

Report to:	Cabinet	Date of Meeting:	2 nd December 2021
Subject:	Commissioning Domiciliary Care (Domiciliary Care Tenders)		
Report of:	Executive Director of Adult Social Care and Health	Wards Affected:	All Wards
Portfolio:	Cabinet Member Adult Social Care		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To seek approval with regards to the immediate approach to commissioning Domiciliary Care Services in Sefton. The options in this paper describes the approach to procuring services effected by the Covid 19 Pandemic and workforce issues being experienced in the market. This would include authorising delegated authority relating to any actions required to safely manage urgent market risks in a timely way.

To seek approval to commence a full procurement exercise based upon the development of strategic plan around quality, sufficiency and workforce impact over the next 3 to 5 years.

Recommendation(s):

Cabinet is recommended to approve;

- 1) That the Executive Director of Adult Social Care and Health be delegated and authorised to undertake, as required based on an analysis of associated market risks, any required procurement exercises to safely manage the Domiciliary Care market and to mitigate any future risks of market failure. Once a Domiciliary Care Strategy is developed and further consideration of any new purchasing arrangements are better understood, details will be brought back to Cabinet for relevant decisions needed beyond this timeframe.
- 2) That due to the need for urgent responses to manage the current market risks the Executive Director of Adult Social Care and Health has delegated authority to make decisions with regards to contractual arrangements, service specifications, costs, the awarding of contracts and their durations, including any extension periods to the initial core contract period in consultation with the Cabinet Member for Adult Social Care and the Executive Director of Corporate Resources and Customer Services.

- 3) That delegated authority is given to the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Member for Adult Social Care and the Executive Director of Corporate Resources and Customer Services, to make decisions on the strategic approach to the commissioning of Domiciliary Care Services based on a new Sefton Domiciliary Care Market Strategy. The proposed Strategy will be recommended to Cabinet for approval in due course.

Reasons for the Recommendation(s):

To ensure that commissioning arrangements for the provision of Domiciliary Care within Sefton are in place to meet the assessed need of Sefton's residents.

To ensure that both the immediate and longer-term strategic approaches to market sufficiency, safety and sustainability are in place in a timely manner and mitigate risks of market failure.

To develop a cohesive and inclusive Commissioning and Market Management Strategy to ensure that the longer term needs and risks of the market are further understood and can be used to develop new commissioning arrangements which will support sustainability and market sufficiency aligned to the Adult Social Care Vision.

Alternative Options Considered and Rejected: (including any Risk Implications)

The following options were considered and rejected;

- **Maintaining the status quo –**

This is to continue and extend the current arrangements with Knowsley Council and continue with a purchasing system established in 2018 through a tender exercise led by Knowsley Council. This is not considered a viable option because of the emerging market risks connected to the social care workforce.

The option to develop local purchasing and commissioning arrangements will be explored to ensure that Sefton is assured of local sufficiency and stability. The approach will be developed as part of a 3 to 5-year Commissioning and Market Management Strategy for Domiciliary Care.

What will it cost and how will it be financed?

(A) Revenue Costs

Revenue costs, with respect to the new contracts and any future further procurement exercises, will be met from existing Domiciliary Care budgets. The total annual budget for Domiciliary Care is £15.8m per annum for 19,154 care hours per week across 38 providers.

(B) Capital Costs

None.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
There are no resource implications arising from this report at this stage.	
Legal Implications:	
Care Act 2014 Care and Support Statutory Guidance Public Contract Regulations 2015	
Equality Implications:	
The equality implications have been identified and mitigated.	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	
Have a neutral impact	Y
Have a negative impact	
The Author has undertaken the Climate Emergency training for report authors	Y

Contribution to the Council's Core Purpose:

Protect the most vulnerable:
Domiciliary Care provides care and support to vulnerable people assessed as requiring such services, thus ensuring that the Council meets its statutory obligations.
Facilitate confident and resilient communities:
Domiciliary Care services support the maintenance of independence, including ensuring that Service Users remain as part of their local communities.
Commission, broker and provide core services:
The adoption of the recommendations will ensure that statutory services will continue to be delivered to vulnerable Service Users.
Place – leadership and influencer:

Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6610/21) and the Chief Legal and Democratic Officer (LD4811/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation has taken place with the current Lead Providers in Areas 3, 4, and 5.

Implementation Date for the Decision

Immediately following the Cabinet meeting.

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Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1. There are currently significant capacity issues within the Domiciliary Care Market in Sefton which mirrors the national position. Reports from organisations such as the UK Home Care Association and North West ADASS indicate that this is an issue not specific to Sefton and similar pressures are being seen both regionally and nationally.
- 1.2. The annual budget for Domiciliary Care in Sefton is £15.8m to 1585 residents with an average care package of 12 hours of care weekly. The demand for care has

increased, as well as the frailty and complexity of those requiring care has increased with a greater demand for 2 carers at each visit.

- 1.3. The demand for Adult Social Care, including Domiciliary Care, is projected to increase significantly, partly due to the ageing population. For example, it is reported that 57 per cent more adults aged 65 and over in England will require care in 2038 compared to 2018.
- 1.4. Current capacity issues are due to several factors, including significant difficulties in recruiting and retaining staff, competition with the hospitality sector, the increase in demand for Domiciliary Care due to complexity of older people needing care and Provider costs. Such challenges are being experienced across a range of industries and the Covid 19 Pandemic is a contributing factor, with many people not wishing to access residential care, coupled with a drive to discharge people home from hospital more quickly.
- 1.5. The Domiciliary Care market in Sefton has been exceptionally challenged as a result of the COVID Pandemic. Providers have had to adapt to new ways of working such as increased requirements for Infection Control and Personal Protective Equipment, testing for staff, and vaccinations. Staff have been exposed to extremely stressful working conditions with many staff having to work additional shifts to cover staff sickness and isolation, and the impact of trauma and fatigue on staff resilience and morale.
- 1.6. Ongoing engagement work is taking place with the Provider market to both further understand and address current issues. In addition, Sefton (as with other Local Authorities) has a high number of people awaiting packages of care.
- 1.7. Subsequently, Sefton will need to ensure that it has both commissioning and internal decision making arrangements in place which support Adult Social Care to quickly adapt and implement new commissioning arrangements and to effect such commissioning arrangements in response to the mitigation of market risks.
- 1.8. The increased demand for Domiciliary Care also reflects wider strategic aims of Adult Social Care, enabling more people to live independently in their own homes so that people can live well and flourish within their communities. The Domiciliary Care market has been growing in response to this, however, the significant increase in demand and changes in the available workforce, recognised at a national level for the care sector, is also putting extreme pressure on providers in responding to this need. The staffing issues are also impacting on unpaid carers.
- 1.9. There is a need to develop a Commissioning and Market Management Strategy to better understand these issues and engage with partners, stakeholders and providers to enable local strategies to be supported in achieving market sufficiency and sustainability within our local communities across the Borough.
- 1.10. Work needs to be undertaken in assessing local factors such as provider costs, alignment to the real living wage to support recruitment and retention of staff, engaging in workforce strategies to encourage more entrance into working in the care sector, and rewarding staff appropriately through progression routes and enhanced working conditions.

- 1.11. It is proposed that this work will commence immediately with some urgent changes are needed to manage risk specifically in Areas 3, 4, and 5 within the established Pseudo Dynamic Purchasing System, PDPS, due to providers wishing to hand back contracts. This will enable commissioners to manage urgent needs in the market without delay and prepare the required tender documents with assessment of bids and evaluations to be undertaken immediately following Cabinet.

2. Commissioning Approach

- 2.1. In order to ensure that future commissioning arrangements for Domiciliary Care services are sufficient, sustainable, and are of an excellent quality, a Commissioning and Market Management Strategy will be developed and will involve people with lived experience, carers, providers and other stakeholders. Consideration of 1 provider for all areas will be given in procurement design.
- 2.2. This strategy will describe an integrated approach to commissioning Domiciliary Care services with a focus on workforce and career development. Future consideration will be needed in relation to funding the social care workforce in Sefton.
- 2.3. Alignment to regional and national forums to ensure Sefton is aware and engaged in agendas and initiatives to support the sector including workforce and retention of staff and provider costs will also be crucial in building a better understanding of the market and taking forward our ambitions to achieve the best outcomes for people aligned to the Adult Social Care vision.
- 2.4. Work will begin about managing the immediate changes required to the market with further work developing the strategy being undertaken over the coming months. Any decisions with regards to the strategy and actions developed will be undertaken within appropriate governance arrangements.

3. Immediate proposals and recommendations to mitigate availability of domiciliary care

- 2.1. Sefton's market is currently 'split' into six contracted areas as part of a joint procurement arrangement, PDPS, in place with Knowsley as approved in 2018. In each area, there is a Lead Provider who is required to accept 90% of all referrals for care packages commissioned by the Council. There have been ongoing challenges to ensuring capacity in Areas 3, 4 and 5 and therefore there is a need to identify new capacity outside of the arrangements established in 2018 through securing new Lead Providers. This will now need to be addressed through a procurement exercise.
- 2.2. There are currently 1558 hours of Domiciliary Care waiting to be picked up by Providers in all 6 Areas.
- 2.3. It is proposed that the Council utilises the existing PDPS to conduct a procurement exercise in line with Council financial regulations to secure new Lead Provider/s which will be undertaken immediately following the decision with regards to this report.

- 2.4. The current contract and service specification would be used to ensure there are consistent contractual and service delivery arrangements in place for the new contracts. An evaluation panel will be established and will involve stakeholders and groups representing people with lived experience.
- 2.5. The budget allocated for Areas 3, 4, and 5 by this procurement exercise totals £300,000, £900,000 and £900,000 respectively for a 2-year contracted period. There is a likelihood that the costs may increase due to a range of factors including fee rates increase and the need to consider incentivisation initiatives with providers and so further work will be needed to assess risks and the Executive Director of Corporate Resources and Customer Services will be consulted with regards to mitigations where needed.
- 2.6. Department of Health and Social Care have recently announced the allocation of a workforce grant for expenditure between October 2021 and March 2022 to support the sector. Sefton Council's allocation is approximately £1 million and potential options to spend the allocation are being evaluated, including passporting directly to providers based on need and linked to the strategic priority of mobilising a Domiciliary Care workforce in historically challenging areas of the borough.

4. Conclusion

- 4.1. The above recommendations have been submitted in order to ensure that Domiciliary Care services continue to be delivered in a safe and suitable way ensuring that actions can be taken in a timely way in response to known and emerging risks.
- 4.2. Procurement exercises undertaken and new contractual arrangements will continue to have a strong focus on both supporting vulnerable Service Users in Sefton to live independently, supporting the Provider market to meet increased demand for services and ensuring that care staff delivering services are valued and supported.
- 4.3. The recommendations have also been made to outline proposals for a future Commissioning and Market Management Strategy which will ensure that future services are commissioned and delivered in acknowledgement of market pressures and risks however also with the aim to provide sustainable and sufficient resources to meet needs.