

TRAFFORD COUNCIL

Report to: Executive
Date: 20th February 2019
Report for: Decision
Report of: Executive Member for Adult Social Care

Report Title

Fair Price for Care: Annual uplift to the hourly rate paid to providers to deliver homecare in Trafford in 2019/20

Summary

This report makes recommendations regarding the annual uplift to the hourly rate paid to homecare providers in Trafford. It is based on information provided by finance colleagues about the provisional inflationary uplift for homecare services in Trafford, along with information and opinions from homecare providers, gathered through:

- A stakeholder engagement event held on 13th November
- Provider questionnaires, collected over the month of November 2018.

This report also provides details around the proposed adoption and implementation of UNISONs Ethical Care Charter, together with details of proposed changes to contractual requirements to include specific requirements around workforce pay and conditions.

Recommendation(s)

That the Executive approves the inflationary uplift of 4.27% to the hourly rate for homecare: an increase from £14.63 per hour to £15.25 per hour.

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>Low Council Tax and Value for Money</p> <p>Economic Growth and Development: 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 Plan to 2020 Integrating health and social care: we are working towards an integrated commissioning system for homecare between TMBC and Trafford CCG, who both contribute funding and commission homecare.</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</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>
Financial	<p>The proposed uplift will require additional investment in 2019-2020 by the Council.</p> <p>The proposed uplift will increase the current hourly rate from £14.63 to £15.25. The additional costs have been budgeted and will be funded from within the 2019/20 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:	The legislative requirements are detailed in the 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 recommendations outlined in this report will have a positive impact on the health and wellbeing of local residents in the following ways:

	<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 has committed to transform the way homecare is commissioned and delivered, with Transformation Funding provisionally allocated for this purpose. This report focuses mainly on a proposed annual inflationary uplift to homecare, as a means of ensuring good pay and conditions for the homecare workforce and stabilising the homecare market in Trafford. This will lay the foundations for achieving wider ambitions regarding homecare, through a co-ordinated programme of work. Alongside this, the Council is also considering how we can adopt, either wholly or in part, the principles outlined in UNISON's Ethical Care Charter (ECC).

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 Transformation Proposal

- 3.1 There are a number of existing processes and work streams, which are affected by or feed into decision making to transform homecare. These are outlined below:

Homecare Transformation

Trafford has Greater Manchester transformation funding for homecare which is yet to be allocated. We have completed robust data analysis and consultation, to establish our current position. As a result, work will focus on the following themes:

- **Homecare Integration:** improving how homecare works with the wider health and social care system in Trafford to keep people safe and well at home for longer
- **Prevention:** developing homecare to prevent urgent and unplanned care and reduce the demand for residential and nursing places in Trafford
- **Workforce Development:** ensuring workforce conditions support the delivery of good quality, sustainable homecare
- **Technology:** using assistive and organisational technology to enhance the type and quality of care and maximise organisational efficiency, safety and value for money
- **Place based working:** aligning homecare with existing neighbourhood models to make best use of local resources and ensure residents can connect with their community

Proposed Adoption of the Ethical Care Charter

UNISONs Ethical Care Charter (“ECC”) is a set of principles for improving workforce pay and conditions for the homecare sector and improving the quality of care at home. The homecare commissioning team has consulted with providers regarding the impact of adopting the charter and has also completed an impact paper which outlines how Trafford Council could implement the charter, including the risks, benefits and the cost implications. The executive member for adult social care, Councillor Harding, will be presenting a motion to the in March Council 2019, which seeks commitment to implementing ECC principles. If a commitment to the adoption of ECC principles is secured, this report provides details of how the ECC could be adopted by Trafford together with associated implementation proposals.

Fair Price for Care is the annual process, which informs rate setting for homecare. For the coming financial year 2019/20, this process has involved:

- Event in November seeking provider views on adopting ECC principles and specific market pressures for homecare providers
- Follow up provider questionnaire regarding cost of delivering homecare, financial pressures and pay and conditions for the homecare workforce (November 2018)
- Written notification of the intended uplift for homecare (expected to be £15.25/hour)
- A period where providers can feedback on the proposed uplift
- Executive decision making
- Final notification to providers of the annual uplift

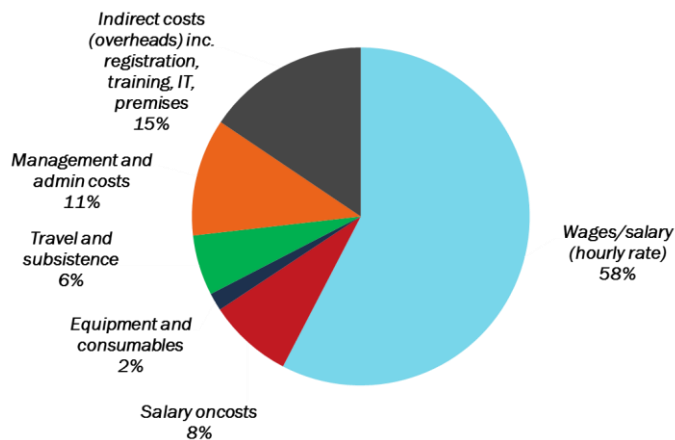
- 3.2 The proposal to offer our homecare providers an inflationary uplift of 4.27% for the financial year 2019-2020 equates to an increase from £14.63 to £15.25 per hour.

There are several methodologies for calculating the cost of homecare. Below are some examples for reference:

ITEM	UK National Living Wage 2019/20 rates	GM Living Wage 2019/20 rates	UKHCA 's minimum price for homecare services	Trafford Council proposed increase 2019/20
Wages/salary (hourly rate)	£8.20	£9.00	£9.91	£8.79
Salary on costs	£1.15	£1.26	£1.39	£1.23
Equipment and consumables	£0.25	£0.27	£0.30	£0.26
Travel and subsistence	£0.82	£0.90	£0.99	£0.88
Management and admin costs	£1.60	£1.76	£1.93	£1.72
Indirect costs (overheads) inc. registration, training, IT, premises	£2.21	£2.20	£2.67	£2.37
Unit cost of homecare	£14.23	£15.40	£17.19	£15.25

3.3 The calculations are based on the full recommended annual inflationary uplift, allowing providers to pay more than the National Living Wage and work towards paying the Greater Manchester Living Wage, along with appropriate travel and subsistence costs for the workforce.

3.4 The proposed annual uplift also uses a methodology agreed by the Chartered Institute for Public Finance and Accountancy (CIPFA), as follows:



3.5 The proposed rate compares with Greater Manchester local authorities as follows:

Local Authority	2018/19	2019/20
Manchester	£15.20	£15.89
Salford	£14.40	Inflationary Uplift TBC
Wigan	£14.77	Inflationary Uplift TBC
Trafford	£14.63	Inflationary Uplift TBC
Tameside BAU	£14.77	Inflationary Uplift TBC
Tameside enhanced	£17.00	Inflationary Uplift TBC

3.6 Subject to Council's decision on the ECC, alongside the inflationary uplift, we are proposing to introduce, by way of a contract variation for existing contracts and

additional wording for future contracts, new provider requirements around workforce pay and conditions which will help us to begin to implement the ECC.

- 3.7 It is proposed that existing and future contracts shall require providers to evidence:
- Hourly rate paid to staff of at least £8.79 per hour
 - Paid travel time and costs
 - Paid time to attend training
 - Starting point for visits is client need and not time or task. Workers have time to provide appropriate care and to talk to clients
 - Visits will be scheduled so workers are not rushed and don't have to leave visits early
 - Eligible workers will be paid statutory sick pay.
- 3.8 The proposed contractual changes relate to the following Ethical Care Charter principles:
- Starting point for visits is client need and not time or task. Workers have time to provide appropriate care and to talk to clients
 - Homecare workers will be paid for travel time and travel costs and other work related costs
 - Visits will be scheduled so workers are not rushed and don't have to leave visits early
 - Eligible workers will be paid statutory sick pay
- 3.9 Providers will also be expected to participate in a local leadership development programme, for Registered Managers and senior Workers, to drive up the quality of homecare in Trafford.
- 3.10 This is part of a wider programme of work to transform homecare, which commenced in June 2018, and will:
- lay the foundations for enhanced homecare pilots and other improvements to workforce pay and conditions, including investment of transformation funding in enhanced homecare pilots and a structured programme of workforce development; and
 - ultimately lead to a comprehensive retender of homecare in Trafford, in October 2021.

4.0 Proposal Summary

- 4.1 The proposed uplift will enable providers to commit to the National Living Wage and to pay travel time, travel costs, training time and other work related expenses
- 4.2 The proposed uplift allows us to offer a competitive rate to providers and care workers, who might otherwise choose to work in neighbouring authorities such as; Manchester or Salford and this helps Trafford to meet growing demand for homecare
- 4.3 The proposed uplift also provides us with an opportunity to seek a commitment to the adoption of EEC principles from Council which, if secured, will allow us to improve workforce pay and conditions to stabilise the homecare workforce and reduce staff

turnover and, in turn, reduce provider overheads and stabilises the market, laying the foundations for innovation.

5.0 Other Options

5.1 The main alternative options available to the Council are as follows:

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 and living wage • Without a financial uplift which is at least in line with inflation we would not realistically have the option to seek Council's commitment to the adoption the ECC principals Market will be destabilised and people may go without care due to lack of capacity as providers withdraw from framework • Staff turnover in Trafford is already at 45% and this will potentially increase if providers can't apply an inflationary uplift to wages • Willingness from providers to engage in transformational work may reduce and we won't be able to utilise GM funding to achieve our homecare aspirations • Local providers will lose workforce to neighbouring local authorities who have committed to the national and/or GM living wage
Apply a lower uplift	Reduced cost to ASC homecare budget	<ul style="list-style-type: none"> • If we don't apply an uplift in line with inflation, the market will destabilise and all of the above disadvantages will apply
Apply a higher uplift	Subject to Council's decision on the adoption of ECC Principles, if more funding for homecare was provided, we would have increased options to expedite the implementation of ECC principles,	<ul style="list-style-type: none"> • Increased cost to ASC budget which may not be sustainable • The enhanced rate which we intend to apply to transformational projects will offer less of an incentive to providers • We would like to offer financial enhancements for new ways of working rather than Business As Usual, so that we can test

		<p>out the effectiveness of these ways of working and make informed long term decisions.</p> <ul style="list-style-type: none"> • Increasing funding does not necessarily increase quality.
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6.0 Consultation

6.1 Significant consultation has already taken place, (see Appendix 1 attached) with regard to the general local homecare market Trafford. We have also consulted with homecare providers around the annual uplift (although no financial information has been provided) and the impact of adopting the Ethical Care Charter. An over view of homecare consultation is provided below:

- **Homecare Engagement Event (October 2019):** involving homecare providers, health, social care and voluntary sector partners to consider the key strengths, weaknesses, opportunities and challenges facing homecare in Trafford, with a focus around 5 key themes: Prevention; Integration; Workforce; Technology; Place based working.
- **Follow up questionnaire** to stakeholders who were unable to make the event
- **Voluntary, community and social enterprise (VCSE) sector consultation (November 2019):** focussing on more joined up working between homecare and VCSE sector to achieve better prevention, integration and place-based working
- **Fair Price for Care Consultation Event (November 2019):** Provider event focussing on specific market pressures for homecare providers and gathering their views about adopting Ethical Care Charter objectives
- **Fair Price for Care Provider Questionnaire:** Follow up provider questionnaire seeking more detailed financial information about the costs of delivering homecare locally and the current state of the market with regard to workforce pay and conditions.

7.0 Reasons for Recommendation

7.1 The proposed uplift will enable providers to commit to the National Living Wage and to pay travel time, travel costs, training time and other work related expenses

7.2 The proposed uplift allows us to offer a competitive rate to providers and care workers, who might otherwise choose to work in neighbouring authorities such as; Manchester or Salford and this helps Trafford to meet growing demand for homecare

7.3 The proposed uplift will also enable us to seek Council's commitment to the implementation of ECC principles and, if a commitment to the adoption of EEC principles is secured, to progress with the identified implementation proposals. The rationale for this is:

- Improving workforce pay and conditions has been proven to stabilise the homecare workforce and reduce staff turnover;
- This in turn reduces provider overheads and stabilises the market, laying the foundations for innovation.

Key Decision (as defined in the Constitution): Yes

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

Finance Officer Clearance NB



CORPORATE DIRECTOR'S SIGNATURE *(electronic)*

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

Appendix 1: Summary of Stakeholder Consultations: Transforming Homecare Priorities