

**Briefing Paper for the Kent Care Homes Panel for the
Select Committee Commissioning & Procurement 7th February 2014**

Introduction

This paper is presented on behalf of the Kent Care Homes Association (KCHA), in partnership with the Kent Community Care Association (KCCA) and the Kent and Medway Care Alliance (KCMA). The KCHA is an independent organisation founded by like-minded providers to promote a level of care based on quality the service user can trust. The Association was founded in 1980 and has grown significantly over the past thirty years supporting a current membership of 130 care homes across Kent and the surrounding areas.

Since 2009, the KCHA, whilst continuing to represent the interests of its membership, has worked in collaboration with the KCCA and KMCA to ensure that it is strategically engaged with the transformational change in adult health and social services across Kent, by informing and promoting innovation and improvement in the quality of care and support services to vulnerable adults. As such the KCHA was instrumental in establishing and representing the sector on the Kent Adult Social Care Stakeholder Transformation Board, the aims of which include:

1. To facilitate a strategic, inclusive and consistent partnership between council and providers to deliver the Kent County Council (KCC) Adult Social Care Transformation Programme and
2. To, where appropriate, co-design adult social care services in Kent

Currently, the KCHA is working with its partners to promote a combined alliance of SME service providers in Kent, that alongside its commitment to maintaining its members benefits and interests will also:

1. Create a unified voice to promote social care providers in Kent.
2. Support the sector to build capacity and strategic influence in partnership with key stakeholders (e.g. Local authority, national associations, skills councils, Care Quality Commission, Health Education boards)
3. Contribute at a strategic level to key challenges in social care transformation including service specification, quality improvement and workforce development and redesign.

Within this context of its purpose and operations, the KCHA has had considerable engagement with and experience of KCC Commissioning and Procurement.

Facing the Challenge

If the challenge facing the local authority of transforming adult social care is to be addressed, then KCC must invest in a programme of building locally valued and responsive services with regard to two key and interrelated dimensions, cost and organisation:

1. As, for the foreseeable future, the local authority is significantly constrained with regard to the resources it can commit to health & social care, then it should work in partnership with existing business in Kent (the SME supply side) to identify and plan for cost effective outcome driven services. Implementation of the Social Care Bill requires cost capping of residential and home care fees, personalised / individual budget holding for direct purchasing of services and private financial investment. The funding changes under the Care Bill will expose the current gap between the rates paid to homes by councils and the typically higher fees paid by self-funders.

“This change is likely to put significant pressure on the income of care providers, who will in turn seek higher fees – an increase in the ‘usual cost’ rate – from their local authorities,.....Given residential care providers have already absorbed downward pressure on fees in recent years...it is likely that to avoid forcing residential care providers into bankruptcy, local authorities will in fact have to increase their ‘usual cost’ rates.”

A new approach is now required to identify and meet the real costs of services, i.e. one that drives out waste, drives down costs and drives up value through better use of available public funding, (e.g. Attendance Allowance, Housing benefits, Joint LA and NHS funding) and alternative private sources of investment.

2. Public service reform, transformation, integration and commissioning and procurement for outcome driven services, require significant change at the system, organisation and workforce levels. The KCHA recognises the need for

SME social care providers to work together and be represented at a strategic level to generate a continuum of cost effective, flexible, responsive, integrated and community facing services. However achieving this is dependent upon the capacity, trust and appetite of not only suppliers but also KCC for collaborative working arrangements. To date, in our experience, there is limited evidence of any real desire to have a partnership between commissioners and providers. Culturally this needs addressing and local authority staff attitudes need changing through training and coaching. There is a new reality now that (with some exceptions) is not evident on the ground from KCC staff. What is required is open, timely communications so providers can plan and work as effectively and efficiently as possible when tendering. At present there appears to be a disconnect within KCC between Commissioning, Operations and Procurement – This is frustrating for Providers, who after extensive negotiations and attempts at co-production with commissioners are then faced with tenders that do not represent the understandings they believe to have been and developed in the run up to the process. It should be recognised that commissioning is on top of the day job for providers and SMEs and VCSES run with no fat.

Recommendations:

1. KCHA has long campaigned for outcome orientation and long term solutions. Experience from the recent Domiciliary Care Re-tendering procedure suggests that the process has been experienced more as a blunt instrument to achieve de-commissioning, rather than a reshaping of the market to delivery outcome driven personalised services. The SIS tender did not focus on quality outcomes and the current 1 year domiciliary care tender remains focused on the lowest cost for a time and task oriented service. In Learning Disability it can take several years of dedication and care to develop someone to be more independent and suitable for supported living – this needs recognising.
2. There are real concerns amongst KCHA and its partner organisations representing the supply side that Prime Integration Providers will come to dominate the care market at the expense of Service Delivery Providers, as the focus on quality and outcomes is delayed for 12 months, by when many

existing SME providers will have been driven out of the market by loss leader bids from national providers. Going forward this may leave the authority vulnerable to price hikes from monopoly providers. The experience from other Local Authorities who have used this model should be sought.

3. KCC should invest now in an approach that will generate the necessary innovation across the independent care sector to drive up standards and drive down costs in services by building strategic 'whole systems' thinking across the service supply side. The KCHA have proposed a model of Locally Based Networks of Supply, that would utilise the 'co-creation of value' approach to drive out redundancy from the system and remodel services that are innovative, capable of continuous improvement, responsive to local and changing needs and integrated with other independent and public services. The Local Authority should also encourage collaboration and facilitate workshops to upskill VCSE's and recognise that in some circumstances grant funding still has a role for capacity building.

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