

REPORT TO: Executive Board

DATE: 19 April 2018

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Health and Wellbeing

SUBJECT: Care Provider Contract Uplift 2018/19

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To inform the Board of the proposed annual uplift for domiciliary and care home providers within Halton for 2018/19.

2.0 RECOMMENDATION: That

- 1) the Board note the contents of the report; and
- 2) approval be given to actively enter into discussions with Care Providers, with a view to offer 3.5% uplift for 2018/19.

3.0 SUPPORTING INFORMATION

- 3.1 The Care Act 2014 requires local authorities to ensure that the market as a whole remains viable and sustainable. When commissioning services, local authorities must have regard to the cost effectiveness and value for money that the services offer for public funds. However they must not undertake any actions which may threaten the sustainability of the market, and must ensure that remuneration for staff must be at least sufficient to comply with national minimum wage legislation, and that there is a 'fair price' paid for care.
- 3.2 One of the main challenges for the care sector has been the introduction of a new mandatory National Living Wage (NLW) for workers aged 25 and above from 1st April 2016. It was set at £7.20 an hour in 2016/17 and increased to £7.50 in 2017/18. It is set to rise a further 4.4% to £7.83 from the 1st of April 2018
- 3.3 In addition changes in case law (Whittlestone v BJP Home Support Ltd) now require providers to pay the NLW for each hour worked in an overnight "sleep-in". These range between 8 and 10 hours and have traditionally been paid at a lower blanket rate but are now required to be paid at a rate in which the hours worked overall are remunerated at NLW rate.

- 3.4 Halton Borough Council have engaged with all care home; supported housing and domiciliary care providers who will be working in the borough in 2018/19 in respect of inflationary increases.
- 3.5 The proposed 3.5% increase for domiciliary care would see the £13.00 per hour rate increase to £13.46 per hour and the 15 minute visit increase to £4.49.
- 3.6 The proposed rate increase paid to those people in receipt of direct payments will increase by 3.5%

DP Agency Rate £12.88	Increase to £13.46
DP Basic PA Rate £9.64	Increase to £9.98
DP Complex CHC PA Rate £11.71	Increase to STAY THE SAME
DP Sleep rate £67.00	Increase to £70.00

- 3.7 The proposed rate increase to supported living providers will increase by 3.5%.

ZONE	Provider	Hourly Rate	Proposed rate
1	PossAbilities	13.00	13.46
2	PossAbilities	13.63	14.11
3	Community Integrated Care	13.27	13.73
4	Making Space	12.91	13.36
5	Community Integrated Care	13.34	13.81
6	Community Integrated Care	14.42	14.92
7	PossAbilities	13.00	13.46

The increase in sleep in rates will be in line with requirements of new legislation, it is proposed that we work with those providers who offer sleep-ins to agree an appropriate rate.

- 3.8 The proposed 3.5% care home fee level for 2018/19 are as follows:

	2017/18 rate	Proposed 2018/19 rate	Increase Difference
Residential	£403.03	£417.14	£14.11
Residential EMI	£475.19	£491.82	£16.63
Nursing	£430.67 + FNC (£155.05)	£445.74	£15.07
Nursing EMI	£495.28 + FNC	£512.62	£17.33

- 3.9 The fee level for Care homes is based on the price we pay per person per week, in addition for nursing homes a nursing care rate is funded by the CCG, which is £158.16 per person per week, this rate is proposed to increase by £3.11.

4.0 **POLICY IMPLICATIONS**

- 4.1 A new National Paper on the sustainability of the funding of Adult Social Care is due to be published in July 2018; this may have implications on future funding models.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 The Adult Social Care budget 2018/19 for Residential and Nursing Care was set on the assumption of an inflationary increase of 3.5%. Any increase over 3.5% would exert financial pressure on the budget.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

None Identified.

6.2 **Employment, Learning & Skills in Halton**

None identified.

6.3 **A Healthy Halton**

The Adult Social Care budget supports the delivery of services which contribute towards this priority.

6.4 **A Safer Halton**

None identified

6.5 **Halton's Urban Renewal**

None Identified

7.0 **RISK ANALYSIS**

- 7.1 The financial pressures within this sector are well recognised both nationally and locally.
Consultation with providers has been completed over the past couple of months; although they have recognised the financial constraints of the Local Authority, providers are requesting fee increases in excess of 5%. In mitigation Adult Social Care are working with providers to identify alternative approaches to support them with financial pressures e.g. training, procurement and alternative approaches to the delivery of care, including technology.

8.0 **EQUALITY AND DIVERSITY ISSUES**

Agencies working under contract to the Council are expected to comply with the Council's policies relating to Ethnicity and Cultural Diversity as

well as promoting social inclusion of some of the most disadvantaged people in the Borough.

9.0 REASON(S) FOR DECISION

The Adult Social Care budget 2018/19 for Residential and Nursing Care was set on the assumption of an inflationary increase of 3.5%. Any increase over 3.5% would exert financial pressure on the budget.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

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 Living Wage would destabilise the market. In addition people are living longer with very complex health care needs and Halton needs a robust and skilled workforce to continue to provide high quality care for some of the most vulnerable people in our community.

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 to Halton.

An increase 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 continue to support vulnerable adults.

11.0 IMPLEMENTATION DATE

To be implemented from 1st April 2018.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.