate spends approximately £20m and this equates to 100,000 hours per week to provide domiciliary care for older people and people with a physical disability.
- 2.2 The diverse nature of the county in terms of both rurality and population means that there is a variety in the availability of services and in the price paid. Further factors that add to the complexity are:
- The drive towards personalisation including direct payments and the need to offer choice and flexibility to users of the service.
  - Emerging issues in terms of concerns about how care is provided which include zero hours contracts, the living wage and the training and supervision available to care workers.
  - In order to operate effectively, care agencies need a level of business that will allow them to have effective and efficient management systems.
  - In some areas of North Yorkshire, there is an over provision of providers whilst in others provision is very limited and there is a reliance on the NYCC provided services.
- 2.3 Currently the arrangements are that providers apply to be part of the County Council's provider list and must meet a number of standards. These include CQC registration and adherence to business and policy requirements. Once an organisation is part of the list, they will be allocated work based on availability and the calculated price of the care package.
- 2.4 These arrangements have had the advantage of encouraging a large number of providers, thus offering choice but this number of providers means that it had been

difficult to achieve efficiencies from providers or to be able to monitor effectively the quality of the services.

- 2.5 In 2010/11, the County Council undertook an exercise to regulate how providers charge for domiciliary care and to seek competitive pricing. This has been largely successful in that the previous practice of additional charges for mileage and weekend and bank holiday work has ceased but there are still variations in this approach from provider to provider. The exercise has though enabled the brokerage service to purchase care from individual providers on a more efficient basis. This has currently led to a reduction in the average hourly price for domiciliary care in 2012/13.
- 2.6 The directorate's current efficiency programme indicates that it will look to re-procure its domiciliary care arrangements and to seek savings from this exercise.
- 2.7 This item indicates the progress that has been made, the next steps and some of the opportunities and risks that still need to be considered.

### **3. Progress to Date**

- 3.1 The directorate has undertaken a period of market engagement with current providers of service and providers who are interested in future arrangements. This commenced with the provision of information surrounding the current market position and potential options. It has now moved on to the discussion of more detailed proposals.
- 3.2 Mindful of the requirements for consultation and engagement, as set out in the Social Value Act 2012, a recent meeting of providers held on 5<sup>th</sup> September 2013 attracted over 100 people and the detailed feedback has informed the options that will be put forward for consideration and agreement. Providers engaged positively within this meeting, commenting favourably on the Directorates approach to date.
- 3.3 Similar engagement has and is being undertaken with NYCC commissioning staff and the service users to ensure that proposals equally will meet their needs.

### **4. Next Steps**

- 4.1 Information about the current provision of domiciliary care has indicated that there are four areas where there is a sufficient volume and supply of domiciliary care for a procurement exercise to be undertaken. There are then a number of geographical areas where further consideration needs to be given to the arrangements and options for the purchase of care. Finally, there are a small number of areas that are geographically very rural with a sparse population where

development work and possible innovative solutions will be needed. These innovations could include:

- Social enterprises
- Staff mutual
- Model of collaboration between providers

4.2 It is therefore proposed that the process is undertaken in three stages, commencing with the areas where a procurement exercise is currently well defined. In terms of the provision of current care, these four areas will equate to around 50% of the hours purchased. The identified areas are:

- Harrogate
- Scarborough
- Selby North
- Selby South

4.3 The clear message from all the engagement processes is that whilst efficiencies are an important part of the exercise, the need to maintain and improve the quality of the service is crucial. The areas that will be considered include:

- Reliability of the service.
- Consistency of staff providing the service.
- Increased availability of care and support early morning and late evening.
- Involvement of the service user in how the service is provided.
- Increased quality expectations such as training requirements.

4.4 There will also be a requirement for organisations to accept direct payments or individual service funds as their first option, thus increasing take up of these.

4.5 It is also crucial that the implementation of the arrangements and the arrangements themselves do not destabilise the provision of care to people using services and their families. Continuity of care plans, and avoidance of disruption to families will be paramount in our planning and implementation of the proposed procurement.

## **5. Decision Making and Timetable**

5.1 A full report is to be presented to the HASMB Transformation Board in October. This report will contain options for the procurement and for the methods of delivery of domiciliary care.

5.2 It will also detail the phasing approach that is to be adopted.

- 5.3 A key element of the proposals will be the implementation process. The options will be clear about the risks involved in each so that a considered decision can be made regarding the aims of efficiency and raising quality and deliverability.
- 5.4 The existing arrangements continue to deliver some efficiencies and this will be taken in account in agreeing the timetable as there is a clear need for the identified risks to be addressed in the final proposals.

**Mike Webster**  
**Assistant Director**  
**Procurement, Partnerships and Quality Assurance**