

# Sustaining the Home Care Market

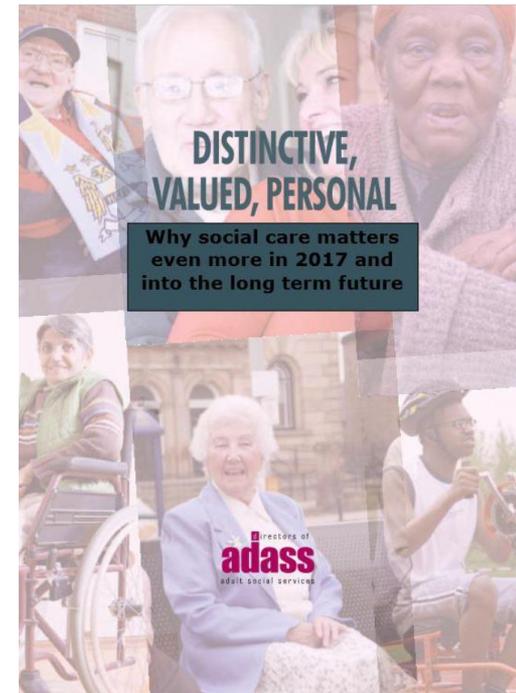
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# Why is Home Care Important?

- Social care provides care, support, and safeguards for those people in our communities who have the highest level of need and for their carers.
- It enhances health and wellbeing, increasing independence, choice and control.
- Effective, personalised care and support helps reduce the impact and incidence of physical and mental ill-health – by supporting people to live better, more fulfilled lives.
- It is distinctive, valued, and personal.
- Social care is a vital ‘connector’ to other public services.



# CQC Ratings for Home Care

Latest CQC Ratings published in October, show the average percentage of home care services in each local authority area rated as Good or Outstanding:

<b>Domiciliary Care Agency CQC Ratings - % good or outstanding</b>			
	<b>Average for Region</b>	<b>Local Authority Minimum for Region</b>	<b>Local Authority Maximum for Region</b>
<b>East Midlands:</b>	82%	68%	91%
<b>East of England:</b>	85%	67%	98%
<b>London:</b>	80%	55%	100%
<b>North East:</b>	84%	68%	100%
<b>North West:</b>	80%	55%	100%
<b>South East:</b>	85%	50%	100%
<b>South West:</b>	88%	73%	96%
<b>West Midlands:</b>	86%	65%	100%
<b>Yorkshire and the Humber:</b>	81%	66%	100%

# Home Care is essential to enable many people to stay at home, but....

In our recent Autumn Survey

- Out of 105 councils, 45.6% of councils said they found it difficult, or very difficult to get homecare.
- Tom's evidence is that contract hand backs have slowed, but in those areas of the country where it is still happening, the difficulties are still significant
- We are not past the worst yet.



# Recent Intelligence from Autumn Survey (September 2017)

Out of 96 councils,

- 50 councils had experienced contract handbacks, and 46 (92.0%) of these had experienced handbacks in home care.
- 64 councils had experienced provider closures, 36 of those (56.25%) in home care.
- 90 local authorities had experienced quality concerns, 74 (82.2%) in home care.



# UK Home Care Association (UKHCA) Benchmark Price



- Tom has quoted average prices paid for home care in our 9 different regions. Are Councils paying enough?
- The ADASS Budget Survey was published in June, and at that time the UKHCA recommended a national benchmark of £16.70.
- Whilst it is recognised that there are local factors at play, in June, only 23% of councils were paying above this national benchmark rate.
- In late August 2017, UKHCA revised their benchmark figures for 2017, with a new recommended minimum hourly rate of £17.19.
- Only 14% of councils are paying above this rate.

Combined  
NMW & NLW  
Until  
31 March 2018  
**£17.19**  
per hour

# Impact on Delayed Transfers of Care

In June, Reason E – “Awaiting care package in own home”, accounted for 37,102 of Delayed Days, which was 21% of all Delayed Days. Broken down by Region:

Region	Number of Delayed Days in each region given reason E	Regional apportionment of the Delayed Days given Reason E
East Midlands	2,956	8.0%
East of England	3,951	10.6%
London	1,148	3.1%
North East	701	1.9%
North West	6,140	16.5%
South East	8,847	23.8%
South West	6,095	16.4%
West Midlands	4,365	11.8%
Yorkshire & Humberside	2,698	7.3%
Out <u>off</u> England	201	0.5%
<b>Total:</b>	<b>37,102</b>	<b>100.0%</b>

# So what do we recommend? (1)\*

- Get to know your providers. Use as many open book exercises as you can. Understand their obligations to pay the National Living Wage, travel time (which will be significantly higher in rural areas), sleep in hours, for training, supervision, rostering, quality assurance and ensure that carers are enrolled for pensions etc. You should be aware of what this costs. There are benchmarks readily available.
- Use the tools available and commissioned for the Care Act: DH commissioned *Working with Care Providers to understand costs and Assessing social care market and provider sustainability Part A: A guide for local authorities* together with *Commissioning for Better Outcomes*.
- Share intelligence, recognise the signs of non-viability such as paying wages late. Understand whether providers are running with profits or losses (via Companies House). Do not perpetuate unsustainability by accepting bids that quite clearly do not enable providers to meet their responsibilities and costs.

\* Top Tips for Home Care Sustainability (ADASS, June 2017)

# So what do we recommend? (2)\*

- Look at what you pay and at the benchmarks and understand if it is really sustainable to pay below those benchmarks. This includes when contract handbacks have happened and new providers come in and accept the same rates. *Some providers might be able to take on contracts at marginal rates because other parts of their business (possibly outside social care) make it possible. Others might make it work because they are charities or family businesses. But don't assume that all providers can do the same.*
- Understand that provider failure has costs; some of these are financial, in terms of re-tendering and additional price, but some relate to wellbeing and safeguarding. *Lateness and visit cramming causes physical harm, pain and discomfort to very frail people, and anxiety and distress to everyone. It can cause understandable behavioural challenges for people with dementia or learning disabilities.*

\* Top Tips for Home Care Sustainability (ADASS, June 2017)

# So what do we recommend? (3)\*

- Understand that growth needs to be at a managed pace and attempt to support managed growth. *A significant proportion of providers that were rated 'good' by CQC, were offered by councils (and agreed to take on), significant increases in contract size last year at marginal cost and failed as a result. They became 'inadequate', 'requires improvement' or left the market.*
- Know your area and labour market. High employment rates and high cost of living may mean that benchmarks based on the National Living Wage may be irrelevant. A number of Councils use block contracts or a blend of block and spot ('cost and volume') contracting along with multiple year contracts to provide a level of security about income and rates. *Is your approach to procurement helping providers to secure good quality staff and a ready supply of service.*

# So what do we recommend? (4)\*

- Work with providers and local recruitment and training agencies to encourage local people to consider a career in social care. Look at providers' workforces including training, turnover and absences. Are you paying enough to ensure sufficient quality? Consider innovative approaches or additional resource to support providers to meet rural requirements. *Consider combinations of PA's alongside home care. In rural areas, potential employees may be unwilling to seek employment as a home care worker but perhaps would consider acting as a flexible PA locally, within their own community.*
- A vibrant market requires diversity. Once stabilised, try to increase the number of providers in your area. Try not to restrict the number of providers and be careful not to make contract terms so tight that they become unattractive to new entrants. Don't be seduced by notions that larger providers are always more stable: some operate with low profit.

# Going Forwards

- Addressing market sustainability through effective strategic commissioning and use of the Improved Better Care Fund
- Market shaping and market position statements
- Sharing learning and best practice through sector-led improvement
- Collaborating on work with the UKHCA e.g. updating the top tips for home care sustainability
- Quality Matters
- Integrated commissioning and workforce planning
- Testing new models of care
- Addressing capacity pressures through demand management, asset based approaches and personalisation