

CHESHIRE EAST COUNCIL

Health and Adult Social Care and Communities

Date of Meeting: 9th November 2017
Report of: Mark Palethorpe: Acting Executive Director of People
Subject/Title: Accommodation with Care

1.0 Report Summary

- 1.1 Commissioners are proposing to recommission accommodation with care services for the residents of Cheshire East, using the following commissioning question:

“How does CEC commission an appropriate offer of permanent care and do we understand its purpose and are there alternatives to this offer?”

- 1.2 The aim is to build a vibrant and sustainable accommodation with care market for the future which meets the needs and expectations of those individuals requiring 24 hour care.
- 1.3 As a result of recommissioning the accommodation with care market in Cheshire East will offer a personalised service which is flexible, responsive and focused on helping people achieve what is important to them. There will be a choice of quality assured residential and nursing care options available to older people and working age adults with disabilities, not only to meet peoples long term needs but also to support and care for those with short term needs to enable people to recover and maintain the maximum independence, well-being and achieve the best outcomes for their personal circumstances.
- 1.4 The demand for care services will be significant over the next few years and we need to sustain and stabilise both the domiciliary care markets and care home markets alongside managing the budget, therefore doing nothing is not an option.
- 1.5 This means transforming the care and support offer to ensure Cheshire East has greater capacity and an improved range of services. It is intended that The CCGs together with Cheshire East Council jointly commission the new offer and include: discharge to assess beds, step up/step down beds, more specialist provision for complex needs and care at home services that promote quality of care under the system beds programme and Fusion 48.
- 1.6 For the past two decades the focus of government policy has been to widen choice and increase autonomy for people who receive support services. The Care Act (2014) places responsibility on local authorities to ensure that

people's wellbeing and the outcomes which matter most to them will be at the heart of every decision made about the care and support they receive. Every person using health and social care should receive quality services that promote their independence and lead to an improved quality of life.

- 1.7 The Care Act 2014 requires the Council to have regard to the actual cost of care which reflects local market conditions; this makes the future affordability of care homes a challenge for the Council as market prices increase, impacted by National Living Wage, Pension Auto Enrolment and recruitment and retentions difficulties driving up costs.

2.0 Recommendation

- 2.1 The re-commissioning of accommodation with care services which are potentially procured in partnership with both Eastern and South Cheshire Clinical Commissioning Groups, with CEC as the lead Commissioner.
- 2.2 To enter into a Memorandum of Understanding with East and South Clinical Commissioning Groups if appropriate.
- 2.3 Following the prescribed procurement process to award contracts to suppliers.

3.0 Reasons for Recommendations

- 3.1 Cheshire East Council has a duty under Section 5 of the Care Act to promote the efficient and effective operation and sustainability of a market in services for meeting the care and support needs of individuals. There are increasing financial pressures on the social care market, for example National Living Wage, recruitment and retention issues which is resulting in a rise in care costs.
- 3.2 This means transforming the care and support offer to ensure Cheshire East has greater capacity and an improved range of services. It is intended that the CCGs together with Cheshire East Council jointly commission the new offer and include: discharge to assess beds, step up/step down beds, more specialist provision for complex needs that promote quality of care under the system beds programme and in accordance with the CCG commissioned report into Older Person's services undertaken by Fusion 48.
- 3.3 The joining up of commissioning and contracting with partners will provide an opportunity to promote and champion a single and shared view of high-quality care and support. With our partners, we need to ensure that health and social care services provide people with safe, effective, compassionate, high quality care and that as partners we encourage care services to improve, this may include quality payment premiums to providers.
- 3.4 The key risk to Social Care is maintaining the quality, capacity and sustainability of the care market. Any market failure or disruption will have a

huge impact not only on delayed transfers of care but the critical care provided in the community to thousands of vulnerable individuals.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications

6.1 This report is in line with the requirements under the Care Act 2014.

7.0 Financial Implications

7.1 There are 88 Care Homes in Cheshire East Borough that have placements. The total annual spend is £37,777,284.

7.2 There are 150 Care Homes Out of County that have placements. The current total annual spend is £13,334,157.

8.0 Legal Implications

8.1 It is proposed that the Council will provide Accommodation with services in conjunction with Eastern and South Cheshire CCGs. If there is a partnership with the CCGs with the Council as host then the parties will need to enter into a Memorandum of Understanding which will set out the obligations of the parties in relation to the provision Service and confirm the funding contributions and the responsibilities of each party in delivery of this service.

8.2 Section E of the Council's Financial Procedure Rules set out requirements and approval routes for Partnerships and Jointly Funded Projects, such as this. The Council will host the partnership and its contribution to the budget for this service is likely to exceed £1m, and therefore in accordance with Rule E.18, Council approval is required to enter any agreement for the jointly funded project, in this case the Partnership Agreement.

8.3 The aggregate value of the accommodation with care provision is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Finance and Contract Procedure Rules. This will require a fully OJEU compliant procurement exercise. The Service is engaging with Legal Services and the Council's Corporate Procurement Team in this process.

8.4 Recommissioning accommodation with care in collaboration with partners and following a period of review and engagement with service users and stakeholders will assist the Council in meeting its duties under Section 5 of the

Care Act to ensure sustainability of the market for services meeting the care and support needs of individuals. The procurement is a change to the way services are currently provided and the Service have engaged with stakeholders including service users to co-produce the service specification. Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc. on certain protected groups to ensure equality is promoted, and inequality minimised. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, on the grounds of age or sex discrimination etc. An Equality Impact Assessment has been completed and can both assist in evidencing that these equality duties are being met and can inform decision taking.

- 8.5 Undertaking an open and transparent review of fees paid to care at home providers is a means to ensure that the Council meets its duties under the Care Act 2014 to formally consider the cost of care locally when setting care fees.

9.0 Risk Management

- 9.1 Ensuring there are adequate services in the independent sector market to meet current and future needs of local residents is critical.
- 9.2 By taking account of the local fee structure when making its own recommendations about its future fee structure the Council is mitigating this risk, both for the Council and residents.

10.0 Background and Options

- 10.1 Accommodation with Care is the largest contracted services that the Council commissions in the external care market with approximately 1,280 adults and older people living in permanent care home placements. The current contractual arrangements have been in place since 2013 and cannot be extended past the end date of 31 March 2018.
- 10.2 The current contractual arrangement is a joint contract with Cheshire East Council and Eastern and Southern Cheshire Clinical Commissioning Groups. There is one standard service specification covering all type of regulated activities undertaken within care homes and care homes with nursing.
- 10.3 Accommodation with Care fees were last reviewed in 2015/16 and uplifted in April 2016. A review of care fees is currently underway and the report will go to Cabinet early 2018.
- 10.4 All current long term provision is commissioned on a 'spot purchase' basis. Providers are signed up to standard terms and conditions called a 'Pre Placement Agreement' and receive individual placement agreements for each resident placed by Cheshire East Council.

- 10.5 The accommodation with care market in Cheshire East is composed of a good mix of small and medium sized providers (SMEs) as well as a number of large, national organisations such as BUPA, Four Seasons and Maria Mallaband.
- 10.6 There are 96 CQC registered care homes within CEC. The Council has pre-placement agreements in place with 95 of these care homes, however, as of 31 July 2017 CEC only had placements in 88 of these care homes. 49 of these homes are registered to provide residential care and 47 are registered to provide nursing care.
- 10.7 Cheshire East Council currently offer four levels of care and support within a care home setting, residential, residential dementia, nursing and nursing dementia. The recommissioning will explore the use of accommodation with care providers delivering a range of short term as well as long term care provision such as discharge to access, step up, step down beds and rehabilitation services.
- 10.8 A provider steering group is now in place and meeting on a monthly basis, the meeting is chaired by the Director of Commissioning to offer assurances to Providers of the Councils commitment to working in partnership.
- 10.9 In addition a series of tasks and finish groups have been set up to work with providers to explore the following areas as part of the recommissioning work:
- Care Fees
 - Internal processes
 - Recruitment and Retention
 - New service model / specialisms
 - Contract Monitoring / Quality Assurance
- 10.10 As a result of the above, there is already an improvement in communication and relationships between commissioners and providers, which needs to be built on and maintained moving forwards.

10.11 The proposed timeline is as follows:

Action	Milestone
Final draft issued to all stakeholders	By 1 st December 2017
Existing contracts cease/extended to cover gap etc.	By 1 st January 2018
New tender goes out on to CHEST	By 1 st January 2018
New contracts signed and sealed	By April 2018
New services begin	By April 2018

11.0 Access to Information

N/A

Name: Joanne Sutton
Designation: Senior Commissioning Manager: Long Term Care and Health
Tel. No.: 07811 821005
Email: joanne.sutton@cheshireeast.gov.uk