

Care Dorset Shareholder Committee

27 February 2024

Dorset Council Commissioner Update

For Review and Consultation

Portfolio Holder: Cllr J Somper, Adult Social Care, Health and Housing

Executive Director: V Broadhurst, Executive Director of People - Adults

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Brief Summary:

This update presents the developments on the part of the Council relevant to Care Dorset. As the company passed its first year of operation ahead of the last meeting of the Shareholder Committee, there was a fuller update presented. This shorter report summarises developments since that point.

Recommendation:

1. For Committee to note the continued progress made in development of the relationship between Commissioners and Care Dorset.
2. For Committee to note the priority areas being addressed and plans in place to further develop Care Dorset priorities in line with Dorset Council 'A Better Life' Commissioning Strategies.

Reason for Recommendation:

Care Dorset is a key part of delivering the Council's 'Commissioning for A Better Life' strategies, and for improving the quality and sustainability of the care and support delivered to adults in Dorset.

1. Introduction

- 1.1 This report provides an update on work with Care Dorset since the last Shareholder Report.
- 1.2 Positive dialogue continues between commissioners, other council teams and Care Dorset's leadership. This includes both shaping the future direction of services and resolving the last remaining matters post-transfer.

2. Contract and service specification development

- 2.1 Regular contract management meetings continue to take place. We previously reported on the important work to improve data and reporting, and can confirm this work has progressed and the contract discussions are consequently more robust.
- 2.2 Work continues on new specifications which will govern activity in the new financial year, and with an ultimate aim now to have all matters resolved and in place for Care Dorset's new reporting year.
- 2.3 A number of strands of work are underway through strategic commissioning which will have a key bearing on the future of Care Dorset's services, and it is important that they are given time to come to fruition. These include the finalisation of specifications for the residential care tenders on the Dorset Care Framework 2, which is due to launch at end of March 2024, and which will provide a common framework for a joint view on the future development of the acuity of the Care Dorset offer. We expect to be publishing a new model of day opportunities provision in the summer, and again the commissioning intentions and strategy for Care Dorset will need to respond to that. Our plans for building new bedded reablement services are also reaching key gateways in the outline design development phases, and again we will need to ensure that future plans are appropriately reflected in a shared understanding of the future evolution of Care Dorset.

3. Property and assets

- 3.1 Considerable work has been undertaken to agree a position on the rent and maintenance backlog on the premises owned by the Council and occupied by Care Dorset under an occupation agreement. Following proposals to increase rent charged, an independent valuation was conducted which arrived at a reduced figure, taking account of land values, operating conditions and asset condition.
- 3.2 Agreement is being finalised on this basis, including retrospectively around costs that have been incurred by Care Dorset for urgent safety works which were identified with some of the premises.

4. Performance and service development commentary

- 4.1 Detailed performance information is included in the accompanying update direct from the company's leadership team and so will not be repeated here.
- 4.2 Observations from the Council's perspective would start with an appreciation of the continued improvement in residential bed occupancy, day services attendance and reablement hours delivery. Within that data, a more granular appreciation of the hours being delivered in reablement is helpful, accounted for by a higher proportion of rural delivery. This is important in establishing a long-term contract basis which can be properly understood by both parties.
- 4.3 There remains some continued discussion as to the bed base which transferred from Tricuro, and the implications of the condition of some homes (especially Sidney Gale House) which continues to curtail the total beds available. Conversely, general occupancy is greatly improved and the rapid conversion of some beds to flexi-beds or short-term reablement beds continues to deliver positive results, so this discussion is being viewed in the round with those improvements.
- 4.4 Likewise, commissioners are working through the account of delivery in day services, which is based on a more nuanced hours delivered rather than sessions, and better accounts for complexity. We continue to explore together the implications of this, and to develop a shared view on complexity.
- 4.5 Some immediate priorities from the commissioner perspective include as below, none of which is not being discussed and considered presently:
- Identification of a route to ensuring that reablement is therapy-led and has maximum impact on people's return to independence;
 - Identification of a medium-term strategy for the residential estate, including where any purchases, decants, rebuilds, etc. may be required;
 - Agreement (when the overall model is established) on the route through to reconfiguring a new, more modern and flexible day services offer.
- 4.6 In terms of long-term developments (and relevant to the second bullet point above), there have been a number of constructive planning sessions to move forward on the Council's plans, agreed at Cabinet in 2023, to construct further state-of-the-art reablement and rehabilitation facilities. We are progressing discussions about the option to build on the Dorset County Hospital site, as well as investigating other options. Most encouragingly, the arrival of the condition surveys for Care Dorset's estate, and the timing to coincide with Care Dorset's business

planning, mean that we can consider in the round how these new investments may also support Care Dorset's long-term move towards better quality building stock, supporting the delivery of higher-acuity residential care services.

5. Finance

- 5.1 There is provisional agreement between Care Dorset and the Council to move the reporting year to align to the financial year, which will make matters of financial and contract negotiation much easier between the parties.
- 5.2 Commissioner and company have provisionally agreed an approach to resolving past, current and future year contract price variations. Past years (22/23 and 23/24 from the Council perspective, which includes the first half of the company's current accounting year) are agreed and payment is being arranged. 24/25 has provisionally been agreed, which from the company's perspective runs through to October 2024, but in line with other contract inflation approaches must be taken through the Council's Commercial Board, scheduled for 22 March. Further negotiations then need to take place around the future contract (as noted above) and there will be a need to respond to the local government pay settlement when announced, given this affects some Care Dorset pay and conditions.

6. Modelling the value/benefit of the Company

- 6.1 As part of the definition of the new contract, as well as in support of work on the Council's Medium Term Financial Strategy, it is proposed that a more rounded view be developed of the value and benefits that the Council derives from owning a company like Care Dorset. This piece of work is in its infancy, but as a starting point, the sorts of domains into which value falls, and which are being considered might include as set out in Figure 1.
- 6.2 The importance of this sort of approach is to ensure that we are properly understanding the cost base of the company's operations, relative to other market operators. For example, one of the day services may, taken purely on cost-per-head of attendees, appear significantly more expensive than an independent sector comparator. They are, though, also performing functions around a focus for the local community, and this has a value – it is important that we distinguish where the costs for that fall (and they shouldn't fall on the per-head cost of attendance), the balance of different value creation activities within the overall contract, and that the contract we construct supports us all to “speak the same language” on these issues.



Figure 1: Potential domains within which to consider value delivery by Care Dorset

7. Next Steps

- 7.1 As reported previously, we will continue to keep shareholder committee abreast of developments in the commissioning partnership between the Council and Care Dorset. See separate report item on the Forward Plan for an overview of future reporting.