

Caring for People who Live at Home Initiative: the first two years

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Liz Perkins and I are going to look at the first two years of the *Caring for People who Live at Home* Initiative. We will divide our papers into three main parts. I will start by examining the main enabling factors which have helped the participating authorities pursue the aims of the Initiative within their particular local patches, and then look at the main constraints which they have encountered. And then Liz Perkins will look at some of the wider issues affecting the mixed economy of care which have been identified during the course of the Initiative. These are among the challenges for the future.

Enabling factors

The *Caring for People who Live at Home* Initiative has not operated in a vacuum. The Initiative started in November 1992 and five months later the participating authorities were all due to implement the NHS and Community Care Act on 1 April 1993. The energies of many staff within social services departments were taken up in preparing for changes in organisation and structure, not to mention funding arrangements. We were often told in the first year of the Initiative that the main reasons for the late start or slowness in developing services were connected with the timing of the Initiative.

But, of course, it can be argued that timing is always a problem and that it was only one of many potential constraints on the development of the Initiative at a local level. I would like to look first at the positive side – the factors which enabled the participating authorities to develop the aims of the Initiative within their particular areas. Some of these were structural and already in place at the start of the Initiative, while others were developed or fostered by the project workers or other members of staff in the

participating authorities. They are all ingredients of success in stimulating the independent sector in community care. It is not perhaps surprising that an absence of these enabling factors often acted as constraints on the development of the Initiative at a local level.

Support and commitment of senior staff

There can be no doubt that the support and commitment of senior staff within the social services department has been a crucial factor, not only in getting the projects off the ground initially but also in sustaining them when things became difficult. However, it is not enough for the director of social services to give overall approval for the ideals of the projects. Everybody did that. There is a need for more active commitment, perhaps at the next level down, towards ensuring that the project staff have a clearly understood role within the department and are fully involved in strategic decisions. For example, staff in their position may be caught between competing interests, perhaps between the purchaser and provider sides of the department, or they may not be able to influence purchasing strategies, even though they are charged with the task of stimulating the independent sector. There is absolutely no point in giving people a job to do without ensuring that they are in a position to achieve their goals.

Position of the project staff within the social services department

One of the crucial enabling factors which helped some projects make fast progress or overcome problems was the position of the project staff within the social services department. This was sometimes related to their own seniority, for example in two authorities where the most senior project officer was at Assistant Director level and in another authority where the project officer was on the senior management team. It was sometimes related to the ease of access the project officer had to senior management so that quick decisions could be made about problems. And in other cases it was apparently more mundane but of operational importance, for example, where project officers were located in the same offices as care managers.

Close contact with care managers

Although in the early stages of the Initiative it appeared most important for the project workers to be able to influence the strategic purchasing plans of the authorities, experience over the past two years has shown the increasing importance of the relationship between the project workers and care managers. If care managers are reluctant to purchase independent sector services, for whatever reason, difficulties will arise in stimulating and

sustaining independent providers, particularly the smaller providers who cannot compete for block contracts.

The brokering role of the project workers, in developing and nurturing the independent providers on the one hand and encouraging care managers to purchase from new and untried providers on the other hand, has emerged, in our view, as one of the most important features of this Initiative.

Local knowledge and expertise of project workers

There was a distinct advantage for some authorities in employing project staff who knew the local area and had been involved in previous community development work or similar activities. One of the most striking features of the Initiative for PSI was how little most authorities knew at the beginning of the monitoring period both about potential providers in the independent sector and of the real unmet needs in the community. It was surprising, therefore, how relatively rarely staff with good local links were appointed to the Initiative projects. Obviously some authorities rated business skills and knowledge of markets higher than local knowledge, but there are indications that greater knowledge and understanding of the local culture would have facilitated the development of some of the projects.

Good existing relationships with the independent sector

Related to local knowledge was a history of good existing relationships between the social services department and the independent sector. These tended to be found more often in the shire counties rather than in urban areas, usually because of longstanding use of the voluntary sector, but in some instances because of developments in the private sector of residential care. However, good relationships with voluntary organisations based on a history of grant-aid have not always translated well into new relationships based on the contract culture, and perhaps in some cases authorities have found it easier to develop links with voluntary sector providers in this Initiative from less firm historical bases.

Filling a need which was not being met

On the face of it, it would appear that services which filled a need which was not being met would be at the top of a list of priorities for purchase by social services departments, whether at a strategic or at a care manager level. Foremost among these needs were those identified among elderly people from minority ethnic groups, who have found it difficult to gain access to traditional services and have found that such services rarely met their particular needs in a culturally acceptable way. Some of the more successful ventures in this Initiative have been those which have stimulated

services among providers from minority ethnic groups for users from those groups. However, they have not been without problems, as we shall see.

Close continuing consultation with the independent sector

The need to have a good relationship with the independent sector is obvious if authorities are to stimulate private and voluntary organisations to provide social care. However, the key to success in maintaining services is to maintain a good relationship with the independent sector, and that is perhaps not as easy as it might appear. Some authorities set up a consultative forum, in some cases involving users and carers as well as representatives of independent sector organisations, while others have an advisory or steering group which includes representatives of the independent sector. It appears that the most positive relationships are forged when there is a clear remit for the group or forum. It should always be remembered that ‘the independent sector’ does not speak with one voice, and that different organisations may have very different agendas. It should also be remembered that the market is competitive and that providers might not always be willing to share information with other providers. There are also doubts in the minds of some providers about the extent to which purchasers are always willing to share all their information with them, but that is another story to which I will return to shortly.

Use of outside consultants with particular expertise

Stimulation of private enterprise has not been a traditional function of social services departments and few staff in the past have had business skills or expertise in helping in the development of business planning. Some of the participating authorities decided to recruit project staff with these specific skills and expertise, while others bought the skills of outside consultants as they needed them. This commissioning of discrete pieces of work from outside consultants often appeared to be a cost-effective way of using the Initiative funding, particularly in areas of work, such as the stimulation of providers from minority ethnic groups, where such skills were rarely well-developed in a local authority. It was also useful in initial mapping the market exercises, where social services staff seldom had the knowledge, skills or time to conduct such an exercise.

Particular skills of project workers

And finally, perhaps the most important ingredient of success is the skill, expertise, tenacity, dedication and personality of the project workers on the Initiative. If the right people are employed to make a short-term project with limited funding work, then ways will be found to foster enabling factors

and to limit constraints. If not, then difficulties will always occur. We do not have the definitive blueprint for a successful project worker, particularly since the projects were all different, but there is little doubt that personality has played a key role in making some projects more dynamic than others.

Constraining factors

I would like to turn now to the main constraints that the participating authorities have encountered.

Lack of information on needs and demand

Perceptions of need on the part of service planners do not automatically translate into demand for services. The assumption that there *must* be demand is frequently based on ideas about unmet need. However, the experience of many of the authorities which have stimulated small providers to enter the market with pump-priming money has been that take-up of some services has been very slow indeed or even non-existent, even with the benefit of a free or low-cost service. Even among the larger providers the take-up has often been more limited than expected.

Although it could be argued that many new or innovative services are slow to take off in any case, the question remains of whether the demand for these services was properly assessed. In a number of authorities, it appears that potential demand was often asserted rather than measured. However, even if demand (or need) was present to the degree which was expected, little attention appears to have been paid to the question of how this demand could be translated into purchase, either through care managers or privately. The experience has underlined the need for projects of this kind to be firmly integrated into the structure of the social services department to ensure close and continuing relationships with care managers.

Lack of information about purchasing intentions of the local authority

Services stimulated under the Initiative have most often been designed to be purchased within an assessed package of care on the assumption that the majority of social care is paid for through local authority budgets after an assessment of need for service. However, independent sector providers are, not surprisingly, reluctant to enter the market or expand their provision in the absence of information about clear purchasing intentions on the part of the local authority.

Project workers have had to make links with the local authority purchasers, so that their work is both informed by the purchasing intentions of the authority and makes a contribution to the purchasing plans of the

authority. They have not always found this easy, even in authorities where there has been good support from top management, and some have felt very uneasy about setting up projects in the absence of well-defined purchasing local authority intentions or policies.

Difficulties in creating sustainable services

Before providers or potential suppliers will come forward, they need to see what might be in it for them. It is clear that most of the participating authorities did not appreciate the extent to which new ways of working would have to be adopted in order to stimulate *any* response from the independent sector, let alone to stimulate independent providers to offer their services.

Providers are looking to the social services department, as the major purchaser of services, for indications of the potential market. The extent to which local authorities are prepared to share market information varies enormously. In addition, the way in which authorities are contracting with the independent sector has implications for the long-term sustainability of services. Block contracts or call-off contracts which give providers a degree of financial certainty are seen by new and diversifying providers as important. But few of the projects in the Initiative were in a position to offer such guarantees.

Budgetary constraints within the social services department

There have certainly been a number of instances of projects finding increasing difficulty in stimulating independent providers to enter the market or expand their provision in the absence of assurances that their services would be purchased on a continuing basis after the end of the Initiative funding. This problem has been exacerbated in recent months by the effect of budgetary constraints within some social services departments. Services have increasingly been restricted to those most in need, and these services are most often the mainstream services supplied by longstanding providers. New and innovative services from relatively unknown providers are rarely among the priority services supplied in these cases

The purchasing power of care managers

Care managers usually have the triple function of assessing need, putting together and purchasing a package of services and ensuring that resources are managed effectively. Care managers are in a key position in deciding who gets what service and how they are assessed. There is some evidence to suggest that not all care managers may wish to use independent sector organisations, and in some participating authorities this has been implicitly,

if not explicitly, endorsed by local authority policy. Certainly within the Initiative several projects found it difficult to ensure that care managers purchased the independent sector services they had nurtured so carefully. Care managers are particularly reluctant to use new and 'untested' services, especially where there are no systems of registration or accreditation. Again the development by some of the project workers of their brokerage role in linking purchasers to providers is of fundamental importance to the development and use of the independent sector.

Supply of independent providers in the domiciliary care market

There was no doubt that participating authorities found it much more difficult than they had expected to identify independent providers in the domiciliary care market. Part of the reason was the almost complete lack of detailed information held by participating authorities at the start of the Initiative on the supply of independent providers of day and domiciliary services. And what was even more interesting was that even with the quite extensive mapping and tendering exercises conducted by some authorities, the actual interest in the day and domiciliary market of social care by independent providers appeared much more limited than many authorities had imagined it would be.

There were a number of reasons for this. In some cases, the distribution of independent providers was patchy within an authority, perhaps concentrated in particular areas. In other cases, the private sector was very thin on the ground even in the residential care market, and the voluntary sector was limited to grant-aided schemes. In other cases the traditional independent sector in an area was dominated by a number of powerful players who had no particular interest in opening up to newcomers.

One of the main problems, however, was one which was recognised by many authorities at the start of the Initiative, and that was the extent to which most new small providers lacked any of the skills needed for starting and sustaining small businesses, let alone those of dealing and negotiating with the intricacies of providing social care services to purchasers within social services departments. As we discuss later in this paper, the social care market is not one in which you can just set up your stall and people will buy your goods and services or not. Even the well-established larger domiciliary care agencies have found the tendering and contracting processes imposed by some authorities inflexible, bureaucratic and over-prescriptive. Many of the project workers in the Initiative feel that they have made a positive contribution in helping to develop more appropriate mechanisms and contracts.

Particular problems in stimulating providers from minority ethnic groups

It was perhaps not surprising that participating authorities encountered particular problems in stimulating the independent sector among minority ethnic groups. We know that traditionally they have been a neglected area so that there is no established body of experienced providers, even in areas with relatively high proportions of minority ethnic groups. There has been a tradition of grant-aid, and, as we have seen, not every voluntary group or organisation is over-eager to move to contractual relationships from grant-aided relationships. Essentially, potential providers from minority ethnic groups had all the problems of all new small providers in this field, with the added problems of lack of experience and diffidence on their side, and neglect and lack of interest from purchasing authorities on the other side. The participating authorities have had varying success in stimulating providers from minority ethnic groups. They will all affirm that it takes a great deal of time and careful negotiation, but that when it works well, it fulfils a very important role in local communities.

Problems with diversification

One of the most interesting parts of the Initiative has been the extent to which diversification by residential and nursing homes has accounted for a relatively small part of the activities of the participating authorities. There appear to have been a number of reasons for this. It was partly due to the fact that few of the participating authorities put forward proposals based specifically on diversification, although one or two did, and a number have developed schemes which would appear to be well-suited to home owners wishing to diversify. But more important seems to have been the relative reluctance of home owners to enter the day and domiciliary care markets in the authorities participating in the Initiative. Peter Whittingham at the last *Caring for People who Live at Home* Conference spelt out many of the reasons for the lack of diversification by residential and nursing home proprietors in general. We have certainly seen examples in this Initiative of authorities putting out tenders to which it would have seemed obvious that local home owners would respond, only to find an almost complete absence of interest, even in areas where nursing homes were operating at only 60-70 per cent occupancy levels.

Problems with pricing and costing of independent sector services

One of the main problems which has emerged as a constraining factor is the extent to which independent sector organisations, particularly voluntary organisations, can provide services at a price which the local authority is

prepared to pay. Any assumption that private and voluntary organisations might be cheaper than local authority in-house services has turned out to be misguided. Voluntary organisations often pride themselves on the quality of their services, and state that their higher prices are due to paying for quality, but may increasingly find difficulty in winning contracts.

On the other hand, private and voluntary organisations are increasingly being asked to provide out-of-hours care, or care of a specialist nature, or services which are geographically scattered, for which the costs are clearly potentially higher. Not surprisingly, they find it difficult to quote a competitive price. If they also wish to expand or to build up an established high quality workforce they have to provide and fund training as well as cover all their overheads. They argue that the playing-field is not level because they have to cost all of this into their price, whereas the local authority in-house services have traditionally not been required to account for all their overhead costs in the same way. The true costing of community care services is a subject on which further work is urgently needed, and we are pursuing this as part of our evaluation of the Initiative.

Position of project staff and their successors within the social services department

And finally, we looked in some detail at the position of the project staff within the participating authorities. Where they started in a pivotal position, with good access to purchasers at all levels, with good support from senior staff, and with good contact with providers, they found it much easier to achieve their aims than project workers in other authorities.

The question now is where the stimulation of the independent sector in day and domiciliary care is going to come from in the future. What can social services departments learn from the experience of the participating authorities? Is there a need for this function to be filled by anyone, or can it be carried out by existing staff? If so, whose responsibility is it to make sure that the independent sector is nurtured, stimulated, looked after and, most important, purchased? As the purchaser:provider split becomes firmly embedded in the structure of social services departments, and as the costing of packages of care comes under increasing scrutiny, is there any room for any development of potential providers who may have limited business skills and an unproven track record? These questions underlie the issues which we are going to look at in the second part of this paper.