



Department of  
**Health, Social Services  
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AN ROINN

**Sláinte, Seirbhísí Sóisialta  
agus Sábháilteachta Poiblí**

MÁNNYSTRIE O

**Poustie, Resydènter Heisin  
an Fowk Siccar**

## **HEALTH AND SOCIAL CARE REFORM**

### **DHSSPS**

### **Modernisation and Improvement Programme Board (MIPB)**

### **HSCB – PROCUREMENT OF SOCIAL CARE BY HSC TRUSTS**

**JANUARY 2009**

**MIPB 08/09**

## Introduction

It is not practical or indeed desirable for Commissioners in the HSC to contract directly with the full range of providers involved in social care services provision. The services involved are numerous, diverse, need to be provided flexibly and often need to be arranged at short notice, to meet the needs of individuals. It is important, however, that appropriate regional standardisation and leverage is brought to this area of procurement. This paper recommends proposals for embedding an agreed programme of regional standardisation work in the new structural arrangements post April 09.

It has been approved by the Modernisation and Improvement Programme Board and is now free for circulation to HSC staff and other relevant stakeholders. A copy of the paper will be placed on the Health and Social Care Reform section of the departmental website - [www.dhsspsni.gov.uk/index/hss/rpa-home.htm](http://www.dhsspsni.gov.uk/index/hss/rpa-home.htm)

The purpose of this paper is to recommend proposals for embedding the agreed programme of work in the new structural arrangements from 1 April 2009.

The paper describes the policy context and summarises the scope of services involved –community based health and social care for a range of client groups.

In 2006/07 social care services to the value of approximately £560.5m, securing a range of domiciliary, residential, nursing, home help, meals and day care, were procured from the independent sector.

The Key Challenges for the future are identified; summarised as continuing and making appropriate for the future organisational arrangements, a range of work to address: -

- The lack of common service specifications across the Region
- The lack of common access criteria and risk assessment processes
- Variations in contract terms and conditions

- Having more confidence that there is a genuinely mixed economy approach to provision of community social care in all Trusts
- Making better connections between individual choice and the range of services available

Further information on this document may be obtained from Anne Lynch  
[alynch@ehssb.n-i.nhs.uk](mailto:alynch@ehssb.n-i.nhs.uk) Tel 90321313

***Modernisation and Improvement Programme Board***

# PROCUREMENT OF SOCIAL CARE BY HSC TRUSTS

## INTRODUCTION

1. It is not currently nor will it be for the future, practical or indeed desirable for Commissioners in the HSC to contract directly with the full range of providers involved in social care services provision. The services involved are numerous, diverse, need to be provided flexibly and often need to be arranged at short notice, to meet the needs of individuals. It is important, however, that appropriate regional standardisation and leverage is brought to this area of procurement.

## PURPOSE OF THIS PAPER

2. A wide range of social care services commissioned by the Regional Health and Social Care Board (RHSCB) through Local Commissioning Groups (LCGs) will be sub-contracted by Health and Social Care (HSC) Trusts to independent sector (i.e. private, voluntary, community and social enterprise) providers.
3. A significant programme of work has already been agreed to set a strategic commissioning framework for social care procurement activity and to ensure that Trust procurement arrangements are consistent across Northern Ireland and based on the principles of quality and value for money. The RHSCB, working with the RBSO, Trust and independent providers, will also have a key role in promoting a sustainable market, including encouraging diversity where that is appropriate.
4. The purpose of this paper is to recommend proposals for embedding the agreed programme of work in the new structural arrangements from 1 April 2009 and ensuring that it continues to be taken forward, in collaboration with the independent sector, to deliver benefits for the user and taxpayer alike. **Readers will note that reference is made to several Appendices to the paper. The Appendices are not included in the general circulation for reasons of reducing the volume of paper but are regarded as vital background documentation for those working on the detail of this agenda now and in the future.**

## POLICY CONTEXT

5. The focus for this paper is Adult Community Care Services in both the statutory and independent sectors, i.e. residential care home and nursing home care provision, day care services and domiciliary care services, including meals delivered to individuals' homes and those services which an individual or family organise and purchase themselves, e.g. through Direct Payments, across the following Programmes of Care:
  - Elderly Care (POC 4);
  - Mental Health (POC 5);

- Learning Disability (POC 6);
  - Physical and Sensory Disability (POC 7); and
  - Primary Health and Adult Community (POC 9).
6. A summary of the definitions of the above Programmes of Care is available (under separate cover) in **Appendix 1**.
  7. Adult community care services constitute a diverse range of services planned, developed and delivered in partnership with service users, carers, healthcare and other colleagues and providers from the statutory and independent sectors. These services are aimed at meeting the assessed needs of large numbers of people, as individuals, carers, families and communities for support, care and protection. These services seek to promote and protect the health and social well-being of people who are often, to varying degrees, vulnerable and/or socially excluded.
  8. In considering responsibilities within the new HSC structures it is helpful to first set out the desired outcomes for adults, carers and tax-payers in terms of adult community care services.
  9. The desired outcomes are as follows: -
    - Improved health
    - Improved quality of life
    - Facilitating people to make a positive contribution
    - Allowing people to exercise choice and control
    - Protecting people from discrimination or harassment
    - Improving the economic well-being of some of those who receive services
    - Contributing to personal dignity
    - Promoting partnership working
    - Securing high quality services
    - Having transparent processes
    - Delivering continuous improvement
  10. Few people would disagree that the achievement of these outcomes is highly desirable but delivering them will be challenging. A more detailed discussion of the policy context is provided at **Appendix 2**.

## **EXPENDITURE AND ACTIVITY 2006/2007**

11. Expenditure in 2006/2007 on POC 4 (Elderly Care); POC 5 (Mental Health); POC 6 (Learning Disability); POC 7 (Physical and Sensory Disability); and POC 9 (Primary Health and Adult Community) and relative spend, in percentage terms by POC and Key Service Area is set out below:

Key Service Area	POC 4 £'000	POC 5 £'000	POC 6 £'000	POC 7 £'000	POC 9 £'000	Totals £'000	% of Total
Res Care	79,661	10,949	28,630	3,834	48	123,122	22%
Nursing home	171,163	7,139	20,911	9530	418	209,162	37%
Day care	13,804	8,784	36,813	8,098	364	67,863	12%
Dom care	121,897	3,409	10,673	20,565	95	156,639	28%
Meals	3,302	86	50	183	14	3,634	1%
<b>Total</b>	<b>389,827</b>	<b>30,367</b>	<b>97,077</b>	<b>42,210</b>	<b>939</b>	<b>560,420</b>	<b>-</b>
% of Total	69.6%	5.4%	17.3%	7.5%	0.2%	-	100%

- At 30 June 2007, there were 21, 833 people benefiting from care management<sup>1</sup> (domiciliary care - 9,608; residential care - 4,497; nursing home care - 7,728), a 12% increase from 31 March 2004.
- At 31 March 2008, 22,599 people were in receipt of home help services<sup>2</sup> (69%) of these were people aged 79 and over.
- At 31 March 2008, 9,163 people were registered at statutory day care facilities<sup>3</sup> (3,778 attended Adult Training/Social Education/Resource Centres and Workshops and 5,385 attended Day Centres
- 5, 755 people were in receipt of meals at 31 March 2008.
- At 30 June 2008, there were:
  - **317** residential care homes (62 statutory; 255 independent sector) providing **4,978 places**, with a further **427** residential places located in nursing homes; and
  - **250** nursing/dual registered homes (1 statutory; 249 independent sector) providing **9,799 nursing beds** (10 statutory; 9,789 independent sector).<sup>4</sup>

12. More information on expenditure and activity is set out in **Appendix 3**.

## KEY CHALLENGES

13. There are gaps between present patterns of service procurement and provision and what is set out above in terms of desired outcomes and activity. An outcomes-focused, person centred and personalised approach, based on the

<sup>1</sup> Information refers to care managed clients only, of which the definition varies significantly across Trusts.

<sup>2</sup> Information includes services provided by private contractors. Some individuals who receive a home help as part of a domiciliary care package have been excluded. Some clients in receipt of home care (personal care) have been included if they cannot be separately identified.

<sup>3</sup> Information may include double counting of clients dealt with by more than one POC.

<sup>4</sup> Source: The Regulation and Quality Improvement Authority.

social model, requires a diverse, flexible and creative set of responses, not a narrow range of stock services.

14. Commissioning/procurement activity needs to operate at three levels and there are challenges at all of the levels:

- individual – the level delivering outcomes for individuals and their carers/families;
- “locality” – services procured to meet the aggregate requirements of a population or geographical area of a defined size; and
- strategic – where HSC bodies plan 5 - 10 years ahead with allied agencies, with scope for pooling budgets, joint commissioning/procurement and/or provision, changing organisations’ behaviour and priorities and negotiating at the interfaces.

15. The typical activities in relation to the three levels are set out in **Appendix 4**.

16. Successive reports and studies have identified a number of weaknesses and issues with productivity and efficiency in the procurement of community care services. **Appendix 5** sets these out in more detail. The key challenges and issues identified are summarised in the following paragraphs: -

- **The lack of common service specifications inhibits a regional and managed approach to the procurement of social care.** PricewaterhouseCoopers’ research into the true cost of residential nursing home and domiciliary care identified the absence of a standard specification(s) for domiciliary care as the single greatest barrier to the establishment of its true cost and the development of the market for its provision. The lack of standard specifications applies to a greater or lesser extent to all adult community care services.
- **The lack of common access criteria and risk assessments inhibit the ability to take a regional approach to investment prioritisation.** It also leads to inconsistent service responses across the region. The contribution of informal carers, who provide a crucial input into the system, is often taken for granted and the input from local community groups is often under-valued and under-reported.
- **Contract terms for social care vary widely across Northern Ireland,** with different Trusts paying different rates for care being delivered to people with similar needs.
- **While there is a more genuinely mixed economy of provision in community care, it is not uniformly so.** The Northern Ireland Audit Office report “Older People and Domiciliary Care” has shown that the Legacy Trusts vary significantly in the proportion of domiciliary care services they provide directly or procure from the independent sector. In 2005/2006, independent sector provision as a percentage of the Northern

Ireland total was 35%; the range being 0.0% in Causeway to 52.2% in Down Lisburn (**Appendix 6**). The variations appear to have little to do with judgements about quality, value for money or service user preference, and often reflect cultural and 'political' factors. Some Trusts seem to be wedded to statutory provision, and resist change whether in the direction of more contracting to the independent sector, or enabling people to make the fullest use of direct payments. While the impact of this paper would essentially be to build upon the recent collaborative work between Commissioners, Providers the Department and Independent sector across the Commissioner Provider split, it will be essential for the future that LCGs as, Commissioners, play a bigger role in managing the local market and keeping some 'clear blue water' between their collaborative role with Providers and their challenge role as Commissioners where they want to see practices applied or standards reached more uniformly across Northern Ireland.

- **Connecting the assessments by care managers of individuals' requirements with the macro-processes for commissioning and procurement of services from providers is a challenge.** This has remained a problem since the introduction in the community care reforms of the 1990s of both care management and the purchaser/provider separation, without proper bridges between the two. Consequently, there has been a discrepancy between the careful attention given to assessing people's needs and the relatively narrow range of stock service responses available to meet them.
- **The Appleby Review** concluded that innovative projects tend to be resourced through non-recurrent funding so that they are more likely to be terminated in the face of overall funding pressures and recommended that:

*'the contracting of services from independent/voluntary organisations should be reviewed to consider whether it can be placed on a more strategic basis (**Recommendation 20**)'.*

## **RESPONDING TO THE CHALLENGES**

17. The Department, working with the HSC, has initiated a comprehensive programme of work in this area and has addressed or is in the process of finalising processes, in the context of the modernisation of health and social care services, to address each of the weaknesses and issues identified, including Professor Appleby's recommendations.
18. In relation to the Appleby Recommendation 20, this work comprises:-
  - regional agreement on rates for residential and nursing home care;
  - development of regional specification for domiciliary care;

- development of regional access criteria for domiciliary care;
- development of regional specifications for specialist placements in nursing and residential care;
- development of regional specification for day care services;
- development of regional contract documentation for services;
- development of consistent regional contract terms;
- development and implementation of a single assessment process for older people's services; and
- joint training initiatives with the independent sector

19. Key to driving progress on this and the other service procurement modernisation processes has been the work of:

- **The Chief Executives' Group**, which provided a forum to engage with the independent sector in an open and transparent way with regard to what is fair and affordable in relation to costs and specifically to bring greater coherence to the procurement of community care services from that sector. The primary functions of the Chief Executives' Group have now been absorbed within the **Regional Procurement Group - Social Care**;
- **The Regional Procurement Group - Social Care**, comprising senior finance and care professionals from the HSC and officials from the Department. Its overall aim is to develop a regional strategy for the procurement of social care services, to include the development of procurement capacity for social care at a regional level. The Terms of Reference for the Group are attached as **Appendix 7**; and
- **The Regional Community Care Finance Group (CCFG)**, comprising senior finance and care professionals from the HSC and officials from the Department. The CCFG has for the first time in Northern Ireland produced Regional Specification and Contracts in relation to:
  - Residential & Nursing Homes, including "self funders", "third party contributions", equipment and continence products; and
  - Domiciliary Care Services.

Work is also being progressed in relation to:

- the potential introduction of "Quality Bandings" in residential care and nursing homes. "Quality Banding" is the term used to describe the outcome of assessing a home's compliance against a given quality

criteria. The level of compliance achieved will decide the banding/rating awarded (work now passed to the Regional Procurement Group - Social Care for consideration);

- reconfirmation of costing continence products;
  - examining the potential of a pricing tool for specialist placements, with particular reference to learning disability;
  - discussion with regard to development of a high dependency tool;
  - consideration of the need for POC-specific addendums to contracts;
  - charging for short-term care; and
  - training support for the independent sector.
20. In addition, the Department has progressed work on development of regional access criteria for social care services, e.g. access criteria for domiciliary care were published in June 2008. Also, work has commenced to introduce and embed the Northern Ireland Single Assessment Tool (NISAT) into current practice. NISAT will, among other things, support:
- development of a culture for assessment that will ensure that the needs, views and aspirations of the older person are kept to the fore;
  - a more holistic and efficient approach to assessment and therefore planning of care;
  - a more systematic, standardised approach to the allocation of health and social care resources;
  - multi-disciplinary working across all sectors through streamlining of information - sharing processes within Trusts; and
  - adherence to policies and guidelines in relation to carer's assessment, ensuring the carer's perspective is captured and their individual needs are identified.
21. The focus is initially on older people, with the potential to be extended to all adult groups, including mental health, physical disabilities and learning disabilities.
22. Clearly, however, the functions addressed and processes established to bring coherence to the procurement of community care services from that independent sector need to be brought forward into the new HSC structures.

## **PROPOSALS FOR ADULT SOCIAL CARE PROCUREMENT WITHIN NEW STRUCTURES**

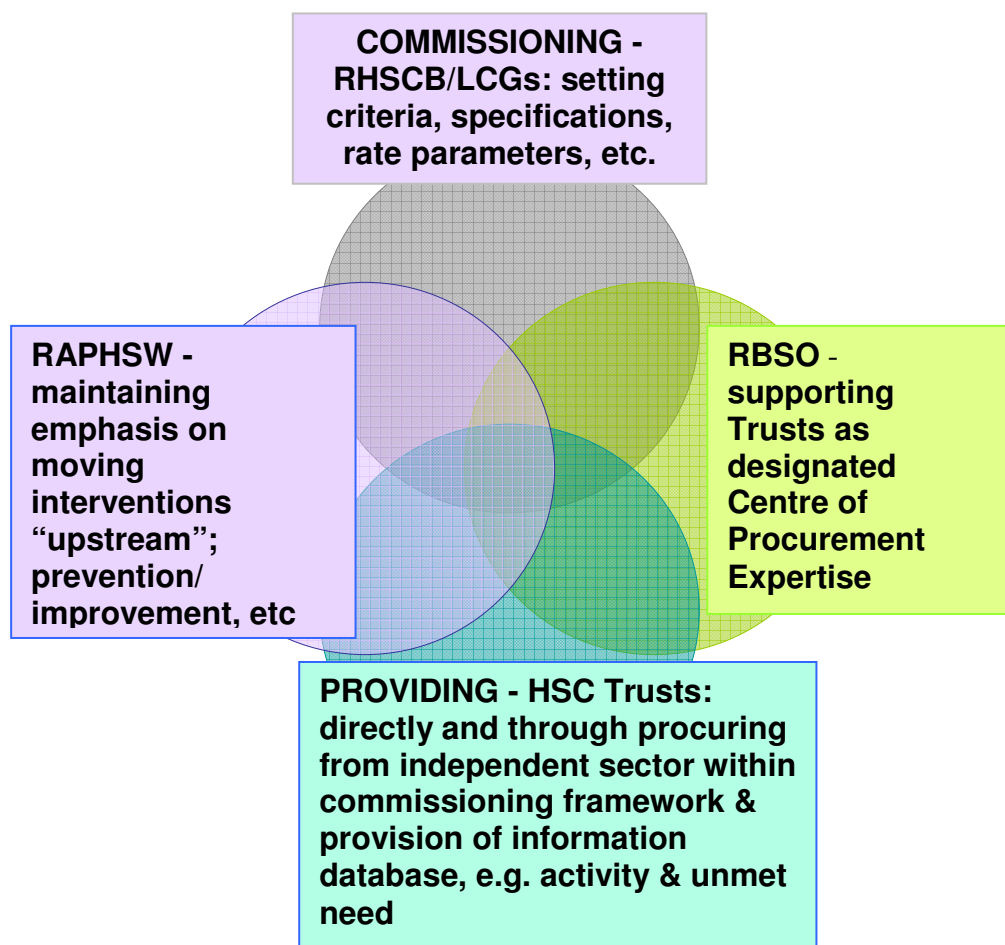
### **Roles and Responsibilities**

23. The roles and responsibilities of the key organisations are set out below:

- **RHSCB** setting standards, specifications, rate parameters and ensuring delivery against Standards, PfA targets and performance indicators (**Appendix 8**).
- **The Regional Agency for Public Health and Social Well-being (RAPHSW)** working with RHSCB to ensure that commissioned services have the proper focus on the promotion of health and social wellbeing through prevention and earlier intervention
- **HSC Trusts** procuring services within commissioning framework, agreed model for engagement (regional and local) and providing information database.
- **The Regional Business Services Organisation (RBSO)** supporting the HSC as designated centre of procurement expertise, and providing assurance on procurement standards for HSC community care contracting.

24. The roles and responsibilities of the various organisations in delivering effective and efficient procurement of adult community care services and the overlapping nature of their experience and expertise are set out in Figure 1 below:

**Figure 1: Adult Community Care Services - Roles and responsibilities**



## STRUCTURES TO DELIVER HSC TRUST SOCIAL CARE PROCUREMENT

25. It is proposed that there should be a **Social Care Procurement Board (SCPB)** with membership reflecting Chief Executives or relevant Directors from the RHSCB/LCGs, RAPHSW, HSC Trusts, and RBSO. The SCPB is the successor to the Chief Executives Group with key responsibilities including:

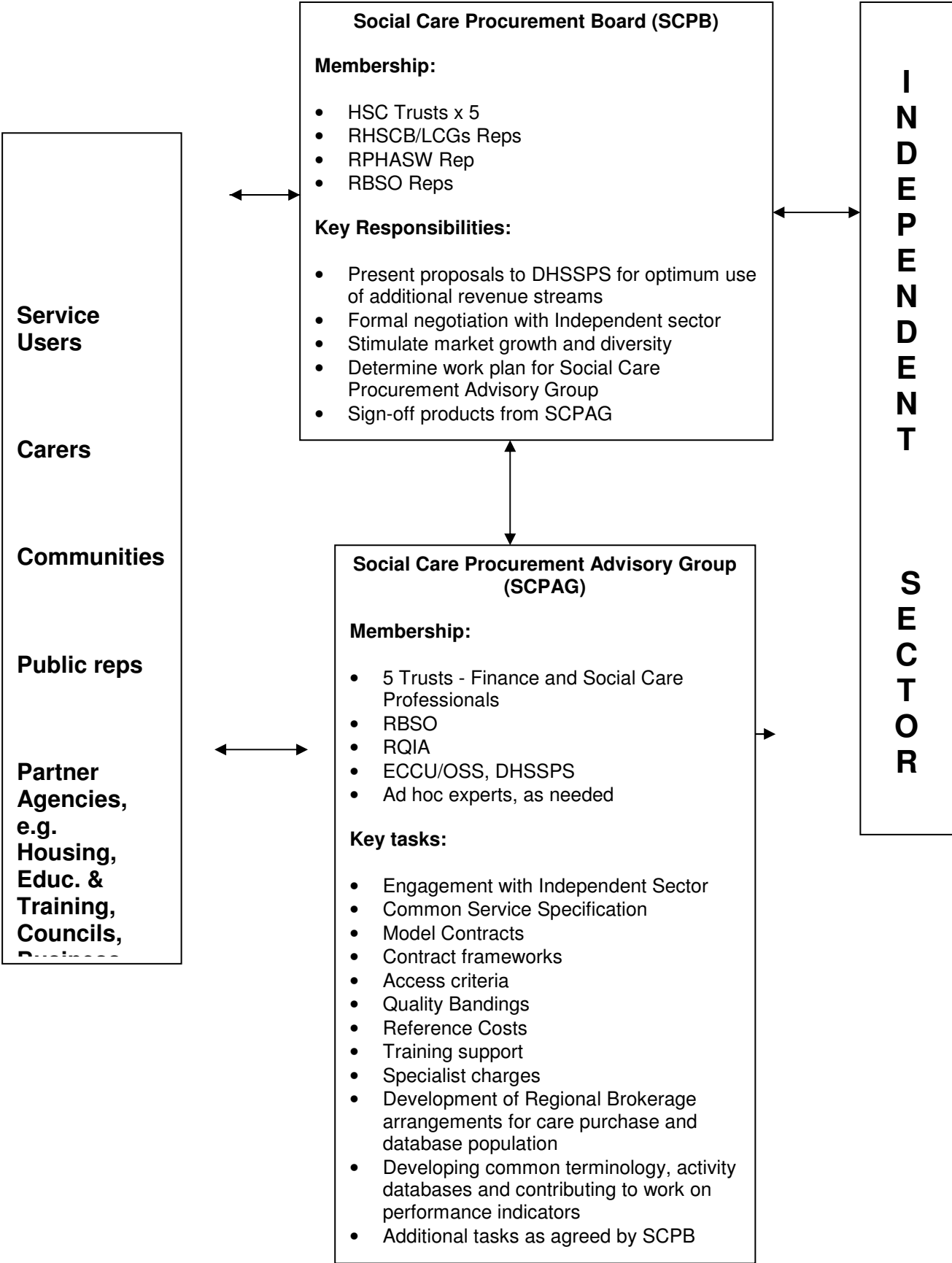
- presenting proposals to DHSSPS for optimum use of additional revenue streams;
- formal negotiation with Independent sector;
- stimulation of market growth and diversity;
- determining the work plan for Social Care Procurement Advisory Group (SCPAG) and sign-off SCPAG products.
- For the future, this group will need to devote significant attention to quality of care issues, staff continuity and training as well as fee issues.

26. **The Social Care Procurement Advisory Group (SCPAG)** successor to CCFG with membership drawn from the 5 Trusts (Finance and Social Care Professionals), RBSO, RQIA, ECCU/OSS, DHSSPS and ad hoc experts, as needed
27. The key tasks and responsibilities of the SCPAG include:
- active engagement with Independent Sector;
  - establishment of Common Service Specifications, model contracts and contract frameworks;
  - work in relation to access criteria, quality bandings, reference costs and specialist charges;
  - development of Regional Brokerage arrangements for care purchase and database population;
  - developing common terminology, activity databases and contributing to work on performance indicators;
  - training support; and
  - additional tasks as agreed by the SCPB
28. The structures to deliver HSC Trust social care procurement and key responsibilities are set out in Figure 2.

**The Modernisation Improvement Programme Board (MIPB) agreed the following Recommendations**

1. That we should build on existing collaborative work being done by DHSSPS and HSC organisations to improve procurement of social care services for adults and their carers
2. That the work continues also to have a focus on efficiency and value for money for the tax-payer
3. That the work is taken forward by the organisational arrangements outlined in the paper that are aimed at re-modelling existing mechanisms to make them consistent with the organisational accountabilities post April 1 2009.
4. That the RHSCB is asked to liaise, at an early date, with Trusts and the independent sector in relation to these arrangements with a view to securing continued collaborative relationships.

**Figure 2: Structure to Drive HSC Trust Social Care Procurement**



Document History:

<b>Anne Lynch</b>	Commissioning sub-group RHSCB Work-stream
<b>Owner:</b>	Dr Andrew McCormick, MIP SRO
<b>Client:</b>	Modernisation and Improvement Programme Board (MIPB)

**This document required the following approvals**

Title	Name	Date of Approval	Version
Modernisation and Improvement Programme Senior Responsible Owner (SRO) and Modernisation and Improvement Programme Board (MIPB) members	Dr Andrew McCormick, Permanent Secretary Linda Devlin Julie Thompson Sean Donaghy Michael McBride, David Bingham Hugh Mullen Linda Brown Sean Holland Colm Donaghy Karen Meehan Tom Creighton, Philip Robinson Ken Jarrod, Bernard Mitchell George O'Neill John Compton Edward Rooney Maeve Hully	22 <sup>nd</sup> January 2009	1.0

**This document has been distributed to:**

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