

Report for:
INFORMATION



Contains Confidential or Exempt Information	Yes – Report Part I Appendix 1 Part II By virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.
Title	Outcome Based Homecare Contract – Annual Review 2015-16
Responsible Officer(s)	Alison Alexander, Managing Director and Strategic Director of Adults, Children and Health
Contact officer, job title and phone number	Hilary Hall, Head of Commissioning, Adults, Children and Health, 01628 683893
Member reporting	Cllr Coppinger, Lead Member for Adult Services, Health and Sustainability
For Consideration By	Cabinet
Date to be Considered	29 September 2016
Implementation Date if Not Called In	Immediately
Affected Wards	All

REPORT SUMMARY

1. In August 2015, the Royal Borough moved to a new way of commissioning homecare services. Instead of homecare being delivered to do things for people an Outcome based Service was put in place to enable residents to regain or maximise their independence.
2. The contract for the service was awarded to Carewatch Care Services Limited. This report sets out the benefits that have been delivered for borough residents in the first year of the contract's operation, together with the benefits expected in the second year of the contract.

If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
1. Residents receive, in their own home, the service they require, at the right time, to enable them to remain healthy and to live independently.	March 2017

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION: That Cabinet notes:

- i. The progress in offering outcome based homecare services and the benefits it offers to residents.**
- ii. The plans for developing the service in the second year of the contract**

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Royal Borough commissioned homecare services for residents through an outcomes based homecare contract in 2015, to ensure:
 - The best model of home and community based support for the benefit of residents.
 - The service offer is aligned to the Care Act requirements. The provision of 'home care' services was financially sustainable.
 - Satisfaction with service provision
- 2.2 The service specification requires the service provider to support residents to become more independent, rather than receive a daily service that is about the provider undertaking tasks for the resident so that the need for adult social care intervention declines. Outcomes based commissioning is based on the approach that the provider, Carewatch Care Services, innovate and uses a variety of aids/adaptations, including telecare as well as the resources of the voluntary sector, such as Carebank's befriending volunteers, to keep residents safe and independent.
- 2.3 Support residents to become, remain, independent enables our residents to stay in their own homes rather than moving to residential care. This approach aligns with the Care Quality Commission's view of the three important features of integrated care:
 - Services working together across the health and social care sectors.
 - People's control over the planning of their care.
 - Achieving the results that are important to people who use services, their families and their carers.
- 2.6 In February 2015 the contract for Outcome Based Commissioning was awarded to Carewatch Care Service Ltd to commence in August 2015. The contract delivers a 15% saving in year one on the original cost of the homecare package (the cost of the package will vary dependent on need but is based on the rate of £17.95 per hour. Table 1 summarises progress against the original contract specification is.

Table 1: Summary progress in the Carewatch contract, September 2106

Objective	Progress Sept 2016
100% of referrals for homecare taken by Carewatch	Achieved
Outcome Based Service in place for all eligible new users by August 2015	Expected January 2016, start delayed – now active.
One monthly invoice for Homecare	Achieved
Carewatch to provide 50% of care directly and 50% through subcontractors	Achieved
Move from a large number of providers to one provider with sub-contractors – so that all hours are contracted via Carewatch	Achieved

- 2.7 Moving from contracting with a number of companies to contracting with one company has reduced the number of hours spent in brokering care packages for residents. Instead more time is spent on assessments and monitoring of the service the company provides. It has also ensured certainty of supply and consolidated the provider market.
- 2.8 At any one time between 350-400 residents in the borough receive homecare packages. As at August 2016, 35 residents are receiving an outcome based service. One of the 35 residents has regained full independence through this new approach, see appendix 1: case study. This number of residents receiving an Outcome Based service will increase on a monthly basis as this is the only type of service available from January 2016.
- 2.9 The contract was due to start to deliver outcome based packages from August 2016. Implementation of the contract was delayed by six months to ensure that initial concerns about the quality of service were resolved. The issues experienced early in the contract relating to quality were largely related to: realigning the local workforce and moving from a dependency model of delivering ‘time and task’ care to people to a model that promotes independence through reablement. This is most simply expressed as moving from washing people to enabling them to wash themselves.
- 2.10 One year into the contract, the benefits now being delivered are:
- Stability in a struggling sector with the provider committed to taking all referrals.
 - A long term contract commitment of 5 years providing certainty of investment that will stabilise the workforce.
 - Higher wages for the staff delivering care.
 - No exposure to living wage increases during the five year term of the contract to the commissioner - RBWM.
 - A service delivering health outcomes – impacting on the level of service residents require from GPs.

2.11 Further benefits anticipated in year two of the contract are:

- Continue to expand the number of residents receiving the new type of service and those in receipt of the service have high quality independence plans.
- The potential growth of the Outcome Based homecare service across East Berkshire authorities to make it more sustainable due to it being a common approach across a wider geography than RBWM.
- The opportunity to offer an independence plan to the 400 existing homecare service users in a sensitive and planned way.

Transferring from the traditional time and task contract to an outcomes based contract has meant the Royal Borough is recognised, nationally, as an example of “emerging thinking and planning of arrangements which others are keen to emulate” (Institute of Public Care discussion paper, April 2015).

Option	Comments
<p>To note the delivery to date and the further benefits anticipated in year two of the contract</p> <p>Recommended</p>	<p>Despite initial issues with implementation, the contract is now delivering outcome based packages of care.</p>

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
<p>Increase the number of existing residents receiving homecare onto outcomes based homecare</p>	0	50	60	70	August 2017

4. FINANCIAL DETAILS

Financial impact on the budget

- 4.1 Savings are expected to be delivered from February 2017 onwards, on the basis of those service users who have been re-abled in their first year of an Outcome Based Service. Carewatch has guaranteed to reduce the average second year cost of packages of care.

Financial Year	Expected saving	Saving description	Amount achieved	How the saving was achieved
2015/16	£150k	This was based on the economies of scale arising from the consolidation of numerous small and medium sized contracts with homecare providers to one single contract with a lead provider.	£150k - delivered over 15-16 and 16-17	The successful tender price for the new higher specification service is below the successful tenderer's previous spot rates for a time and task service.
2017/18	£220k	<p>There were no savings anticipated from the outcome based contract in 2016/17 as the impact on a package of care from reablement would not be realised until the second year of that package.</p> <p>Savings in the region of £220k were forecast for 2017/18, increasing annually thereafter for the term of the contract as more service users benefit from the outcome based service.</p>	N/A	<p>Due to the delay in implementation, there are a lower number of packages of care that will enter their second year early in 2017/18.</p> <p>Savings will only arise in the second year of packages and therefore the forecast £220k saving for 2017/18 is now expected to be delivered in 2018/19.</p>

- 4.2 Savings on the homecare budget are being delivered in 2016/17 as evidenced by a lower number of packages of care. This is likely to be due to the success of telecare and preventative services such as the Better Care Fund supported “falls prevention service”.

	2016/17	2017/18	2018/19
	Revenue £'000	Revenue £'000	Revenue £'000
Addition	£0	£0	£0
Reduction	£0	£0	£220

5. LEGAL IMPLICATIONS

- 5.1 There are no specific legal implications relating to this contract at the time of this report.

6. VALUE FOR MONEY

- 6.1 The underlying premise of the approach is one of value for money. The outcomes based commissioning model is designed to ensure that the service is making effective and efficient use of the health and social care budgets.

7. SUSTAINABILITY IMPACT APPRAISAL

- 7.1 A sustainability impact appraisal is not applicable to this contract.

8. RISK MANAGEMENT

Risks	Uncontrolled Risk	Controls	Controlled Risk
Provider and sub contractors fail to deliver a safe effective service.	Medium	Contract has built in step in rights so that the Royal Borough can intervene if the contract is not delivering.	Low

9. LINKS TO STRATEGIC OBJECTIVES

- 9.1 This contract supports the Royal Borough’s strategic objectives of Residents First, Value for Money and Delivering Together.

10. EQUALITIES, HUMAN RIGHTS AND COMMUNITY COHESION

- 10.1 The contract supports equality of access to service.

11. STAFFING/WORKFORCE AND ACCOMMODATION IMPLICATIONS

11.1 None

12. PROPERTY AND ASSETS

12.1. The Royal Borough leases space in York House, Windsor to Carewatch to enable the service to be co located with the Adult Social Care teams, thus promoting joint working and communications.

13. ANY OTHER IMPLICATIONS

13.1 None

14. CONSULTATION

14.1 None

15. TIMETABLE FOR IMPLEMENTATION

N/A

16. APPENDICES

- Appendix 1 - Case Study

17. BACKGROUND INFORMATION

- None

18. CONSULTATION (MANDATORY)

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr Coppinger	Lead Member Adult Services, Health and Sustainability	19/8/16	22/8/16	
Russell O'Keefe	Strategic Director Corporate and Community			

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
	Services			
Alison Alexander	Managing Director/ Strategic Director Adults, Children and Health		24/8/16	Throughout
Simon Fletcher	Strategic Director Operations and Customer Services			
Alan Abrahamson	Finance Partner	19/8/16	19/8/16	Section 4
Terry Baldwin	Head of HR			

REPORT HISTORY

Decision type:	Urgency item?
For information	No

Full name of report author	Job title	Full contact no:
Nick Davies	Service Leader - Commissioning Adults	01628 683614