



Home Based Care Option Appraisal May 2020



Options Analysis

<div> <div>Strategic Partner(s)</div> <div>Page 330</div> </div>	<p>Perceived Benefits:</p> <ul style="list-style-type: none"> - Minimises the number of conversations with the market in order to meet SCC business requirements - Provider compliance can be managed more easily through fewer numbers to engage with - Clear line of sight for operations, SCDC's, commissioners and QA to manage market relationships and provider quality - Attractive to large providers operating at scale 	<p>Risks:</p> <ul style="list-style-type: none"> - Market dependency on small pool of providers and therefore risk of impact from provider breakdown high - Providers may pick POC's from areas of easier delivery increasing risk of going 'off framework' and paying higher prices - Provider workforce growth is not assured and therefore increasing volumes of delivery can not be guaranteed to meet SCC needs - Limits market and will exclude many providers – negative impact on relationship between SCC and providers (SCA) – has been detrimental in the past for many LA's - Limits ability for market to dictate pricing through competition and opens SCC up for more difficult conversations relating to pricing and uplifts for life of contracts
<p>2 tier system</p>	<p>Perceived Benefits:</p> <ul style="list-style-type: none"> - Where a strategic partner is unable to take a POC through e-brokerage it is then offered to a second tier of providers - Grows the pool and capacity of the market working to our contracts - The agreed strategic partner rates would be in keeping with budget requirements and volume of business would go through these providers - The second tier allow for providers to pick up in niche areas where strategic partners can not – gives SCC greater ability to shape the market and hold strategic partners to account 	<p>Risks:</p> <ul style="list-style-type: none"> - Strategic partners, as above, may struggle to meet any volume thresholds set out in the contract causing greater need for contract monitoring / management and would not realise the benefits of volume at agreed prices for this model - Second tier of providers would be able to identify areas SCC struggle to find capacity and market prices would reflect this - Risk of strategic partner breakdown and need to re-tender through life of the contract high - Reputational risk if strategic partners don't deliver (pressure is off as second tier will pick up attitude) undermines approach - 2 tier system could take longer from package entered onto system to award if going through strategic first and then second tier.

Options Analysis

Block

Perceived Benefits:

- Block with providers who can pick up in strategic areas
- Limit exposure to market where pricing is variable
- In principle ensures capacity is available when required
- Contract management is easier

Risks:

- Providers struggle with block hours because they can not have staff simply waiting to be 'available when needed' and general staff turnover in the industry.
- We will be paying for unused hours
- Often models would be based on zero hours contracts or higher paid retention rates for staff but this is still not viable according to most providers.
- How many providers do we need to block with to ensure capacity across the whole of Surrey – some areas are difficult to service and have limited volumes – would these be seen as loss leaders?
- If providers have block, latent staff, and deliver private hours providers could be getting paid twice for staff time.

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Post Codes and Open Framework

Perceived Benefits:

- By splitting SCC into smaller areas providers can make informed decisions about where to tender for work
- SCC can shape markets in areas where competition is low and therefore market rates potentially higher and availability of hours is harder to obtain
- SCC can break down market intelligence in order to promote positive provider growth in areas of need
- An open framework generates competition and allows markets to regulate costs in line with SCC ambition to shape pricing activity
- New entrants to the market should be more competitive based on market intelligence, benefitting SCC

Risks:

- Time taken to go through multiple bids for work (should be negated through JCPT and awarding on price)
- Providers not wishing to join framework in areas where need is high and capacity is low therefore knowing they will still get business.

Options Analysis

Spot

Perceived Benefits:

- No need for lengthy contract and tender
- Purchase care as needed
- Flexibility to approach providers individually
- New providers can be used immediately without waiting to join a framework

Risks:

- Providers would be able to dictate price to teams on a daily basis
- Risk that purchasing teams would buy from providers with poor quality ratings
- No control of market oversight
- Providers able to 'play-off' purchasing teams