

ADASS Procurement Survey Report 2014 - Final

1. Response rate

- 1.1 ADASS surveyed all 152 councils with responsibility for adult social care services regarding their procurement practice and received responses from 78% (119) of councils.

2. Introduction

- 2.1 This first ADASS Procurement Survey has brought together a range of information that hitherto has not been seen in a single place. The breadth and depth of the survey along with the high response rate means that we have produced a position statement on council adult social care procurement which is more comprehensive than anything previously published. There is undoubtedly learning to be had that will inform the formulation of subsequent procurement surveys but the story it tells can be used to inform both national and local debate.

3. Procuring Quality Services

- 3.1 The survey clearly demonstrates that where the quality of care provision in both the homecare and residential/nursing home sectors is fragile, it is being actively managed by councils. 8.6% of residential and nursing home providers and nearly 6% of homecare providers are reported as currently being subject to enhanced monitoring by councils due to concerns about quality. This indicates that there is a lack of consistency in the quality of delivery.
- 3.2 Some comfort may be taken in the evidence of how few contracts then progress to formal improvement notices and that over the previous 12 months, only 21 councils have had to resort to cancelling homecare providers' contracts and have done so on 29 occasions. Meanwhile councils have cancelled contracts with up to 41 residential and homecare providers within the same period. However, every cancelled contract represents a major disruption to the lives of vulnerable individuals and quite probably several months, if not longer, of receiving care that cannot be relied upon to be of sufficient quality.
- 3.3 Councils are clearly active in monitoring quality and responding to failings and similarly, providers are also evidently working to address shortcomings when they are brought to their attention. But if quality is about getting it right first time and every time, then there are too many providers demonstrating that quality of care provision currently falls short of that standard
- 3.4 To date councils have generally not made public identified concerns with particular providers, except in the most serious situations. Councils may report summaries of their work in these areas to their scrutiny committees or in their Local Accounts, but these are

historical descriptions and do not inform the individual looking to use a service provider in real time. Products like the “Good Care Guide” are of value and readers of it are advised to look also at the most recent CQC reports for providers they are considering. Councils however can provide more detailed and contemporary information on the quality of particular providers and need to be doing so to discharge the advice, guidance and information responsibilities detailed under the Care Act.

4. Price of Contracted Services

- 4.1 The price that councils pay for care has often been stated as a reason why providers do not have sufficient staff of the right calibre, with enough time to do a good job consistently. The survey indicates that progress is being made to try and construct contracts that are more focused on outcomes than inputs and that there have been genuine attempts to try and establish the actual cost of care in a transparent collective way.
- 4.2 Councils are consistently weighting quality measures higher than price when considering who to offer contracts to for homecare services and the 19 councils reporting that they use outcome based contracts are worthy of further research. Councils need to understand how costs compare when commissioning outcomes rather than time and tasks, and apply this not just to the short term but the whole care lifetime of individuals. The Commissioning for Better Outcomes Programme (partnership between ADASS, LGA and DH to develop a standards framework for commissioners) is an opportunity to do this.
- 4.3 There may be some debate as to the motivation of councils to pursue approaches to try and determine the actual cost of care but the fact that 46% of councils have applied them to the provision of residential and nursing home care for older people within the last 12 months, demonstrates that this issue is being actively addressed by many councils to ensure that the Care Act requirements will be met.

5. 15 Minute Homecare Visits

- 5.1 The issue of customer experience has already been addressed in part by the discussion on quality. In addition to this, the use of “15 minute visits” has perhaps become the metaphor for the customer experience of homecare generally. The concern that care staff are allocated an unreasonably short time to undertake one or more tasks and the impact on both the carer and the service recipient is one that has captured the attention of both the national media and government.
- 5.2 This survey has shown that 75% of respondents utilise 15 minute calls, with 15% of these visits being for this length of time, i.e. these councils use a range of different time and task commissioned visits of which 15% are for 15 minutes only.

- 5.3 The survey asked councils to detail what is expected to be delivered within the commissioned 15 minute visits. 90% of respondents use these short visits for checking on the individual's wellbeing or that they have taken their medication, and few would argue that this is inappropriate. It is however of greater concern when more active care tasks are required to be completed, such as toileting, help with dressing, getting up and/or washing and bathing. For some people, such a time allocation may be appropriate, but councils need to reassure themselves that this is the case in all instances.
- 5.4 In addition, councils need to look beyond just the 15 minute visits and reassure themselves that in all cases the time allocated for a visit is appropriate for the tasks to be carried out for that individual service user.

6. *National Minimum Wage and Travel Expenses*

- 6.1 Councils are not the regulator for compliance with the National Minimum Wage and it is the responsibility of employers to ensure that they comply with national legislation. Councils however can promote fair and legal employment practices through the contracts that they let, and to advise HMRC when they identify a provider who is breaking the law. ADASS has recognised this in its "Top Tips for Commissioning and Arranging Homecare" document.
- 6.2 The survey has asked councils for the first time what they know of the terms and conditions of the independent sector homecare workforce. 19% of respondents did not know if their homecare providers paid the National Minimum Wage, and of those that did have the information, 71% were confident that all their providers paid their staff at that level or higher. Only 3% of respondents were confident that all their homecare providers paid at the living wage or higher and that it was a small minority of responding councils who were confident that all their providers paid travel time at the standard hourly rate (5%) or paid travel expenses (16%). This must be seen in the reality of councils having to contemplate significant reductions to their budgets whilst ensuring sparse resources are targeted at the most vulnerable within our communities.
- 6.3 To remedy this situation, councils and providers need to work together to determine the actual cost of care in their locality based on, at least, compliance with the National Minimum Wage legislation. Councils need to advise HMRC when they identify providers failing to meet these requirements and the HMRC then needs to take prompt and effective action to deal with the offending providers. At the same time, both national and local government need to recognise that there could be an inflationary impact on costs of ensuring that there is a sustainable and improving service.

7. *Procurement and Self-funders*

- 7.1 The Care Act has signalled a new relationship between councils and self-funders. Since the survey was completed, councils have carried out further work in identifying self-funders, and ADASS has undertaken some modelling work on the number of extra self-funders who are

likely to be entitled to state support from 2016/17 or when their care costs reach the new threshold of £72,000.

- 7.2 With the creation of “care accounts”, councils will need to be satisfied that individuals are not only spending their resources on eligible care needs, but are meeting them to a standard and at a price that the council considers appropriate. With the increased protection of personal financial and property assets being introduced with the Care Act, councils are going to be financially responsible for a population of people that they previously had not engaged with. The survey tested how prepared councils are for the implementation of the Care Act currently.
- 7.3 The results raises concerns about the ability of councils to ensure that fee levels reflect the actual cost of care and that working conditions are commensurate with maintaining a stable, well-motivated workforce.
- 7.4 As an indicator of how involved councils are in supporting self-funders the survey explored how many councils grant self-funders access to the councils contracted homecare providers and whether they did so at the same rates.
- 7.5 47% of councils currently allow self-funders full access to their contracted homecare providers and 24% arrange for this access to be at the same rate as the council pays.
- 7.6 Councils still have much to do, as not only do they have to develop schemes to facilitate this access, but councils also need to determine the impact of increased access upon the rates that they pay for services. It is currently argued by many providers that self-funders pay at a higher rate and cross subsidise council funded service users. Clearly in order to counter this argument and in preparation for the responsibilities of the Care Act, there needs to be a transparent approach to understanding and calculating costs.

8. **Further Actions**

Arising from this analysis we make a number of proposals for further action to address the issues raised by the survey, namely:

General:

1. The LGA/ADASS work on Commissioning for Better Outcomes should take account of the implications of this survey and the report.
2. We advise Directors, where necessary, to undertake work in their councils to review their commissioning and procurement practice utilising the ADASS “Top Tips for Commissioning and Arranging Homecare Services”, and at the same time, it is advised that it would be helpful to ensure full transparency by reporting this review to a committee of the council.

The quality of social care provision:

3. The Commissioning for Better Outcomes programme will provide further advice on outcome based commissioning practice.
4. Councils are advised to pay regard to quality measures already established by the Care Quality Commission (CQC) or detailed in the Adult Social Care Outcomes Framework (ASCOF) in shaping their own local measures.
5. Councils are advised to make public quality concerns in their provider market, detailing the specifics of the concern, the action being taken to address these concerns and the timescale anticipated for completion.

Determining the actual cost for care:

6. Councils are advised to assure themselves through procurement processes or through a reciprocal exercise with local providers that the prices being paid take full account of the actual cost of care.

The experience of people who use homecare services:

7. Directors should satisfy themselves that, whatever the length of an allocated homecare visits, it provides sufficient time for the care and support tasks to be undertaken safely and with respect to the dignity of the service user.

The employment experience of frontline care staff:

8. Councils can stipulate in their contracts with providers that they must fully comply with the National Minimum Wage legal requirements or alternatively, state any higher standards that they may choose to require.
9. Councils should advise HMRC whenever they identify a provider that is not complying with the National Minimum Wage provisions.