

<b>Name of the activity being assessed</b>	<b>Proposed uplifts for care providers for 2019/20</b>				
<b>Directorate / Department</b>	Adult Social Care	<b>Service</b>	Adults & Older People Care	<b>Assessment lead</b>	Mike Banks
<b>Is this a new or existing activity?</b>	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	<b>Responsible manager / director for the assessment</b>		Sayyed Osman	
<b>Date EIA started</b>	15/03/2018	<b>Implementation date of the activity</b>		01/04/2018	

**SECTION 1 - ABOUT YOUR ACTIVITY**

<b>How was the need for this activity identified?</b>	<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"> <li>• older and disabled people’s care in residential and nursing home care,</li> <li>• domiciliary care</li> <li>• extra-care settings.</li> <li>• learning disability domiciliary care</li> <li>• supported living service arrangements.</li> <li>• direct payments</li> </ul> <p>The Autumn statement announced an increase in the National Living Wage of 4.85% level from to £7.83 per hour to £8.21 (an increase of £0.38 per hour) with effect from 1st April 2019 (for workers aged 25 and above).</p> <p>The increase in NLW has a significant impact on our external social care providers, including residential and domiciliary care. The commissioning budgets included in the 2019/20 Budget, and in the Medium Term Finance Strategy (MTFS) through to 2020/21, do not include provision for increases in provider hourly rates and contract changes from the increase in the National Living Wage effective from 1st April 2019 and uplifts will need to be balanced against expected savings plans. It is acknowledged that even though the age range normally quoted is for workers 25 and above, part of the workforce (around 10%) are in the 18 to 24 age range.</p> <p>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. These may include pension, care registration, insurance and utility costs. It is acknowledged that domiciliary care fee rates for older people in the Borough are low compared to neighbouring authorities, and these providers are starting to report difficulties in recruitment. .</p> <p>It should be noted that the council is not the sole funders of care within this sector and income is also received from self- funders, the Clinical Commissioning Groups (CCGs) and third party contributions towards individual placements and packages of care.</p>
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<p><b>What is the activity looking to achieve?</b></p> <p><b>What are the aims and objectives?</b></p>	<p>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.</p> <p>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>
<p><b>Services currently provided (if applicable)</b></p>	<p><b>Residential Care:</b> The council funds care in 26 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 is now above 95% which means that homes are less likely to be subsidising empty rooms.</p> <p><b>Domiciliary care for older and physically disabled people:</b> 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 significantly lower than other local authorities in the region, hence the greater percentage increase outlined in the recommendations below. This framework has been retendered and re-issued in the last few months and is now more reflective of required rate to take into account the NLW. The council currently supports circa 765 people in this service.</p> <p><b>Domiciliary care for people with a learning disability:</b> The current framework contains individual provider contracted rates. Currently eight providers operate within this framework.</p> <p><b>Supported Living:</b> These contracts are all structured differently. Previous reports have addressed the night care rate issues and the plan is to increase these by the NLW rate increase.</p> <p><b>Direct payments:</b> These are provided at a budget calculator rate of £10.49, and whilst no uplift is planned for these (as budgets can accommodate the NLW for personal assistants) the rates can be reviewed on an individual basis, depending on the nature of the care plan. The Council contracts with 25 care homes within its boundary with new providers developing schemes in the area in the next two years.</p> <p><b>Extra Care</b> 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><b>Please outline recommendations that have been identified for implementation following a review of the activity.</b></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. Further work is to be undertaken with the sector and CCG colleagues to look at measures to close the cost gap over the next few years and other support and processes that can be put in place which strengthen sustainability. 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"> <li>• Residential and nursing care, fee increase of 2.9% effective from 22 April 2019</li> <li>• Older People and Physical Disability Domiciliary Care, framework fee increase of 4.85% effective from 1 April 2019</li> <li>• Shared Lives, fee increase of 2.2% in line with CPI effective from 22 April 2019</li> <li>• Learning Disability/Mental Health Domiciliary Care, fee increase of 2.9% effective from 1 April 2019</li> <li>• Supported Living Providers, fee increase of 4% effective from 1 April 2019</li> <li>• Direct Payments, no change to current rate however if a recipient is no longer able to meet their needs within the current budget, the necessary adjustments will be made on an individual basis. Similarly, if a person's needs change within the year, their scheduled review will be brought forward and their support plan and personal budget adjusted accordingly.</li> <li>• The Extra Care schemes that are commissioned on a purely block contract basis will not receive an automatic uplift pending the forthcoming tender process due to be commenced within quarter two of the new financial year. For the new scheme model that is tied to the domiciliary framework an increase of 4.85% will be applicable.</li> </ul>		
<p><b>Type of activity</b></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)**

Care homes in the borough have been consulted through meetings and correspondence. The NLW increase and proposals for Blackburn with Darwen have also been discussed at older people provider meetings. Meetings with individual providers have highlighted their current cost pressures and opportunities to create sustainable and efficient provision.

<b>Who does the activity impact upon?*</b>	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			
<b>Does the activity impact positively or negatively on any of the protected characteristics as stated within the Equality Act (2010)?*</b>  <b>The groups in blue are not protected characteristics (please refer to p. 3 of the guidance notes)</b>	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
<p><b>Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act</b>  <i>(i.e. the activity removes or minimises disadvantages suffered by people due to their protected characteristic)</i></p>	<p>An increase in rates that allow 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.</p>
<p><b>Advance equality of opportunity between those who share a protected characteristic and those who do not</b>  <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></p>	<p>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.</p>
<p><b>Foster good relations between people who share a protected characteristic and those who do not</b>  <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></p>	

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 with 84% of staff benefitting from the NLW increases. The tender exercise for domiciliary care undertaken during 2017-2018 tested the market at the rate for that financial year and fifteen providers came forward for inclusion onto the framework; eight of which are now operating within the same framework at this rate prior to 2019-20 increase.

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 tender process for the new framework for older people and physical disability domiciliary care has operated a high level of robust due diligence to ensure sensitive and safe transfer of providers. Individuals can choose to keep on arrangements with existing agencies that are unsuccessful in being awarded contracts on the new framework via a direct payment arrangement.

The council is considering entering into further negotiation with providers to explore a new fee structure and quality scheme for future years with the emphasis on further developing support with costs and the quality scheme.

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.

<b>Author Signature</b>		<b>Date</b>	<b>15/03/2019</b>
<b>Head of Service/Director Signature</b>		<b>Date</b>	<b>15/03/2019</b>
<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>			
<b>Departmental E&amp;D Lead Signature</b>		<b>Date</b>	<b>15/03/2019</b>