

TRAFFORD COUNCIL

Report to: **Executive**
Date: **22nd. February 2020**
Report for: **Decision**
Report of: **Executive Member for Adult Social Care**

Report Title

Fair Price for Care - Homecare 2021 - 2022: 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 26th. October 2020, Executive approved the following for consultation and further consideration in the light of the consultation :

- A 5.69% uplift on the existing business as usual homecare rate of £15.99 to reach an hourly rate of £16.90, including RPI
- A further uplift to enable providers to achieve an uplift on the National Living Wage (“NLW”) (either 2% or an uplift which reflects the NLW, dependent on which is the higher rate).

The new agreed rate will comprise the framework price for homecare providers

The consultation period ran from the 28th. October to the 30th. November 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 the outcome of the Equality Impact Assessment
- approves an inflationary uplift of 2.50% to the hourly rate for standard homecare which will be an increase from £15.99 per hour to £16.39 per hour for 2021/21 and
- approves an additional £0.91 per hour to framework homecare providers which reflects the transformation work to reach an hourly rate of £17.30. This does not include non-framework providers, supported living providers or direct payment packages
- Confirm that in approving the above, it has taken into consideration the Council's Public Sector Equality duty.

Contact person for access to background papers and further information:

Name: Karen Ahmed
Extension: 1890

Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	<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</p> <p>Services focused on the most vulnerable people: Homecare is a targeted service provided to the most vulnerable people, following a social care assessment.</p> <p>Trafford Together Plan: we are working towards a place based approach which will be underpinned by an integrated commissioning system for homecare between the Council and Trafford Clinical Commissioning Group.</p>
Relationship to GM Policy or Strategy Framework	<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</p> <p>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 and this has been demonstrated over and over again during the pandemic.</p> <p>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</p> <p>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 is currently being consulted on. . The plan states that “In Trafford under the banner of the ‘Living</p>

	<p>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>
Financial	<p>The proposed 2.5% uplift will increase the current hourly rate from £15.99 to £16.39.</p> <p>The proposed uplift takes into account increases in staff and running costs. It is recognised that an inflationary uplift of this level will support providers to meet not only the additional pressures of inflation and requirements of the National Living Wage but also in moving towards the real living wage.</p> <p>The impact of the above will result in an estimated additional budgeted investment into the homecare market of £0.371m for 2021/22. This would be met from within the overall allocation for inflation and demography in the Medium Term Financial Plan (MTFP) that has been allocated to the Adult Social Care budget for 2021/22.</p> <p>The additional proposed £0.91 for those on the Council's homecare framework, giving rise to an hourly rate of £17.30, is to continue the transformation of homecare provision in Trafford. This will result in a further additional investment of £0.590m which will be funded through Trafford's allocation of the GM Transformation Fund for 2021/22.</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</p>

	<p>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 than 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.
Carbon Reduction	Moving to a place based approach will reduce the need for homecare staff to travel in cars and therefore this will have a positive impact on carbon emissions as well as widening employment opportunities in the neighbourhood.
Resource Implications e.g. Staffing / ICT / Assets	Not applicable.
Risk Management Implications	Not applicable
Health & Wellbeing Implications	<p>The recommendations outlined in this report will have a positive impact on the health and wellbeing 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 improved 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 developed a Homecare Transformation Programme which commenced from 2019. This programme aimed to test out different ways of working to provide more flexible ways of supporting people to live well for longer at home, in line with the Council's ambitions. The pilots attracted additional funding from the Transformation Programme and the hourly rates were set at a higher level. The Homecare Transformation Programme was reconfigured in 2020 in order to meet the challenges of the pandemic - some projects continuing to run, some being temporarily funded through NHS Covid Discharge funding and some being terminated. The pandemic not only necessitated new ways of working but also expedited many of our plans to develop a more integrated care at home offer for Trafford residents.
- 1.2 The Transformation Programme changed the methodology that Trafford Council applied to the annual uplift, as we co-produced new models of homecare with our providers to develop a model of working with people in their own homes enabling faster discharges and supporting people to become more independent. This resulted in having a two tier pricing structure last year as a step on the way to equalising the rates. The uplift proposed for 2021 to 2022 combines the transformation aspiration together with the pressures from the RPI and the NLW, and will not only support the providers to further implement UNISON's Ethical Care Charter but will also further embed new ways of working.

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 people requiring care and support 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 Public Sector Equality Duty and Equality Impact Assessment

- 3.1 The Equality Act 2010 requires public authorities to have regard to the Public Sector Equality Duty in making any decision. The public sector equality duty requires public authorities to consider the needs of people who are disadvantaged or suffer inequality when making decisions regarding its service provision and policies.
- 3.2 People who have certain protected characteristics are protected under the Equality Act 2010. The nine protected characteristics are: disability, race, age, religion or belief, sex, sexual orientation, gender reassignment, pregnancy and maternity marriage and civil partnership.
- 3.3. The legislation requires that, when carrying out its functions, a public authority must have due regard to:
 - The elimination of unlawful discrimination;
 - The advancement of equality of opportunity between people who have protected characteristics and those that do not; and
 - The fostering or encouragement of good relations between people who share a protected characteristic and those who do not.
- 3.4 Where appropriate, an EIA is completed in respect of the proposals to identify any potential impacts. Where potential impact are identified consideration can be given to whether measures can be taken to mitigate against such impacts. Mitigation measures can then be set out within the body of the relevant EIA or are reflected, where appropriate, in modifications to the proposals.
- 3.5 In considering the report and deciding whether approve the proposals contained in the report the Executive is required to have regard to the Public Sector Equality Duty. In order to satisfy this duty the Executive must consider whether the proposals are likely to discriminate against or disadvantage persons who have protected characteristics as set out above; whether there are mitigation measures which would offset any such impacts which are identified. Where appropriate and necessary Equality Impact Assessments of the proposals have been carried out and these are available to members to assist them in the evaluation of the proposals in the context of the Public Sector Equality Duty.

- 3.6 A detailed EIA has been completed in respect of the proposals contained in this report and is attached at Appendix 1 to the report. The EIA was made available to officers in their consideration of consultation feedback and development of the proposals contained in this report.

Summary of EIA:

- 3.7 The EIA does not identify any negative impact arising from the new proposals.
- 3.8 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.
- 3.9 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

- 4.1 Significant consultation had already taken place to allow us to prepare for, design and implement the Homecare Transformation programme. As a result of this we also made provisional agreement to uplift the framework homecare rate to the enhanced transformation rate (dependent upon available budget). Providers are aware of this provisional commitment.
- 4.2 The following options for uplifting the standard homecare rate were consulted upon from the 28th October to the 30th November 2020:
- Do not apply an annual uplift
 - A 5.69% uplift on the existing business as usual homecare rate of £15.99 to reach an hourly rate of £16.90, including RPI; together with a further uplift to enable providers to achieve an uplift on the National Living Wage (“NLW”) (either 2% or an uplift which reflects the NLW, dependent on which is the higher rate). (This was the recommended option)
 - Apply a lower uplift
 - Apply a higher uplift

- 4.3 The consultation took place with providers and the trade unions. One response was received – this was from GMB and this response supported the recommended option “..on the basis that it offers a fair uplift and recognition of cost pressures on providers. As we are all aware that these are extremely difficult and, indeed, unprecedented times then option three is a considerable achievement against that background. “ The GMB further commented that “.. it is good to see that, going forward, it is Trafford's intention to have much more care provided for people in their own homes. This is very

much welcomed and we believe that it reflects the wishes of most people within Trafford."

- 4.4 A second response, from one of the homecare providers was received after the consultation period had closed, and this response commented that the proposed rate was likely to be less than the UKHCA recommended rate.
- 4.4 The Council has already considered the UKHCA recommendation in the October 2020 report – the United Kingdom Homecare Association has for many years been recommending an hourly rate based on a calculation of what they have estimated nationally is the minimum rate for homecare. The DHSC recommends the methodology employed by the UKHCA – but not the calculated rate. The methodology – i.e. the breakdown of costs – has been utilised in discussions with provider in Trafford and , based on that methodology together with taking into account local variations, the principles underpinning the recommended hourly rate was developed.
- 4.5 The UKHCA proposed national rate for 2020 -2021 is indeed higher than that offered by the Council at £21.43 per hour, but has not been applied generally across the North West of England. It is hard to identify which, if any local authorities actually currently offer the UKHCA rate – a survey by the UKHCA in 2015 identified only 14% of local authorities as offering this rate. This suggests that the rate has limited relevance to homecare providers who are able to operate high quality services at a lower rate.
- 4.6 In setting the proposed hourly rate of £17.30, the Council has taken into account the additional pressures that will be experienced by homecare providers. We have considered both the impact of the NLW increase, the Real Living Wage and inflation in determining the overall inflationary uplift of £1.31.
- 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, together with the ability of the providers to move closer to the real living wage (the increase enables providers to pay more than the NLW), pay travel time, travel costs, training time and other work related expenses, it is the view of officers is that this represents an appropriate uplift.

5. Other Options

- 5.1 A number of alternative options were considered in reaching this recommendation. These were:

Option	Advantages	Disadvantages
Do not apply an annual uplift	No additional cost to ASC homecare budget No additional procurement resource for contract variation	<ul style="list-style-type: none">• Providers may experience difficulties in paying their staff the required minimum wage, should a national uplift be applied• Without a financial uplift which takes into account inflation, the market will be destabilised and people may go without care due to lack of capacity as providers withdraw from framework• Staff turnover will potentially increase

		<ul style="list-style-type: none"> • Local providers will lose workforce to neighbouring local authorities • We may incur additional costs as a result of market instability
Apply a lower uplift	Reduced cost to ASC homecare budget	<ul style="list-style-type: none"> • If we don't apply an uplift which takes into account inflation, the market will destabilise and all of the above disadvantages will apply
Apply a higher uplift	Potential for increased market and workforce stability	<ul style="list-style-type: none"> • Increased cost to ASC budget which may not be sustainable • Increasing funding does not necessarily increase quality.

6. Fees and Charges

- 6.1 Our service users are financially assessed and pay a contribution towards the cost of services, based on what is affordable for them. For those service users who pay a full contribution, there will be an increase of 8.19% in their payments.
- 6.2 We recognise that, for some people who pay the full cost of their care because of their financial circumstances, this may cause financial pressure. We will consider making adjustments to the payments required for those people who may struggle to make immediate adjustments to their financial responsibilities.

7. Reasons for Recommendation

- 7.1 The responses to the consultation have been considered together with the analysis from the Equalities Impact Assessment, and officers are recommending that an increase of £1.31 per hour is approved to deliver the embedded transformation model – this equates to an increase from £15.99 to £17.30 per hour for homecare providers who are on the Council's Homecare Framework. Supported living providers, non-framework homecare providers and direct payments providers will receive an increase of 2.5%.
- 7.2 The uplift proposed for 2021 to 2022 combines the transformation aspiration together with the pressures from the RPI and the NLW, and will not only support the providers to further implement UNISON's Ethical Care Charter but will also further embed new ways of working.

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 PD

CORPORATE DIRECTOR'S SIGNATURE (electronic)

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

A handwritten signature in black ink, appearing to read "Dae Seton". It is written in a cursive style with a single continuous line.