

Agenda item:

[No.]

Cabinet Procurement Committee

On 30th March 2010

Report Title: **Update to Procurement Committee regarding contracting Options for Adult Social Care (to agree the recommendations to move towards the preferred style of contracting arrangements for adult social care)**

Report of **Mun Thong Phung the Director of Adult, Culture and Community Services**

Signed :

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Wards(s) affected: ALL

Report for: Key

1. Purpose of the report

- 1.1 To update Cabinet Procurement Committee on the progress of adult social care in developing a preferred contracting arrangement.
- 1.2 The government's personalisation agenda is now almost two thirds the way through the three year period given to local authorities (1st April 2008 – 31st March 2011) to begin transforming adult social care services. Members are aware that the Department of Health has issued guidance to support the

Transformation of Social Care. In October 2009, the DH issued 'Progress Measures for the delivery of Transforming Adult Social Care Services', introducing milestones that each local authority must achieve by April 2010, October 2010 and April 2011. Further, the Care Quality Commission Service Inspection in Adult Services in January 2009 was critical of the Directorate's continued commissioning and delivery of traditional pattern of services, noting there was considerable work to do to transform this to meet the requirements of the personalisation agenda.

1.3 In order to successfully deliver 'personalised care', Haringey like many other local authorities are reviewing their community care contracting arrangements. In delivering Adult Social Care (including services to carers), the role of the Council will change, from a commissioner of services on behalf of residents, service users and their carers to one of ensuring the development of the market to be able to deliver services that service users and their carers will wish to purchase using their individual budgets. This transformation is expected to reduce the need for Haringey Council to maintain the current level of 'block' contracts.

1.4 Members are asked to consider the proposed contracting method and their agreement is sought for Adult Services and Commissioning to proceed with a developing a framework that allows for individual contracting arrangements, with the implementation of an agreed framework..

2. Introduction by Cabinet Member

2.1. The personalisation agenda represents a significant change for adult social care, including how we work with informal carers. One of the key changes that is now being considered is how the Council will be procuring, and contracting for services in the future. This is being managed through the Transforming Social Care Programme Board, chaired by the Cabinet member for Adult Social Care and Well-being.

2.2. This report updates Members on progress to date in reviewing contracting options to support the implementation of personal budgets offering more choice and control to people who use services, and their carers.

2.3. The contracting methods proposed in this report will support the delivery of the emerging personalisation agenda, which gives residents far greater control over the resources used to provide care.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1. The recommendations and proposals outlined in this report are intended to give local residents who use social care direct control, including purchasing power,

over the services they determine they need to live fruitful, independent and fully satisfying lives. This sits within a national Government framework supported by all key public agencies to put residents who use social care in control of the decisions that affect them, whilst ensuring a high quality of services that deliver value for money.

3.2. This agenda and the approach set out in this report supports the delivery of the following key Council Objectives:

- Encouraging life time well being, at home, work, play and learning;
- Promoting independent living while supporting adults and children when needed; and,
- Delivering excellent, customer focused, cost effective services.

3.3. The anticipated outcomes of the preferred option detailed in this report is to give local residents choice, via their individual (personal) budget, to specify what services and products they determine will meet their requirements and aspirations; to be able to select the suppliers and even staff they want to deliver those services and to be directly involved, with the support of our officers and staff, in the quality control and monitoring of the services they decide to purchase.

4. Recommendations

4.1. The Cabinet Procurement Committee is recommended to endorse in principle the development of a framework arrangement, which includes the development of a personalised purchase agreement or contract and new support and quality monitoring functions that support residents using an individual social care budget in making their own purchasing decisions

4.2. The Cabinet Procurement Committee is further recommended to task the Head of Procurement Services and the Director of Adults, Culture and Community Services and their nominated officers to work on the required processes, including the review of existing staff functions, documentation and further consultation needed to deliver this option

4.3. A further report detailing the new framework and support functions will be presented to the Cabinet Procurement Committee for endorsement and agreement no later than November this year, with the intention of having the new arrangements in place and fully operational by April 2011.

5. Reason for recommendation(s)

5.1. In December 2007 the Government in partnership with the NHS, Local Authorities and other agencies concerned with delivering services to people

whose circumstances make them vulnerable and those with long term conditions, committed to the Concordat 'Putting People First'. Further Statutory Guidance issued by the Department of Health has defined this as Local Authorities being able to offer every resident who needs social care their own individual (personal) budget, which will encompass all Local Authority funding available to pay for the services they need.

- 5.2. A requirement of the new approach and one which is a key emphasis of the emerging Government guidance is the role of Local Authorities in ensuring that there is a good range of good quality services available to local residents to choose from. To achieve this there will be a need to review not only the way in which the Council commissions services but also how services are contracted for and monitored, to ensure they are meeting each individual resident's specified requirements and are able to meet those individualised requirements to a standard that both the resident and Council expect.
- 5.3. There appears to be an emerging recognition amongst local authorities and in Government that the purchasing power will shift from Council's and it's officers to individual residents using an individual (personal) budget. There is a clear recognition by the Government and agencies such as the Care Quality Commission that Council's will need to put appropriate and robust frameworks in place to support residents in confidently exercising their purchasing choice, while at the same time ensuring that the most vulnerable are protected and safe guarded and that Councils are enabled to take appropriate and rapid action in the event that a supplier fails to deliver or provides poor quality services.
- 5.4. Market research has been conducted with a number of local authorities. West Sussex County Council have developed an approach to supporting individual purchasing and contracting that is being held up as a national example of good practice, not only in terms of the processes and arrangements that have been implemented but also in the way they engaged with both residents and suppliers in developing those arrangements.
- 5.5. The evidence in support of the West Sussex approach as the preferred option that the Council should explore and develop further is very persuasive and this evidence is explored in more detail in section 7 of this report. At this stage the Procurement Committee are being asked to agree in principle that this is its preferred option and then to task both the Head of Procurement and the Director of Adults, Culture and Community Services and/or their nominated officers to work up more detailed proposals on how this option might be implemented, for consideration by the Committee later this year.
- 5.6. What is clear from the West Sussex approach and the Council's emerging market development experience, described in section 7 of this report, is that a move towards supporting residents in having full control over the purchasing of their services is both desirable and deliverable, within a framework of monitoring that ensures quality and safety.

5.7. It is also apparent from the analysis of the Council's traditional approach of block contracting, as explored under option 2 in appendix 1 of this report, that this is unlikely to deliver the level of choice and control for residents needing social care that is envisaged by the Putting People First Concordat.

5.8. There is a need to consider the risk of a significant number of residents deciding not to use their individual budgets to purchase from a block contracted service and the Council being left with contracted liabilities it cannot fund.

5.9. Some local residents, for example, older residents who use social care, may not feel confident or want to change their existing arrangements or suppliers, including the Council purchasing on their behalf, and the framework arrangement will allow for the Council to manage the individual contracts with providers on the service users behalf. With younger adults, there is national evidence that the this group of users have been willing to work with services purchased to deliver their personal outcomes and are comfortable exercising choice.

6. Other options considered

6.1. Appendix 1 to this report sets out the three main options for purchasing and contracting frameworks that have been considered, with a table outlining benefits and risks.

6.2. As discussed elsewhere in this report Option 1 in the appendix is the preferred option as it is the most likely option that will deliver the diversity of choice and control envisaged by personalisation. Further work is needed on developing and delivering the processes, documentation and support functions needed to ensure that choice is delivered within a framework of robustly monitored suppliers who clearly understand their adult safe guarding responsibilities and who work within the Council's policies and procedures designed to protect vulnerable adults.

Adult Safeguarding, Competition and Quality Control

6.3. As with the West Sussex approach a framework arrangement will be negotiated with all likely suppliers of domiciliary care and other social care services and all suppliers that want the Council to offer their services to local residents exercising an individual budget, will be required to be on this framework.

6.4. The framework will set out the core standards that we would expect all suppliers to work to and the core outcomes the Council expects all services to deliver against. This will include the requirement that all suppliers must be rated as 2 star (good) or above by the Care Quality Commission (CQC). However, it should be noted that these standards will not significantly exceed or go beyond those required by CQC in order to minimise disincentives that may limit resident choice of services.

- 6.5. With the proposed framework arrangement, there will be no tender or bidding exercise attached to the framework, although all suppliers wanting to apply to go on the framework will be required to go through a pre-qualification assessment to determine that they are financially sound and have all the key legislative and health and safety requirements in place. They will also be required to comply with whatever accreditation arrangements we put in place to determine that they are able to safely offer the services they state they can offer, particularly in relation to specialist services and services that are not subject to statutory regulation e.g. domestic cleaning and handy person services.
- 6.6. It should be noted that all suppliers will be required to agree to their prices; quality assessments and inspection outcomes and feedback from other residents using their services to be published to all residents and this will support residents being able to exercise informed choice as well as ensuring that there is a healthy level of appropriate open competition. It should be noted that the Council's Market Development Team will continue to work with and challenge all suppliers on the framework, in terms of their costs and the delivery of improved efficiencies and services to ensure that local residents continue to have a choice of highly competitive and cost effective prices.
- 6.7. The framework will include a requirement for all suppliers to work in accordance with both national and the Council's local adult safeguarding arrangements and procedures and to take part in all training and meetings that are required by the Local Safeguarding Multi-agency Board and policy.
- 6.8. Clauses will be included in the individual purchase agreement used by residents authorising the Council to act as the resident's quality control and monitoring agent and which require suppliers to accept the involvement of the Council in monitoring their services. This will include a clause that authorises the Council to bring the contract to an end on the resident's behalf, as happens now, where there is clear evidence of a significant default or failure to deliver against any of the requirements of both the purchase agreement or the resident's support plan or where there is evidence to support a resident's significant dissatisfaction with both the operation and delivery of their service. This will also enable the Council to act on the resident's behalf in the event of adult safe guarding issues arising that are attributed to the supplier and their staff and/or where a significant other risk has been identified.

7. Summary

- 7.1. For the last year the Commissioning Service (Adults, Culture and Community Services), with colleagues in Corporate Procurement and Contracting, have been exploring how the purchasing and contracting arrangements of Adult Services can be transformed to support and enable residents in exercising their choice and control through personalised services and individual budgets, through the review

of the Council's domiciliary care contracts. Cabinet Procurement Committee agreed an extension up to March 2011 to allow us to fully explore the alternatives to block commissioning and contracting.

- 7.2. Early evaluations identified three options/approaches to procuring and contracting publicly funded care, which includes block contracting, framework agreements and individual/spot purchasing.
- 7.3. Appendix 1 to this report sets out a benefits and risk analysis matrix in developing personalised services for each of the contacting options.
- 7.4. The framework that offers the preferred approach and where there is clear evidence of maximising the level of control and choice given people using a personalised budget, is the individual contract framework developed by West Sussex County Council.
- 7.5. West Sussex are one of the national Individual Budget Pilot authorities and the personalised contracting approach they have put in place is being held up as a national example of good practice. This approach is described in more detail in below.
- 7.6. A Domiciliary Care Core Design Group comprising members of the Haringey Forum for Older People and carers from the Carers Partnership Board; Age Concern and the Alzheimer's Society; the Personalisation Programme Coordinator and the Council's Head of Older People's Services has been overseeing and developing the future approach to supporting residents with individual purchasing in relation to domiciliary care.
- 7.7. In addition there have been extensive discussions with suppliers on the emerging approach via provider forums; through the Home Based Services Supplier Group and with individual suppliers.
- 7.8. Consensus across these groups and senior colleagues from Adult Services, Corporate Procurement and Corporate Finance points to the development of an approach that supports residents with individual purchasing decisions as the most effective means of delivering personalised services as outlined in option 1

The West Sussex Approach

- 7.9. In essence this approach is built upon the foundation of a framework agreement that was developed and negotiated in partnership with all suppliers of domiciliary care in West Sussex but which was based on a clearly expressed desire by West Sussex's older residents to be able to compare the prices and services of all suppliers.
- 7.10. The framework agreement sets out the standards that all suppliers are expected to work to; the outcomes they are expected to deliver against; and how

services will be monitored by the Local Authority.

- 7.11. The framework also requires suppliers to submit simplified composite prices offering residents a single price that covers all levels of need and the provision of care at weekends and bank holidays. It is also a requirement that suppliers agree that their pricing, service and quality information is transparently and openly shared with all residents using an individual budget.
- 7.12. There are no tender or bidding requirements and no preferred provider lists within the framework, although no supplier with a Care Quality Commission rating of less than 2 star (good) is allowed to go onto the framework agreement.
- 7.13. There is a process of pre qualification that all suppliers are expected to be assessed against that examines their financial robustness; the stability of their employment processes and workforce; health and safety, and so on; but none of the core standards and requirements exceed those required by the Care Quality Commission. This ensures that there are no unnecessary disincentives that may result in a more limited resident choice.
- 7.14. This process is supported by each service applying for inclusion on the framework being visited by the Council's Care Commissioning Managers (see note below) to validate that the service is able to meet the framework's core standards and can demonstrate that they are able to offer the services the supplier claim they can offer.
- 7.15. This ensures that residents are offered the protections and effective safeguards they need while at the same time maximising their choice of services offered to them.
- 7.16. A key thing to note is that new suppliers and services can apply and be accepted onto the framework at any time, provided they can demonstrate that they meet the frameworks standards and requirements.
- 7.17. Only those suppliers that have been accepted onto the framework agreement are offered by the Council to residents to choose from.
- 7.18. It should be noted that a bulk discount clause is included in the framework agreement and individual contracts. In essence where a supplier secures a certain level of business and care hours, through the framework, they are required to offer a price discount not just to the new residents/customers but to all their customers.

Support with Personalised Purchasing

- 7.19. The West Sussex framework supports a standardised individual contract agreement, which can be used by residents to enter into their own contracts with the suppliers they choose. However, this template can also be used by the

authority to spot purchase on the residents behalf if they do not feel confident entering into their own contract arrangements, although they can still specify who supplies their services and what they supply.

7.20. The template for the individual contract sets out some very basic contract conditions, protections, standards and some very general outcomes but it does not specify how or what services are to be delivered by the supplier – This allows the resident to specify for themselves what they want from services and when and how they want them delivered.

7.21. To support this approach West Sussex have reshaped their contracting functions to create Care Commissioning Manager and Assistants – these posts are locality focused and are responsible for supporting all residents using the individual contract in that location.

7.22. The Care Commissioning Managers support and advise residents using an individual (personal) budget on the suppliers and services attached to the framework and help them to decide which are most likely to meet their particular requirements (including price) and outcomes – the Care Commissioning Managers then broker the contract on the residents behalf with the preferred supplier.

7.23. The Care Commissioning Managers are also responsible for building up a detailed understanding and knowledge of what suppliers can offer and their quality and they are responsible for ensuring the delivery of each individual contract against the outcomes specified by the resident. This includes carrying out quality spot checks and service quality reviews.

7.24. This offers each resident a considerable level of support in ensuring that what they require is delivered and in addressing poor service delivery as well as ensuring that the authority is able to provide good quality information on what's available.

7.25. West Sussex report significant benefits in terms of increased resident satisfaction with services and significant reductions in prices as some suppliers have been forced to review their prices in response to resident choices.

7.26. Initially some suppliers did attempt to raise prices but then were forced to reduce prices as a result of a number of residents not choosing to purchase from them. The West Sussex experience has shown that with the application of market forces, with residents choosing suppliers of the same or better quality but offering lower prices, has effectively controlled and depressed prices and costs overall.

Market Management, Analysis, Support and Stimulation

7.27. As important as developing a new approach to contracting to support personalised social care, will be the Council's ability to manage and influence

local markets both to develop and expand the choices available to local residents and to ensure that there is a stable supply of good quality services offered at the most cost effective prices. The Institute of Public Care (IPC), a Government funded think tank, points to the need for Local Authorities to become outcome focused market facilitators. A series of IPC pamphlets entitled '*Market Facilitation – Transforming the Market for Social Care*' ([click here to download from DH Care Network website](#)) describes this role in some detail and points to Local Authorities becoming proactive in both understanding the incentives, disincentives and challenges of existing and potential suppliers and in supporting markets in being able to respond to what will likely be growing demands from people using their individual social care budgets.

7.28. The Council established a Market Development Team within Adult Services in 2008 and this has proved to be invaluable in terms of getting a good a robust understanding of a number of social care markets, including mental health residential care, which has resulted in an expansion in supply and choice and a reduction in costs. This function has proved extremely valuable in gaining detailed market intelligence and a clear understanding of the local domiciliary care market in terms of the variety of choice of suppliers; prices; capacity to expand; quality; ability and capacity to innovate and expand; stability of workforces and where the gaps in supply are.

7.29. This analysis has offered confidence that there is a robust, good quality, innovative and cost effective local market of mostly local domiciliary care suppliers and that this market would be able to effectively respond to the personalised and individual contract framework that is the preferred option of this report.

7.30. The Council has made a good start in managing local markets and has made good progress in developing the new approaches that will be needed to help diversify supply and to make suppliers and services responsive to resident demands and wants. This includes developing a new approach to market research, which is described in Appendix 2 of this report. Work is also underway with the Council's Business and Enterprise Service and with HAVCO on developing a market development framework that will help the Council and suppliers develop the competences and resources needed to achieve customer driven and responsive social care markets. It is also being designed to give local residents the confidence in being able to make their own purchasing decisions.

8. Chief Financial Officer Comments

8.1. The new personalisation agenda for Adults Social Care will change how the Council commissions and contracts it's services with the Council moving more to being an enabler and away from being the direct commissioner of services.

8.2. As a result the way the Council manages it's finances for social care and the

contracts will need to change with the management of the finance being through the monitoring of personal budgets and of the care outcomes that individual clients are looking to achieve.

9. Head of Legal Services Comments

- 9.1. The Head of Legal Services notes the contents of the report.
- 9.2. Personalisation is a new government initiative which is due to be implemented early in 2011.
- 9.3. The Head of Legal Services advises that Adult, Culture and Community Services Directorate should liaise with Corporate Legal Services throughout the implementation process and seek its advice on the terms and conditions for contracts that are to be used for the care services.

10. Head of Procurement Comments

- 10.1. In order to support the personalisation agenda the current models of procurement need to be reshaped.
- 10.2. Corporate Procurement have been fully involved in the development of the recommendation and fully support it.

11. Equalities &Community Cohesion Comments

- 11.1. A key thing to note about the move to personalised services and offering local residents in need of social care their own budgets, is that they will be able to specify and choose not only what services they receive but also how those services are delivered to them, to meet their own specific cultural, ethnic and religious requirements. Equally residents with specific gender identifies or residents who would prefer their service to be delivered by a worker of the same sex will be able to decide for themselves, which service best meet these requirements or to put in place their own arrangements for employing their own staff.
- 11.2. Equally residents with life long and limiting conditions will no longer be limited to those services that have been procured by the Council through block contracting or to accepting the more traditional forms of social care such as residential and day care type services. They will be able to purchase services that they decide will meet their particular outcomes and requirements and to have those services delivered at times and in locations that suit them.
- 11.3. It's worth noting that whereas block contracting arrangements can deliver

guaranteed standards and prices, offering a good but generalised standard of care to the whole community, this approach has often been unable to deliver against more specific requirements and this includes offering residents the opportunity of using suppliers that specialise in delivering for example culturally specific services.

- 11.4. The market research mentioned in section 7 of this report also points to the fact that there are a number of good quality local suppliers and businesses, some of which are culturally and ethnically specific suppliers, who have found it difficult to secure social care business from the Council due to the heavy financial commitment to the two existing block domiciliary care contracts.

12. Consultation

- 12.1. For the last 18 months a 'Core Design' group comprising representatives from the Haringey Forum for Older People, the Alzheimer's Society, Age Concern, the Carers Partnership Board, NHS Haringey and senior representation from the Council's Adult Services has been meeting to develop and drive the proposal detailed in this report. The majority of the group's membership is made up of resident and carer representatives.
- 12.2. In addition there have been a number of supplier forums that have discussed the approach and proposals contained in this report. This process has been further augmented by a supplier reference group comprised of both large and small local suppliers and suppliers across several sectors who are focused on delivering care and support to people living in their own homes. The Directorate's Market Development Team have also spoken to suppliers individually about the proposals.
- 12.3. Both the Core Design Group and the Supplier Reference Group have jointly considered resident feedback on domiciliary care and other similar services, which have arisen from several consultation events, including feedback gathered as part of the development of Experience Still Counts.
- 12.4. Appendix 4 to this report details some of the issues and specific proposals that have arisen from this process and which will be fed into the development of the proposed framework and approach to future market stimulation.
- 12.5. It should also be noted that Age Concern and the Haringey Forum for Older People have been commissioned to pilot market research techniques designed to elicit the views of those using social care on whether they would feel confident purchasing their own services; what changes they would make to their services if they are offered a choice and what they require from their services to improve the quality of their lives. Whereas this will take until the end of this calendar year to complete it is anticipated that there will be sufficient feedback from the early pilot work to influence the development of the proposed framework and the final

Cabinet Procurement Committee Report mentioned in the recommendations to this report.

- 12.6. The consortium managing this research will include organisations that represent BME communities and groups and the need to take account of diversity issues is a core feature of the research model.

13. Service Financial Comments

13.1. At this stage there are no financial commitments attached to this report. However, it should be noted that how the financial liabilities attached to any future commitments that may arise from the individualised contracting arrangements that are put in place will be more linked to the level of individual budget allocated to each resident who qualifies.

13.2. There will be much less of a direct link between the Council's financial liabilities and supplier costs and prices, although ensuring that there is a healthy and competitive market of services with cost effective prices will enable the Council to confidently control the level of individual budget allocations

13.3. Initially the level of spending that is likely to be affected by the recommended contract option described in this report and which is linked to domiciliary care services (the first set of services the new arrangement will be applied to), currently stands at £7.16 million (projected spend for 2009/10)

14. Use of appendices /Tables and photographs

14.1. Appendix 1 - Contracting and Purchasing Options, with risk management framework for option 1

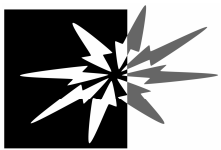
14.2. Appendix 2 - Market Intelligence, Development and Research

14.3. Appendix 3 – Consultation Feedback arising from suppliers and from the Core Design Group, which includes resident and third sector representation

15. Local Government (Access to Information) Act 1985

15.1. Putting People First – A shared vision and commitment to the transformation of adult social care [Click here to download document](#)

15.2. DH Local Authority Circular (LAC (DH) (2009) 1) – Transforming Adult Social Care [Click here to download document](#)



Haringey Council

Appendix 1 – Contracting and Purchasing Options – benefits and risk matrix

Option 1 – Framework arrangement – supporting Individual Purchasing

This approach requires a robust Quality and Performance Management Framework Arrangement that would support individual purchasing of care from a broad variety of providers and suppliers. In addition to the West Sussex model described in the main report, Croydon Council has also developed a highly successful model of individual spot purchasing, based on a provocative Brokerage arrangement where Quality Support Officers, within the Brokerage Team, carry out regular quality spot checks and where service users are regularly visited to seek their feed back on the quality of service they are receiving from their supplier. They also apply a league table of price and quality, which suppliers are made aware of and which they use to advise residents and care managers of who the most cost effective suppliers are in any given week. This has created a competitive market where prices have been brought down but quality has risen. This approach does potentially offer the greatest flexibility and responsiveness but would require the development of a new framework and way of working for the Council and providers. This will require considerable and inclusive work with providers (very key), potential service users and other stakeholders to manage the transition effectively. For option 1, risks are also considered in terms of likelihood and mitigating action.

Benefits	Risks	Risk likelihood level	Mitigating action
1. Allows greater flexibility and may attract good quality providers who would otherwise not be willing or would be unable to bid for large volume contracts 2. May allow the mixing and matching of supply and services to meet complex needs and the specific demands of service users 3. No long term financial commitments and so would be able to respond rapidly where demand for services changes	1. Risk of destabilisation of current workforce with the move from block contracted services to a more open market approach of several suppliers	Moderate/ Medium	<ul style="list-style-type: none"> • A workforce development strategy is being developed that will encompass both Council staff and the workforces employed by external suppliers – The effects of a move to a more open market of supply will be considered as part of the development of this strategy in consultation with all suppliers • As part of the workforce development strategy there will be an analysis carried out via the InLaws project to ascertain the age, training profiles and socio-economic profiles of existing care staff – there may be a commitment to working with local suppliers

Benefits	Risks	Risk likelihood level	Mitigating action
<p>4. Would allow for the more rapid development of new supply to meet changing and emerging needs and demands</p> <p>5. Negates the need for finite resources to be expended on a tender process and would allow both staff and the Directorate to work on the purchasing frameworks needed to support personalisation</p> <p>6. Better management of costs, quality and outcomes supported by staff with the appropriate skills within the Directorate to proactively manage the market</p> <p>7. Should allow residents/service users the opportunity to more specifically state what services they want and have those need/wants supplied by a more diversified local market</p> <p>8. Should allow the Council to address poor quality provision rapidly without any legal and financial implications or delays</p> <p>9. Would allow service users to specify how they want their service delivered and by whom and would also allow service users the option of switching to other suppliers if</p>	<p>2. A decrease in the Council's ability to influence the market and suppliers in terms of prices, service requirements and quality – this in turn may adversely affect both member and resident confidence in supply and services</p> <p>3. Council becoming limited in monitoring and managing supplier performance and quality, within context of achieving value for money</p> <p>4. Without long term contract commitments in place</p>	<p>Moderate/ Medium</p> <p>Moderate/ Medium</p>	<p>on identifying what will be needed to attract the appropriately qualified and motivated workforce needed by personalised services and to work with them on recruitment and training programmes</p> <ul style="list-style-type: none"> • Initial market research indicates that there are several local suppliers with stable workforces and development frameworks that are able to offer well trained care staff • A market development framework is being developed in partnership with the Council's Business and Enterprise Service that will cover the new core competences required by the Council's Market Development and Contracting staff to manage a more open market place of supply • A review of staffing and competences linked to contracting and brokerage is being carried forward with the intension of realigning support functions to respond to personalised purchasing and open market development • The Market Development Team is being expanded with the competences of the new posts focused on business development and support, marketing services and on market place buyer skills linked to managing a diversity of suppliers • Refer to the actions identified against Issue 1 • The Council may need to develop a strategy

Benefits	Risks	Risk likelihood level	Mitigating action
<p>they are either not satisfied with what they are being offered or where they find an alternative supplier better able to respond to their needs</p> <p>10. Should allow more niche and specialist providers, as well as local third sector suppliers (e.g. BME led), an opportunity of gaining business and developing new services, that otherwise might be deprived the opportunity to develop these under block contracting</p> <p>11. Should give service users the opportunity of developing their own services and/or commission suppliers as a group, which would not be possible under a block contact arrangement</p>	<p>suppliers may be more reluctant to invest in staff training and development and in the improvement of their services, including investment in diversifying the services to meet new or specialised needs</p> <p>5. The Council will need to plan for having the necessary resources and staff competences in place to manage an open market, including managing prices and quality control as well as supporting residents with making confident purchasing decisions</p>	<p>Moderate/ High</p>	<p>that both supports suppliers in securing the private investment they need to develop their businesses and services, based on the Council offering more accurate data on resident demand</p> <ul style="list-style-type: none"> • The Council may need to develop a strategy that both supports suppliers in securing funding and investment in new business start ups in social care and new services to meet identified gaps in supply against resident demands or where there are very specific demand e.g. dementia • Refer to actions identified against issues 1 and 2

Option 2 – Block Contracting

This would be the ‘as is’ position with a formal tender and commitment to purchasing a block number of hours from a specified range of suppliers selected through a competitive tender. As the Council is in a fairly early stage of the Commission and specifications are currently being looked at, it is clearly possible to make the specification as flexible as the Council determines is needed to meet the transforming social care agenda. The Council can also seek to build additional features and services into the new contracts and

specifications e.g. Foot Care, Handy Person Services etc. Another block contract arrangement essentially requires no major changes in the way we approach contracting, although it could be argued that the Directorate will still need to develop its capacity to monitor and manage quality outcomes for individual residents receiving services.

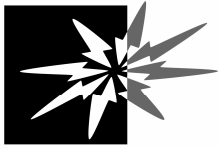
Benefits	Risks/challenges
<ol style="list-style-type: none"> 1. Offers certainty of supply and capacity and gives the Council a lever on providers to ensure that capacity is available when needed 2. Provides a certain and potentially stable framework of quality and performance management and may require less day to day close scrutiny of the performance of services 3. May create incentives for providers to invest in the development of their staff and services, through training and the recruitment of better qualified staff and the Council has the option to specify these requirements in the contract 4. Can enable good and robust long term relationships between the Council and suppliers that in turn may allow for service developments and flexibility, arising from the trust developed through a long term contracting relationship 5. Offers stability of pricing and quality and will allow for more certain budget planning and management 6. May offer care staff greater stability in employment and may stabilise the local care employment market with experienced and better qualified staff less likely to switch agencies and employers 	<ol style="list-style-type: none"> 1. Can be very inflexible committing the Council to long term service models and investments, with limited scope for variation or ending services within the contract period, if demand and needs change 2. Could be a very costly option if the Council is committed to funding a specific level of capacity over a prescribed timeframe and then demand and needs significantly change leaving the Council with under utilised capacity 3. Can offer a very slow framework for addressing weaknesses in provision and quality and can involve very costly legal issues in the event that the contract needs to be significantly altered or brought to an end 4. Involves considerable time and resources in administering a tender process, which could be better used developing the new transforming social care framework 5. Offers service users very little flexibility and choice in how their services are delivered and who delivers them 6. Can limit the degree to which service users and other stakeholders are involved in the development of their services and can limit their level of control over the services they receive 7. May be very slow to react to the emerging changes arising from Transforming Social Care and emerging Government agendas, leaving the Council with outdated provision that may not be in line with contemporary Government Regulatory & Inspection requirements

Option 3 – Hybrid options, including framework agreements

There is the potential to build into block contracts the ability to significantly reduce capacity and decrease it, year on year, without any increases in unit costs and to include break clauses to respond to changes in demand arising from IBs or changes in local and central Government agendas. In addition the Directorate might want to reduce the number of block contracts to a single core contract and with an increasing use of individual purchasing.

The Directorate may also want to develop framework agreements where a variety of suppliers are assessed in terms of their suitability against quality, performance, outcomes and costs to supply services but where they are tied to a legally binding agreement, without any guarantees of receiving business or funding. Framework agreements sit somewhere between option 1 and 2 but they have the advantage that suppliers are tied into contractual agreements to supply on demand and against Council determined quality, cost and performance requirements and thresholds. There is no legal requirement to purchase from the framework if other suppliers are identified as providing a better value or more suitable service.

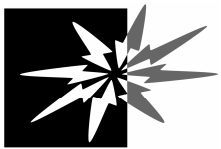
These tools could be used in conjunction with a variant of Option 1 to manage change in a more stable framework, which could address some of the disadvantages of Options 1 & 2 and which would offer the Council a broader and more diverse strategy to respond to transforming social care. The disadvantage is that the Directorate would still need to specify and tender for both framework agreements and block contracts, which as set out under Option 2 is time consuming and resource intensive. It also offers a much more complex set of arrangements that would require very robust management, review and monitoring and may take time to put in place.



Appendix 2 - Market Intelligence, Development and Research

- 2.1 A key component in ensuring that we are able to secure and offer a good range of choice for local residents will be market intelligence and development – This is vital in terms of understanding whether suppliers have the current capacity or potential to deliver against resident expectations and requirements or to understand what we need to do to stimulate and support suppliers in developing new services and projects where needs and expectations.
- 2.2 The Directorate has already been successful in gaining a detailed knowledge of the local and London wide domiciliary care market, which is giving the Council a clear and emerging view of what the local market can offer as well as building up a very detailed map of services that can be used to populate resident catalogues and the proposed purchasing website.
- 2.3 The Directorate's Market Development Team surveyed and visited over 30 suppliers of domiciliary care services, who are either based in Haringey or the surrounding Boroughs, including Hackney, Islington, Camden, Barnet and Enfield.
- 2.4 All of these suppliers are at least rated as 2 star (good) by the Care Quality Commission (CQC) and a significant proportion are rated 3 star (excellent).
- 2.5 All the service providers indicated that they have the capacity and willingness to deliver services to Haringey residents, if they are not already supplying services in Haringey.
- 2.6 Further work is needed with the Council's Procurement and Finance Services on developing a more objective assessment and accreditation process that will allow the Council to determine whether these suppliers have the sustainable capacity to deliver more services, while maintaining high quality and standards of care.
- 2.7 Most of the suppliers have a relatively low turnover of care staff and have relatively stable work forces, although they all report challenges in recruiting new staff due to pay levels and what can be unsociable hours of work – further information is being gathered on the qualifications and skills held by care staff and to determine how many staff are able to deliver specialist care.
- 2.8 Some suppliers report that they are able to deliver specialist care particularly in relation to dementia care, brain injury and stroke but at this stage it is difficult to verify the degree of this expertise – further work is underway to gather evidence including;
 - specific comments in CQC reports on any specialist services delivered by each supplier;
 - evidence of current statutory contracts in place to deliver specialist services
 - reports and feedback from statutory agencies on the delivery of specialist services; and,
 - evidence of accreditation from professional bodies and/or qualifications of a significant number of staff to deliver specialist care.

- 2.9 There is a need to develop specific accreditation frameworks around specialist care services that will enable the Council, residents and the statutory professionals supporting them to determine that suppliers can deliver what's needed and in line with national good practice and standards.
- 2.10 Work is underway with partners such as the Borough's Older Persons Mental Health Service to draw up the appropriate standards for areas of specialism.
- 2.11 Only those suppliers that can meet these standards and supply the evidence required will be designated in service catalogues as 'specialist' services and it will be these suppliers only that residents will be advised by the Council's Service Finding Team to purchase from if they have specialist care needs.
- 2.12 Overall it is evident from this initial market analysis that this is a robust, diverse and healthy local market of good quality suppliers, whose prices are either comparable to or in some cases significantly lower than our current block contract suppliers.
- 2.13 There is a need to stimulate the market to develop more specialist provision and in particular service and supply for Haringey's Black and Minority Ethnic Communities, where it is apparent there are gaps in supply – This may require a very proactive intervention from the Council, including the offer to local businesses and organisations of investment to develop supply.
- 2.14 Work is starting on developing the accreditation framework mentioned above but it is clear that these frameworks will need to adapt as residents start exercising broader choices outside of traditional forms of social care service.
- 2.15 A Market Development Framework covering issues such as the effective use of customer feedback to develop supply; business development and support and the development of the new competences needed to support more effective marketing and investment planning is being developed – this is being developed in partnership with the Council's Economic and Regeneration Service and HAVCO.
- 2.16 Traditional commissioning approaches and skills are unlikely to deliver the diverse and innovation led markets needed to offer residents real choice, while at the same time ensuring that value for money is delivered.
- 2.17 The Council's Commissioning Manager for Market Development, Age Concern and the Development Officer for the Haringey Forum for Older People have been working on a long term framework for seeking the view of residents, who both use or who might use care services, on what they want from domiciliary and home based care services.
- 2.18 The intention of this framework is to enable both the Council and suppliers to fully understand what residents are likely to want to purchase and to provide robust evidence on what services need to be developed and invested in or acquired through service finding.
- 2.19 It is intended that this will become a process rather than a single set of consultations that will help in regularly gathering good quality and up to date resident feedback on what they need and want and which will allow the Council and suppliers to plan for and respond to changes in resident aspirations and demands.
- 2.20 Funding has already been secured to support the development of this process.



Haringey Council

Appendix – 3

Outcome of the Domiciliary Care Design Seminars – 29th January 2010 and 9th March 2010

- This appendix details the issues and areas of future development that have been identified by the Core Design Group and Supplier Group
- In addition to the discussions that have been taking place with both groups through out the last year there was a special joint seminar that took place on the 29th January 2010 and 9th March 2010 that included Age Concern, members of the Haringey Forum for Older People, the Alzheimer's Society, carers and a variety of large and small suppliers of care services, and set out some of the emerging thinking from both suppliers and the representatives of residents using care services and carers
- These are not the only issues or requirements against which service and supply development will be required but they offer a very useful starting point to support the next phase of development of both the individual purchasing arrangements referred to in the main report and the further market development that is anticipated in the years to come to widen resident choice
- The thoughts and suggestions set out below will be fed into the process described in the recommendations to this report, as will any further thoughts that arise from the Core Design Group, the suppliers forums and group and from the resident market research described in the main report

4.1 Feedback from residents and suppliers – areas to address:

Residents are concerned to ensure there is better continuity of care, in terms of having the same carer visiting to provide the service. They want better information, improved communication with Council staff, and accessibility to services, and a wider range of services – currently domiciliary care agencies are not able to provide handyperson/general house hold cleaning services. Residents report they want more flexibility in how the care package is delivered to them, and want reassurances on the quality monitoring of carers and providers. There are concerns about how non agency-staff providing care to individuals (such as other relatives) will be monitored.

There are some specific areas that residents seek further clarity about, such as access to respite and how for example, a service user attending a day centre would be motivated to attend; who would be responsible for this?

Other areas of concern were expressed about the adequacy of training availability for care staff, salaries available for working in the care industry and how services are currently commissioned from agencies, such as travel time between visits is excluded from the commissioned service.

4.2 Resident feedback regards the support, tools, information they will need to help them become confident in choosing their own service.

Residents are clear that information in appropriate languages etc will be critical – and suggest for example any catalogue and website should be colour coded to make it easier for the elderly. Personalisation needs to be explained to residents and need to know that it is their choice. The implications should be explained to them i.e. if they choose to navigate their own care they will be responsible for personnel issues. There is a need to be clear about finding out what residents want out of self assessment and how they want to be supported with their self assessment.

Residents need to be confident in the people providing the service and service navigators, and that .That there should be a single named person in each service/supplier that residents can contact to help them resolve problems and challenges who has the time to support them appropriately with their complaints/concerns. Of paramount importance to residents is for agencies to supply a core of carers so that service users can have continuity of care

Residents felt that having the right technology available to support them in making choices around supplier is very important – for example Visiting officers should have laptops with mobile broadband so the service user can view services on line; and older clients may need training on computer to be computer literate.

Regards proposals around individual contracting, residents feel they will need a support in understanding how these work, for example - Would it be possible to try out a service before tying into a contract; and what will the contract termination period be?

There is a need to develop and expand low level interventions and services including services that support residents with domestic chores; shopping; supporting residents with minor repairs and their gardens; changing light bulbs etc.; supporting residents in doing things for themselves and critically the provision of basic foot care.

The suggestion has been made that Housing Associations should make Intensive Care Team's available for residents to use

A key issue raised by groups representing older residents and carers is the provision of well resourced, trained and supported advocacy and brokerage that is independent of both suppliers and the Council and they felt that this should be a key aim for the future. It was also felt that providing independent advocacy will be essential to ensure that residents have access to good quality and robust advice and information not only in terms of addressing their rights and obligations under personalisation but also in terms of addressing problems such as lack of delivery