

Report of Director of Adult Socials Services (Interim)

Report to Adult Social Services Delegated Decision Panel

Date: 11th December 2014

Subject: Fee Uplift for externally provided homecare

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to seek approval from the Adult Social Services Delegated Decision Panel to recommend that the current homecare framework contractors be awarded a fee uplift.
2. The current Homecare Framework Arrangement has been in place for three years from 1st October 2010 and providers have made good progress in meeting the outcomes that were stipulated in the newly developed service specification. However, no increase to the contract price has been awarded since the commencement of this contract in 2010.
3. This report sets out the background to the recommendations and outlines the work that has been undertaken to inform the recommendations.

Recommendations

4. The Interim Director of Adult Social Services is recommended to agree that a 1% fee uplift be made on the direct staffing element of the tendered hourly rate to the current active providers on the homecare framework agreement.
5. The Interim Director of Adult Social Service is recommended to backdate the fee uplift to 01/11/2013.
6. The Interim Director of Social Services is also requested to agree that no further pricing review will be conducted during the remainder of this contract and to authorise Officers

to issue a contract variation to those current active providers to request agreement to this change to the terms and conditions of contract.

7. The Contract Manager will be responsible for implementation of these recommendations, following approval from the Interim Director of Adult Social Services.

1 Purpose of this report

- 1.1 The purpose of this report is to provide background information regarding the history, structure and operation of the 2013/14 pricing review process and to advise the Panel of the discussions that took place at the Directorate Leadership Team meeting held on 21st August 2014 and to seek approval to implement a fee uplift.

2 Background information

- 2.1 The existing contract between ASC and independent sector home care providers (Community Home Care Framework Agreement) ran from 1st October 2010 to 31st October 2013. It was extended in September 2013 for a period of two years (in line with the clauses contained within the existing contract) to allow for substantial consultation and to prepare for a significant re-commissioning exercise intended to resolve politically sensitive and complex issues. Formal approval for this approach was agreed by DDP in September 2013.
- 2.2 Annual reviews of the hourly rate have been undertaken year on year during the contract to date, in line with the terms and conditions of the contract, but no inflationary uplift has been awarded so far. As the contract has been extended for 2 years beyond the original core term, this position has become less sustainable due to inflationary pressures over the past 4 years. In addition the increased focus on terms of conditions for care staff and the amount paid by local authorities for home care has required an in-depth review, particularly prior to its re-commissioning. After discussing the template at the Strategic Homecare Advisory meeting of April 2014 the template was amended to reflect the discussions that took place at that meeting.

3 Main issues

- 3.1 In May 2014 all framework providers were contacted and notified that a Fair Rate for Care template would be sent to them at the end of May 2014.
- 3.2 The template documents were circulated to all Framework providers on the 29th May 2014 and providers were asked to complete the documentation and submit by the end of June 2014.
- 3.3 Only a small number of completed templates were received by the end of June 2014 and the providers were prompted to submit the documents after the deadline was extended further.
- 3.4 In total 13 providers submitted the documents but only 10 of those documents could be used because not all of the sections within the template were completed, however it should be noted that the range of submissions represented the broad range of providers.

- 3.5 At the DLT meeting held on the 21st August 2014 several options were proposed and DLT were asked to consider and decide:
- 3.5.1 Whether an increase should be paid to the active Community Home Care Framework Agreement providers;
 - 3.5.2 If an increase is to be paid, what the increase should be;
 - 3.5.3 If an increase is to be paid, whether the increase should be back-dated and by how long.
 - 3.5.4 If an increase is to be paid, whether it should be stipulated that no further increases will be made for the remainder of the contract duration, i.e. till October 2015 when the new contract(s) will start.
- 3.6 DLT made several proposals which are outlined in the recommendations and the Interim Director of Adult Social Services is now asked to agree these recommendations.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 All service providers who are on the Framework Arrangement were notified of the pricing review in May 2014 and asked to participate.
- 4.1.2 Further emails were sent to the providers to remind them of the deadline for completion of the template documents.
- 4.1.3 The deadline for submission was extended and providers were contacted to make them aware of this.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality and Diversity Impact Assessment was undertaken when the original framework agreement was developed and a further assessment has been undertaken as part of the re-design and re-commissioning process and is attached at Appendix 1.

4.3 Council policies and City Priorities

- 4.3.1 The proposals outlined in this report will help to deliver a number of crucial elements of the Adult Social Care 'Better Lives' strategy by helping local people with care and support needs to enjoy better lives. With a focus on: promoting choice, helping people to stay living at home, joining up health and social care services. These in turn support the ambition for Leeds to be the Best City in the country, in addition the proposals will contribute to the achievement of the objectives set out in the city's Health and Well-Being plan: people will live full active and independent lives, people's quality of life will be improved by access to quality services, people will be involved in decisions made about them and the city's Priority Plan by contributing to the indicators for: best city for health and wellbeing, best city for business, best city for communities .

4.4 Resources and value for money

- 4.4.1 The budget for these services is managed by Adult Social Care and a sum of funding was ring-fenced pending the outcome of the pricing review.
- 4.4.2 The cost to LCC to implement an uplift is within the budgeted amount.
- 4.4.3 Total full year cost to the Council for 14/15 will be £98,213 whilst the total cost for 13/14 will be £47,218 (part year). Total cost for both 13/14 and 14/15 will be £145,431. This would equate to an hourly rate of £7.07, on the direct front line staffing element, from an hourly rate paid to providers of £13.17.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision maker's authority falls under Part 3 of the Constitution, Official Delegation Scheme (Executive Functions) Director of Adult Social Services (a) social services, so far as those functions relate to Adults.
- 4.5.2 The annual value of this price increase for externally provided homecare means that this decision is a Significant Operational Decision is not eligible for call-in.

4.6 Risk Management

- 4.6.1 A risk log has been developed and incorporates this element of the redesign and re-commissioning of external homecare services and these risk are being managed to reduce the likelihood of them occurring. Specific risks related to this element are:
 - 4.6.2 There may be negative publicity regarding our funding of homecare and ASC's reputation may be damaged.
 - 4.6.3 The relationship between commissioners and providers and Councillors (who form the Strategic Home Care Advisory Group) may be damaged.
 - 4.6.4 Some of the current active Framework providers may cease to undertake work on behalf of LCC for the remaining duration of the contract (a number have already ceased picking up care packages).
 - 4.6.5 The quality of care provided may deteriorate due to providers' inability to ensure staff are adequately trained or paid because of insufficient funding.
 - 4.6.6 That this would have a negative impact on the re-commissioning exercise
 - 4.6.7 It should be noted that ASC cannot guarantee providers will pass on any increase to their staff and that ASC will still have to pay the fee uplift even if the provider advises LCC that staff will not receive a pay increase.

5 Conclusions

- 5.1 Service providers who operate on the framework arrangement have not had an uplift since the contract commenced in October 2010. There has been much interest in the media about the terms and conditions of staff who work in the care sector and a number of negative reports have been published highlighting the issues that these staff face in terms of national minimum wage, travel time and travel expenses.
- 5.2 Implementation of the recommendations contained within this report will help alleviate some of the issues by allowing providers to increase the pay element that care staff receive.

6 Recommendations

- 6.1 The Interim Director of Adult Social Services is recommended to agree that a 1% fee uplift on the direct staffing element of the tendered hourly rate to the current active providers on the homecare framework agreement
- 6.2 The Interim Director of Adult Social Service is recommended to backdate the fee uplift to 01/11/2013.
- 6.3 The Interim Director of Adult Social Services is also requested to agree that no further pricing review will be conducted during the remainder of this contract and to authorise Officers to issue a contract variation to those active providers to request agreement to this change to the terms and conditions of contract.
- 6.4 The Contract Manager will be responsible for implementation of these recommendations, following approval from the Director of Adult Social Services (Interim).

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.