

TRAFFORD COUNCIL

Report to: Executive
Date: 16th. March 2020
Report for: Decision
Report of: Executive Member for Adult Social Care

Report Title

Fair Price for Care - Homecare 2020-21: Consultation Update

Summary

Every year the Council sets a Fair Price for Care which determines the hourly rate for homecare for the following financial year. This hourly rate is based upon an inflationary uplift to the current price.

On the 27th January 2020, Executive approved the following for consultation and further consideration in the light of the consultation :

- an inflationary uplift of 4.86% to the hourly rate for standard homecare which will be an increase from £15.25 per hour to £15.99 per hour

Providers were advised of the proposals on the 16th. January 2020 and the consultation period ran from the 4th to the 25th. February 2020.

In addition a full Equality Impact Assessment on the recommended proposals was undertaken.

Recommendation(s)

It is recommended that the Executive:

- notes the outcome of the consultation
- notes the response to the consultation
- notes outcome of the Equality Impact Assessment; and
- Approves an inflationary uplift of 4.86% to the hourly rate for standard homecare which will be an increase from £15.25 per hour to £15.99 per hour for 2020/21.

Contact person for access to background papers and further information:

Name: Karen Ahmed
Extension: 1890

Background Papers: None

Implications:

<p>Relationship to Policy Framework/Corporate Priorities</p>	<p>Successful and Thriving Places Homecare annual uplift will contribute to improved workforce pay, conditions and retention, to stabilize the homecare market, supporting growth for local providers and improved skills for local people Services focused on the most vulnerable people: Homecare is a targeted service provided to the most vulnerable people, following a social care assessment. Trafford Together Plan: we are working towards an integrated commissioning system for homecare between the Council and Trafford Clinical Commissioning Group, who both commission homecare.</p>
<p>Relationship to GM Policy or Strategy Framework</p>	<p>Greater Manchester Population Health Plan 2017-2021: Age Well Priority: More people will be supported to live at home for as long as possible Greater Manchester Health and Care Board Urgent and Emergency Care Improvement and Transformation Plan: Homecare is integral to priorities around reducing delayed hospital discharges and urgent/unplanned care Greater Manchester Live Well at Home Strategy: This proposal is aligned with GM priorities to improve homecare and with GM Transformation monies, allocated to Trafford to transform homecare Commissioning Strategy and Market Position Principles: Our vision for the market and our commitment to coproduction is articulated in “Trafford Together,” our locality plan. This is a jointly agreed document which sets out the system wide changes we need to make to achieve our ambition over the next 5 years. This plan will be consulted upon during the year of engagement. The plan states that “In Trafford under the banner of the ‘Living Well at Home Programme’ we will integrate service provision to ensure better outcomes for Trafford residents and the ‘system’ in which we operate. We will adopt the principles of the locality plan by delivering person centred care that preserves independence by supporting more people to remain at home.</p>
<p>Financial</p>	<p>The proposed uplift will require additional investment in 2020-21 by the Council.</p> <p>The proposed uplift will increase the current hourly rate from £15.25 to £15.99. The additional cost of this would be £0.4m and will be funded from within</p>

	<p>the 2020/21 budget envelope.</p> <p>Further work to transform homecare provision in Trafford is underway. Any additional costs which are incurred through this work, will be funded through Trafford's allocation of the GM Transformation Fund</p>
Legal Implications:	<p>Pursuant to s151 of the Local Government Act 1972, the council is required to make arrangements for the proper administration of its financial affairs.</p> <p>Further legislative requirements are detailed in the report.</p>
Equality/Diversity Implications	<p>Decision-makers are under a legal duty to have due regard to the need to eliminate discrimination against home care recipients (as well as providers/staff), promote equality of opportunity between such persons and others and foster good relations between such persons and others. Therefore, it is important to take care that all the new rates are adequate to promote a diverse and high quality homecare market, in particular because of the risk that otherwise there could be an adverse impact on the welfare of vulnerable residents and/or staff and their ability to enjoy a quality of life comparable with those less vulnerable.</p> <p>Vulnerable residents include in particular the elderly, women and disabled persons. Staff are largely female and older persons, in particular females.</p> <p>Decision-makers need to be satisfied that both the lower and higher rates are adequate for the welfare of residents and staff. Older women are disproportionately represented in social care because they live longer. In addition, poorer residents will be the key recipients of funded adults social care, as they often acquire long term conditions and illnesses earlier that necessitate social care and they do not have the resources to fund their own care. The increase in rates will ensure that these groups of people are able to access services which meet their needs.</p> <p>An Equality Impact Assessment report detailing equality/diversity implications is attached at Appendix 1.</p>
Sustainability Implications	Not applicable.
Resource Implications e.g. Staffing / ICT / Assets	Not applicable.
Risk Management Implications	Not applicable
Health & Wellbeing Implications	The recommendations outlined in this report will have a positive impact on the health and wellbeing

	<p>of local residents in the following ways:</p> <ul style="list-style-type: none"> • Local homecare workforce will experience improved pay and conditions which will improve their health and wellbeing and have a positive impact on workforce retention rate in homecare locally • People in receipt of homecare will experience improve quality of care by <ul style="list-style-type: none"> ○ ensuring adequate time for visits so that carers can do their job properly ○ providing statutory sick pay for workers so that they don't have to work with vulnerable residents when they are ill ○ improving access to training so carers can do their job well ○ improving local staff retention through improved pay and conditions leading to better continuity of care
Health and Safety Implications	Not applicable

1.0 Background

- 1.1 Trafford Council commenced its Homecare Transformation Programme on 2nd December 2019, following extensive consultation and a formal procurement exercise. The programme will deliver test and learn pilots, in specific postcode areas, alongside business as usual homecare delivery, as a means of testing out new ways of working.
- 1.2 The Homecare transformation programme has a focus on 5 key priorities:
- Technology: making better use of technology enabled care solutions to improve independence and wellbeing in terms of care at home
 - Prevention: developing solutions which improve and maintain health and wellbeing and reduce the need for residential and nursing care and prevent hospital admissions
 - Integration: improving joint working between commissioned and statutory health and care services to deliver better care at home for local people and improve the journey into and out of hospital
 - Place based working: aligning our commissioned services with neighbourhood models of working to deliver more personalised and asset based care
 - Workforce: improving pay, working conditions and skills for the commissioned care at home workforce
- 1.3 We have commissioned 5 test and learn pilots which will run from 2nd December 2019 to 31st March 2020. Providers who have successfully bid for these services have made the following contractual commitments which are aligned with Ethical Care Charter objectives.

Service	Provider	Geography
 Let's Talk: homecare	Star Domiciliary Compassionate Care Medacs Trafford Housing Trust	Old Trafford M41 (Urmston, Flixton, Davyhulme) Stretford Extra Care Facilities (boroughwide)
 SAMS In Reach	Absolute Care at Home Be Caring	UHSM for residents in M33 and WA postcodes Salford Royal for residents in M32
 Assisted Discharge	British Red Cross	UHSM and TGH
 Workforce development	Pulse Regeneration	Not applicable
 Programme Evaluation	Age UK Trafford	Not applicable

The transformation project workforce will be:

- paid the GM living wage as a minimum
- offered guaranteed hours or fixed hour contracts as a minimum
- paid appropriately for travel time, travel costs and other work related costs
- offered opportunities to meet with peers through regular team meetings
- able to fully participate in a commissioned workforce development programme for care at home services

- 1.4 Transformation providers are paid an enhanced rate compared to business as usual homecare framework providers, in recognition of the additional delivery, training and management requirements and because our transformation providers have made a contractual commitment to offer their workforce enhanced pay and conditions in line with UNISON's Ethical Care Charter. This is funded through the allocation of GM Transformation monies. We will monitor the impact of this through a formally commissioned programme evaluation. At the end of the programme we will recommission the entire homecare and reablement framework to incorporate our learning. This will include changes to delivery models and the wholesale introduction of a locally adapted Ethical Care Charter
- 1.5 The business as usual homecare provider framework continues to deliver homecare and reablement according to contractual requirements, whilst the transformation programme is running. This report outlines the consultation on the proposed inflationary uplift to the business as usual homecare framework hourly rate.

2.0 **Legislative Provisions**

- 2.1 s5 (1) of the Care Act 2014 ("CA 2014") places a duty on local authorities to promote a diverse and high quality market of care and support services (including prevention services) for people in their local area. In particular, local authorities must act with a view to ensuring that there is a range of different services and providers to choose from. The Council must, under s5 (2) CA 2014, consider a number of factors when exercising this duty including the importance of ensuring the sustainability of the market and supporting continuous improvement in the quality of services; making available information about the services available to people in its area; the current and future demand for services in its area, and how this demand can be met by providers; the importance of carers and service users being able to undertake work, education and training; and the importance of fostering a suitable workforce whose members are able to ensure the delivery of high quality services because, they have relevant skills and appropriate working conditions.
- 2.2 Statutory guidance, guidance which the Council must have regard to in discharging its functions under s78 CA 2014, stresses the importance of the Council encouraging "a workforce that underpins the market" and encouraging training and development. When the Local Authority is commissioning services it must assure itself the fee levels do not compromise the homecare providers' ability to:
- meet the statutory obligations to pay the minimum wages; and
 - provide effective training and development of staff; and
 - pay remuneration that is least sufficient to comply with the national minimum wage legislation for hourly pay or equivalent salary. This will include appropriate remuneration for any time spent travelling between appointments
- 2.3 Local authorities must facilitate markets that offer a diverse range of high-quality and appropriate services. In doing so, they must have regard to ensuring the continuous improvement of those services and encouraging a workforce which effectively underpins the market through:
- standards
 - skills
 - qualifications and apprenticeships
- 2.4 It is recognised that the quality of services provided and the workforce providing them can have a significant effect on the wellbeing of people receiving care and support,

and that of carers, and it is important to establish agreed understandable and clear criteria for quality and to ensure they are met.

- 2.5 When commissioning services, local authorities should assure themselves and have evidence that service providers deliver services through staff remunerated so as to retain an effective workforce. Remuneration must be at least sufficient to comply with the national minimum wage legislation for hourly pay or equivalent salary. This will include appropriate remuneration for any time spent travelling between appointments.

3.0 Equality Impact Assessment (EIA)

- 3.1 A detailed EIA is attached at Appendix 1
- 3.2 The EIA does not identify any negative impact arising from the new proposals.
- 3.3 Instead, the EIA identifies a combination of positive and neutral impacts. The positive impacts relate to the proposals increasing the hourly rates, enabling providers to move closer to the Real Living Wage, and therefore being able to retain a more stable workforce, benefiting residents, and of course staff who are able to command a higher salary. In addition, a more stable market benefits both staff and residents as the risk of provider failure from financial causes is reduced through both the new hourly bed rate and the opportunity to implement the transformation developments.
- 3.4 Women would be key beneficiaries of the identified positive impacts as they make up the majority of the workforce and the majority of residents.

4.0 Consultation and Options

- 4.1 Significant consultation had already taken place on the homecare rates in 2019, as part of the Transformation Programme. As a result of that engagement, provisional agreement was reached with providers to uplift the business as usual homecare rate by 60p per hour, for the 20120/21 (dependent upon the available budget). The recommended option is actually an inflationary uplift of 74p per hour.
- 4.2 The following options for uplifting the standard homecare rate were consulted upon from the 4th to the 25th. February 2020:
- Do not apply an annual uplift
 - Apply an inflationary uplift of 4.86% - which equates to a 74p increase an hour.
 - Apply a lower uplift
 - Apply a higher uplift
- 4.3 Three responses to the recommended option were received. Two responses referred to a range of inflationary pressures on the sector as follows:
- National Living Wage increase in April 2020 is 6.2% or 6.3%
 - Inflation for 2020 is set for 1.9%

- Employer pension contributions are now 3%
- Holiday pay is 12.07%
- VAT at 20%

The third response requested an hourly rate of £18 an hour. Unfortunately, no detail was given on how this cost was reached and so it is difficult to comment specifically on the rate.

- 4.4 The Council has considered the pension contributions, holiday pay and VAT as requested by the respondent. These costs are not new costs. The pension contribution has been set at 3% since 2019. The holiday pay element has been consistently modelled at 12.07% by the United Kingdom Home Care Association (UKHCA) since at least 2018, so for at least the last 3 financial years. The VAT payment is also not a new cost, and interestingly is not explicit in the UKHCA model as a separate cost consideration.
- 4.5 The Council has taken into account the additional pressures that will be experienced by homecare providers in identifying an appropriate inflationary uplift and setting a new hourly rate for 2020/21. We have considered both the impact of the NLW increase and inflation in determining the overall inflationary uplift. We recognise that the NLW increase does not apply to the entire workforce, nor other costs that make up the overall hourly rate. This is the reason why the overall rate is set at 4.86%.
- 4.6 The Council would expect the other costs to be built into the existing business model of the provider as these are not new pressures and therefore should already form a part of every provider's financial planning process.
- 4.7 As all the factors that the Council can reasonably take into account – i.e. the NLW and the RPI – in determining the recommended offer of 4.86%, together with the ability of the providers to pay travel time, travel costs, training time and other work related expenses, the view of officers is that this still represents a reasonable uplift.
- 4.8 This supersedes the provisional agreement in 2019-20, with providers, to offer business as usual homecare providers an inflationary uplift of 60p per hour, each year, for the duration of the transformation programme. The proposed uplift of 4.86% represents an increase of 74p an hour
- 4.9 In addition, all providers have had the opportunity to bid for the transformation projects, and many providers also provide reablement services. Both of these areas command a higher rate.

5. Reason for Recommendation

- 5.1 The responses to the consultation have been considered together with the analysis from the Equalities Impact Assessment, and officers are recommending that the offer of an inflationary uplift of 4.86% for the financial year 2020-2021, which equates to an increase from £15.25 to £15.99 per hour, is approved.

6. Supporting Documents

- Appendix 1 : Equality Impact Assessment

Key Decision (as defined in the Constitution): Yes

If Key Decision, has 28-day notice been given? Yes

Finance Officer Clearance HZ
Legal Officer Clearance DS

CORPORATE DIRECTOR'S SIGNATURE (electronic)

A handwritten signature in black ink, appearing to read "David S. Katz". The signature is written in a cursive style with a large initial "D".

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.