Provider Engagement Network

Adult Services Joint Locality Meeting

Date: Friday 24th May 2013
Venue: Dartmoor Lodge Hotel, Ashburton
Welcome & Introductions
9:00   Arrival / Refreshments

9:15   Welcome & Introductions (Graham Varley)

9:25   Commissioning & Procurement
  1. Adult Social Care Commissioning (Paul Collinge)
  2. Procurement Services (Leanne Hawkins)
  3. Social Capital Value (Andrew Lightfoot)

11:30  Tea Break

11:45  Residential & Nursing Fees Strategic Options (Hannah Jennings Ernst & Young)
Agenda

13:00   Lunch

13:30   Market Position Statement (Emma Henrion)

14:30   Safeguarding Issues from Providers (provider led)

15.00   Tea Break

15:15   Co Chair Elections
Agenda

15:45  Care & Support Dementia Partnership (Jenny Richards)

16.15  AOB & Close
From 1993 Local authorities had the power to ‘purchase’ social care in response to individual need from independent and voluntary providers.

The amount of spend and proportion of LA social care budget spent on purchasing services has increased year on year.

Now and into the future the demand for personalised and outcome based services and personal budgets and direct payments changes the relationships between commissioner, provider and individual.

Consequently the way in which services are commissioned, procured and provided have to respond to that changing dynamic.
That increased volume purchasing requires a range of connected Commissioning activities. The key ones are:

- Strategic planning & commissioning
- Contracting and procurement
- Individual care planning and purchasing
Strategic planning & commissioning

- To lead and develop an evidenced based, credible and financially sustainable strategy that addresses how people's needs could be met in the future by:
  - Consultation and engagement
  - Understanding people needs both individually and collectively
  - Understanding the contribution of local communities and care and support providers in addressing needs
  - Identifying best evidenced practice and services
  - Gap analysis, options appraisals and business cases
  - Developing and obtaining agreement for commissioning plans.
  - Specifying outcomes and shaping service delivery
Devon County Council
Devon Procurement Services
Procurement overview
Presented by Leanne Hawkins or Chris Dorain
Procurement Category Managers
Overview of Devon Procurement Services

Procurement Services – Our role?

- More than a tendering service........
- Procurement & commissioning work as an integral team in delivering the corporate aims
- Skills are blended to deliver the maximum benefit and quality of service to the service user
- Other areas include provider engagement, partnerships i.e. Devon Procurement Partnership, South West Councils.................
Devon Procurement Services

- **Fair treatment of all providers in a single market**
  - Fair access to compete
  - All bidders should be treated the same
  - No potential bidder advantage

- **Probity and transparency**
  - Clear what process DCC has followed, and how it has reached decisions

- **Management of Risk**
  - Secure sustainable services

- **Proportionality**
  - Process should be relevant and proportional to the size and value of the contract
The Procurement & commissioning life Cycle

Identify the Need
Develop the Specification
Define the Contractual Terms
Research the Market
Prequalification / Supplier Selection Invite Quotes/ Tenders
Analyze Quotes/ Tenders
Clarification
Contract Award/ Debrief
Monitor Performance
Manage Relationship
Payment
Approval to Proceed
Review of Performance
Options appraisal. Sustainability, Impact ass.
Set Evaluation Criteria
Develop the Specification
Define the Contractual Terms
Prequalification / Supplier Selection
Manage Relationship
Payment
Review of Performance
Approval to Proceed
## Devon County Procurement Thresholds

<table>
<thead>
<tr>
<th>Goods and Services</th>
<th>Works</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - £1000</td>
<td>0 - £1000</td>
<td>No competition required</td>
</tr>
<tr>
<td>£1000 - £2500</td>
<td>£1000 - £5000</td>
<td>Minimum of 2 quotations</td>
</tr>
<tr>
<td>£2500k - £10k</td>
<td>£5000 - £10k</td>
<td>Minimum of 3 Written</td>
</tr>
<tr>
<td>£10k - £50k</td>
<td>£10k - £50k</td>
<td>Minimum of 3 sealed Quotations based on a written specification and evaluation criteria</td>
</tr>
<tr>
<td>£50k to EU threshold (£174k)</td>
<td>£50k to EU threshold (£4.4m)</td>
<td>Minimum of 4 tenders</td>
</tr>
<tr>
<td>Above EU threshold (£174k) if in doubt go EU</td>
<td>Above EU threshold (£4.4m) If in doubt go EU</td>
<td>Minimum of 5 tenders Advertise in OJEU (Official Journal of the European Union)</td>
</tr>
</tbody>
</table>
Be tender ready, some top tips:

- Review and update policies
- Ensure all your documents are valid, i.e. Insurances
- Sign up to the appropriate websites
  www.supplyingthesouthwest.org.uk
- Access support and help i.e. Business Link, Navca
  www.Businesslink.gov.uk  www.NAVCA.org.uk
- Set aside time to thoroughly read tender documents and requirements and follow the instructions carefully
- Attend Bidder events and any tender workshops offered
- Don’t leave the submission of documents to the last minute in case of IT failures!
Any questions?
Individual commissioning/purchasing

To purchase care and support or to otherwise arrange for support that meets the individuals identified needs by:

– Undertaking an assessment of the persons individual needs
– Agreeing with the individuals the outcomes to be achieved (outcome based care plan)
– Agreeing the ‘cost’ of the care plan
– ‘Brokering’ and purchasing services and support from providers in response to the care plan (*subject to pre determined contracts and agreements*)
Social capital & value
Andrew Lightfoot
Director of the Devon Investment Partnership
‘Big Society’ and ‘localism’ in practice
Social capital

• The glue that holds communities together:
• Civic engagement
• Neighbourliness
• Social networks
• Social support
• Perceptions of local area
• Those with extensive networks being more likely to be ‘housed, healthy, hired and happy’
Good growth

- Links between well being and the economy:
  - Jobs 18%
  - Income 14%
  - Health 13%
  - Work-life balance 13%
  - Housing 9%
  - Income distribution 7%
  - Future 7%
  - Environment 7%
  - Sectoral balance 6%
  - Transport 6%
Measures of social value

Principles:
• Proportionality
• Comparability
• Standardisation

Categories:
• Outputs
• Outcomes
• Wider impact
• Stakeholder participation
• Distance travelled
• Financial indicators
‘Under the Duty of Best Value… authorities should consider overall value, including economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.’
Funding and Investment

Heseltine review:
• Growth and decentralisation
• Single local growth fund
• Roles of:
  • government,
  • Local Enterprise Partnerships,
  • local authorities
European Funding 2014-20

Strategic Investment Plan
Devon Transition Zone
Funding sources:
• ERDF
• ESF
• RDPE
• Co-operation
• Others
Mechanisms: inc. financial engineering instruments
Access to finance

Building the Business Bank:
• Finance
• Business advice

Devon Investment Partnership:
• Awareness
• Investment readiness
• Loan funds
• Impact measures
What is a Market?

• An actual or nominal place where forces of demand and supply operate, and where buyers and sellers interact (directly or through intermediaries) to trade goods, services, contracts or instruments, for money or barter.

• Markets include mechanisms or means for (1) determining price of the traded item, (2) communicating the price information, (3) facilitating deals and transactions, and (4) effecting distribution. The market for a particular item is made up of existing and potential customers who need it and have the ability and willingness to pay for it.
What is a Social Care Market

1. **Accommodation with Care** (i.e. care homes, extra care housing, supported living arrangements, sheltered housing, social landlords, host family care)

2. **Care and support in the home** (i.e. personal care providers and support providers)

3. **Community and Voluntary Sectors**

4. **Statutory Sector** (DCC provided, NHS, district councils and other statutory provided services)
Are these the Social Care Markets in Devon?
Market Position Statement

Fiona Richardson
Assistant Director

Institute of Public Care
Oxford Brookes University
Developing Markets for Quality and Choice Programme (DCMQC)

Devon Market Analysis
“The government supports the diverse range of care providers that currently offer care and support, including user and carer led organisations, small and micro enterprises and social enterprises.

To strengthen this diversity, the Government will introduce a duty upon local authorities to promote diversity and quality in the provision of services.

To help local authorities carry out this duty, we are offering support to every local authority to create a market position statement or to develop their existing one.”

http://caringforourfuture.dh.gov.uk/
Developing Care Markets for Quality and Choice (DCMQC) Programme

- A national programme funded by the Department of Health and supported by ADASS and a range of provider bodies.
- Part of the support package announced in the Care for our Future White Paper.
- Support made available from IPC via ADASS regions
- Programme runs from Autumn 2012 until January 2014.
- Purpose of the programme is to help local authorities to develop, or improve their existing, market position statement.

http://ipc.brookes.ac.uk/dcmqc.html
About IPC

- We are part of Oxford Brookes University
- We work with national and local government, the NHS and private, community and voluntary sectors
- We work across the United Kingdom
- We were formed in 1987, and have a team of 40 staff and Fellows, based in Oxford and Bath
- We work for well run evidence based public care:
  - Consultancy
  - Evaluation, analysis and research
  - Publications, workshops and seminars
A duty towards care markets

- The need to ensure that the authority has, and makes available, information about the providers of services for meeting care and support needs and the types of services they provide.
- The need to ensure that it is aware of current and likely future demand for such services and to consider how providers might meet that demand.
- The importance of ensuring the sustainability of the market.
- The importance of fostering continuous improvement in the quality of such services and the efficiency and effectiveness with which such services are provided and of encouraging innovation in their provision.
A market position statement should:

- Present a picture of demand and supply now, what that might look like in the future and how commissioners will support and intervene in the market to achieve this.
- Bring together material from a range of sources and presents data that the market needs to know and use if providers are to develop effective business plans.
- Cover all potential and actual users of services not just those that the state funds.
- Be the start, not the end point, of a process of market facilitation.
A market position statement

- summary or key messages
- future demand
- current supply, identifying strengths and weaknesses
- identified models of practice commissioners will encourage
- the likely future level of resourcing
- the support commissioners will offer in order to achieve the desired outcomes.
What kind of care market do we have nationally?
What kind of care market do we have nationally?

- One where the local authority exerts increasingly less control.
- A fragmented market.
- A significant economic force.
- A continuing level of financial instability where despite Southern Cross there are still care business buyers.
Local authority purchasing of care beds by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Total care beds</th>
<th>LA Purchased</th>
<th>% purchased</th>
</tr>
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<tbody>
<tr>
<td>South East</td>
<td>84,000</td>
<td>35,000</td>
<td>41</td>
</tr>
<tr>
<td>South West</td>
<td>57,000</td>
<td>24,000</td>
<td>42</td>
</tr>
<tr>
<td>Yorks &amp; Humber</td>
<td>49,000</td>
<td>23,000</td>
<td>46</td>
</tr>
<tr>
<td>Eastern</td>
<td>51,000</td>
<td>24,000</td>
<td>47</td>
</tr>
<tr>
<td>East Midlands</td>
<td>43,000</td>
<td>21,000</td>
<td>48</td>
</tr>
<tr>
<td>West Midlands</td>
<td>46,000</td>
<td>23,000</td>
<td>50</td>
</tr>
<tr>
<td>North West</td>
<td>63,000</td>
<td>33,000</td>
<td>52</td>
</tr>
<tr>
<td>London</td>
<td>39,000</td>
<td>26,000</td>
<td>66</td>
</tr>
<tr>
<td>North East</td>
<td>18,000</td>
<td>15,000</td>
<td>83</td>
</tr>
</tbody>
</table>
A fragmented market

- Nearly 12,500 social care providers registered with CQC, of whom just over half are registered care home providers.
- 13,134 residential care homes with 247,824 beds registered in England, and 4,672 nursing homes with 215,463 beds.
- 6,830 agencies providing domiciliary care.

In our sample there were 636 homes of which 508 were owned by just two groups. The remaining 128 homes were owned by 17 other companies.
A significant economic force

- Last year (2012) local authorities spent over £4.5 billion pounds on older peoples residential care, at an average of £30 million per authority.
- 1.63 million people work in the care sector.
- Around two-thirds (65%) of all jobs in adult social care are in the private and voluntary sectors.
- For example in Bradford out of a workforce of around 100,000 in employment, caring and leisure services employs around 18,000 people.
- For example Barchester Healthcare has 11,000 residents and 14,000 staff. It holds assets of around £1bn and a turnover of £413 million.
What kind of care market do we have in Devon?
What do we mean by mapping?

Mapping is reporting information about the care market including:

- What is provided, and for whom
- What activities are undertaken
- How much they cost
- What impact they have on the client group
Do we know….

Current provision

Are there differences in activity, cost or outcomes for similar services?

Where are the services?

Does what we have represent good practice

What do service users say about services?

How accessible are services?

What is provided by the different sectors?

How many people use services, for how long, at which times?
Unpicking market size and structure - example

Fig. 12: Map of Residential Home Capacity
Unpicking market size and structure - example
Unpicking market size and structure - example

- 40 suppliers are registered as charities
- 42 are local, 15 regional and 19 national
- 5 are user led organisations
- At least 10 are BME specific organisations
- At least 44 are client group specific organisations
- For the majority of local organisations Islington council is the main purchaser
Market segments - Devon

1. Accommodation with Care (i.e. care homes, extra care housing, supported living arrangements, sheltered housing, social landlords, host family care)
2. Care and support in the home (i.e. personal care providers and support providers)
3. Preventative and other services
4. Statutory Sector (DCC provided, NHS, district councils and other statutory provided services)
Suggested market analysis

- Market size and structure:
  - What services are currently provided
  - Where are services
  - Staffing
  - From what sector and how big are providers

- Market trends

- Costs:
  - Who uses services, at what cost?

- Quality and impact:
  - Service user feedback
  - Quality monitoring
  - Outcomes achieved
Safeguarding

Safeguarding Issues from provider

Facilitated by Linus Whitton
Devon & Torbay Services Manager
Shared Lives South West
Care & Support Dementia Partnership

Jenny Richards
Joint Commissioning Manager
Partnerships Directorate - Northern, Eastern and Western
Devon Clinical Commissioning Group

Eoghan Kelly
Business Development Advisor, Workforce Development
Any Other Business...