



Integration Joint Board

22<sup>nd</sup> September 2016

This Report relates to  
Item 14 on the Agenda

# Care at Home and Support Services for Adults & Older People

*(Paper presented by Julie White)*

*For Approval*

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<b>List of Background Papers</b>	
<b>Appendices</b>	

## SECTION 1: REPORT CONTENT

**Title/Subject:** Care at Home and Support Services for Adults & Older People  
**Meeting:** Integration Joint Board  
**Date:** 22<sup>nd</sup> September 2016  
**Submitted By:** Geoff Mark  
**Action:** For Approval

### 1. Introduction

- 1.1 The purpose of this report is to provide the Integration Joint Board with information on a significant investment in care at home and support services for adults and older people in order to ensure that external providers who are commissioned to provide the services pay a minimum of the Living Wage.

### 2. Recommendations

- 2.1 **The Integration Joint Board is asked to:**
- 2.2 **Note the significant investment in care at home and support services.**

### 3. Background

- 3.1 As part of the 2016/17 funding settlement Scottish Government required Councils to make a commitment to ensuring that the Living Wage of £8.25 per hour from 1<sup>st</sup> October 2016 is paid to care workers providing direct care and support to adult and older people in care homes, care at home and housing support. The purpose of this commitment is to address significant recruitment and retention problems within the sector and to value and improve the quality of care by investing in social care as a career.
- 3.2 The commitment to ensure payment of the Living Wage (£8.25) is in addition to an investment of £600k to enable providers to move from the National Minimum Wage (£6.70) to the National Living Wage (£7.20) from 1 April 2016. This request was made to the Integration joint Board by Dumfries and Galloway Council's Social Work Services Committee following its meeting on 31<sup>st</sup> March 2016. The report

noted the likelihood of a tender for all care at home to implement the Living Wage commitment from 1<sup>st</sup> October 2016.

3.3 The key objectives of the Care at Home tender were as follows:

- To implement the Living Wage from the 1 October 2016
- To achieve an affordable and sustainable outcome for the purchase of new packages of care including the migration of historical packages to new rates and conditions;
- To keep the process as simple as possible given the tight deadline srequired for the issue of the Tender Document and the award of contracts in time for 1<sup>st</sup> October start date.

3.4 It was determined that the tender price should be capped at £16.50 per hour for both Specialist Adult Services and Non Specialist Older People's Services, following consideration of a range of options and, market intelligence and benchmarking.

3.5 To minimise disruption to existing service users it was also agreed that existing packages would be migrated on to the new terms and conditions on the basis of service user choice (with the expectation that this would mean that the vast majority of services users would remain with their existing provider)

#### 4. Main Body of the Report

4.1 Dumfries and Galloway maintains a pattern of delivering high levels of intensive care at home compared to other rural local authorities. Historically this has contributed to shifting the balance of care away from care homes and maintaining comparatively low levels of delay in discharge from hospital.

4.2 In keeping with the national trends in recent years, there have been increasing challenges in securing sufficient care at home capacity to respond to increased levels of need from an ageing population. These challenges, from a Dumfries and Galloway perspective have been driven by a number of factors:

4.3 **Reducing Working Age Population** – the 2012 Strategic Plan for Older People estimated that the proportion of low paid workforce required by care at home and care homes will increase from 41% in 2012 to 101% in 2033 as demand increases while the working age population shrinks.

4.4 **Reducing public finances** - driven by the need to balance budgets, in a period where service demands were increasing, prices for non specialist older people's provision remained largely flat between 2009 and 2016, representing a reduction in real terms. During this period wages reduced to national minimums and several providers left Dumfries and Galloway market. Prices paid for specialist adult's services were also subject to restriction during this period and, although prices and wages still remained higher than in the older persons market, providers highlighted challenges in recruitment and ongoing viability.

4.5 Against this context, increasing pay to Living Wage levels is extremely important as it will give providers an opportunity to begin to compete with other low pay employers to attract new staff and maintain their existing workforce. This will improve the availability of staff to provide good quality care and support.

4.6 Of equal importance with investing in the terms and conditions of front line care staff is the need to sustain a diverse range of forward looking care at home providers who are financially viable and able to work in partnership to deliver our

agenda going forward. This includes having capacity to support people with more complex needs, engage with new approaches such as reablement in order to ensure that opportunities to reduce demand are maximised, and to improve outcomes through Self-Directed Support and assistive technology.

#### 4.7 **Tender Results**

4.8 The Council received tenders from 33 providers, of which 25 currently provide services in Dumfries and Galloway and 8 are seeking to provide in the region for the first time. All 33 met the minimum requirements and have been awarded the opportunity to join the Framework Agreement.

- 26 providers bid to provide specialist services
- 21 providers bid to provide non-specialist services
- 14 providers bid to provide both specialist and non-specialist services (this included 2 providers that are new to the area, 7 current non-specialist providers wishing to expand into specialist services and 4 current specialist providers wishing to expand into older people services.
- 12 providers bid to provide specialist services only (including 5 new providers)
- 7 providers bid to provide only non-specialist services (with no new providers)

4.9 Dumfries & Galloway Council's Procurement Team supported the evaluation and the quality elements were evaluated by an evaluation panel made up of two Commissioning Managers and two Locality Managers. Each area of service has been evaluated separately to create separate frameworks for specialist adult's services and on-specialist services older peoples services. The submissions have been evaluated on a combination of the price and quality: with price accounting for 30% of the scoring and quality 70% in line with Scottish Government Guidance.

4.10 Providers have been notified of the results of the tender evaluation and there is now a statutory standstill period of ten days up to Tuesday 13 September 2016. Contracts will be finally awarded shortly after subject to confirmation of necessary financial information and confirmation of the required insurance cover.

## SECTION 2: COMPLIANCE WITH GOVERNANCE STANDARDS

### 5. Resource Implications

- 5.1. The increased cost of the revised rates for 2016/17 is estimated at £2.044m and will be met from the Social Care Fund in the current financial year. The full year cost is estimated at £4.105m and will need to be recognised as a cost pressure for 2017/18 should sufficient additional funding not be provided by Scottish Government.

### 6. Impact on Integration Joint Board Outcomes, Priorities and Policy

- 6.1. Investment in Care at Home services to implement the Living Wage will support the delivery of the following National Health and Wellbeing Outcomes:
- 6.2. **Outcome 2** - People including those with disabilities or long term conditions, or those who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
- 6.3. **Outcome 7** – People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
- 6.4. It will also deliver the Strategic Plan commitment to work with providers to support them to pay the National Living Wage.

### 7. Legal & Risk Implications

- 7.1. The tender process sought to secure an enforceable contractual commitment from providers to pay the Living Wage to care staff from 1 October 2016, while demonstrating compliance with European Union and Scottish Procurement regulation and legislation.
- 7.2. All of Dumfries and Galloway's current providers have entered into a clear contractual commitment through the tender submission to pay employees, deliver care and support, £8.25 from the 1<sup>st</sup> October. Our robust contract monitoring arrangements will ensure that this is applied practice.
- 7.3. All but one of the organisations seeking to deliver care in Dumfries and Galloway, for the first time has also made this commitment. Scottish Government guidance, based on advice from the European Commission prevents the Council from excluding the organisation not committing to pay the Living Wage from the contract automatically. However, given the policy commitment to the Living Wage at a local and national level and challenges experienced in recruiting staff locally and the fact that all other local providers will be paying it, the organisation is likely to have to comply, in order to secure an appropriate workforce. The robust compliance arrangements included in the Framework contract will also enable swift and effective intervention, if that organisation's workforce practices affect the quality of the service being delivered.

## **8. Consultation**

- 8.1. The Chief Officer, Chief Finance Officer, General Manager Health and Social Care Integration and the Head of Finance and Procurement (Section 95 Officer) for Dumfries and Galloway Council, have been consulted and agree with the contents of this report.

## **9. Equality and Human Rights Impact Assessment**

- 9.1. The implementation of the Living Wage is a Scottish Government requirement and does not involve a change in policy or strategy of the Integration Joint Board.

## **10. Glossary**

- 10.1. Living Wage – this refers to the Scottish Living Wage (£8.25), required by the Scottish Government as part of the financial settlement with Local Government in 2016/17. It is distinct from the National Living Wage (£7.20), which is the statutory minimum wage in the UK. It is also distinct from the Living Wage set by the Living Wage Foundation in the UK as a guide to all employers.