

Name of the activity being assessed	Proposed uplifts for care providers for 2021/2022				
Directorate / Department	Adult Social Care	Service	Strategic Commissioning	Assessment lead	Zoe Evans
Is this a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	Responsible manager / director for the assessment	Sayyed Osman		
Date EIA started	01/03/2021	Implementation date of the activity	01/04/2021		

SECTION 1 - ABOUT YOUR ACTIVITY

How was the need for this activity identified?	<p>There is a need to review provider rate levels on an annual basis in terms of the impact of rises in the National Living Wage, inflation or other cost pressures. For Blackburn with Darwen, the rate increases in this report relate to:</p> <ul style="list-style-type: none"> • older and disabled people’s care in residential and nursing home care including residential Intermediate Care • domiciliary care • extra-care settings. • learning disability domiciliary care • supported living service arrangements. • direct payments • Shared Lives <p>The National Living Wage (NLW) announcements include an increase of 2.2% with effect from 1st April 2021 (for workers aged 23 and above).</p> <p>The increase in NLW has a significant impact on our external social care providers, including residential and domiciliary care. The recently announced National Living Wage increase to £8.91 in 2021/22, an increase of 2.2% on the previous financial year, is lower than it has been in previous years, however, for Blackburn with Darwen there continues to be a lack of parity of provider rates across the Lancashire and South Cumbria Health and Social Care system. Our low starting base compared to near neighbours is a significant risk with the potential for some providers to exit the market impacting on the local authority’s ability to meet its statutory duties.</p> <p>In respect of the national living wage it should be noted that wages are just one component of and not the full cost of delivering services. This proportion varies depending on the type of provision, with residential care labour costs being around 70% of total cost. Whilst labour constitutes a significant component there are other aspects of providers’ cost base that are met by the overall rate paid by the Council and which may also be subject to change</p>
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What is the activity looking to achieve?

The Council is aiming to reduce the 'gap' between care costs in the sector and the income provided to it in the form of standard rates for assignments and placements made by the authority and to narrow the fees gap between BwD and our nearest Local Authority Neighbours.

What are the aims and objectives?

The Council needs to ensure sufficient quality and capacity of providers to support those vulnerable people who are no longer able to be supported in their own home.

<p>Services currently provided (if applicable)</p>	<p>Residential Care: The council funds care in 35 care homes in the borough and a number of placements in other local authority areas. Providers operate their business on both cost and volume. Across Blackburn with Darwen home occupancy for some types of care is beginning to reduce, which means that homes are increasingly likely to be subsidising empty rooms – In addition, the Covid 19 pandemic has had a significant impact on our Residential and Nursing care homes occupancy.</p> <p>Domiciliary care for older and physically disabled people: This sector has a large workforce paid at on or near the previous NLW and is predominantly provided by a female, part-time workforce. The increases at lower pay grades have a knock on effect at higher grades in terms of maintaining differentials with supervisory staff and manager roles. The current framework rate in Blackburn with Darwen Borough Council is slightly lower than other local authorities in the region, hence the greater percentage increase outlined in the recommendations below.</p> <p>Domiciliary care for people with a learning disability: The current framework contains individual provider contracted rates. Currently eight providers operate within this framework. As providers on the framework are paid at differential rates and it is proposed that a fee increase of 2.2% in line with the National Living Wage, capped at a standard hourly rate of £16.04 equivalent to our nearest neighbour's current rate for LD Dom Care should be applied.</p> <p>The Learning Disability and Mental Health domiciliary care rate should be equivalent to that for the domiciliary care rate for older people and adults with a physical disability, however an uplift is applied to recognise the impact of increased staffing costs from the National Living Wage increase. Work will continue with providers to align these rates in future years. The current framework rates in Blackburn with Darwen Borough Council are slightly lower than other local authorities in the region, hence a minimum increase of NLW up to a standardised hourly rate.</p> <p>Supported Living: These contracts are all structured differently. Most provision within Blackburn with Darwen is contracted mainly through block contracts with some 1:1 support hours and many providers on the framework are paid at differential rates. Work will continue with providers on switching to the new model of service and will continue via targeted project work, to ensure the correct mix of 1:1 hours and core background support hours are commissioned.</p> <p>It is proposed that an uplift of a minimum of 2.2%, in line with National Living Wage increase is applied, up to a standardised rate of £16.04. This brings these providers in line with the current rates of our nearest Local Authority neighbour.</p> <p>Direct payments: A separate decision paper is included alongside this paper to propose a standard Personal Assistant (PA) rate and three agency rates as an acknowledgement that some individuals require specialised care of which the authority has statutory responsibility for meeting. It is proposed to revise the new schedule of rates effective from April 2021 in line with other Domiciliary care rates, subject to approval of the new Direct Payments Rates (Separate EMD).</p> <p>Extra Care support is provided in housing schemes and offers more flexible and intensive support to older people with disabilities and can provide an alternative to residential care.</p> <p>Shared Lives supports people, predominantly with a learning disability in family based adult fostering type placements. As such, there is no expectation that NLW applies to carers in this service however in recognition of the additional cost of providing shared lives care and the very low CPI/RPI rates currently it is proposed to uplift these in line with NLW increases.</p>
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<p>Please outline recommendations that have been identified for implementation following a review of the activity.</p>	<p>It is recommended that the proposed increases in fees within the resources available are targeted towards meeting the requirements of the National Living Wage and narrowing the gap between BwD fees and our nearest neighbours. Further work is to be undertaken with the sector and CCG colleagues to look at measures to improve the sustainability of care markets over the next few years. This would include measures to improve income flow, reduce waste, and administration costs.</p> <p>Uplifts are recommended at the following levels:</p> <ul style="list-style-type: none"> • Residential and nursing care including Intermediate Care beds, fee increase of 5.37% effective from 1 April 2021. • Older People and Physical Disability Domiciliary Care, framework fee increase of 8.06% effective from 1 April 2021. • Shared Lives, fee increase of 2.2% in line with the National Living Wage uplift effective from 1 April 2021. • Learning Disability/Mental Health Dom Care, fee increase of 2.2% in line with the National Living Wage capped at a standard hourly rate of £16.04 equivalent to our nearest neighbour's current rate for LD Dom Care. • LD Supported Living Providers, fee increase of a minimum of 2.2% in line with the National Living Wage up to a standardised rate of £16.04. This brings these providers in line with the current rates of our nearest neighbour. • Direct Payments - it is proposed to revise the existing direct payments to offer a personal assistant rate and three agency rates (standard, enhanced and exception), these rates are in line with Domiciliary rates proposed above. The proposed changes to the Direct Payments scheme are the subject of further Executive Member Decision. • Extra Care schemes that are commissioned on a block contract basis will receive an uplift of 2.2% in line with National Living Wage increases effective from 1 April 2021 where they have been agreed in the contract. Where 1:1 hours are contracted separately they will remain aligned to the domiciliary care rate. 		
<p>Type of activity</p>	<input type="checkbox"/> Budget changes <input type="checkbox"/> Change to existing activity	<input type="checkbox"/> Decommissioning <input type="checkbox"/> Commissioning	<input type="checkbox"/> New activity <input checked="" type="checkbox"/> Other [Provider fee increases]

Who else will be involved in undertaking the equality analysis and impact assessment?

Please identify additional sources of information you have used to complete the EIA, e.g. reports; journals; legislation etc.

Colleagues from corporate legal, procurement and finance teams have also been involved, as have other relevant service team managers. Strategic commissioning have led the activity. Other sources of information have been:-

- Residential Care home & domiciliary care providers
- Meetings with individual providers
- CCG Commissioning intelligence about the funding they are providing in the Borough.
- Capacity Tracker information for Residential care

Who are you consulting with? How are you consulting with them? (Please insert any information around surveys and consultations undertaken)

Providers in the borough have been consulted through correspondence. Meetings with individual providers have highlighted their current cost pressures and opportunities to create sustainable and efficient provision.

Who does the activity impact upon?*	Service users	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Indirectly	Staff will benefit from pay increases in line with the new National Living Wage requirements The majority of staff in domiciliary care agencies will be women paid at or just above the National Minimum wage, and now the NLW CCGs have responsibility to fund NHS continuing Care within the same care markets that these provider uplifts will sustain.		
	Members of staff	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	General public	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Carers or families	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Indirectly			
	Partner organisations	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Indirectly			
Does the activity impact positively or negatively on any of the protected characteristics as stated within the Equality Act (2010)?* The groups in blue are not protected characteristics (please refer to p. 3 of the guidance notes)	Positive impact	<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input checked="" type="checkbox"/> Deprived communities	<input checked="" type="checkbox"/> Carers
	Negative impact	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers
	Don't know	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers

*If no impact is identified on any of the protected characteristics a full EIA may not be required. Please contact your departmental Corporate

Does the activity contribute towards meeting the Equality Act's general Public Sector Equality Duty? *Refer to p.3 of the guidance for more information*
A public authority must have 'due regard' (i.e. consciously consider) to the following:

DUTY	DOES THE ACTIVITY MEET THIS DUTY? EXPLAIN
Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act <i>(i.e. the activity removes or minimises disadvantages suffered by people due to their protected characteristic)</i>	An increase in rates that help to support the living wage to be paid to care staff will help to sustain essential services that allow people with protected characteristics to be supported in the community.
Advance equality of opportunity between those who share a protected characteristic and those who do not <i>(i.e. the activity takes steps to meet the needs of people from protected groups where these are different from the needs of other people)</i>	The proposed increase in fees to enable requirements of the NLW will have an impact on the Health and Social Care workforce as a large part of this population is currently paid at NLW levels. This workforce is predominantly a female workforce. By increasing rates it is ensuring that those who are currently receiving the NLW will be paid more per hour. In addition, the Council will be delivering a statutory duty to ensure that employers are able to pay the legal requirement of NLW.
Foster good relations between people who share a protected characteristic and those who do not <i>(i.e. the function encourages people from protected groups to participate in public life or in other activities where their participation is disproportionately low)</i>	

ASSESSMENT	Is a full EIA required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Please explain how you have reached your conclusion *(A lack of negative impacts must be justified with evidence and clear reasons, highlight how the activity negates or mitigates any possible negative impacts)*

The council will target their uplifts in fees towards covering the cost of staff which is the key element in delivering good quality care.

Some providers may be at risk of being financially unviable and leave the care market if fees are not increased at least part way to support providers to meet the statutory increases in wage costs in light of the NLW increase. Based on previous information from the 'Fair Price for Care' exercise for residential care, staffing costs account for approximately 70% of provider costs. Blackburn with Darwen there continues to be a lack of parity of provider rates across the Lancashire and South Cumbria Health and Social Care system. Our low starting base compared to near neighbours is a significant risk with the potential for some providers to exit the market impacting on the local authority's ability to meet its statutory duties. Provider fees have been proposed to enable a narrowing of this gap particularly for providers working across the system.

In that the council is not in a position to fund the whole gap between costs and standard rates, and we have no control over providers' financial operating bases, there is still a risk that some providers may decide to leave the market. This would mean a potential loss of jobs and lack of availability of care. However, to mitigate the potential loss of capacity, there are new providers coming into the market who can operate viably that are actively recruiting staff.

The council is involved in Lancashire and South Cumbria ICS developments with providers to explore a new approaches to fee structures and quality schemes for future. The uplift of fees will allow the council to maintain the same level of service across, residential, domiciliary and extra-care provision by providing the means to providers to pay higher wages.

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Author Signature	Zoe Evans	Date	02/03/2021
Head of Service/Director Signature		Date	
<i>The above signatures signify acceptance of the ownership of the Initial EIA and the responsibility to publish the completed Initial EIA as per the requirements of the Equality Act 2010.</i>			
Departmental E&D Lead Signature	<i>Justine Westwell</i>	Date	3/3/2021