

ADULT SOCIAL CARE COMMISSIONING REVIEW FOR CARE HOMES AND HOME SUPPORT

Joint report of the Borough Treasurer and the Corporate Director for People.

1. INTRODUCTION

- 1.1. This Report is presented in the context of an Adult Social Care Joint Commissioning Strategy and outlines the commissioning proposals for two of the most significant areas of externally commissioned service provision for adults with care needs: care homes in Stockport and home support to enable people to live in their homes for longer. Expenditure on these accounts for £38.5m and the decision making on this could account for an additional £2.7m. The Report outlines the key commissioning activities for each area of service in turn and proposals for fee rates for 2018/19. It also identifies risk factors for each service area.
- 1.2. This Report follows a Fee Options Paper which was submitted to CLT in October 2017 where different models and options were outlined and guidance was sought by officers on the way forward.
- 1.3. The Report is designed to be considered in the context of budget setting proposals and is intended to clarify the fee changes position for 2018/19 to allow for early implementation at the start of the financial year. This will provide financial certainty to the market and support care providers with their cash flow. It will also prevent internal inefficiency caused by the need to make back payments as well as conforming to good commissioning and procurement practices.

2. SERVICE BACKGROUND

- 2.1. For clarity, care homes refer to residential and nursing homes which provide 24 hour staffing on site, while home support refers to the support offered to individuals in their own homes, also known as 'Domiciliary Care'.
- 2.2. Both types of provision have to be registered with the Care Quality Commission which regulates the quality of the market. Nationally these services face challenging times and this has also been reflected locally. Stockport's quality ratings have been lower than we would have wanted in recent years, and a significant programme of work is currently in place to address this which is already reaping results.
- 2.3. The Care Act requires local authorities to help develop a market that delivers a wide range of sustainable high-quality care and support services that will be available to their communities. When buying and arranging services, local authorities must consider how they might affect an individual's wellbeing. There is also the reputational risk for the Council and its partners in failing to sustain an appropriate choice of provision at the required quality. The Care Act also requires local authorities to pay a fair price for care and at the least, to pay at a level that ensures that providers are able to meet their statutory responsibilities including payment of

the national minimum wage, while at the same time commissioning services that are cost effective and offer value for money.

- 2.4. The external market for care and support is of fundamental importance to the local health and social care system impacting on the ability to reduce the number of hospital admissions and respond appropriately to hospital discharges as well as meeting our statutory responsibilities. However we know that the external care market in Stockport currently faces high levels of risk and challenge, both in terms of quality and capacity.
- 2.5. In terms of Market Capacity, a lack of appropriate provision can have a serious impact on delayed transfers of care, but can also increase the likelihood of hospital admissions if people are not supported to remain in their own homes or in care or nursing homes in accordance with their needs and preferences. Poor quality can impact on safeguarding and a range of other factors including poor quality of life, further deterioration and ultimately greater pressure (and cost) to the whole Health and Social Care economy.
- 2.6. The demand for home support is rising and exceeds the supply, creating ongoing pressures to find suitable packages of care for individuals and a significant waiting list.
- 2.7. The care home market faces similar challenges with a lack of choice of good quality affordable provision but with the additional issue of 'top up' fees payable (these are additional payments made by family members to secure a placement. This creates a significant risk of overspend if not controlled. At present only 23% of homes in the Borough provide care at our standard rates without a fee enhancement being paid by the Council or a third party 'top up'. The financial impact on all permanent placement for the council paying enhancements would be on average £159 per week. This would equate to a c£570k cost pressure to date in this financial year. With respect to third party top ups this is on average of £164 per week, which would equate to a cost of c£600k since the start of the financial year to those responsible for these payments.
- 2.8. The main difficulty cited by providers is the problem of recruiting and retaining a suitable care workforce. This shortage also applies to registered managers and qualified nursing staff. Whilst this is a national challenge, providers have also consistently noted that recruitment difficulties are more acute in Stockport due to the demography of the area.
- 2.9. The Home Support Provider perspective is that the current home support hourly rate of £14.12 is challenging to enable them to attract staff who can deliver good quality, ethical care and several providers have either left the Home Care business or handed back all their clients in Stockport over the last year.

- 2.10. Some Care Homes make a similar argument and as private businesses, they argue that the routinely need to set their fee levels above those of the Local Authority in order to stay in business.

3. FINANCIAL BACKGROUND

- 3.1. The financial challenges faced by the Council and in turn Adult Social Care are significant. Adult Social Care (ASC) and Public Health are required to identify recurrent savings for 2018/19 totalling £3.7m. In addition ASC has financial pressures totalling £2.3m for which there is a recurrent plan in place from April 2018. The forecast deficit position is £0.584m.
- 3.2. The spring budget 2017 announced some additional non recurrent funding to Social Care authorities in the form of the improved better care fund grant (iBCF). The funding has been allocated for the period 2017 to 2020. Stockport MBC will receive £10.6m allocated as follows:
- System Sustainability: £4.5m
 - Market Capacity: £4.5m
 - Quality Improvements: £1.6m
- 3.3. The iBCF allocation in 2017/18 is £5.1m, of this amount £1.239m from the market capacity allocation will be used to support the forecast pressure in relation to care management budgets within Integrated Neighbourhood Services. In the absence of this funding the deficit position reported for the service would have been £1.8m (compared to £0.584m).
- 3.4. The financial demands in relation to care management budgets can be attributed to the following factors:
- An increase in demand for services with clients often presenting with more complex needs.
 - Increase in transfer of clients back to the community from Delayed Transfers of Care out of hospital
 - Enhanced rates payable to secure bed based provision within residential and nursing care to minimise DTOC
 - Capacity problems in domiciliary care
- 3.5. The financial demands on the care management budgets are not limited to the current financial year, it is anticipated that they will continue into 2018/19 in particular in relation to the demand for home care provision and the enhanced rates payable for bed based provision.

4. PREVIOUS APPROACHES TO COSTS AND FEE SETTING

4.1. HOME SUPPORT

- 4.1.1. A major exercise was undertaken in 2015 to assess the current state of the Home Support market and to propose a fee settlement and to highlight the need for changes in the commissioning approaches and operational practices. We use the

UKHCA model plus local conditions to inform the annual fee setting process for home care. In 2014/15 we reduced the free rate for home care from £13.28 to £12.60 and maintained this rate in 2015/16. Since then there has been a review of the market and rates have been increased by 12% over the last 3 years with the current rate for fees being £14.12. The rationale for the increases have been primarily driven by national requirements regarding the National Living Wage taking into account inflation for non-staffing costs.

4.2. CARE HOMES

4.2.1. Since 2015/16 we have adopted a cost of care methodology for fee setting in line with national guidance. We commissioned VCFM (a specialist consultancy) in 2014 to undertake a detailed cost of care exercise in relation to care homes on behalf of the Council and this baseline has been used as the methodology to inform subsequent year's fee setting.

4.2.2. Since this time the Council has now carried out three cost of care exercises for residential/nursing care. These have been a combination of engagement and consultation with service providers in terms of gaining a qualitative understanding of current cost pressures and wider business issues. Conversely, they have had technical accounting component that provided opportunities for cost analysis to be undertaken by way of requests to providers to complete a pro-forma detailing costs of their specific provision. Since 2014 these cost of care exercises have resulted in the uplift of fees for residential/nursing care and have been a source for understanding the cost pressures and state of the market.

4.2.3. In terms of engagement with providers for the purpose of setting the care home prices for the forthcoming year, it has been the practice of the relevant Council Officers to visit and discuss with providers the Council's overall position and any proposed inflation award. In the years since the settlement for 2011/12, agreement has been reached on the price for the forthcoming year.

4.3. The Council has in the last 4 years undertaken significant consultation with service providers via individual and group engagement. This has been through our regular forums and specific sessions to discuss the setting of fees, pressures in the system and commissioning intentions.

4.4. Whilst cost of care exercises have now become an annual cycle for determining fees for care homes and home care, it has not benefited from engagement from all providers. Each year we have seen a decrease in those willing to engage and provide full accounting of costs and detailed financial information. This has been a frustration to both commissioners and providers as much effort is needed to undertake these exercises with limited return. The lack of information creates limitations in the ability to take a comprehensive view of individual costs and presents challenges when determining fee levels.

4.5. Finally, the process for fee setting (in common with other LA's) is taken through the democratic decision making process for cabinet endorsement and approval. This has

been a useful process to allow for the appropriate governance and scrutiny to both detail the market issues and to allow for consideration in the Medium Term Financial Plan.

5. FUTURE APPROACH - CARE HOMES

5.1. Market Development and Sustainability

- 5.1.1. Care home provision is a crucial service for the most vulnerable people with complex care needs where alternative suitable support is less available or suitable. The growing number of people living longer with complex needs is likely to increase pressure unless there is wider success in being able to reduce the number of unhealthy years that people face towards the end of life.
- 5.1.2. The care home market in Stockport is operated by private businesses and is relatively stable, serving a range of people with care needs from commissioned care by the Council on behalf of people with eligible needs, Continuing Healthcare funded by the CCG, people who self-fund their care (because they are over the financial threshold for support), and placements made by other local authorities (for example, if people want to live nearer their families). A review of the current capital stock is being undertaken to gain a view on longer term sustainability of the local sector's assets.
- 5.1.3. There is also a trend towards increasing demand for people with more complex and nursing needs, and a decreasing demand for people with less complex and residential needs as people are able to access more support in their own homes. Commissioners are therefore considering how to develop the market to shift the profile of care provision linked to anticipated care needs. Financial sustainability is integrally linked with market development and sustainability, with the care home sector continuing to be concerned about fee rates paid by the local authority.

5.2. Commissioning and Contract arrangements

Increasingly joint commissioning functions between the Council and the CCG will lead to coordinated approaches to contractual management. However due to differences in legislative frameworks contractual arrangements for care home provision remain separate but aligned. Stockport Council currently operates a framework contract with care homes and this will be extended beyond March 2018 but with a revised and updated Pre-placement Agreement. Placements are then made on a 'spot' basis from the framework for individuals needing this form of care.

5.3. Financial Sustainability

There has been increasing pressure on Stockport Council when making placements for funding to be agreed above the standard contract rate. Additional funding is either coming from 3rd part top-ups from family members or from the Council. Increasingly the Council is being expected to increase its contribution. The Council proposal regarding fee rates for the financial year 2018/19 is to apply an uplift to the current calculation which recognises previous experience of using a cost of care model. A decision has been taken not to gather accounting information from individual providers due to the lack of engagement in 2017/18 and prior. Information previously gathered will be used along with consultation with providers. The uplift will make

provision for additional costs, and aims to speed up the process of implementation of fee rates to aid provider cash flow and reduce internal inefficiencies in processing the changes. This will have the effect of increasing the standard contract rate; this will not in itself ensure that fees will not be agreed above the standard rate, but will ensure that the standard rate recognises current cost pressures. In practice the proposal would result in an increase in the current rates for different types of care home provision by increasing payments for staffing costs to reflect increases in the National Living Wage + an inflationary lift (3%) for non-staffing costs. Care home providers have been advised of the proposed approach being taken with an opportunity to provide comments and feedback. The following table provides a breakdown of the current rate for each type of care and the proposed rate for 2018/19:

	2017/18 Weekly cost	2018/19 Proposed	Increase	% Increase
<u>Residential:</u>				
Standard	456	470	14	2.97%
High Depend/ EMI	491	505	14	2.80%
<u>Nursing:</u>				
Standard	504	518	14	2.73%
EMI	532	546	14	2.71%

The above table provides the fee rate for en-suite rooms and for nursing beds it excludes Funded Nursing Care (FNC). The financial impact of this proposal based on the present number of beds results in additional costs to the council of c£0.730m. There is provision within the Councils Medium Term Financial Plan to support this additional cost.

A benchmarking exercise has been undertaken with 22 of the 23 North West Authorities to compare 2017/18 fee rates. This indicates that across the region for all types of bed provision Stockport's rates are in the higher quartile. More specifically if we compare Stockport to GM the benchmarking shows that we have a higher than average rate for each type of bed.

5.4. Quality

The Enhanced Quality Improvement Programme (EQUIP team) is now in place and working directly with Care Homes (including Care Homes with Nursing) and other provision.

The ongoing improvement in CQC ratings reflects good practice in multi-agency working, and work undertaken successfully on a pilot basis is now being progressed at scale and pace.

Through working in partnership with providers, the overall situation in terms of nursing homes in particular has improved significantly in the last year. In April 2017, the percentage of nursing home beds rated as good or outstanding was 40%; the latest CQC data for November provides evidence that this has increased to 66%. As a result, the quality of nursing home beds in Stockport (measured using CQC

inspection reports scores) is now above the average of Greater Manchester authorities and work with others to share good practice is ongoing, with the ultimate objective of ensuring that all homes are rated 'good' or outstanding'.

At present, three out of 65 homes in Stockport are still rated as 'inadequate' but the team continues to work closely with the safeguarding team, the regulators and complaints colleagues to ensure that poor or abusive practice is not tolerated.

Commissioning and quality colleagues have continued to work together to develop stakeholder relationships including the monthly 'Quality Issues and Concerns' meeting. This meeting with the Council, CCG, CQC and others ensures a regular oversight of issues affecting the quality of provision in the external market and informs any changes in commissioning.

5.5. Risks

There are risks and mitigations attached to this proposal are included in the following table:

Risk	Mitigation
A standard fee increase rate does not fully recognise demand pressures in the various categories of care such as high dependency needs or specialist dementia care.	Fees for higher dependency needs are already set at a higher level and where demand is high we negotiate on an individual basis.
It provides a baseline fee rate but is unlikely to curb the demand for additional payments to be made. Once additional payments become prevalent, use of a standard contract rate becomes ineffective in controlling actual fee rates paid.	Good financial planning with families and timely financial assessment can ensure that a reasonable contribution to care is made and managing risks for individual's personal savings is managed. Where an individual is unable to make a financial contribution, contract negotiations with providers will be required to ensure best value.
The care home market will be likely to question the extent of the uplift and will advise that this does not fully account for costs and will not ensure the sustainability and development of the market	Where homes challenge the uplift the Council will enter into individual negotiations and open book accounting.
Enhanced quality is unlikely to be improved as a direct result of these proposals	Other mechanisms are in place to support quality improvements such as training, tailored support and intervention
The financial sustainability of care homes will not improve	We will continue to work with individual providers and identify and work with those at risk
Stockport Council could face legal challenge given its responsibilities to	Through the actions identified above this risk is manageable however before

shape the market, provide choice for people, ensure payments reflect the cost of care, and prevent market failure.	a legal challenge could be successfully made the council would be required to undertake a full cost of care exercise.
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6. FUTURE APPROACH - HOME SUPPORT

6.1. Market Development and Sustainability

- 6.1.1. Support at home is a crucial element in being able to retain and maintain people's independence for as long as possible, to support carers, and to reduce and delay the need for more intensive forms of support including hospital and care home admissions. This is a volatile service with care needs and the customer base frequently changing. There is evidence of an increasing demand for this form of support with more people receiving care and those that do, having increasingly complex needs requiring more intensive support. This trend is projected to continue.
- 6.1.2. The majority of home support is provided by the private sector with 26 providers contracted by the Council. These organisations currently provide from c1500 to less than 100 hours a week to people. Domiciliary care providers are primarily local businesses with Stockport being the sole area of concentration and are located throughout the borough. There is a small number of national providers within this market; they represent a small percentage of business and are usually operated on a franchise basis. Increasingly, there are some providers entering the market that work across the immediate region, specifically, Manchester, Tameside and Trafford.
- 6.1.3. Care providers are particularly challenged by workforce recruitment and retention issues (a national and local issue) and typically have a much smaller private market than care homes. Given the increasing demand, and the development of Stockport Together, plans for developing this market focus on increasing the reablement 'offer' to provide 'step-up' and 'step down' care (complimenting internally provided REaCH services) and progressing home support services aligned to Neighbourhood working.

6.2. Ethical framework

The development of an ethical framework in home support has been a priority this year in Stockport and will form part of the revised service specification. Some of the benefits of this approach are outlined below:

- An ethical framework supports greater staffing continuity. Continuity of staff results in more opportunity for staff to form positive working relationships with service users and families, which can have a positive impact on the quality and experience of care. It gives more opportunity to providers to allocate their time according to need and operate with flexibility and responsiveness rather than against the clock.
- Investing time in good leadership, training and staff development and valuing staff all supports the development of a more effective workforce. This enables workers to form positive working relationships with other care workers, share problems, ideas and expertise and ultimately supports the development of a solution focused, learning organisation

- Improved terms and conditions for workers support higher quality standards and improve the reputation of the Council and care profession generally. Decent sick pay, for example, helps ensure that staff do not seek to work when unwell, putting service users and others at risk.
- Continuity of care, and flexible support based on need rather than 'time and task' may facilitate a greater understanding of need and risk, reducing the likelihood of falls, medication errors and deterioration through loneliness.
- Where staff have sufficient allowance for induction, training and supervision within their terms and conditions of service, they are more likely to be able to deal with specific long term health conditions, specialist or complex needs, rather than 'handing back' packages of care
- Improved remuneration will aid staff retention, resulting in fewer agencies withdrawing their services from the market. This will enable supply to grow to meet demand, reducing the waiting list for services.
- Not recognising the full costs of travel can put employers in breach of the minimum wage legislation and fuels the perception that home care commissioning has become a 'race to the bottom'. Providers have expressed a wish to work differently, and to provide conversation and companionship to people who may be isolated or lonely.
- Ultimately all the above enhances person centred care in which more people are enabled to seek wider circles of support (reducing long term demand) but also more people are attracted to work the care profession (helping to increase supply).

6.3. Commissioning and contracting arrangements

These arrangements have been refined over a period of time and are configured in 3 ways:

- **Block contracting** for reablement services via WIRE (Wellbeing and Independence, 'step up' services and Better at Home (providing 'step down' capacity). Contracts are in place for four providers aligned with the four localities, with each doing half step up and half step down provision. The plan is that they will build up to a total additional capacity of 560 hours per week. This is an extended pilot initiative building on the Winter Pressures pilot and is established as a 1 year contract with an option to extend subject to evaluation and funding being available.
- **Urgent capacity work:** DTOC and the community waiting lists still present a major challenge, and although figures show that commissioned hours have been maintained or increased over the last year, additional capacity is continually being sought due to rising demand. Additional incentives have been offered to address urgent or out of hours provision.
- **Recommissioning of home support:** the current framework and service agreements for home support is being reviewed and will incorporate an ethical framework, and be informed by feedback from engagement sessions with service users. There will be an increased emphasis on 'zoning' linked to Neighbourhoods, helping to reduce travel time and strengthen links between home support providers and neighbourhood teams. The approach will be evolutionary to promote development, but designed not to destabilise this fragile market. Planning will also take account of ongoing work with Greater Manchester colleagues in relation to new models of care, building on the above

block contracts where applicable. Given the significance of funding on the ability to shape service design, the procurement process for these services will follow when 2018/19 fee rates have been agreed.

The current Home Support framework is due for renewal by April 2018. This creates an opportunity to:

- a) revise & update the current contractual agreement, and
- b) re-commission current provision and attract new market entrants.
 - a) Updating the framework agreement/contract. Some of this is already happening incrementally:
 - The current framework agreement has been updated in the last year to reflect updates to information governance and accessible information, and further revisions will reflect the commissioning strategy, for example a greater emphasis on working as part of locality teams
 - Work has also taken place with providers to develop an ethical framework, which will be incorporated into the revised documentation.
 - Work will also be undertaken to ensure the revised agreement reflects feedback from recent service user events (a report is expected in January 2018 from Healthwatch Stockport, which facilitated the events).
 - Work is also taking place with STAR to ensure that the agreement reflects the latest legislative or policy updates.
 - We are in regular communication with Greater Manchester 'Care at Home' workstream and will be incorporating any learning from the recent KPMG review, assessing opportunities to encourage innovation and further development as part of our ongoing work with providers
 - b) Re-commissioning current provision and attracting new market entrants. Through re-commissioning the sector we have the opportunity to emphasise the key objectives of the commissioning strategy, which include:
 - continuous quality improvement,
 - an ethical framework
 - a closer alignment of home support with our locality teams
 - more emphasis on wellbeing and opportunities for more flexible support packages

The intended process is incremental and is designed to minimise any disruption to existing service provision. However as new referrals are made, the service offered would be aligned with one of the localities, enabling closer connections to be made with the multi-agency team. New and existing providers meeting the revised specification will increasingly be aligned with one of the localities, unless they choose to stay on a residual framework for spot purchasing.

Providers who are still working towards the standards required in the revised specification will be offered a programme of support where appropriate. Providers unfamiliar with a recommissioning or procurement process will be offered support by STAR to submit the relevant documentation which will be

reviewed to ensure that it is strictly relevant to the exercise. There will be a programme of communication to alleviate any concerns or anxieties and as stated, there should be very little change for existing service users unless they wish to do so. Where service changes are necessary on the grounds of quality the emphasis would be on continuity for service users.

The proposed timescale is:

- The invitation to tender going on the 'CHEST' by February/March 2018
- The selection of new and existing providers in April/May 2018
- The alignment of successful providers with localities (for new provision)
- The roll out of new contracts between April and July 2018
- The continuation/renewal of the existing framework as a 'residual' framework to ensure continuity for current service users and to ensure a sufficient range of provision where needed.

6.4. Financial Sustainability

A more holistic approach to fee setting for the recommissioning of home support is proposed which incorporates elements of the Ethical Framework, reflects increasing cost pressures for providers and aims to incentivise market development in this area. The fee proposed has been calculated to reflect the increases to National Living Wage, increases to employers pension costs and also a move towards the adoption of an ethical framework. Stockport along with all other local authorities continues to face financial pressures. The fee setting has been undertaken considering the short and long term financial sustainability of hourly rate.

6.4.1 The proposed hourly rate for 2018/19 is £15.61, an increase of £1.49 from the 2017/18 rate. A breakdown of the hourly rate can be found at appendix one. The key elements of the calculation are:

- The basic pay rate is £8.29 this is 0.46p above the current NLW.
- The employers pension contribution has been increased to 2%.
- Sick pay has been included in the calculation. The rate adopted is that recommended by UKHCA (0.5%) and has been applied to Basic, NI and Pension.
- Distance Travelled and mileage has been removed and replaced with:
 - Care worker travel time at 11.4 minutes per 60 minutes of contact time (UKHCA guidelines)
 - Mileage calculated as 0.35p * 2 miles. The mileage rate is taken from UKHCA and the miles applied are based on local factors.

6.4.2 The additional cost to the Council of the proposed increase is £1.088m. The additional costs will be part funded from MTFP provision but will also be supported by the use of the non recurrent improved Better Care funding (iBCF). It is anticipated that the call on iBCF will be c£0.280m.

6.4.3. The iBCF funding was made available to local authorities for the financial years 2017/18, 2018/19 and 2019/20. Given the non recurrent nature of the funding the Council must consider the long term implications of the fee increase. It is anticipated that in 2019/20 there would also be a reliance on iBCF funding to support a standard

uplift to reflect known pressures such as NLW. In 2020/21 there would be no further iBCF funding available, assuming a standard uplift was to be applied there would be an additional recurrent pressure to the MTFP of c£0.135m.

6.4.4 The figures which have been modelled are all gross costs to the Council. Any changes to fee levels will have an impact on the level of client income. There is a proposal currently out to consultation as part of the council's growth and reform plan to increase the charge to individuals for services to the actual cost to the council. Whilst individuals will be financially assessed in relation to their ability to contribute to the cost of the care, some individuals who can afford to pay the full cost of care will see greater increases as a result of the proposed increases in fee rates.

6.4.5 For illustrative purposes the Council has also modelled the financial sustainability of two other hourly rates £15.88 and £15.99. Using the same principles as described above the additional recurrent pressure on the MTFP would be c£0.373m and c£0.480m. Given the changing landscape in which we operate as well as challenging financial pressures it is felt that such rates would not be financially sustainable at this time. However, this will continue to be monitored and reflected in fee rates as and when appropriate. It should be noted that there have been no agreements to fee levels beyond 2018/19 at this stage.

6.4.6 A benchmarking exercise has been undertaken across 22 of 23 North West Authorities to compare the 2017/18 homecare hourly rate. This identified that it can be difficult to draw comparisons as a result of local factors and implications. The North West regional average for 2017/18 was £13.91 per hour, with an hourly rate of £14.12 Stockport is higher than this. The highest rates paid for the region come from within GM, this is likely in response to market conditions.

6.5. Quality

As outlined in the Care Home section above, the Quality Team ('EQUIP') has a remit to focus on key areas of provision which would benefit from a programme of quality improvement, working with partners and supporting the health and social care economy to continue a planned process of improvement until all registered provision in Stockport is rated as 'good' or 'outstanding', and this applies to Home Support as well as Care Home provision.

Home support takes place in people's individuals' homes rather than a shared environment, and we have worked with Healthwatch Stockport to invite people to 'afternoon tea' events. These are informal occasions enabling people who use home support services to help improve and shape current provision. Healthwatch Stockport, as an independent watchdog, has now hosted four of these events which have been well attended across the borough, and is now in the process of writing up a report. This will inform recommendations to improve the quality of the service and also feed into commissioning plans for home support.

6.6. Risks

Although this proposal does offer more than the minimum uplift in payment to providers, there are still risks including:

Risk	Mitigation
This is a growing market with little certainty and difficulty in recruiting and retaining staff. An increase in pay for staff should offer a more attractive option for people, but until tested, it is unclear whether this will be sufficient.	Further support locally and regionally to coproduce solutions with providers to develop and implement improved strategies for recruitment and retention of staff.
There are some geographical areas which are harder to serve than others and some people with more complex needs and situations which are challenging to provide care for.	These issues will be explored as part of a broader approach to commissioning and contracting for home support.
The market is in a fragile state and may continue to deteriorate with providers leaving the market	We will continue to work with individual providers and identify and work with those at risk

7. CONCLUSIONS AND RECOMMENDATIONS

7.1. Conclusions

The local authority has responsibility for facilitating the local care market and managing provider failure. It needs to provide choice, supply and quality services for all people in the Borough and specifically commission care and support services including care homes and home care. The current market is fragile and challenged by the different pressures that it is trying to manage. The overall vision is about how these services can develop in a way that does not destabilise the market but still enables this to evolve and develop, supported by contracting and procurement activities. This process is incremental and is undertaken in parallel with other initiatives and would not prevent or slow down any urgent capacity work being undertaken. Particular focus is being given to developing services for people at home to prevent, reduce and delay the need for higher intensity support in hospital or care home settings. Integrally linked to the development of the market is the price that Stockport Council pays for the services that it directly commissions. This Report has outlined proposals for the fee structure for care homes and support at home for 2018/19.

7.2. Recommendations

Scrutiny committee is asked to provide comment on the approach and proposed fee increases for 2018/19 ahead of this paper being presented to cabinet for approval in February 2018.

Background Papers

There are none.

Appendix One: Proposed 2017/18 Hourly Rate

	%	2018/19
Basic Pay		8.29
NI	9.50%	0.79
Pension	2.00%	0.17
		9.24
Holiday Pay	12.07%	1.12
Training and Supervision	1.73%	0.16
Sickness Pay	0.5%	0.05
		1.32
Runing the Business	27%	2.50
Profit or surplus	3%	0.28
Care Worker Travel Time (11.4 mins per hour)		1.58
	0.35p *	
Mileage rate	2miles	0.70
		5.05
Hourly Fee		15.61