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**TRAFFORD
COUNCIL**

AGENDA PAPERS MARKED 'TO FOLLOW' FOR EXECUTIVE

Date: Monday, 19 March 2018

Time: 6.30 p.m.

**Place: Committee Room 2 and 3,
Trafford Town Hall, Talbot Road, Stretford M32 0TH**

A G E N D A	PART I	Pages
6. HIGHWAYS CAPITAL PROGRAMME 2018/19		
To consider a report of the Executive Member for Highways, Parks and Environmental Services.		To Follow
7. GREENSPACE CAPITAL PROGRAMME 2018/19		
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10. FAIR PRICE FOR CARE - OUTCOME OF THE REVIEW OF THE PRICE FOR HOMECARE AND RESIDENTIAL AND NURSING CARE		
To consider a report of the Executive Member for Adult Social Care.		13 - 24

THERESA GRANT
Chief Executive

COUNCILLOR SEAN ANSTEE
Leader of the Council

Membership of the Committee

Councillors S.B. Anstee (Chairman), A.P. Williams (Vice-Chairman), S.K. Anstee, Mrs. L. Evans, D. Hopps, J. Lamb, P. Myers, B. Shaw and M. Whetton.

Further Information

For help, advice and information about this meeting please contact:

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This supplementary agenda was issued on **9 March 2018** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH

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TRAFFORD COUNCIL

Report to: Executive
Date: 19 March 2018
Report for: Decision
Report of: Executive Member for Highways, Parks and Environmental Services

Greenspace Capital Programme 2018-19

Summary

This report sets out the detailed list of schemes proposed under the capital greenspace programme for 2018/19. These schemes have been identified as being of priority in the next financial year.

Recommendations

That the Executive:

1. Approve the allocation of the approved Greenspace Capital programme as set out in this report;
2. Authorise the Corporate Director for Economic Growth, Environment and Infrastructure to make minor changes to the programme;
3. Delegate authority to the Corporate Director, Transformation and Resources in consultation with the Chief Finance Officer to authorise the final agreed expenditure on Turn Moss following the tendering process and subject to securing planning permission.
4. Delegate authority to the Director of Legal and Democratic Services in consultation with the Corporate Director, EGEI and where appropriate, the Chief Finance Officer to finalise and enter into all legal agreements required to implement the above decisions.

Contact person for access to background papers and further information:

Name: Melissa Wise
Telephone No: 07966440625
Background Papers: None

Implications:

Relationship to Policy Framework/Corporate Priorities	This report relates to the corporate priority for economic growth and development
Financial	All capital expenditure outlined in this report is contained in the Council's approved Capital programme for 2018/19 which was approved by Council in February 2018.
Legal Implications	No immediate implications as a result of the report. There will however be the need to ensure that all schemes are progressed with due regard to all relevant statutory requirements
Equality/Diversity Implications	No direct implications
Resource Implications e.g. Staffing / ICT / Assets	No direct implications
Risk Management Implications	No direct implications
Health & Wellbeing Implications	Maintaining and enhancing a varied range of good quality play equipment and sports facilities ensures continued free access to active play for the residents of Trafford, thereby contributing to the health and well-being of our population.
Health and Safety Implications	The improvements proposed will improve safety for users of play equipment and sports facilities. Replacing worn play equipment and play/sports surfacing in a timely manner prevents injury to park users, in particularly children.

1.0 BACKGROUND

- 1.1 A total of £435,582 has been allocated for Greenspace projects for 2018/19 with Council funding of £200k being supplemented through the opportunity to allocate Developer contributions (S106 and Red Rose Forest monies) for a range of outdoor sports, biodiversity and parks infrastructure projects.
- 1.2 An additional amount, up to £2.5m, has been allocated to the Leisure programme for investment in Turn Moss. This investment is subject to the Council securing planning permission for the proposed improvements and additional facilities.

2.0 GREENSPACE CAPITAL PROGRAMME

- 2.1 Trafford Council and the One Trafford Partnership are responsible for the strategic management and maintenance of a greenspace resource comprising 37 public parks, 50 amenity green spaces, 21 recreation/sports grounds, five cemeteries/crematoria, 41 woodlands, 86 children's playgrounds and 36 allotment sites.
- 2.2 Continued investment in Trafford's greenspace resource is required in order to meet the objectives of Trafford's Greenspace Strategy and hierarchy, as well as the strategic objectives of the Trafford Vision 2031 and Trafford's Core Strategy as the spatial representation of The Trafford Partnership's Community Strategy.
- 2.3 The list of greenspace sites and associated provisional budget allocations have been developed in the context of available conditions surveys and inspection results in the form of:
- Parks infrastructure audit
 - Trafford Countryside Management Partnership infrastructure audit
 - Play Areas annual safety inspection and infrastructure audit
 - Allotments annual conditions survey

3.0 Scheme selection considerations

- 3.1 Each year schemes are proposed that support the achievement of the aims of Trafford's Greenspace Strategy (currently under review) which are as follows:
- Raise the quality of parks and green spaces;
 - Increase the use of Trafford's greenspace by all sectors of the community;
 - Provide a prioritised investment framework for green spaces;
 - Increase the multi-functional role of greenspace to support biodiversity and sustainability;
 - Embed community involvement in the design and management of green spaces;
 - Improve community safety through good design and partnership working.

We have also considered proposed S106 funding for each area, match funding available, as well as historical detail of proposed schemes and councillor and resident and parks groups feedback and concerns relating to specific parks and greenspace areas. The budget allocation has been used strategically to allow for the most diverse and comprehensive scheme list available to align with Trafford's Greenspace Strategy.

- 3.2 The proposed Greenspace capital programme for 2018/19 is set out as follows:

Category	Value (£)	Purpose / Match Funding	Rationale for selection /prioritisation
Parks Infrastructure	100,000	To enhance or refurbish existing infrastructure within Trafford Parks, and providing good value. Many schemes help secure match funding. £87,000 additional S106 Contributions have been matched against these projects	1. Planned refurbishment as a result of entire facility reaching end of life; 2. Scheme based on public interest/demand and match funding raised from community groups; 3. Availability of other sources of match funding to provide added value to the Council. 4. Consideration is also given to geographical spread of the projects, including previous investment; 5. The classification of the park is also taken into consideration when prioritising new schemes. (For a list of proposed schemes see appendix A)
Play Area refurbishment	100,000	Many pieces of play equipment and play surfaces have reached the end of their life and require replacement in order to maintain the high standard of exiting play provision in Trafford and ensure play areas can remain open to the public. S106 developer contributions of £23,582	The following rationale has been used to determine what features in the 18/19 programme (in order of priority): 1. Replacing kit and surfaces where play areas have been closed, to enable reopening; 2. Where Section 106 monies are available to carry out a comprehensive refurbishment capital monies will be allocated as match funding; 3. Replacing equipment that has already been removed; 4. Replacing surfacing where further deterioration will result in closure/ partial closure in the near future and where patching is no longer viable. (For a list of proposed schemes see appendix B)
Wilding Trafford	75,000	Optimising biodiversity along green corridors across the borough is even more essential with the progress of new developments. Protection and enhancement of wildlife is a key focus of the scheme, as well as ensuring that people living in the most developed parts of our borough have easy access to quality and diverse greenspace. Red Rose Forest Monies for the Wilding Trafford Project will create: <ul style="list-style-type: none"> • Orchards • Wild Flower Meadows/ verges • Hedge Planting • Native tree planting • Transformation of alleyways or vacant land within a street to green recreational space. Hullard Park, Seymour Park and Gorse Hill Park will be the main sites of focus, along with the A56 gateway and selected alleyways in Old Trafford and Gorse Hill	
Signage - Parks	50,000	New ROSPA guidance requires signage to include a range of additional instructions in order to protect park users and the Council from potential litigation. This includes signage to be erected at all sites with the following infrastructure: BMX tracks, Skate board sites, Tennis Courts and MUGA's.	
Total	325,000	Total plus S 106 (£110,582) = £435,582	

3.3 The 2018/19 programme includes the delivery of a number of key projects, highlights include

- Lostock Park (Woodland and Habitat creation)
- Urmston Meadows (Footbridge and Boardwalk repair)
- Urmston Meadows (Habitat and Infrastructure)
- Hullard Park Pond Restoration
- Gorse Hill Park Stretford – Phase 2
- Navigation Recreation Ground Timperley

4.0 Turn Moss

4.1 The Council has recently submitted a planning application to improve the infrastructure and provide new community facilities and a training base for Salford City Football Club.

4.2 The proposals include reinstating 3 pitches to the east of the site to be developed as 3 professional standard grass pitches and goalkeeper training area and a new facility comprising physiotherapy area, changing and office accommodation solely for the use of Salford City (Academy) on the existing hard-standing area in the central zone. The overall offer will be further enhanced with the introduction of a 60 seater café plus external seating area, a small play area, a trim trail, a 3G all-weather football pitch with floodlighting, upgraded community changing facilities and improvements to the car parking and landscaping and access, all of which will be fully available to the local community and Turn Moss users. There will be associated improvements to the pitches on the rest of Turn Moss to improve the pitch quality and maintenance for the benefit of all users.

4.3 The recently adopted Plying Pitch Strategy, approved by Sport England, identifies that there is a level of latent demand not currently met, particularly for junior football teams. Turn Moss is ideally situated to meet this demand alongside the opportunity to anchor the investment with a commercial partner. Salford City Football Club's decision to commit their long term requirements for a training base in this facility would provide a level of guaranteed income to the Council for at least a 10 year period through a lease arrangement. The lease with Salford City FC will also bring additional community benefits, which will be co-designed with the local community and Turn Moss users.

4.4 The investment in Turn Moss will be up to a maximum of £2.5m, which is subject to further value engineering and a tendering process. It is proposed that this investment be financed from a range of resources, including borrowing which will be serviced from the new income generated from leasing the training facilities to Salford City Football Club as an anchor tenant, through a concession to operate the proposed community café and from surpluses generated from the commercial hire of the proposed 3G football pitch.

4.5 The proposals for Turn Moss are subject to securing planning permission and agreeing appropriate terms for the lease of three pitches and ancillary facilities to Salford City FC. The lease terms are set out in the Strategic Land Review Programme Report (Part II), to be considered on the same agenda.

5.0 Programme Delivery

5.1 The schemes identified that form the capital programme will be managed through the One Trafford partnership with Amey. Delivery and expenditure are reported through a monthly Board report to Amey senior managers and senior managers from the Council including Finance representatives. This group reviews individual schemes against the programme and addresses issues by exception.

5.2 Further to this, the capital programme is an agenda item at the Operations and Partnership Boards held monthly between Trafford Council and Amey.

6.0 Other Options

6.1 Schemes included within the programme are based on a prioritisation of potential projects in accordance with Council strategies and policies.

7.0 Consultation

7.1 Consultation will take place with those affected as necessary depending on the nature of the proposals and the likely impact. Where community groups or "Friends of Parks" are active, the One Trafford Partnership work with the groups in the design of schemes and the securing of external match funding. The proposals for Turn Moss were subject to extensive consultation as part of the Refreshed Streford Masterplan at the end of 2017, and are currently subject to further consultation as part of the planning process.

8.0 Reasons for Recommendations

8.1 Ongoing capital investment ensures the protection and improvements of the Council's infrastructure in order to meet the expectations and needs of Trafford residents and businesses and ensure the Council delivers on its objectives of the core strategy and corporate priorities.

Key Decision: Yes

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

Finance Officer Clearance NB
Legal Officer Clearance JLF

[CORPORATE] DIRECTOR'S SIGNATURE



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

Appendix A: Parks Infrastructure projects 2018-19

Scheme	Capital Programme Allocation (£000)	S106 contributions (£000)	Total	Prioritisation Detail
Lostock Park – Woodland and Habitat Creation	8	8	16	Woodland and Habitat Creation - Green flag park area identified by judges from site visit interest in an orchard and replanting of wildflower meadow.
Urmston Meadows – footbridge and Boardwalk Repairs	9	-	9	Footbridge and Boardwalk Repairs additional works to site supporting successful capital bid to Veolia to assist installation of accessible path.
Priory woods site protection barriers and fencing	10	-	10	Protection barriers and fencing – this has been in response to an increasing public campaign and pressure for investment to protect Priory Woods against vehicle access and abuse by motorcyclists.
Dunham Bridge – Trans Penine Trail Drainage Issue	10	-	10	Landowner and property owner requirement for action. Without the completion of these works the council could be subject to legal action.
Crossford Bridge Fishing Pond	11	4	15	Works to secure and make ready a facility for enablement of transfer as a community asset.

Denzell Gardens Path restoration	12	-		There is a section of hoggin path (sandstone grit) which goes through the rhododendron walk off the main drive. This is badly eroded and has been raised as an item in green flag feedback over a number of years. We aim to demonstrate 'continuous improvement' as one the Green Flag scheme principles. Friends have also strived for improvement of this feature of the Gardens.
Hullard Park – Pond Restoration	15	-		Pond Restoration – Green flag candidate park Pond created by Groundwork fails to hold water part of series of works related to Greening Trafford Section 106 works.
Urmston meadows habitat and Infrastructure	25	-	*secured match funding	Footbridge and Boardwalk Repairs additional works to site supporting successful capital bid to Veolia to assist installation of accessible path.
John Leigh Park Heritage Gates restoration	-	40	40	Habitat and Infrastructure Capital element of successful Countryside Partnership funding bid to Veolia.
Victoria Park Stretford – Outdoor sports	-	28		Outdoor sports- Green flag park area noted in Green Flag judging reports – currently an area of unused tarmac surface in Victoria park the section 106 is to bring it back to use as a park asset.

Navigation recreation ground flood elevation		7		This is to back up work already begun with support from Trafford Tree Unit in February 2018, where x12 wet land tree species have been planted to manage ground water flooding on the lower field. The field is part of the flood plain of Timperley Brook. This is naturally going to be a wet area. The Environment Agency prefer drainage solutions which do not involve drainage into main rivers as this adds to flooding pressures. The work at Navigation Park aims to use ecological methods to manage the problem.
TOTAL	100,000	87,000	187,000	

Appendix B: Play Area Improvement Programme

Scheme	Capital Programme Allocation (£000)	S106 contributions (£000)	Total	Prioritisation Criteria
Gorse Hill Park Stretford: Phase 2	72,000	-	72,000	Match for community led funding bid to improve under 8's play area. Consultation with 5 local primary schools and Stretford High school is underway.
Cross Lane Park, Sale	14,000	3582	17,582	Funding to allow moving of existing spinning disc play item to more appropriate location and installation of replacement with toddler roundabout following youth misuse of spinning disc.
Navigation recreation Ground, Timperley	14,000	-	14,000	This follows a scheme in the 2017/18 programme which deals largely with dilapidations (affecting logs walls and path edges) and severe vandalism (by fire) to two play area features. The first phase has not been sufficient to preserve the existing play value. In particular, the loss of a basket swing and safety surface. The proposal is to replace this with a standard junior swing and associated safety surface.

John Leigh Park ,Altrincham	-	20,000	20,000	As this is a s106 fund and so must be used for new equipment rather than repair. The Friends of John Leigh Park have been campaigning to replace the dilapidated and largely decommissioned trim trail at John Leigh Park (7 trim trail station items). We have identified product alternative to move forward with this scheme
TOTAL	100,000	23,582	123,582	

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TRAFFORD COUNCIL

Report to: Executive
Date: 19th March 2018
Report for: Decision
Report of: Executive Member for Adult Social Care

Report Title

Fair Price for Care : Outcome of the review of the price for homecare and residential and nursing care.

Summary

This report outlines the approach adopted by Trafford Council to determine a Fair Price for Care and takes account of the low response traditionally received from the sector in determining the price for care. Consideration was given to national factors that will be impacting on the current market, in particular the increase of the national living wage and the impact of the retail price index.

Work undertaken over the last 4 years to assess a 'Fair Price for Care' in Trafford has led to a cumulative increase of:

10.9 % in homecare fees.

8.5 % in residential and nursing care fees paid by the Council.

Trafford rates when benchmarked against Greater Manchester authorities are comparable to those within the sub region.

The recommendation is based on the cost pressures identified in section 5 of the report, namely:

- Affordability in the context of the financial challenges faced by the public sector.
- Averaged predicted inflation (RPI) for 2018/9 at 3.5%.
- The impact of the Government introduction of the next stage for the Mandatory National Living Wage.
- Assessment of the sub regional authorities.

Taking all of these factors into account the recommendation to the Executive is to approve a inflationary uplift for :

- The homecare market of 4.07% for 2018/19.
- The residential and nursing care market of 3.88% for 2018/19.
- That the new rates be agreed as the discretionary fee and charges for 2018/9.

Recommendation

That Executive approves an inflationary uplift to the care fee rates paid by the council of:

- **4.07% for the homecare market for 2018/9.**
- **3.88% for the residential and nursing care market for 2018/9.**

For the reasons set out in this report.

Contact person for access to background papers and further information:

Name: Jill Colbert
 Extension: 5100
 Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The report impacts on the following corporate priorities; <ul style="list-style-type: none"> • Supporting Vulnerable People. • Low Council Tax and Value for Money.
Financial	The recommendations will have a financial impact of approximately £916k which is within the budgeted inflation amount included in the 2018/19 budget.
Legal Implications:	Set out in the body of this report.
Equality/Diversity Implications	The equality and diversity implications been taken into account.
Sustainability Implications	Not applicable.
Resource Implications e.g. Staffing / ICT / Assets	Not applicable.
Risk Management Implications	Not applicable.
Health & Wellbeing Implications	The recommendation in inflationary uplift for homecare represents a holding position whilst a different model is developed with providers that focuses on delivering more positive outcomes for Trafford residents.
Health and Safety Implications	Not applicable.

1.0 Background

- 1.1 Trafford has a vibrant social care market and the Council works with 38 different homecare providers, and there are also over 40 residential and nursing care homes in the borough. However, Trafford's social care market is not only experiencing the same challenges as the rest of the country, but also some challenges which are particular to Trafford. National challenges include the difficulty in recruiting and retaining homecare staff, primarily because of the way in which homecare is commissioned on a time-based, zero hours basis and the difficulty in recruiting nurses for nursing homes, resulting in homes exiting the market because of the financial implications of agency rates.
- 1.2 The challenges in the homecare market are exacerbated in Trafford, because we have both a thriving economy and a well-educated workforce. This means that there is a very small workforce from which home care staff can be recruited. Skills for Care have recently informed us that the existing unemployed population require support for as long as 2 years before they will become work ready. Providers have told us that both recruitment and retention pose problems for them, as it is difficult to retain staff against competition from new supermarkets entering the market, as well as seasonal recruitment from shopping malls. This together with the ability of staff to choose when they work means that capacity fluctuates within the market at peak times.
- 1.3 The challenges in the residential and nursing market in terms of staffing are related to both qualified and unqualified staff, and providers struggle to retain a high calibre workforce, particularly at a managerial level. This has led to poor CQC ratings in the domain of well-led and effective services for some providers.
- 1.4 Trafford has led a Greater Manchester social care workstream to address both the fluctuating capacity issues within the market, and quality issues, with the view of developing a financially sustainable model. The modelling has identified that there needs to be significant changes to key aspects of the model which include workforce skills, outcomes and price.
- 1.5 Tameside Metropolitan Borough Council is leading the Greater Manchester workstream which seeks to address some of the issues being experienced by residential and nursing homes, and the consequent impact on quality across Greater Manchester, together with the need to deflect residents away from accident and emergency services. The focus of future work is on improving quality in the market given the current problems.

- 1.6 Trafford Council continues to support the homecare, and the residential and nursing home sector to provide a high quality of care, working closely with the CCG to ensure that the right blend of social care and health expertise is provided to organisations in a timely manner to support them to improve or maintain a good quality service. The work of the team has been recognised by CQC.
- 1.7 Despite the problems that the social care market is experiencing, the residential and nursing care home market is expanding in Trafford. Many of these new services are aimed at attracting well-off self-funders from across Greater Manchester and Cheshire who are willing to pay a higher fee. This has resulted in a significant over-provision of beds in Trafford and we currently have an over-provision of 300 beds, not including the 150 bed unit planned for Sale. The key issue is the affordability of beds as the new provision is priced at a cost substantially more than our bed rates. The risk to the Council is that when self-funders are no longer able to afford their placement, even where they were not previously Trafford residents, it is Trafford Council that has to take over funding responsibility. This is also the case when Trafford residents choose a more expensive placement, agree to pay the difference and then are no longer able to pay for the difference in cost.
- 1.8 Trafford Council has engaged annually with the market to agree a “Fair Price for Care”. The previous approach relied heavily on providers disclosing their make-up of their budgets in order to ascertain the costs pressures that the market was experiencing. However, year on year the number of respondents dropped considerably, rendering this approach unhelpful.
- 1.9 For last year and this year, a different methodology was used to engage with providers. Based on previous years’ submissions and CIPFA guidance, it was possible to estimate the impact of the National Living Wage on the staffing element of the budget, and the impact of the Retail Price Index on the remainder of the budget. This calculation informed the proposed inflationary uplift which was then consulted on with homecare, residential and nursing care home providers.
- 1.10 Providers have requested that we engage in a more detailed methodology in the future as we look at how we remodel the homecare service and stabilise the costs and quality within the residential and nursing home provision.

2.0 Legal Context

- 2.1 The Care Act 2014, from 1st April 2015, replaced the piecemeal legislation across the previous sixty years. The Care Act 2014 gives effect to, amongst other things, the following provisions:

- Requiring the Council to promote individual wellbeing and apply the wellbeing principle in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.
- Requires the Council to ensure the provision or arrangement of services, facilities or resources to help prevent, delay or reduce the development of needs for care and support.
- Requires that the Council must promote the efficient and effective operation of a market of services for meeting care and support needs. The Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.
- Specifies the requirements of a personal budget prepared for each adult needing care or support itemising the cost of meeting assessed need and individual financial assessment in terms of actual payment.
- Entitles an adult to express a preference for particular accommodation.

2.2 In addition to these provisions, the Council has a responsibility for market shaping as prescribed by the Act. Supplementing the Care Act 2014, there is further legislative provision and statutory guidance which has been issued by the Department of Health. The relevant regulations are the Care and Support and Aftercare (Choice of Accommodation) Regulations 2014 (the Choice Regulations”) which state that a local authority has to meet the provision of preferred accommodation. The effect of the Act, regulations and guidance, is to require the Council to facilitate and shape their market for adult care and support as a whole.

2.3 The statutory guidance issued under the Care Act 2014 states that local authorities must focus on outcomes when pursuing market shaping and commissioning. This is set out in the guidance. These include:

- Councils should have regard to guidance on minimum fee levels.
- Councils must not undertake any actions which may threaten the sustainability of the market as a whole.
- Council should assure themselves and have evidence providers deliver services through staff remunerated so as to retain an effective workforce.

2.4 The above replaces the previous legal framework under the National Assistance Act 1948.

Whilst under the National Assistance Act 1948 the Council was under a requirement to settle the usual cost with care providers, the Care Act 2014 and guidance does not require this. However, the Council is under very similar obligations under the Care Act to the National Assistance Act 1948 as it is

required to consider the cost of care and engage with the providers. Thus it remains lawful and is a useful tool in market shaping and complying with choice regulations.

3.0 Our Approach/Methodology

- 3.1 Based on the low returns of previous years, the Council developed a transparent proposal for determining the inflationary uplift for 2018/9. This was based upon an analysis of the impact of the NLW and the predicted average RPI for the following financial year. The calculation was shared by letter with providers and explained verbally through our regular Service Improvement Partnership meetings. Based on feedback from providers that they had already undertaken calculations to understand the impact on their organisations, providers were given a time frame within which to respond. Due to a technical hitch, whilst homecare providers received the e-mail/ letter, it subsequently transpired that residential and nursing providers did not receive the original e-mail/letter and so it was agreed to reissue the letter and extend the consultation period.
- 3.2 Responses were received from 3 homecare organisations and further discussions were held at a well-attended meeting.
- 3.3 The responses from homecare providers varied from suggesting a different pricing approach with a £250 one-off payment for new cases, to a substantially increased hourly rate close to the UKHCA rate. Providers were concerned that the continued approach to setting a rate could fundamentally impact on the sustainability of the sector and their ability to recruit.
- 3.4 It was agreed that the Council will continue to work closely with existing providers to redesign the current model and take a more sophisticated approach to costing. Providers recognise the financial circumstances within which the council operate and are keen to move towards a model which is affordable, sustainable and delivers good quality care. A new framework will be established from August 2018 which will identify providers who wish to continue delivering the current model and those who will work with us to design a new model. The contract length will reflect the difficulty new initiatives have had in terms of gaining traction because of recruitment issues.
- 3.6 The local residential and nursing providers commented at the Service Improvement Partnership that the methodology used to calculate the inflationary uplift did not reflect the current challenges of the sector. Following this discussion, the Council offered to set up a task and finish group to work with providers to look at how we can address the issues of quality, market sustainability and affordability through utilising mechanisms such as block purchasing, supporting the development of a Registered Manager's network

and so on. One provider also commented by e-mail highlighting issues such as the uniqueness of Trafford and the consequent impact on price. There will be opportunities for further exploration of these issues through the task and finish group.

4.0 Market Factors

- 4.1 The homecare market in Trafford has been awarded a cumulative uplift of 10.9% over the previous four years (a 1.5% uplift 2014/15, 1% in 2015/16, 4.9% in 2016/17, 3.54% in 2017/18).
- 4.2 The residential and nursing care home market in Trafford has been awarded a cumulative uplift of 8.5% over the previous four years (1.5% in 2014/15, 0% in 2015/16, 3.8% in 2016/7 and 3.2% in 2017/18).
- 4.3 Discussions have taken place across Greater Manchester to determine the likely inflationary uplift to be offered to providers. Unfortunately, other authorities are still in the process of beginning those discussions and were unable to share details. However, colleagues across Greater Manchester have indicated that the inflationary uplift they were considering is within the 'ball park' of that being set by Trafford.

5.0 Recommendation and Rationale

- 5.1 The original offer which was put out to both homecare and residential and nursing providers was based on a blended rate of:
- 4.4% for that proportion of costs estimated to be made up of payments to employees in receipt of the national living wage (NLW). This represents the governments uplift for 2018/19.
 - 3% as a proxy forecast for inflation for all other costs.

Following consultation, and on reviewing the upward forecast for the average RPI for 2018/19, a figure of 3.5% as an estimate for the forecast rate of inflation is now proposed for all care categories.

5.2 Homecare Provider Rate Calculations

The proposal that went to homecare providers utilised information from providers on spend from previous years – this provided some clarity on the average breakdown of spend across the market, which was not dissimilar to that identified by CIPFA.

Calculations were made based upon the impact of the new National Living Wage (a 4.4% increase) and an estimate for likely rate of inflation for 2018 - 19.

The initial proposal that went to homecare providers was an uplift of 3.88%, with a framework price of £14.61. The uplift was calculated as follows:

- 3.0% as a forecast for the average rate of inflation over the 2018/19 financial year, applied 37.6% of costs.
- 4.4 % applied for the national living wage uplift, applied to 62.4% of costs.

5.3 Following on from the consultation with providers, the figures were revised upwards in the interests of market stabilisation and a final proposal of an inflationary uplift of 4.07%.

This figure is based upon the recognition that 80% of costs are staffing costs and that 78% of these are in relation to those that would receive NLW. The increase in the NLW (from £7.50 to £7.83 - 4.4%) was applied to this element. For the remaining element an allocation of 3.5% inflationary uplift was awarded (this relates to all other pay and running costs based upon the average forecasted RPI for 2018/19. This gives an overall inflationary increase of 4.07% which equates to a 57p increase, raising the hourly rate to £14.63. (see table 1 below)

Table 1

Homecare	£'000
62.4% of costs relates to NLW	3,806
Remaining budget subject to average RPI at 3.5%	2,293
Homecare gross budget	6,099
Living wage implication at 4.4%	167
Implication as a percentage increase of gross budget	2.75%
Implication of RPI	80
Implication as a percentage increase of gross budget	1.32%
Total Percentage Increase	4.07%

5.4 **Residential and Nursing Provider Rate Calculations**

The proposal that went to residential and nursing home providers utilised information from providers on spend from previous years – this provided some clarity on the average breakdown of spend across the market, which was not dissimilar to that identified by CIPFA.

Calculations were made based upon the impact of the new National Living Wage and the average predicted rate of inflation for 2018-19.

It was recognised that 60% of the overall costs/price paid is for staffing costs and that 70% of these are in relation to those that would receive NLW. The increase in the NLW (from £7.50 to £7.83 - 4.4%) was applied to this element. For the remaining element an inflationary uplift was applied (this relates to all other pay and running costs – average RPI was forecasted at 3.5% for the 2018/19 financial year) this gives an overall inflationary increase of 3.88%. (see table 2 below).

Table 2

Residential & Nursing	£'000
Residential	8,160
Nursing	8,341
Residential & Nursing gross budget	16,501
42% Relates to NLW Costs	6,930
Remainder subject to average RPI at 3.5%	9,571
Living wage implication at 4.4%	305
Implication as a percentage increase of total budget	1.85%
Implication of RPI	335
Implication as a percentage increase of total budget	2.03%
Total Percentage Increase	3.88%

5.5 The revised rates have been calculated on the same formula as described above, and are as follows:

Rates	Trafford 16/17	Increase %	Increase £	Trafford 17/18	Increase %	Increase £	Trafford 18/19
Residential	£418.01	3.20%	£13.38	£431.39	3.88%	£16.74	£448.13
Residential EMI	£450.76	3.20%	£14.42	£465.18	3.88%	£18.05	£483.23
Nursing	£462.86	3.20%	£14.81	£477.67	3.88%	£18.53	£496.20
Nursing EMI	£520.31	3.20%	£16.65	£536.96	3.88%	£20.83	£557.79
Home Care	£13.58	3.54%	£0.48	£14.06	4.07%	£0.57	£14.63

- 5.6 The estimated impact of the revised rates is £916,495 additional spend in the Council's budget.
- 5.7 Based on these estimates and given the issues listed below, a recommendation is made by officers of an increase in payment to:
- The homecare market of 4.07% for 2018/19.
 - The residential and nursing care market of 3.88% for 2018/19.

Issues taken into consideration include:

- Recruitment: For a sector with high turnover and loss of staff, this is always a significant cost, however this will increase in order to recruit and grow the workforce to meet increasing demand.
- The impact of the National Living Wage.
- Proportion of running costs spent on staffing.
- Average predicted rate inflation for 2018/19 is currently estimated at 3.5%
- Affordability: The impact of increased budget pressures for the Council in the context of a budget gap of £22.9 million is a major factor to balance against any increase in rates.

6.0 Options

6.1 Option 1: Do Nothing

This option is not recommended.

The social care market has been recognised nationally as being extremely fragile and the council has a statutory duty to maintain market stability and sufficiency under the Care Act 2014.

Not providing an inflationary uplift at a time when providers must pay the National Minimum Wage and the National Living Wage would only destabilise the market. In addition, people are living longer with very complex health care needs and Trafford requires a robust and skilled workforce to continue to provide high quality care for some of the most vulnerable people in our community.

6.2 Option 2: Offer an increase of 4.07% to the homecare market and 3.88% to the residential and nursing home market

The rationale described in section 5 has identified that an inflationary uplift of this level will enable providers to meet the requirements of the National Minimum Wage and the National Living Wage and the additional pressures of inflation.

This will result in a financial impact of £916,495 which can be met within the approved budget.

6.3 Option 3: Offer an increase other than that recommended

The recommended increase is based on an analysis of the cost pressures on providers and includes an element of flexibility to ensure that market sustainability and quality is maintained whilst being affordable for the Council.

An increase of less than the recommendations could undermine market stability as providers will not be able to meet their mandatory responsibility to pay staff the National Living Wage, resulting in services becoming financially unviable. This would impact negatively on the local health and social care system, with a potential knock on effect for supporting timely discharge from hospital.

An increase of more than the recommendations would impact negatively on the council's finances and would be unaffordable. The Council will have less money available to meet its statutory duties and to continue to support vulnerable adults.

6.4 Reasons for the Recommendation

The recommendation is to agree Option 2. This option will enable providers to meet the requirements of the National Living Wage and additional inflationary pressures whilst still remaining within the approved budget.

Key Decision: Yes

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

Finance Officer Clearance (type in initials).....NB.....

Legal Officer Clearance (type in initials).....JLF.....

CORPORATE DIRECTOR'S SIGNATURE (electronic)



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

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