



Report: Overview of the Domiciliary Care Market Place for June 2014 HASC Meeting

Author: Rachael Rothero, Service Director Adults and Family Wellbeing, BCC

Background

Domiciliary Care describes the provision of care services in an individual's own home. This includes personal care services such as washing, dressing and cooking.

In 2010 the County Council re-commissioned its domiciliary care services. This followed a detailed strategic category review. Prior to this re-tender, the Council commissioned services from over forty different providers, including County Council-run services, with significant variation in price and quality (as defined by Care Quality Commission quality ratings) between packages. There also appeared to be no apparent relationship between price and quality.

The service commissioned has assisted people with daily living and personal care and has the potential to provide up to 24hr, 7 day a week support in people's own homes. The service was expected to meet more complex needs including challenging behaviour, complex physical needs and cognitive impairments.

The new contract award was based on four geographic areas with four separate providers being commissioned to provide services across each of the four District Council areas.

- Wycombe District Council area – Seva Care
- Chiltern area – Prime Care
- South Bucks area – Westminster
- Aylesbury area – Plan Care

The providers awarded the contract in each area would be able to sub-contract if they so wished. This was on exactly the same basis that the Council contracts with the providers. This was important as it gave providers the opportunity to facilitate responses to niche areas of demand which may relate to areas of particular complexity (physical or cognitive), language or diagnosis, geography and county boundary issues. The other intention was that it also enabled providers to be more responsive to increases in demand. There are no limits to the number of providers under the sub-contracting arrangements.

This approach also supported the ongoing development of the market for self-funders (those service users who opt for a Direct Payment and those who fund their own care because they have the financial means) as they would also be able to purchase from the same market. Service users and carers, as part of the consultation, stated that the principle of equity of price for Direct Payment users and Council-purchased activity was vital. This principle, although not enforceable through the contract, has been built in as an expectation.

The providers were to be paid for the actual service they deliver as opposed to what is planned. All providers were expected to use Electronic Data Capture, to record the activity they deliver. The intention was that the Council would move away from paying providers on the basis of bandings of call times, but rather on what is actually required. This would be based on a single fixed hourly rate which incorporated all assumptions around costs (e.g. rural and non-rural; travel; weekends and bank holidays; trends in volumes of activity). Providers were provided with a data set to support detailed assumptions around fixing their costs into a single hourly rate.

Underpinning the specification was a requirement that the service increasingly focuses on outcomes as opposed to simply outputs. The contract and specification identified ways in which providers over the duration of the contract would increasingly focus on the impact of the intervention as opposed to the intervention itself; the approach being clearly set out in the performance framework which all providers would be expected to meet.

After the award there was a period of transition to the new arrangements which needed to be carefully managed, which consisted of TUPE transfer of staff between providers as well as cases. This was a very complex transition period that needed to be managed.

Where are we now?

Since the contract award in 2010 there have been some significant changes to the Domiciliary Care market in Buckinghamshire. Set out below are some of the key changes:-

1. Serious quality failings of Plan Care in Aylesbury Vale area, resulting in a reduction of their geographical coverage.
2. In 2013/14 the re-tender of Plan Care Service as the contract had come to an end, with a new contract award with Radian covering the area that Plan Care covered. The transfer of clients was completed by April 2014.
3. The closure of the remainder of the in-house domiciliary care service and a transfer of all of the activity to the external market place and Direct Payments in 2013/14.
4. The dramatic expansion of the re-ablement service provided by Buckinghamshire Care – the Council's Local Authority Trading Company, Buckinghamshire Care.

Critically, the new contracting models' greater efficiency has enabled us to deliver approximately £5m recurrently against a £20m budget; a 25% saving.

Profile of the England Domiciliary Care Market

- 89% of the domiciliary care market is publicly funded, compared to only 5% in 1993. There has been a big move to externalise services across the country.
- Local Authorities buy approximately 80% of the care, although there has been an increase in self funders over recent years.
- In 2011-12 the average unit cost (hourly rate) for Local Authority provided home care was £35.50 per hour, with the average rate for the external market being £14.70.

- Over 6,830 Domiciliary Care agencies registered with CQC, the external regulator of home care services, with compliance of between 84 -100%.
- The numbers of workers in the domiciliary care market represent about approximately 23% of the formal care workforce.
- The majority of the workforce across England is largely made up of female part time workers. It remains a low paid service with a large number of workers being paid around the minimum wage.

Key challenges in the England Domiciliary Care market

- Recruitment and retention of sufficient skilled staff. This continues to also be a challenge in Buckinghamshire, although we have taken steps to improve this with our providers.
- Responding to demand with approximately a 60% increase in demand for social care by 2031 across Buckinghamshire.
- LA savings requirements squeezing the market place, including in a number of areas non-payment of inflationary pressures.
- A more fragmented market place than the care home sectors, with more entry and exits into the market place and consolidations.
- Increasing reliance of different sources of income including self-funders and Direct Payments and a move away from block contracted security of income.
- BCC purchases approximately 750,000 hours of care per annum with a total annual commitment of £13m. This translates into an expenditure of approximately £11.7m as 10% of all visits are cancelled for a number of reasons, including hospital admissions, holidays, family care etc.

Activity profile for Buckinghamshire

Set out below is an annual breakdown of commissioned calls for Buckinghamshire.

Provider	Annual Visits	Hours of Care Delivered per annum	Total commitment Per annum approximate figure.
Provider A	234,000	135,200	
Provider B	93,600	46,800	
Provider C	364,000	202,800	
Provider D	192,400	109,200	
Others	364,000	249,600	
Total	1,248,000	743,600	£11.7m (exclude self-funder and breaks)

Set out in the table below is an annual breakdown of weekly commissioned calls for Buckinghamshire.

Provider	Weekly Visits Total	Hours of Care Delivered per week
Provider A	4500	2600
Provider B	1800	900
Provider C	7000	3900
Provider D	3700	2100
Others	7000	4800
Total	24000	14300