

Decision Maker: **Adult and Community Services Portfolio Holder**

 for Pre-decision Scrutiny by the Adult and Community Services Policy Development and Scrutiny Committee

Date: **21st September 2010**

Decision Type: Non-Urgent Executive Non-Key

Title: **REVIEW OF IN HOUSE HOMECARE SERVICE**

Contact Officer: Tracey Pearson, Interim Head of Finance
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Chief Officer: Terry Rich - Director of Adult and Community Services

Ward: BOROUGHWIDE

1. Reason for report

1.1 This report provides information about the direction of travel of the in-house home care service and proposals about the future of the service contained within the Direct Care Services annual business plan.

2. RECOMMENDATION(S)

2.1 The PDS committee is recommended to: -

- (a) note the direction of travel of the in-house homecare service;
- (b) provide comments to the Portfolio Holder on the proposals contained within this report and the implications arising from these proposals;

The Portfolio Holder is recommended to: -

- (a) subject to the views of the PDS Committee and subject to the outcome of consultation, the Portfolio Holder is requested to endorse the proposals for the in-house home care service.

Corporate Policy

1. Policy Status: Existing policy. The proposed revisions are inline with the overall aims & objectives of the existing policy.
 2. BBB Priority: Supporting Independence. Excellent Council
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Financial

1. Cost of proposal: Estimated cost Subject to consultation, any potential redundancy implications will be identified and associated costs will be reported to the Executive.
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Direct Care Services, In House Home Care
 4. Total current budget for this head: £5m
 5. Source of funding: The current budget for the service is within existing revenue budgets. Any potential redundancy implications are subject to consultation and there will be a further report to the Executive identifying the full financial implications and seeking any the required funding.
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Staff

1. Number of staff (current and additional): 115 permanent staff plus approximately 17 staff regularly employed on a casual basis
 2. If from existing staff resources, number of staff hours: n/a
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Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 240
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: Members' comments will be sought as part of the formal consultation process.

3. COMMENTARY

- 3.1 The Council's in-house home care service currently provides 3,000 hours of care per week to 240 service users. The service employs 115 permanent staff (68 full-time equivalent posts) and approximately 17 staff regularly employed on a casual basis. Approximately 500 hours of care per week are delivered through the use of agency carers, engaged by the in-house service on a temporary basis, as and when required.
- 3.2 The proportion of care delivered by the in-house home care service has declined significantly over recent years and it is anticipated that this will continue to be the case, particularly as service users receive personal budgets and more choose to take that budget as a Direct Payment. Over the past 5 years, there has been a gradual and progressive increase in the proportion of home care services that are provided by our contracted independent providers and a corresponding decrease in the size of the in-house home care service.
- 3.3 This has been driven by an increasingly mature market of both voluntary and private sector organisations able to provide good quality care services at competitive prices.
- 3.4 This year, the Direct Care Service, in which the in-house home care service exists, has drawn up its business plan for the year acknowledging that this direction of travel will inevitably accelerate and that a managed reduction in capacity will be the overriding priority for the year. The service has put forward a proposal for changes in the service in light of the Government's policies on personalisation and on reductions in local government funding.
- 3.5 The potential impact of the Government's social care reforms which focus upon personalisation, re-ablement and the expansion of personal budgets and Direct Payments provide service users with a greater degree of choice and control. As more people are given Personal Budgets and can exercise choice through the use of a Direct Payment by choosing where and when they purchase their care, the in-house service will be unable to compete and we anticipate that demand for the service will continue to reduce.
- 3.6 One option that people will increasingly have is to secure their personal care from one or more personal assistants who they employ directly as an alternative to purchasing their care from a domiciliary care provider.
- 3.7 There is also a significant financial driver to consider, given the stated intention of the Government to reduce funding in the public sector and the scale of the reductions being proposed. The Council's contracted external home care providers currently deliver care for approximately 30% less than it costs the Council to deliver that care using the in-house service. This differential is influenced in part by competition within the market itself. Also as the volume delivered by the in house home care service has declined over recent years the cost differential has continued to widen. This makes it both increasingly uneconomic to continue to provide a direct service and unlikely that service users, with personal budgets or Direct Payments, would choose a more expensive service. Consequently in each budget over the past 4 to 5 years, savings have been achieved through further reducing the proportion of home care delivered by the in-house service and increasing the quantity purchased externally.
- 3.8 The majority of home care is currently provided by registered independent domiciliary care providers. All of the providers we contract with are expected to meet high standards and all are registered with the Care Quality Commission and are regularly inspected by them. In addition, all are regularly monitored by our contracts team and work with the Council as part of our contracted providers' forum. Contracted providers are required to ensure that carers are properly trained and are involved in our domiciliary care providers training consortium.

- 3.9 The Council is confident that the standards of care provided by its contracted providers, including reliability and customer satisfaction ratings are equal to those of the in house service. Over the past 2 years, all of our contracted domiciliary care providers have been rated as “good” or “excellent” by the Care Quality Commission. The in-house service is currently rated as “good”.
- 3.10 A report to the Adult & Community Services PDS Committee on 14th April 2010 entitled “Quality Monitoring of Domiciliary Services” informed Members of the work undertaken to monitor the quality of domiciliary care services in the borough. The report details the contract monitoring activities which are undertaken to promote and ensure high quality domiciliary care services in Bromley and the role of the Care Quality Commission with regard to registration and inspection.
- 3.11 A new Re-ablement Service, which was formally agreed by the Portfolio Holder following the June PDS Committee meeting and launched as the core service for all new adult social care service users, is now up and running. This service aims to provide an intensive six week program of support designed to help service users re-learn skills and improve confidence, thus enabling them to better manage their own daily living and consequently improve their quality of life while at the same time reducing the need for high levels of domiciliary care. As the Re-ablement Service grows, there is a need to recruit staff as part of the ring-fenced process that we are undergoing for home care staff.
- 3.12 This has resulted in a number of service users’ care packages moving to external providers as the department seeks ways to free up capacity to enable staff to apply to transfer to the Re-ablement Service. We are also using this as an opportunity to reduce reliance on the use of agency workers, as highlighted in paragraph 3.1.
- 3.13 A reviewing officer from the department is contacting individual service users to discuss their care needs and explain the proposed changes to the way that home care is being delivered. Service users are being informed that it is proposed that their care will no longer be provided by the in-house service and that they can choose for the Council to continue to manage their care, but have it provided by one of our contracted external providers, or that they can choose to have a Direct Payment and arrange to purchase their care privately. The reviewing officer explains these options in detail.
- 3.14 In all cases where a change in care provider is proposed service users, or their representatives, are being contacted individually, their care plan is reviewed and an updated support plan is completed to ensure that care needs will continue to be appropriately met.
- 3.15 It is important to note that the Council continues to be responsible for a service user’s care plan and review and the only change is that the care is provided by a contracted external provider. Service users can still contact their care manager or Bromley Social Services Direct, in the same way that they do currently.
- 3.16 There has been informal consultation with staff and their representatives and formal consultation is now underway setting out the implications for staff of changes in the home care service. Formal consultation will last for a period of 90 days and is due to end on 30th November 2010. All of the options and opportunities are being explained to staff and their representatives including possible redeployment opportunities.
- 3.17 There will be a further report to the Executive to seek approval to fund any costs arising from the any redundancies that may arise, subject to the outcome of consultation. The PDS Committee will be kept informed of the outcome of the consultation process.

4. POLICY IMPLICATIONS

- 4.1 The Supporting Independence in Bromley programme is supported by the Building a Better Bromley key aim Supporting Independence and is the key theme within the Adult and Community Portfolio Plan. The potential impact of the Government's personalisation agenda provides service users with a greater degree of choice and control as more people are given Personal Budgets and can choose to receive a Direct Payment to purchase their care privately.

5. FINANCIAL IMPLICATIONS

- 5.1 The 2010/11 budget for the in-house home care service is £5m. The proposal to close the service and commission domiciliary care services for individuals from contracted external providers will generate savings of approximately £500k per annum and will contribute to achieving planned budget savings within the Adult and Community Services budget for 2010/11 and 2011/12.
- 5.2 As more people are given Personal Budgets and can exercise choice through the use of a Direct Payment by choosing where and when they purchase their care, the in-house service will be unable to compete and we anticipate that demand for the service will continue to reduce due, in part, to the cost differential.
- 5.3 Subject to consultation, there are likely to be redundancy implications arising from these proposals and the financial impact of these has yet to be assessed. There will be a further report to the Executive identifying the full financial implications of these proposals and requesting funding for any redundancy costs that may arise if, following consultation, the Portfolio Holder agrees to proceed.

6. LEGAL IMPLICATIONS

- 6.1 The Council is under a statutory duty to arrange to provide domiciliary care services to those assessed as needing them following a Section 47 Assessment of Need. There is no obligation to provide that service via an in-house service.
- 6.2 The Council is under an obligation to inform the Department of Business Enterprise and Regulatory Reform where there is a risk of redundancies involving 20 or more staff. It is also an obligation to formally consult with the relevant recognised trade unions and staff affected by changes of this nature.
- 6.3 The changes to and likely fragmentation of the service indicate that there is no TUPE provision and that individual staff members will be unable to identify individual employers, whether clients using the personal budgets to engage carers or independent contractors who provide services to a variety of clients.

7. PERSONNEL IMPLICATIONS

- 7.1 These proposals have redundancy implications and formal consultation, in line with the Council's procedures for managing change, is now underway with staff, trade unions, staff side secretary and departmental representatives. They are being consulted on the impact of the proposed changes to staff within the in-house domiciliary care services.
- 7.2 The Council has a policy of avoiding compulsory redundancies wherever possible and all efforts will be made to find redeployment for post holders at risk. In the event that suitable alternative redeployment cannot be found however, they will be made redundant and redundancy payments will be calculated on the basis of an employee's actual weekly rate of pay.

7.3 Where it is not possible to redeploy employees who are members of the Local Government Pension Scheme aged 55 or over and they are made redundant, this would result in the release of their occupational pension under the Regulations. The Chief Officer is of the view that in these circumstances there is insufficient demonstrable benefit to the business to warrant the offer of early retirement on grounds of efficiency and the award of added years as an alternative to redundancy. Early retirement benefits would therefore be on the basis of actual reckonable service in the pension scheme.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Direct Care Services Business Plan Quality Monitoring of Domiciliary Services – Adult & Community Services PDS Committee 14 th April 2010