

Name of the activity being assessed	Proposed uplifts for care providers for 2017/18				
Directorate / Department	Adult Social Care	Service	Adults & older people care services	Assessment lead	Mike Banks
Is this a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	Responsible manager / director for the assessment		Stephen Tingle	
Date EIA started	06/03/2017	Implementation date of the activity		03/04/2017	

SECTION 1 - ABOUT YOUR ACTIVITY

How was the need for this activity identified?	<p>(BwDBC) to:</p> <ul style="list-style-type: none"> • older and disabled people’s care in residential and nursing home care, • domiciliary care • extra-care settings. • day services • learning disability domiciliary care • supported living service arrangements. • direct payments <p>For all of the above sectors, provider costs in delivering care are increasing significantly. From the 1st April 2017, the National Living Wage (NLW) for people aged over 25 increases to a rate of £7.50 per hour; this is an increase of 4.1% from the current NLW. It is anticipated that the NLW will increase to around £9.00 per hour by April 2020. This increase will have an impact on the Health and Social Care workforce as a large part of this population is currently paid at NLW levels.</p> <p>As well as NLW requirements, providers face increased costs in terms of pension enrolment, registration and insurance liability costs.</p> <p>No additional money has been received from government for local authorities to fund these increased provider costs. Any increases to providers to cover staff pay increases and any other costs has to be met from the planned allocated budgets.</p> <p>It should be noted that the council are 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>What is the activity looking to achieve?</p> <p>What are the aims and objectives?</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>Services currently provided (if applicable)</p>	<p>Residential Care: The council funds care in 25 care homes in borough and a number of placements in other local authority areas. Providers operate their business on both cost and volume. Across the Blackburn with Darwen home occupancy is now above 95% which means that homes are less likely to be subsidising empty rooms.</p> <p>A 'Fair Price for Care' exercise was completed for residential and nursing care homes in 2012 and 2015 across the Borough which identified a significant gap in the cost of care. Previous uplifts have reduced this gap, but this year's changes to the national living wage requirements are an additional pressure.</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 BwDBC is significantly lower than other local authorities in the region, hence the greater percentage increase outlined in the recommendations below. This framework will be retendered in the next few months at an enhanced standard rate to reflect NLW. The council currently supports circa 700 people in this service.</p> <p>Domiciliary care for people with a learning disability: The current framework contains individual provider contracted rates.</p> <p>Supported Living: 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>Day services: These services are provided across three centres and provide support to around 174 people.</p> <p>Direct payments: 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>Domiciliary Care in people's own homes is currently provided by 4 providers working via a commissioning framework. This service is being re-tendered which will allow new providers to consider working with the council, or existing providers expanding their market share.</p>

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
- Care Act 2014 <http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted>
- Census 2011 profile: <http://www.blackburn.gov.uk/Pages/Census.aspx>
- Integrated Strategic Needs Assessments and Locality Profiles: <http://www.blackburn.gov.uk/Pages/Integrated-strategic-needs-assessment.aspx>
- Adults corporate plan <https://www.blackburn.gov.uk/Lists/DownloadableDocuments/corporate-plan.pdf>

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 previously participated in the 'Fair Price for Care' exercise. The NLW increase and proposals for Blackburn with Darwen have also been discussed at older people provider meetings, this local intelligence supports the proposed rate as being broadly viable. Two provider workshops on the 3 August 2016 and 26 January 2017 have been held to discuss and inform the commissioning intentions and new frameworks being tendered.

Who does the activity impact upon?*	Service users	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Indirectly	Staff in care homes previously paid at the minimum wage, this will affect approx. 84% of the workforce as mentioned earlier. The majority of staff in domiciliary care agencies will be women paid at or just above the National Minimum wage, and now the NLW		
	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 Equality & Diversity representative for further information.**

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>	<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>
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>	<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 NMW levels. This workforce is predominantly a female workforce. By increasing rates it is ensuring that those who are currently receiving the NMW 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>
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
Please explain how you have reached your conclusion <i>(A lack of negative impacts must be justified with evidence and clear reasons, highlight how the activity negates or mitigates any possible negative impacts)</i>			
<p>The council will target their uplifts in fees towards covering the cost of staff which is the key element in delivering good quality care.</p> <p>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 information from the 'Fair Price for Care' exercise for residential care, staffing costs account for approximately 60% of provider costs with 84% of staff benefitting from the NLW increases.</p> <p>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. Two domiciliary care providers have recently exited the local market and transition to new providers has run smoothly, with the majority of staff transferring to the new organisations under TUPE arrangements. The tender process for the new framework for older people and physical disability domiciliary care will operate a period of 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.</p> <p>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.</p>			

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.

Assessment Lead Signature	Signature redacted for online version	Date	07/03/2017
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