

Committee: **Council**

Date of Meeting: **21st July, 2022**

Report Subject: **Request for Additional Financial Support for Commissioned Domiciliary Care Providers due to the Increase in Fuel Costs**

Portfolio Holder: **Councillor Haydn Trollope - Executive Member People & Social Services**

Report Submitted by: **Alyson Hoskins – Head of Adult Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
19/07/22							21/07/22	

1. Purpose of the Report

To seek agreement to provide additional time limited funding to support our externally commissioned domiciliary care market providers due to the recruitment and retention pressures they are facing resulting from the cost of living crisis and in particularly the current impact of increasing fuel prices.

2. Scope and Background

The pressures faced across the health and social care sector are well documented on a national basis and they are replicated locally across the Gwent (ABUHB) footprint. The COVID 19 pandemic along with additional factors such as Brexit are resulting in both the health and social care systems having significant pressures relating to the recruitment and retention of staff. This pressure has been further compounded in the last few months due to the impact of the costs of living crisis and in particular the high cost of fuel.

Across the Gwent Local Authority region, Directors of Social Services, Heads of Adult Services and Commissioning leads have been proactively working with both our internal domiciliary care providers and also our externally commissioned domiciliary care (home care/ care at home providers) to consider a number of immediate and longer term options to not only sustain and retain the current work force but also to encourage new carers to enter the profession.

During 2021/22, the sustainability of the market was a specific concern due to both the pandemic and the impact of high levels of staffing vacancies as a result of staff leaving existing posts to work across other sectors such as hospitality and retail. As part of this, all 5 Gwent local authorities via

agreement by the Regional Partnership Board (RPB) invested our Welsh Government Winter Pressures grant funding to provide our commissioned domiciliary care providers with an additional £1 per hour in addition to our commissioned hourly rate as a one off sustainability payment. This was a positive step which enabled the Providers operating across Gwent to enhance financial support their staff and in the main maintain their current staffing levels.

However, over the past few weeks Providers have once again reported that staff are leaving the sector due to the increased cost of using their vehicles for work and in particular purchasing petrol for their cars.

The domiciliary care market is clearly very fragile. Without sufficient domiciliary care availability and a sustainable domiciliary care market, we are unable to provide sufficient and importantly consistent quality, care and support to our most vulnerable Blaenau Gwent residents. We will also be unable to commission new packages of care to support unpaid family carers who may be struggling in their caring role or expedite rapid discharges for patients who are in hospital and are ready to return home thus having a further negative impact on an already congested hospital to home pathway.

Across Blaenau Gwent we currently have 6 domiciliary care providers, delivering 5300 hours per week and employing 270 carers, which is a decrease in the workforce of nearly 14% compared with February 2022 (when the numbers employed were 311).

There are a number of longer term recruitment and retention work streams happening across the RPB region however the current fuel price crisis is one that requires an urgent response at a time when the health and social care system is facing unprecedented pressures.

Therefore, it is proposed that across the Gwent region all 5 Gwent Local Authorities implement a £1 per hour financial investment for our commissioned hours, mirroring that which we implemented in 2021/22, to enable our externally commissioned domiciliary care providers to increase their payments to frontline staff to mitigate the impact of the cost of fuel.

It is further proposed that this operates for a 6-month period effective from July 2022 during this period the commissioning teams will work with providers to develop a more sustainable future funding model in line with current recruitment and retention work streams. The estimated additional costs have been assessed using the following criteria:

- Costings are based on 75% of the weekly cost to pay the additional £1.00 p/h as 25% of the carers are “walkers” and wouldn’t be eligible for the payment.
- 75% is being used as a basis of commissioned hours completed by drivers based on our provider data – the overall cost to the LA will deviate when the actual % of drivers are known for each provider.

- The current hourly commissioned rate alongside the proposed increased hourly rate is attached as appendix 1.

The estimated costs of this proposal are approximately £103k based on current analysis of commissioned hours and % of staff who are car drivers.

3. **Options for Recommendation**

- 3.1 **Option 1** – do nothing at present and wait for the conclusion of the national, regional and local recruitment and retention work streams over the next few months

Option 2 – develop and implement an immediate urgent regional response to the current staffing crisis in social care and increase our current commissioned hourly rate to providers by £1 per hour.

This will be time limited for a 6-month period to December 2022.

Option 2 - is the preferred option

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

The Social Services and Wellbeing (Wales) Act 2014 outlines the local authorities statutory function to provide care and support when appropriate, to meet assessments of needs. The current crisis, including the availability of carers to work within the sector, is impacting on the Local Authorities ability to provide this care and support as timely as we would want and as a result additional pressures are resulting across the wider health and social care system including potential delays in hospital discharges and patients having to be placed by our ABUHB colleagues, in temporary care home (step closer to home) beds whilst waiting for domiciliary care availability.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

Option 1 has no immediate impact on the Social Services domiciliary care budget although will potentially impact on the Social Services Care Home / Community Care budget if residents / patients are needing to be placed in vacancies in care homes as opposed to remaining in their own homes and receiving a dom care package.

Option 2 will create a cost of pressure of £103k based on current analysis of commissioned hours and % of staff who are car drivers. It is proposed however that this cost pressure will be funded in the first instance by any underspend with the Social Services budget. If there is no underspend against the Social Services budget it is proposed the costs be funded from the Inflation and Service Cost Pressure Reserve.

The level of this reserve as at 31 March 2022 is £1.3m having been established following the receipt of additional one off revenue support grant for 2021/22. Whilst this funding is un-hypothecated, Wales Government have suggested that the funding can be used to:

Support in managing budgets more effectively over the period 2021-22 to 2024-2025 against the context of inflationary and service pressures and the ending of the Local Government Hardship Fund as well as helping you to continue to decarbonise services and respond to the climate and nature emergency.

It is intended to also enable the Council to increase domiciliary support service capacity through funding driving lessons and providing access to electric vehicles as part of the continuing work to decarbonise services and respond to the climate and nature emergency.

Option 2 is the preferred recommendation which is being submitted for approval to all 5 Gwent Local Authorities.

5.2 ***Risk including Mitigating Actions***

The fragility of the domiciliary care market –both internal and external - is a concern for the Council, we are working with our national and regional partners, as well as our care providers, to improve the viability of the sector including the way in which we can attract and retain more people into the care sector. However, the current cost of living crisis and in particular the fuel crisis has added exceptional additional pressures to this fragile situation and the preferred option is recommendation with the aim of addressing the immediate challenges providers and their staff are facing.

There is a high risk that if Option 2 is not agreed providers will lose more staff, be unable to recruit new staff and as a consequence be unable to provide care packages to vulnerable residents in Blaenau Gwent and across the Gwent region.

5.3 ***Legal***

There are no specific legal implications relating to either *options 1 or 2*. Should however some Providers be forced to cancel our contracts and return their current commissioned packages due to their reducing staffing levels, with us, then we will need to seek additional legal advice in relation to our existing contractual obligations.

5.4 ***Human Resources***

The support to be offered to the in house (Local Authority) staff is subject to a separate local report.

This proposal has been developed as part of a Gwent wide approach to support our external domiciliary care market. The recommended option 2 will include a commitment that all providers who receive the additional £1 per hour funding, are required to ensure that this increase is passed directly to their frontline workforce. This will be monitored by our Social Services Commissioning Team as part of our contact compliance framework.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

See appendix 1

6.2 ***Expected outcome for the public***

A sustainable and high quality domiciliary care market is critical in enabling the LA to fulfil its requirements of the Social Services and Wellbeing Act 2014 and importantly enable us to listen to what matters to the residents of Blaenau Gwent and being able to support them to remain at home.

6.3 ***Involvement (consultation, engagement, participation)***

All 5 Gwent Directors of SSD / Heads of Adult Services and Commissioning leads have developed this option 2 proposal. It will also be reported to the RPB and relevant ABUHB colleagues as well as the Provider forums and networks. If approved by Council, then the Commissioning Team will meet with the individual domiciliary care providers to agree the implementation and payment arrangements.

6.4 ***Thinking for the Long term (forward planning)***

These plans are to sustain the market in the short term – further sustainability plans for longer term recruitment and retention of the domiciliary care market will be reported over the next 12 months.

6.5 ***Preventative focus***

The sustainability of our external market is critical in enabling the Local Authority to focus its in house delivery on our current model of emergency and reablement care and support.

6.6 ***Collaboration / partnership working***

See 6.3 above

6.7 ***Integration (across service areas)***

Health and Social care colleagues are working in partnership with our Domiciliary Care Providers and Welsh Government to develop a sustainable and appropriate funding model of future domiciliary care.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

N/A in relation to this option although future recruitment and retention proposals will include:

1. Potential allocation of electric / hybrid vehicles for frontline staff to reduce carbon emissions.
2. Re-designation of rotas / visits to reduce dependency on cars.
3. Increased use of alternative modes of transport.

6.9 ***Integrated Impact Assessment***

N/A

7. **Monitoring Arrangements**

- 7.1 Impact of this expenditure will be monitored by our Commissioning Teams via our contract compliance arrangements. A monitoring process will be developed on a regional basis.

Background Documents /Electronic Links

Appendix 1 – Provider fuel costs information July 22



Appendix 1 -
Provider fuel costs ir