

Report to:	STRATEGIC COMMISSIONING BOARD
Date:	20 March 2018
Reporting Member / Officer of Single Commissioning Board	Cllr Brenda Warrington – Executive Leader Stephanie Butterworth – Director of Adult Services
Subject:	ADULTS SOCIAL CARE FEES (EXCLUDING CARE HOMES) for 2018/19
Report Summary:	The purpose of this report is to outline proposals in relation to revised prices to meet the increasing cost of providing adult social care services for 2018/19
Recommendations:	<p>That the Board notes the content of the report and approves:</p> <ul style="list-style-type: none"> • The proposed new rates for home care/support at home, with a standard rate of £14.77 per hour and enhanced rate for the new support at home service of £17.20 per hour; • The proposed new rate for Extra Care of £13.68 per hour; and • The proposed sleep-in rate of £103.26 per night, and £137.65 per night for waking nights, across all adult services contracts; • The revised supported accommodation contract prices highlighted in Section 4 of this report, summarised at Appendix 3; • The revised direct payment rates as follows: hourly rate of £11.09 for personal assistant; hourly rate of £14.77 for support provided through a care agency; day services day rate of £31.37; • The revised contract prices for the Day Services highlighted in Section 4 of this report. • The revised contract price for the Community Recovery Service (LD Respite) highlighted in Section 4 of this report; • The revised fees for Shared Lives in section 4 table 3 of this report; • That all the above proposed new rates will be effective from 1 April 2018.
How do proposals align with Health & Wellbeing Strategy?	The proposals and strategic direction are consistent and aligned.
How do proposals align with Locality Plan?	<p>The proposals and strategic direction are consistent and aligned.</p> <p>The service is consistent with the following priority transformation programmes:</p> <ul style="list-style-type: none"> • Healthy Lives (early intervention and prevention); • Enabling self-care;

- Locality-based services;
- Urgent Integrated Care Services;
- Planned care services.

How do proposals align with the Commissioning Strategy?

The service contributes to the Commissioning Strategy by:

- Empowering citizens and communities;
- Commission for the 'whole person';
- Target commissioning resources effectively.

Recommendations / views of the Health and Care Advisory Group

Not Applicable. It was determined by Strategic Leadership Team that the report would not be presented at Health and Care Advisory Group.

Public and Patient Implications:

These proposals look to secure the future provision of essential support to vulnerable people and their families/ carers within an increasingly fragile market. The health and social care economy is facing increasing numbers of older people and younger adults with complex and life limiting conditions and disabilities which in turn is adding further pressure to the services provided. The people who are now receiving care and support are those with more complicated and complex care and support needs that often need more expensive packages of care to meet their assessed eligible needs. Success in the treatment and care of adults with severe illnesses and disabling conditions has also meant that many more people in the borough are living longer; however they are living with one or more health issues that require help and support.

Quality Implications:

It is acknowledged that the current service models are at breaking point offering little financial incentive to attract the quality of staff to deliver such crucial services to vulnerable people living in the community. Service redesign proposals aim to increase the value and standing of workers in the care industry, improving pay and conditions and developing a clear career path for individuals to progress further their care careers such as into nursing, social work etc. Recruitment is increasingly problematic in the field of health and social care and has had a bearing on the quality and consistency of services delivered over the last few years – the increased costs are the start of driving improved quality in service delivery from committed and skilled workers delivering a wider range of service interventions.

**Financial Implications:
(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**

The proposed fee increases detailed in this report will lead to an estimated increase in net expenditure in the Section 75 pooled budget of the Integrated Commissioning Fund (ICF) in 2018/19.

Care Type	ICF Section 75 Estimated 2018/19 Net Cost (£ m)
Home Care	0.157
Supported Accommodation	0.543
Total Estimated Net Cost	0.700

This is in line with the cost modelling included within the Council's Medium Term Financial Plan (MTFP) for 2018/19.

In addition the increased costs modelled within this report (table 1, section 4.4) for the new Support at Home model (£0.738m) will be wholly resourced by non-recurrent GM Transformation funding in 2018/19. Work is ongoing to establish alignment of this new model of care with home care support procured by the CCG. Financial implications will be confirmed once further details are known.

It should be noted that Finance and Commissioning officers of the Strategic Commission have worked closely with Supported Accommodation providers to understand the true cost of care delivery in order to determine 2018/19 contract rates which are aligned to the Council's financial planning and the financial sustainability of providers. The proposed contract rates will ensure that providers are able to manage a number of financial pressures including; National Living Wage payments of £7.83 per hour, increased rates for Sleep In's in Supported Accommodation facilities, increases in regulatory inspection costs and general inflationary increases on utilities and other overheads.

The Council will continue to work closely with providers to explore new and innovative models of care delivery (including increased use of technology and assistive equipment) in order to ensure provision of a cost effective, financially sustainable care market in 2018/19 and beyond.

**Legal Implications:
(Authorised by the Borough
Solicitor)**

Provided fees and charges are set and implemented in accordance with the Care Act 2014, and its own Charging Policy developed in accordance with the 2014 Act, any challenge through the courts or the complaints process will be successfully met by the Council. The Charging Policy makes clear that the Council will not charge more than the cost that it incurs in meeting a person's assessed needs.

Those costs must be reasonably and properly assessed in line with cost of care factors as set out in the report, including the National Living Wage (NLW).

The legal framework for charging is set out in s 14 (power of a Local Authority to charge) and 17 (assessment of financial resources) of the 2014 Act. Charges should be reviewed annually to ensure they remain compliant with the Act, statutory guidance and any secondary legislation.

**How do the proposals help to
reduce health inequalities?**

It is widely recognised that the social conditions in which they each live (poverty, disability, damp or overcrowded housing, poor diet and so on) all have a negative impact upon health and wellbeing. These service areas all seek to address the social conditions within which people live their lives and therefore make a key contribution to reducing health inequalities and improving social outcomes among the communities in which they work.

**What are the Equality and
Diversity implications?**

It is not anticipated that there are any equality and diversity issues with this proposal. The increased costs will ensure that all workers will be paid at either the national minimum wage or National Living Wage (workers aged 25 and over) and support the service redesign proposals planned over the

coming 12 months, thereby ensuring that individuals whose eligible assessed needs meet the national eligibility criteria will be offered a quality and diverse service from a highly skilled and valued workforce.

What are the safeguarding implications?

There are no anticipated safeguarding issues. Where safeguarding concerns arise as a result of the actions or inactions of the provider and their staff, or concerns are raised by staff members or other professionals or members of the public, the Safeguarding Policy will be followed.

What are the Information Governance implications? Has a privacy impact assessment been conducted?

Information governance is a core element of all contracts. The necessary protocols for the safe transfer and keeping of confidential information are maintained at all times by both purchaser and provider. Any procured service will include minimum requirements for training and qualification workers which includes standards and requirements for information governance, privacy and respect.

Risk Management:

There are a number of risks associated with this work. These are summarised as:

- Contracts need to as a minimum support providers adhere to the introduction of the National Living Wage, national insurance changes, and pension changes and the emerging problem relating to sleep-in payments
- Contracts need to support providers in meeting the costs associated with the burden of the increased regulatory and inspection burden
- Contracts need to support providers to address the increasing problem of recruiting sufficiently skilled staff, both social care and nursing, which is prevalent not just locally but nationally.

These risks will be mitigated through ongoing redesign of the service offer and increased funding across contract prices.

Access to Information :

The background papers relating to this report can be inspected by

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1. INTRODUCTION

- 1.1 The focus of this report is the setting of revised prices to meet the increasing cost of providing social care support to vulnerable adults. Work has been progressing over the past three months in relation to the impact of a number of cost pressures imposed nationally on current providers that significantly challenge the financial viability of what the Council and CCG have been paying to deliver these essential services. From a financial perspective the key cost pressures faced by providers are in the main related to the introduction of the National Living Wage and compliance with sleep-in payments.
- 1.2 Discussions with providers, whilst recognising the expectation that National Living Wage (NLW) and sleep-in rates are met, have been set against the background of the financial pressures faced by the health and social care economy and the challenge posed by the redesign of a whole system that if it doesn't change faces a projected funding gap of £70 million projected over the next four years.
- 1.3 Much work has been done over the past few years to radically change the way that services are provided. For example, in the Council's Adult Services a total of £23.6m has been taken out of the budget since 2010 (a net budget reduction of 34%) which has been achieved through radical service redesign, a reduction in management capacity, 20% reduction in contract costs.
- 1.4 These reductions have been happening at the same time as demand for service provision has been rising - the increasing number of older people and younger adults with complex and life limiting conditions and disabilities has added a further pressure to the services provided. Although many people are encouraged to seek help from within their own families or communities many still require help and support. The people who are now receiving care and support are those with more complicated and complex care and support needs that often need more expensive packages of care to meet their assessed eligible needs. Success in the treatment and care of adults with severe illnesses and disabling conditions has also meant that many more people in the borough are living longer; however they are living with one or more health issues that require help and support.
- 1.5 This report will set out proposals for costs that will constitute the minimum requirements to meet the specific cost pressures imposed on providers following consultation with the provider sector.

2. BACKGROUND

Home Care/Support at Home

- 2.1 The focus of the home care service is to enable people to remain living in their own home, living as independently as possible, achieving and maintaining their potential in relation to their physical, intellectual, emotional and social capacity.
- 2.2 To achieve this, the current home care contract focuses on the provision of good quality outcome focused support appropriate to the needs identified in an individual support plan and to demonstrate this through assistance with the personal, practical and social/emotional tasks associated with ordinary living.
- 2.3 The local home care market is delivered exclusively via the external (independent) market with the in-house service focus being on the delivery of the Reablement Service. From March 2006, the delivery of the home care service was reorganised to operate within specified postcode zones across the borough. The borough, and the service, was divided into zones following consultation with the area teams and the home care providers – these four zones are in line with the neighbourhood approach currently being progressed through the Care Together programme.

- 2.4 The service was tendered in 2016 and contracts were awarded to six organisations with zoned contracts covering the four neighbourhoods - this however is supplemented by a further twenty one organisations approved to pick up the work the six zoned providers are not able to cover. On the week commencing 05 February 2018 a total of 9,706 hours were commissioned for 968 service users (covering both social care and CHC packages). Payments are made on actual hours delivered and this tends to be approximately 100 less than the commissioned hours each week.
- 2.5 In 2016 as part of the annual fee setting process a revised cost framework was approved and the current rate of £13.67 per hour was agreed. The 2017-18 approved rate of £14.20 per hour was centred on updating the cost framework to reflect the revised NLW rate of £7.50 per hour along with other increases across other cost domains.
- 2.6 Work has centred on updating the revised cost framework for the standard homecare service which reflects the revised NLW rate of £7.83 per hour. The proposal on the revised fees for 2018-19 is explored in detail at Section 4 of this report.
- 2.7 As has been reported widely, the traditional Home Care model is seriously outdated in a modern health and social care system and it is widely recognised that we need to do something different – the plans in Tameside are in line with the thinking across Greater Manchester. Work with GM partners has produced clear principles in relation to what we would want from a new service offer. It is clear that there aren't that many examples to follow either locally or nationally – however with the existing home care contracts coming to an end on 30 October 2016 a tender was launched to attract a group of providers who will work closely together with us to deliver a dramatically different service. Six contracts have been awarded across the four Tameside neighbourhoods with a clear message that whilst the traditional model of home care will continue to operate for the first year work will commence with providers to develop a new service model that will include:
- Commissioning on the basis of outcomes allowing the provider to look not only at directly delivering care but opening up a whole range of options for meeting need such as
 - Negotiating with service users' families, friends, neighbours, communities what they can offer in terms of support to people to meet the individuals needs
 - Encouraging the greater use of technology (such as medication dispensers to reduce the number of physical calls required to ensure medication is taken),
 - Encouraging the use of adaptations and equipment;
 - Supporting people to access community activities available in their local neighbourhoods to ensure people can continue their interests whilst replacing where possible the for direct staff visits;
 - The use of telephone calls to replace a physical check call (but have the flexibility to call to the house in the absence of a response).
 - The model of delivery will have a strong ongoing reablement emphasis in service delivery which would enable providers to reduce individual packages to ensure that they can deliver support for new referrals as well as respond flexibly to fluctuations in care needs of existing users in their zone.
 - Commissioners working with providers to blend health and social care roles where it makes sense to do so and thereby design a 'therapeutic workforce'.
 - Assessments will be outcome based and will indicate to providers an allocation of hours as a guide – there will be a move away from the current practise of detailing calls, tasks and time that support should be delivered.
 - The provider will arrange with the services users and carers directly to agree support plans to meet the identified need with providers providing evidence to commissioners that outcomes continue to be met as the guide hours are reduced across individual packages.

- A further angle to this is that providers will be charged with becoming actively involved in positively promoting care as a career of choice and offering this as a stepping stone into careers including nursing, social work and all associated caring options.

2.8 In recognition of the enhanced service offer described above, which requires additional duties and increased staff skills, an enhanced rate has been agreed that ensures staff are paid a minimum of £9.00 per hour. This rate of pay has been applied to the established cost framework to provide an hourly rate of £17.20 through 2018/19.

Extra Care Housing Support

2.9 The Council currently have four extra care housing schemes which are –

Fairfield Court is situated in Droylsden and is owned by Anchor Trust.

Melbourne Court is situated in Stalybridge and is owned by Contour Housing.

Hurst Meadow is situated in Ashton-Under-Lyne and is owned by Hanover Housing.

Beatrix House is situated in Dukinfield and owned by New Charter Housing Trust.

2.10 Extra Care Housing Support was tender in 2016 as part of the larger support at home contract described above with four of the six zoned providers having the contract for the scheme which is in their locality.

2.11 The current model is based on a number of indicative hours per scheme and includes waking nights and sleep-ins where assessed. The cost of care model used for the support at home model was adapted to support an hourly rate within the extra care schemes.

2.12 Full details of proposed contract values for 2018/19, together with comparisons to current values can be found at Appendix 3

Sleep-in and Waking Night Rates

2.13 As reported in the fees report in March 2017 discussions had taken place throughout 2016/17 relation to the rates paid for sleep-in duties as Case Law had established that “sleep-ins” should be covered by the National Minimum Wage (NMW) regulations – the implication being that even if a worker is allowed to sleep at work but are required to stay at their workplace then all their hours are covered by NMW regulations.

2.14 Whilst this was a very complex area of the law it was clear that different approaches to the issue were being taken based on the individual organisations taking their own legal advice. However, legal advice was changing and the Council agreed to pay sleep-ins based on hourly rates to all but one of the providers providing 24 hour supported accommodation via contracts. In addition a revised spot purchase rate for sleep-ins was introduced for domiciliary services and Direct Payments.

2.15 The discussions also centred on how any additional costs of sleep-ins could be mitigated against and providers were asked to review the need for sleep-ins at every property, particularly where a waking night is also in place. The potential for this surrounded alternative options and new approaches using the technology available with robust on-call arrangements to eradicate the need for a physical presence overnight.

2.16 Work on mitigating the costs of sleep-ins has proved very difficult as the sleep-ins in place have proved essential in all cases – and the tragedy of Grenfell Tower and the growing revisions and guidance in relation to the fire has put a stop on this piece of work.

2.17 The final provider of sleep-ins who continued to pay a standard rate for sleep-ins as opposed to payments on the basis of an hourly rate have now received updated legal advice to the effect that they need to move the basis of payment to an hourly rate. The additional cost implications of this are detailed in Section 4 of this report.

2.18 In relation to the sleep-in payments it is clear that legally staff can put in claims for the past six years. Discussions with external providers have not commenced in relation to any claims for back pay and there are no plans at this stage to consider doing so – the impact of any claim on this level would be significant from a financial point of view. Discussions are taking place within the in-house service and Human Resource colleagues are working with AGMA to analyse this issue and the potential impact of back pay which as highlighted can be claimed for the past 6 years.

Supported Accommodation including Learning Disability Respite

2.19 Supported accommodation largely refers to people requiring 24 hour support to meet their complex needs in their own homes. Support is primarily delivered to people living in group homes, or larger blocks of self-contained individual flats, and only to a small extent some people living on their own in their own house. The balance of provision has changed over the years with larger schemes of self-contained flats being developed in place of some group home settings, thereby increasing the number of people enjoying self-contained accommodation rather than having to share their living space whilst providing savings as economies of scale of supporting higher numbers in one location are realised with a reduction in support provision.

2.20 Care and support is provided either by the Council's in-house Homemaker Service or by one of a number of external providers. The Council generally provides services in-house where needs are more complex as the Council can provide this support at a lower cost than the private sector. Where needs are less complex, generally the Council's costs are higher than external providers.

2.21 External provision has been procured from the independent sector over the past 20 years via open tenders with awards made using a combination of cost and quality considerations.

2.22 The contracts have been affected in cost terms with the introduction of the NLW from April 2016 along with increased contributions in relation to pensions and National Insurance. The NLW rate for 2018-19 is £7.83 per hour which is reflected in the contractual vales proposed in Section 4 (Summarised at Appendix 3) of this report.

Direct Payments

2.23 Direct Payments are money people can receive from us to buy care and support services, rather than having the council arrange them. This puts people in charge of their own care or support arrangements, giving more choice, control, independence and flexibility over the care they receive.

2.24 Some people choose to use their Direct Payment to commission care directly from a domiciliary care agency and the amount calculated for this is the standard home care fee that is detailed earlier in this report. This was £14.20 in 2017/18 and a proposed rate of £14.77 2018/19

2.25 Care costs for people wishing to pay for their care from other sources either by acting as a direct employer themselves are calculated as a Personal Assistant (PA) Rate. This was £10.82 in 2017/18 and a proposed rate of £11.09 in 2018/19.

Wilshaw House

2.26 Adult Services commissions a specialist day service for people with dementia at Wilshaw House. The overall aim of the service is to enable people to live as independent and fulfilling a life as possible in the community. The service is focused on a number of key objectives: enhancement of physical, mental, social and life skills; the provision of reliable practical emotional or psychological support to increase people's choice and control over their daily lives; enriching the range of experiences in a service user's daily life through the opportunities and social contact offered; reducing social isolation and supporting carers in their caring role.

2.27 Creative Support have are the current provider at Wilshaw House and have been engaged in ongoing dialogue regarding the impact of costs related to changes in NLW, pension contributions and revised NI payments.

2.28 The discussions in relation to revised cost for the Wilshaw House Dementia Day Service are presented at Section 4 (Summarised at Appendix 3) of this report.

Approved Day Service providers

2.29 The key aims and objectives of day services are to provide day time support/activities for people who are eligible for publically funded care and support. This includes older people and people with learning disabilities.

2.30 Day Services are delivered via an approved list of day services to enable the delivery of day services in a diverse and innovative way, giving people choice and control over how personal needs and assessed outcomes could be met.

2.31 No guarantees are given on the number of placements. Commissioners, care co-ordinators and service users have access to the list of approved day services from which to choose.

2.32 The rate per person per day in 2017/18 is £30.60 and the proposed rate in 2018/19 is £31.37. The proposed additional hourly rate for complex clients is £10.99, this is where double ups are required and 2 members of staff are required to deliver appropriate care for a period of time.

2.33 There is a different rate approved for HC-One older people day care this is due to the service open an hour longer than the other day services due to our in-house transport needing to pick service users up at 4pm (rather than 3pm in the other services) and the provision of a hot meal at lunchtime. The 2017/18 rates are £35.00 per person per day, £50.00 per person per day on a bank holiday (other day services on the approved list are not open on a bank holiday) and a £20 charge for showering/bathing service. The proposed rates for 2018/19 are £35.88 per person per day, £51.25 per person per day on a bank holiday and a £20.50 charge for showering/bathing service

Community Day Services

2.34 The aims of the service is to provide community-based support for people with a learning disability and people recovering from mental ill-health through the delivery of a model based on the principles of recovery and rehabilitation that enables individuals to move through the service and reduce hospital admission. The 2017/18 budget was £157,342.

3. POLICY CONTEXT

3.1 The national framework governing care and support in England has undergone fundamental reform. The Care Act 2014, in effect as from 1 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.
- The council is responsible for preventing, reducing or delaying care and support needs.
- 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.
- 3.2 The duty on councils to assess any citizen who requests an assessment of their social care needs remains as a fundamental part of the Care Act as does the introduction of a new national minimum eligibility criteria for receiving adult social care services.
 - 3.3 Once an assessment is completed the Council must determine whether a person is eligible to receive services provided by or commissioned by the Council. Previous to the Care Act local councils had discretion regarding the level of need they deemed eligible using the Fairer Access to Care Services (FACS) eligibility criteria. In Tameside services provided to those people meeting category 1 and 2 of the FACS criteria, that is those people with critical and substantial needs.
 - 3.4 The FACS eligibility criteria was replaced with the introduction of the Care Act's National Minimum Eligibility Criteria which means that all councils must now assess people and provide services to those people who meet the national criteria.
 - 3.5 In addition to these provisions, the Council has a new 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 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.
 - 3.6 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.
 - 3.7 Under the Care Act 2014 and the Choice Regulations, the Council needs to have regard to the Department of Health guidance "*Building Capacity and Partnership in Care*" it refers, more than once, to the need for consultation and cooperation between commissioners and providers of care. It states that fee setting must take into account the legitimate and current future costs faced by providers as well as the factors that affect those costs and the potential for improved performance and more cost effective ways of working. Local authorities should not use their position to drive down fees. Contract prices should not be set mechanically but should have regard to providers' costs and efficiencies, and planned outcomes for people using services, including patients.
 - 3.8 Under the National Assistance Act 1948 (NAA 1948) the Council was under a requirement to have regard to the actual costs of providing care so that it could have regard to those costs in setting the fees it pays to care providers (known as the usual costs). The Care Act 2014 and guidance does not require this. The Care 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. However, the usual costs process remains lawful and a useful tool in market shaping and complying with regulations about choice.
 - 3.9 Therefore, in seeking to identify a usual cost the Council is under very similar obligations as it was under the previous regime to consider the cost of care and engage with the providers to understand as far as possible their financial models.

4. FINANCIAL INFORMATION

Home Care/Support at Home

- 4.1. In setting the hourly rate for Home Care, a model was developed that took account of the implementation of the NLW in April 2016 where typically the staff costs accounted for 77% of the total rate. Calculations which underpin the proposed rate for 2018/19 have inflated direct staffing costs by the increases in NLW and NMW reflecting the age mix of home care staff in Tameside.
- 4.2. Taking account of these factors the proposed hourly rate for 2018/19 is £14.77, an increase of 4%. Appendix 1 contains details of the model used to arrive at the proposed hourly rate.
- 4.3. Throughout 2018-19 the new Support at Home model will be implemented on a phased approach across various geographical zones. This means that in 2018/19 the Council will commission both the existing model of homecare provision and the new Support at Home model, this will result in two different rates payable to providers. A detailed modelling exercise has been undertaken to ascertain the scale of delivery for the respective models. Based on current data it is estimated that a total of 276,100 hours will be delivered using the existing model of homecare and 245,980 via the Support at Home model.
- 4.4. The proposed fee payable for delivery of the new Support at Home model is £17.20, the increased rate reflects the upskilled role being undertaken by the Support at Home workers and allows for a starting pay rate of £9 per hour for front line staff to provide a more attractive career proposition for prospective care workers and consequently lead to a more sustainable provider market. The increased cost fully funded by GM Transformation monies in 2018/19. The financial impact is summarised in table 1 below;

Table 1 – Increased costs of Homecare / Support at Home

	Current Homecare model £	New Support at Home model £
2017/18 Hourly Rate	14.20	14.20
2018/19 Proposed Hourly Rate	14.77	17.20
Estimated hours of delivery in 2018/19	276,100	245,980
Additional Gross Cost	157,377	737,940
GM Transformation Funding		-737,940

- 4.5. People in receipt of home care are expected to pay towards the cost of that care. People with savings and assets (not including their home) in excess of £23,250 will be expected to pay the full cost of their care which will incorporate the rise in fees proposed. Others will be expected to pay a proportion according to their income and assets. A full financial assessment is carried out for all users of social care services and this is reviewed on an annual basis to ensure that people continue to have the ability to pay and are not left unable to meet their day to day living costs at home

Extra Care Housing / Supported Accommodation including Learning Disability Respite

- 4.6. In reviewing the contract sums paid to providers operating supported accommodation recognition has to be given to a range of staff cost pressures, where staff costs account for up to 90% of the costs of operating these services. Particular cost pressures on the contracts are the ongoing costs of the NLW first introduced in April 2016 and a new pressure where the payments to staff providing night cover at premises has changed following recent employment tribunal rulings which have been confirmed by HMRC. Traditionally night cover in supported accommodation been met by “sleep ins” and/or “waking nights”, the former has

been traditional paid as an allowance, where typically £40 might be the going rate for a 9 hour shift. The decision of recent Employment Tribunal cases, *Esparon T/A Middle West Residential Care Home v Slavikovska and Whittlestone v BJP Home Support Ltd*, have held that where an employee is contracted to “Sleep In” the time should be treated as working time and paid at the prevailing hourly rate. The consequence of employers not paying sleep ins at the prevailing rate are punitive charges levied by HMRC.

- 4.7. To understand the potential financial liability that might fall on the Council from providers changing payment methodology for sleep ins, costs of providers have been shared with the Council on an open book basis.
- 4.8. The proposed contract sums for 2018/19 are based on paying the full cost of paying any additional cost associated with the NLW uplift at 1 April 2018 and paying the current level of sleep ins at an hourly rate.
- 4.9. Details of the supported accommodation contracts are contained in Appendix 3 with the proposed cost across all contracts for 2018/19 is expected to be £11.357m a 5.02% increase of £0.543m on 2017/18 values.

Wishaw House - Dementia Day Service

- 4.10. The annual contract price for the Dementia Day Centre at Wilshaw House for 2017-18 is £367,176
- 4.11. Uplifts have been applied in relation to staff rates of pay to meet the revised National Living Wage with the additional on costs relating to this hourly rate (NI, Pensions etc). This led to a revised annual contract cost for 2018-19 of £376,644 which represents an increase £9,468 (2.6%).

Community Recovery Service

- 4.12. Discussions with the provider have concluded no increase is required for 2018/19 as there has been a review of management input that has brought efficiencies to the cost of the service for the new financial year. The contract price for 2018/19 will therefore remain at £157,342

Direct Payments Personal Assistant Rates

- 4.13. Once a package of care has been agreed with a service user a personal budget is calculated which takes account of the cost of the care and in particular how the care will be provided. Users can choose to take their personal budget as a Direct Payment which allows the person to have their personal budget paid into their account and for them to determine how to spend the money to meet their needs in a more flexible way.
- 4.14. Some people choose to use their Direct Payment to commission care directly from a domiciliary care agency and the amount calculated for this is the standard home care fee that is detailed earlier in this report.
- 4.15. Care costs for people wishing to pay for their care from other sources either by acting as a direct employer themselves or using a brokerage agency such as Pay Partners are calculated as a Personal Assistant (PA) Rate.
- 4.16. Table 2 outlines the proposed Direct Payment Personal Assistant fees for the forthcoming financial year.
- 4.17. Payments for personal assistants and other associated payments that are made through the Direct Payments system are relatively high in comparison to other local authorities in Greater Manchester and across the North West and it is proposed that these payments are frozen for the coming year to bring them closer in alignment with Greater Manchester neighbours.

Table 2 – Proposed Direct Payment Rates

DIRECT PAYMENTS			
Fee/Charge		2017/2018	2018/2019
Personal Assistant	Per hour	£10.82	£11.09
Provider	Per hour	£14.20	£14.77
Direct Payment	Sleep in	£56.41	£57.82
Direct Payment	Night Sit	£95.87	£98.27
Respite	Respite weekly rate	£423.59	£434.18
Managed Account	Weekly	£28.00	£28.70
Day Care	Day rate	£30.60	£31.37

Shared Lives Scheme

- 4.17 The Shared Lives Scheme offers placements to adults in need of long term, respite and day care. The care is offered by trained carers in their own homes in a similar way to fostering schemes for children.
- 4.18 The fees uplift was included in section 11 of the Council's budget report on 27 February at 2.5%.
- 4.19 Table 3 indicates the new rates for Shared Lives for 2018/2019;

Table 3 – Proposed Shared Lives Fee Rates

SHARED LIVES			
	Fees	2017/2018	2018/2019
Respite	Per night	£44.45	45.56
Long Term	Per week	£395.65	405.54
Day Support	Per 5 hrs or part thereof	£6.89 (5 hours £34.45)	£7.06 (5 hours £35.30)

5 EQUALITIES

- 5.1 It is not anticipated that there are any equality and diversity issues with this proposal. The increased costs will ensure that all workers will be paid at either the National Minimum Wage or National Living Wage (workers aged 25 and over) and support the service redesign proposals planned over the coming 12 months, thereby ensuring that individuals whose eligible assessed needs meet the national eligibility criteria will be offered a quality and diverse service from a highly skilled and valued workforce.
- 5.2 There are fundamental principles inherent in all proposals for delivering health and social care support to vulnerable adults:
- The receipt of health and social care services is based on eligibility. All adults over the age of 18 have the right to request an assessment of their need either as a potential service user or as a carer of someone who needs care and support. Once an assessment has been completed a decision will be made as to which needs someone has that are eligible to be met according to the national eligibility criteria laid out in the Care Act.
 - That wherever possible identified eligible need is met by family, friends, neighbours and the wider community.

- That whatever eligible needs are left unmet by other parties must be met by either providing services directly to meet the need or by commissioning services from elsewhere. In doing so every effort should be made to use the most cost efficient service available to meet the eligible needs identified including the use of assistive technology and appropriate equipment.
- That people are expected to pay what they can afford to pay for the services that they are in receipt of taking full account of any income, savings and assets that they have.

5.3 Applying the national eligibility criteria robustly will ensure that only those people who have identifiable needs will receive help and support. This will ensure that all people will be treated fairly and equitably according to the needs that they have. People who have needs that are not deemed eligible will be offered other advice and signposted to other organisations who may be able to help.

6 RISK MANAGEMENT

6.1 There are a number of risks associated with this work. These are summarised as:

- Contracts need to as a minimum support providers adhere to the introduction of the National Living Wage, national insurance changes, and pension changes and the emerging problem relating to sleep-in payments.
- Contracts need to support providers in meeting the costs associated with the burden of the increased regulatory and inspection burden.
- Contracts need to support providers to address the increasing problem of recruiting sufficiently skilled staff, both social care and nursing, which is prevalent not just locally but nationally.
- There is a risk of challenge from providers that in setting the fees for Care Homes, Home Care and Supported Living that they do not adequately reflect the local cost of delivering these services.

6.2 A further risk is that the uplifts being proposed in this report are not sufficient to stabilise the current markets, particularly home care, and that providers make a decision to exit the local market. The proposed fee increases have been calculated using local market and provider intelligence in an attempt to determine a local fee that is reasonable to both the commissioners and the providers.

6.3 These risks will be mitigated through ongoing redesign of the service offer and increased funding across contract prices.

7. SUMMARY

7.1 The health and social care economy has seen unprecedented reductions in funding over the past five years.

7.2 As a result of these reductions all services have been subject to review to establish where efficiencies can be achieved and/or where services can be provided differently. This includes consideration of services where there are statutory and non-statutory duties and responsibilities.

7.3 The demand to meet savings targets have progressed at a time when providers have in the main been facing increased operating costs. The most significant increase in costs have been those recently experienced specifically in relation to the introduction of the National Living Wage to a sector that has for many years been operating on wage levels at or close to minimum wage levels, but also in relation to increased pension contributions.

- 7.4 Work has been progressing over the past three months to work with providers to reflect these additional costs in realistic prices that can continue the delivery of what are essential services for the vulnerable adults concerned. The methodology adopted has included revising cost of care framework that reflect local factors, whilst in the case of the supported accommodation has adopted open book accounting methodology to establish the impact on costs of these additional requirements.
- 7.5 This work has resulted in the proposed uplifts that are presented in this report. The estimated net costs of which amount to £0.157m for Home Care , with a further increase for the supported accommodation contracts of £0.543m.

8 RECOMMENDATIONS

- 8.1 As presented at the front of the report.

APPENDIX 1

Homecare Model			
Hourly Pay Rate		£ 7.73	
Weekend Rate	plus 0.00%	£ 7.73	
Travel Time allowance	11.4 minutes	50.4	£ 9.19
Bank Holiday Premium plus	50.00%		£ 0.10
Gross Pay			£ 9.29
ADD			
National Insurance	9.50%		£ 0.88
Pension	1.00%		£ 0.09
Holidays	10.74%		£ 1.00
Training & Supervision	1.73%		£ 0.16
Direct Pay Costs			£ 11.42
Travel Payments	0 miles	£ 0.35	£ -
Sub-total before Overheads			£ 11.42
Overheads	25.50%		£ 2.91
Sub-total before Profit			£ 14.34
Profit Margin	3.00%		£ 0.43
Chargeable Rate per hour			£ 14.77

Comments and assumptions

National Living Wage payable for all workers 25+, average based on known data of 88.73% of workforce being eligible

No enhancements for weekend working

based on national historical information that home care workers contact time was only 84% of every hour, and travel accounted for the balance, being equivalent to 11.4 minutes of every hour.

Based on paying the eight bank holidays at x1.5

based on current NI employer rates

employees have a statutory entitlement of 5.6 weeks paid leave per annum that needs to be covered by other means, 5.6/52.14

In line with industry average

HMRC's rate for use of private vehicles is £0.45, though a rate of £0.35 is deemed reasonable by UKHCA, how much travel is allowed is dependant on the geography of the area and most importantly whether travel is paid. As Tameside is a small geographical area and contract areas are small travel payments will be negligible.

sickness cover, recruitment, uniforms, local office expenses, head office expenses, supervision and management

typical margin of 3-5%, assumed the lower end, consistent with UKHCA

Appendix 2

Support at Home Model				
Hourly Pay Rate				£9.00
Weekend Rate	plus	0.00%		£9.00
Travel Time allowance		10.8 minutes	50.4	£ 10.62
Bank Holiday Premium	plus	50.00%		£ 0.12
Gross Pay				£ 10.74
ADD				
National Insurance		9.50%		£ 1.02
Pension		1.00%		£ 0.11
Holidays		10.74%		£ 1.15
Training & Supervision		2.63%		£ 0.28
Direct Pay Costs				£ 13.30
Travel Payments		0 miles	£0.35	£ -
Sub-total before Overheads				£ 13.30
Overheads		25.50%		£ 3.39
Sub-total before Profit				£ 16.69
Profit Margin		3.00%		£ 0.51
Chargeable Rate per hour				£ 17.20

Comments and assumptions

Apply the Living Foundation Wage who have been fully trained and move to the new service delivery model

No enhancements for weekend working

based on national historical information that home care workers contact time was only 84% of every hour, and travel accounted for the balance, being equivalent to 9.6 minutes of every hour. Geographically Tameside is a fairly condensed area with rural pockets - this leads to slightly higher contact time than the national average of 81%

Based on paying the eight bank holidays at x1.5

based on current NI employer rates

workplace pension schemes start at 1% rising to 3% by 2018, applying to staff 22+ and earning 10k+ per annum, assumed to 1% from 1st April

employees have a statutory entitlement of 5.6 weeks paid leave per annum that needs to be covered by other means, 5.6/52.14

Assumes training of 2% foreexpanded role and 0.63% for supervision based on industry standards

HMRC's rate for use of private vehicles is £0.45, though a rate of £0.35 is deemed reasonable by UKHCA, how much travel is allowed is dependant on the geography of the area and most importantly whether travel is paid. As Tameside is a small geographical area and contract areas are small travel payments will be negligible.

sickness cover, recruitment, uniforms, local office expenses, head office expenses, supervision and management

typical margin of 3-5%, assumed the lower end, consistent with UKHCA

Proposed rate per hour in paying the Living Foundation Wage for the Help to Live at Home Service

Supported Accommodation Fees 2018/19					
Provider	Contract	Current Contract 2017/18	Proposed Uplift	Proposed Contract Value 2018/19	Comments
Creative Support	Intensive Support Contract	£ 841,374	£ 26,665	£ 868,039	The increase of £26,665. In addition, the workers to meet adequate requirements for x 9 hour sleep (2 properties Stamford St Sycamore C
Affinity Trust	Supported Accommodation Learning Disability	£ 1,567,737	£ 43,000	£ 1,610,737	To meet increase in effect to NI f
Alternative Futures Group	Supported Accommodation Learning Disability East Locality Contract	£ 1,924,609	£ 100,600	£ 2,025,209	9 properties
Alternative Futures Group	Supported Accommodation Learning Disability North Locality Contract	£ 2,208,654	£ 101,700	£ 2,310,354	10 properties by the provider 18 contract
Alternative Futures Group	Transition St Ann's House	£ 351,516	£ 13,000	£ 364,516	1 property, 5
Turning Point	Supported Accommodation Learning Disability	£ 1,911,385	£ 197,000	£ 2,108,385	Sleep Ins for 18 following unsustainable Support Accommodation uplift.
Turning Point	Mental Health Supported Accommodation	£ 523,625	£ 2,000	£ 525,625	2 properties,
Turning Point	Recovery Mental Health	£ 157,342	£ 0	£ 157,342	currently 56 uplift require
Liberty Support Services	Lomas Court	£ 200,000	£ 9,000	£ 209,000	National Living Wage per hour which being incurred <ul style="list-style-type: none"> • Fee increase by 175% in 2018/19 future. • Insufficient funding for the last two years. • A reduction in costs can continue to be achieved. The estimated commission costs and the approximate
Anchor Trust	Extra Care Housing - Fairfield Court, Droylsden	£ 189,301	£ 10,465	£ 199,766	
Contour Housing	Extra Care Housing - Melbourne Court, Stalybridge	£ 215,411	£ 11,810	£ 227,221	
Hanover Housing	Extra Care Housing - Hurst Meadows, Ashton-under-Lyne	£ 235,694	£ 13,152	£ 248,846	
New Charter Housing Trust	Extra Care Housing - Beatrix House, Dukinfield	£ 267,183	£ 14,809	£ 281,992	
Community Integrated Care	Respite Cumberland St Learning Disability	£ 220,320	£ 0	£ 220,320	Provider has to achieve a reduction in costs have also found it difficult to a change in the market. It has not been able to reduce costs as such have been able to. The provider is currently a respite ser
Total		£ 10,814,151	£ 543,201	£ 11,357,352	
Total % Uplift across all Supported Accommodation Contracts			5.02%		