

Public Report with Exempt Appendices
Delegated Officer Decision

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 14 March 2023

Report Title

Application of uplift to hourly rates Home Care and Support Services – Flexible Purchasing System – 2023-24.

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

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Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

The Home Care and Support Service was secured via a competitive tender in 2019 and mobilised in April 2020. Providers appointed to the Home Care and Support – Flexible Purchasing System were paid at hourly rates tendered in year 1 of the contract. An agreement put in place to apply increased rates for a three year period, was due to end in 2023/24. However, in light of the exceptional inflation rates during the financial year this is no longer appropriate.

In December 2021 the DHSC announced a Market Sustainability and Fair Cost of Care exercise with the objective of addressing care and support market sustainability issues. The exercise was focussed on Care Homes (Older People) and Domiciliary Care Provision only.

The outcome of the FCoC was concluded with the results published 1 February 2023. Based on this outcome the recommended weekly fees for OP care homes were included in the recent Cabinet - Budget and Council Tax Report 2023/24 – 13 February to be presented to full Council 1 March 2023. In the same report the outcome of the FCoC relating to domiciliary care was presented as a single median value of £22.47/hr and the proposal that current hourly rates be aligned to this figure.

There is now a requirement to ensure the detail, justification and the proposed method of applying the uplift to contracted Home Care and Support services is processed through the correct governance procedure.

It is proposed that a variable increase is applied to contracted hourly rates biased towards providers who deliver service in the rural semi-rural areas of the Borough.

Recommendations

1. To approve the application of variable hourly rate increase as set out in Appendix 2 to Home Care and Support providers appointed to the Flexible Purchasing System.

List of Appendices Included

- Appendix 1 Record of Officer Executive Decision
Appendix 2 **EXEMPT** - Option 2 – Illustration of proposed variable increase applied for 2023-24 to hourly rates (2022-23) for each contracted home care and support provider.

Background Papers

Cabinet Paper – 13 February 2023 - Budget and Council Tax 2023/24 and Medium Term Financial Strategy.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

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Council Approval Required

No

Exempt from the Press and Public

Appendix 2 – Exempt.

Application of uplift to hourly rates Home Care and Support Services – Flexible Purchasing System – 2023-24.

1. Background

- 1.1 The Home Care and Support Service was secured via a competitive tender in 2019 and mobilised in April 2020. Providers appointed to the Home Care and Support – Flexible Purchasing System were paid at hourly rates tendered in year 1 of the contract. Subsequently, an agreement put in place to apply increased rates for a three year period was due to end in 2023/24. However, in light of the exceptional inflation rates during the financial year 2022-23 this arrangement has been abandoned.
- 1.2 In December 2021 the DHSC announced a Market Sustainability and Fair Cost of Care exercise with the objective of addressing care and support market sustainability issues. The exercise was focussed on Care Homes (Older People) and Domiciliary Care Provision only.
- 1.3 The outcome of the FCoC was concluded with the results published 1 February 2023. Based on this outcome the recommended weekly fees for OP care homes were included in the recent Cabinet - Budget and Council Tax Report 2023/24 – 13 February and were presented to full Council 1 March 2023. In the same report the outcome of the FCoC relating to domiciliary care was presented as a single median value of £22.47/hr and the proposal that current hourly rates be aligned to this figure.

2. Key Issues

- 2.1 The contracted hourly rates currently paid are variable and based on uplifted tendered rates submitted in 2019/20. Contracted providers are appointed to a Flexible Purchasing System and arranged on a geographical basis.
- 2.2 During the Pandemic and as a result of inflated fuel prices capacity of contracted provision has been inadequate to meet demand consistently for a long duration. This is acutely felt in rural/semi-rural areas where providers struggle to recruit. This has caused severe hospital discharge flow issues and created unmet assessed. Urgent commissioning activity to purchase additional domiciliary care capacity in the form of temporary contracts has assuaged the full negative impact of demand/supply issues.
- 2.3 There is a requirement to address capacity shortfall of Home Care and Support Services especially in the rural/semirural areas of the Borough.

3. Options considered and recommended proposal

3.1 Option 1 – Not Recommended:

Standardise the increase to contracted Home Care and Support provider hourly rates based on the outcome of the FCoC exercise - median rate of £22.47/hr.

This option is not recommended as this would fail to stabilise the recruitment and retention issues identified in paragraph 2.2.

3.2 Option 2 – Recommended:

A variable increase is biased towards providers who deliver service in the rural (South) semi-rural (North) areas of the Borough whilst the temporary contracted providers are awarded an increase of no less than 10.5% (slightly above inflation 10.1% - September 2022). The detail of the resulting rates is included in Appendix 2 (exempt from publication).

This option is recommended as it will address issues of capacity particularly in areas where there is severe capacity shortfall. This option will also reduce the dependency on temporary contracted provision avoid fragmentation in the market and help to reset and stabilise the Home Care and Support Flexible Purchasing System.

4. Consultation on proposal

4.1 The proposals have been disclosed to providers on an individual basis who are supportive of the approach.

5. Timetable and Accountability for Implementing this Decision

5.1 Should full Council approve the budget proposal 1 March 2023 the increase on hourly rates as set out in Appendix 2 will be applied from the 1 April 2023.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 This approach would come in within the budgeted amount for homecare of £19.6m and would result in a median rate of £22.47, as stated in the budget papers.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 The rules and the standard Individual Placement Agreement terms and conditions of the Home Care and Support Service Flexible Purchasing System give the Council considerable flexibility in terms of the level of rate increases which the Council may wish to give, and in terms of when the Council may implement such increases.

7.2 Accordingly, there are no significant legal issues in relation to the recommendations contained in this report.

8. Human Resources Advice and Implications

8.1 No Human Resources implications are identified as part of this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The proposals in this report have positive implications as they support service delivery to vulnerable adults who are assessed eligible to receive care and support under the auspices of the Care Act 2014.

10. Equalities and Human Rights Advice and Implications

- 10.1 The proposals in this report support the Council to comply with legal obligations encompassed in the:

- Human Rights Act (1998), to treat everyone equally with fairness dignity and respect with a focus on those who are disadvantaged as a result of disability and

Equality Act (2010) to legally protect people from discrimination in the wider society.

11. Implications for CO2 Emissions and Climate Change

- 11.1 This proposal has no additional impact on CO2 emissions and climate change.

12. Implications for Partners

- 12.1. The Home Care and Support – FPS is a joint arrangement with Rotherham ICB. Commissioners and Head of Finance Rotherham Place have expressed positive views on the proposal and confirmed their willingness to progress.

13. Risks and Mitigation

- 13.1 There is a potential for the providers who receive a lower increase to their existing hourly rate to object. However, all increases are above the level of inflation (September 2022) are reasonable and there has been a positive response from providers indicating this is an unlikely scenario.

14. Accountable Officers

Ian Spicer – Strategic Director of Adult Care, Housing and Public Health

Scott Matthewman – Assistant Director – Strategic Commissioning, Adult Care Housing and Public Health