



Item No: 10

Meeting Date: Monday, 31st October 2016

Glasgow City Integration Joint Board

Report By: Sharon Wearing, Chief Officer Finance and Resources

Contact: Allison Eccles, Head of Business Development

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**PROOF OF CONCEPT UPDATE:
REVIEW AND REFORM OF SOCIAL CARE CONTRACTS
AND DELIVERY OF THE NATIONAL MINIMUM WAGE 2020**

Purpose of Report:	To update the Integration Joint Board on the progress made for the review and reform of social care contracts in the context of implementation and delivery of the new National Minimum Wage 2020.
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Recommendations:	Integration Joint Board is asked to: a) note the progress made for the Proof of Concept; and, b) instruct the Chief Officer to provide a report on the outcome of the Proof of Concept once it is completed.
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Implications for IJB:

Financial:	In respect of this report, there are no financial implications. In delivering the Proof of Concept, there is expected to be a 5% saving on total spend once the transformation has been extended across all providers.
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Personnel:	None.
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Legal:	Any legal implications for the Proof of Concept are monitored by the Contracts and Contract Management workstream, and the Proof of Concept will comply with Glasgow City Council's statutory duty under the Social Work (Scotland) Act 1968, European Union procurement law and regulations, and Glasgow City Council Standing Orders as they relate to contracts.
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Economic Impact:	The Proof of Concept should assist provider organisations to pay all their staff the new National Minimum Wage 2020 as a minimum requirement.	
Sustainability:	The Proof of Concept should strengthen local communities by making maximum use of community-based assets and local social networks with an emphasis on provider organisations achieving positive and sustainable outcomes for their service users.	
Sustainable Procurement and Article 19:	Procurement issues are monitored by the Contracts and Contract Management workstream for the project, and the Proof of Concept will comply with European Union procurement law and regulations and Glasgow City Council Standing Orders as they relate to contracts.	
Equalities:	An Equality Impact Assessment had been carried out for the Proof of Concept. No significant impact was identified. However, there is on-going monitoring of the impact of the Proof of Concept by the Contracts and Contract Management workstream, and an action plan will be put in place if required.	
Risk Implications:	Risks have been developed across the key areas of work for the Proof of Concept and are being monitored.	
Implications for Glasgow City Council:	As above.	
Implications for NHS Greater Glasgow & Clyde:	None.	
Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	✓
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

1. Background

- 1.1 Social Work Services currently purchases approximately £160m per year of social care services from provider organisations for community-based services that are unlikely to pay anywhere near the new National Minimum Wage of £9 per hour, which is to be phased in by 2020. With the majority of this spend going directly on salaries, it is estimated that the gap between current funding and maintaining a standstill position of provision by 2020 would be an uplift in the Social Work Services budget in excess of £21m per annum. It is considered unlikely that this shortfall will be made up by national or local government, although the Scottish Government's additional funding for the Scottish Living Wage for care workers will assist to offset this.

- 1.2 This is set within a system where the administration and processes involved in the commissioning, procuring, ordering, invoicing, paying, reviewing and monitoring/auditing of purchased social care services are significant. They involve a range of staff and senior managers from social work operations, finance, admin, commissioning/procurement, legal and audit and contract management.
- 1.3 To mitigate this, Glasgow City Council Executive Committee previously approved two reports in [February](#) and [March](#) 2016 for the Health and Social Care Partnership to establish a 'proof of concept' over an 18-month period for a different model of procurement, administration and monitoring/auditing in partnership with a small number of providers. This was also reported to the Glasgow City Integration Joint Board in [May 2016](#).
- 1.4 The Proof of Concept will involve a shift away from the traditional purchasing of social care provision 'by the hour' to a holistic provision of support to individuals that makes maximum use of community-based assets and local social networks with the emphasis on providers achieving positive and sustainable service user outcomes. Alternative governance, care management and monitoring/auditing arrangements will be developed in respect of the need to 'follow the public pound' duties of the Council, focusing on service user outcomes, risk management, professional safe care and service user welfare.
- 1.5 This work will establish the evidence base with which to engage in a transformational way with remaining providers. In delivering the Proof of Concept, there is also expected to be a 5% saving on total spend once the transformation has been fully implemented across all providers, in 2018-19.

2. Update

- 2.1 **Project Governance Arrangements (attached at Appendix A).** The Proof of Concept is an Integration Transformation Project that is sponsored by the Partnership's Chief Officer Finance and Resources. It reports overall progress to the Chief Officer-led Integration Transformation Board. There are three project groups:
- Social Work Services (including Social Work Services commissioning/procurement, contract management, finance, ICT, care management and communications representation)
 - Social Work Services and Corporate (Social Work Services project group plus Corporate legal, procurement, audit and customer and business services representation) and
 - Provider Organisation (Social Work Services project group plus provider organisations participating in the Proof of Concept).
- 2.2 Within the **Social Work Services project group**, individual workstreams have been established to progress key areas of work as outlined in the following table. Proof of Concept providers participate in the Contracts and Contract Management and Care Management workstreams so that the workstream work is co-produced in partnership.

Workstream	Key Deliverables (including timescales)
Contracts and Contract Management	Contract Management Framework (December 2016) Lead Contract Managers (December 2016) Service Outcomes Framework (December 2016) Outcomes-based Contract (March 2017)
Care Management	Care Management Arrangements and Processes including Individual Outcomes (December 2016)
Finance and ICT	Financial Arrangements and Processes for Invoicing and Payment (December 2016)
Communications	Communications Strategy (completed) Communications Collateral and Activity (ongoing)

- 2.3 To date the **Contracts and Contract Management workstream** has focussed on the Contract Management Framework and service outcomes. The various elements of Social Work Services' Contract Management Framework for monitoring the performance of social care services purchased by the Council are currently being reviewed and revised with a sharper focus on service user outcomes, risk management and service user safeguarding and welfare. Proof of Concept providers are being contract managed by a lead contract manager for all of their contracted services, whilst, for all other providers, this is currently done on a care group basis and providers may have more than one contract manager. A lead contract manager model will be developed based on this.
- 2.4 The workstream is also progressing the development of flexible service-wide outcomes that can be measured across service types and care groups as part of routine contract management. Work on the development of an outcomes-based contract will commence once the revised Contract Management Framework and service outcomes work have been further developed.
- 2.5 The **Care Management workstream** has drafted initial proposals for assessment and care management arrangements that are being considered by the project groups. A key proposal is that they are proportionate to the assessed level of risk to both the service user, to others and the wider community. For Personalisation, this will involve a revision of the Support Needs Assessment, scoring system and budget allocation. For non-Personalisation, block-funded services, it is viewed that there is not a need for a significant shift in care management arrangements as providers already have a degree of flexibility in meeting the needs of service users.
- 2.6 The **Finance and ICT workstream** has mapped out current financial processes for the Proof of Concept providers to understand the complexity of financial arrangements and processes and the likely impact on internal information systems in the event of revised assessment and care management and contract management processes.
- 2.7 The **Communications workstream** has developed a communications strategy with key messages and stakeholders for the Proof of Concept, and it continues to develop and support communications activity including any engagement or consultation opportunities and co-production of messages for providers to disseminate locally. In June 2016, an overview of the Proof of Concept was presented at the Partnership's bi-annual Social Care Provider event and a

subsequent report was produced and [published](#) on the discussions that took place.

- 2.8 The **Social Work Services and Corporate project group** continues to be advisory for legal, procurement and audit issues to ensure that the Proof of Concept complies with European Union procurement law and regulations, the Council's Standing Orders relating to contracts and Council governance and audit standards.
- 2.9 **Provider Organisations.** Six provider organisations both city-based and national (2+4) were previously approved by the Council's Executive Committee to participate in the Proof of Concept ([March 2016](#)). In addition to participating in the workstreams as above, each of them are developing proposals to enable them to pay their staff the new National Minimum Wage 2020 and make a 5% saving on total spend once the Proof of Concept has been extended across all providers. One provider organisation has subsequently advised the Partnership that they are no longer able to participate in the Proof of Concept as it is currently engaged in its own transformation programme and does not have resources to commit to further involvement.
- 2.10 Proof of Concept providers have established their own internal workstreams and have begun to develop their emerging proposals. They include:
- review and redesign of services for them to be more effective and efficient (for example, services based on current need, integrated models of care, staffing structure and levels, types of accommodation, geographical location and sleepover arrangements)
 - service redesign with greater use of shared care/supports, community-based assets and local social networks
 - greater use of assistive technology for service delivery
 - development of services (for example, comprehensive work experience programme) and
 - review and redesign of internal back-office functions and assets including their processes and systems (for example, HR, finance and property).
- 2.11 When the outcome of the Proof of Concept is reported, participating providers will document their proposals and how they have been planned for with risks, issues and associated solutions documented so that learning can be shared with all other providers.
- 2.12 It is being planned to complete the Proof of Concept by June 2017; at such time its outcome will be reported to the Council's Executive Committee and the Integration Joint Board. Proof of Concept providers will be expected to implement their proposals thereafter with the intention of paying their staff National Minimum Wage 2020 by October 2017. Remaining providers will then have a similar timescale to transform their services.

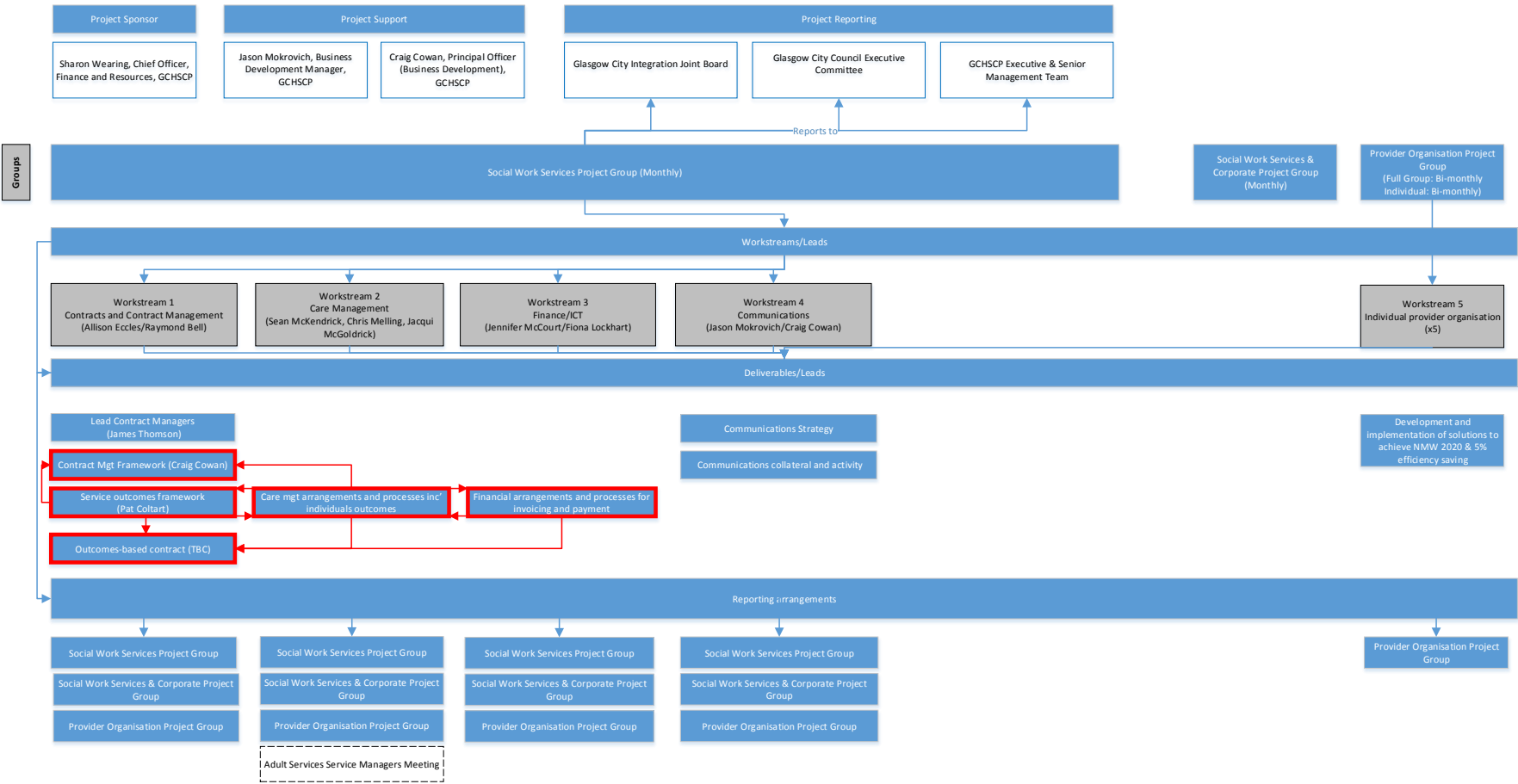
3. Recommendations

3.1 The Integration Joint Board is asked to:

- a) note the progress made for the Proof of Concept; and,
- b) instruct the Chief Officer to provide a report on the outcome of the Proof of Concept once it is completed.

Appendix A: Project Governance Arrangements

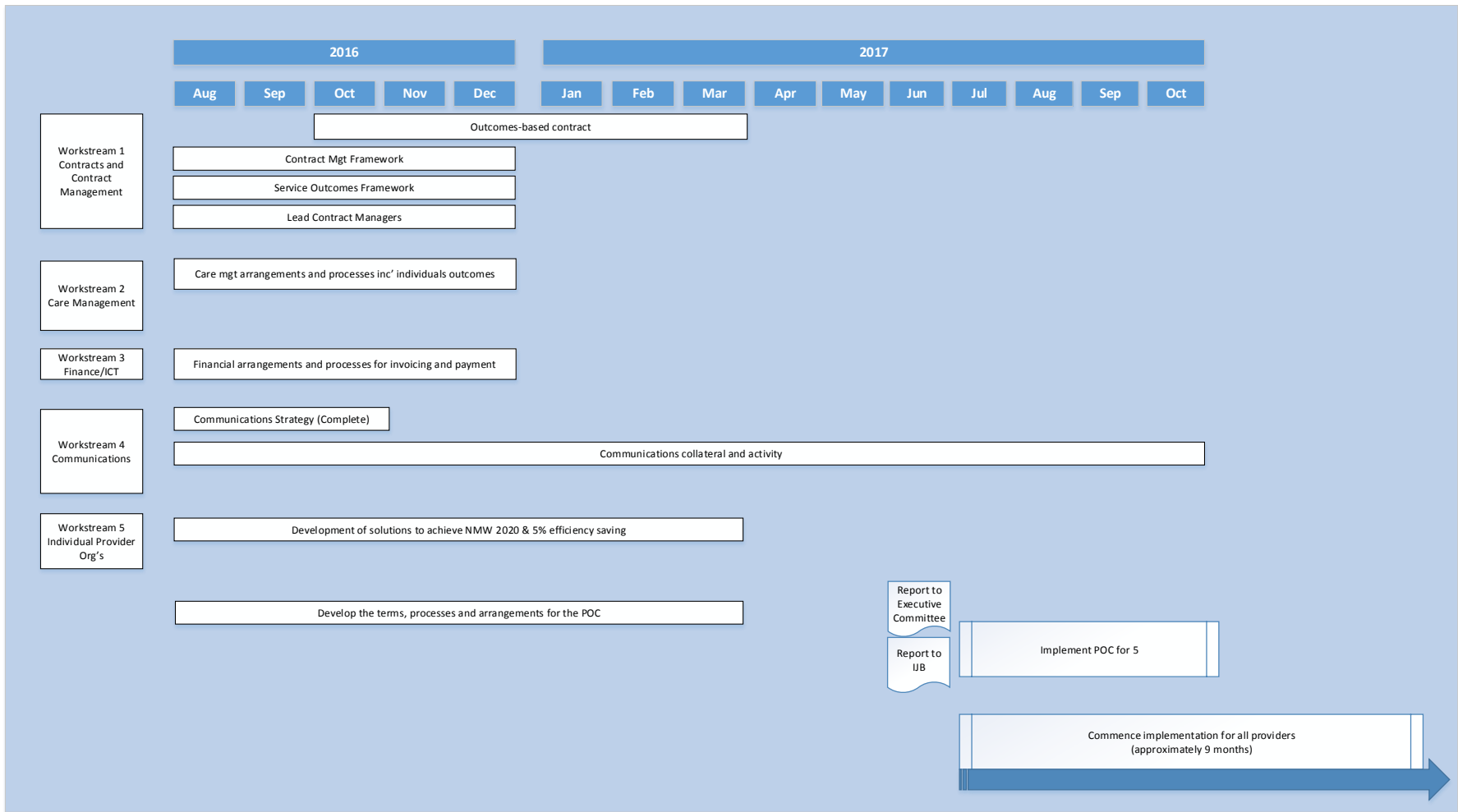
Proof of Concept: Outcomes Based Commissioning and Delivery of National Minimum Wage 2020



Provider workstream representation

- Workstream 1: Contracts and Contract Management**
 Contracts sub-group: Gill Dow (Mainstay)
 Service outcomes sub-group (Service Outcomes): Ann Marie Docherty (Fair Deal) & Martin Cawley (Turning Point Scotland)
 Contract Management Framework sub-group (CMF): Ian Williams (Enable) & Ann Marie Docherty (Fair Deal)
- Workstream 2: Care Management**
 Peter Millar (Aspire) & Gill Dow (Mainstay)

Dependency





DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	311016-10-a
2	Date direction issued by Integration Joint Board	31 October 2016
3	Date from which direction takes effect	31 October 2016
4	Direction to:	Glasgow City Council only
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	Commissioning/Procurement, Contract Management, Finance/ICT and Care Management for all care groups and community-based services (including residential).
7	Full text of direction	Glasgow City Council is directed to continue to develop and test the terms, arrangements and processes for the Proof of Concept with final proposals to be reported to the Integration Joint Board in the future.
8	Budget allocated by Integration Joint Board to carry out direction	Direction to be carried out from within existing resource allocation as directed by the Chief Officer: Finance and Resources
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	30 June 2017