



Item No: 16

Meeting Date: Wednesday 15th March 2017

Glasgow City Integration Joint Board

Report By: Sharon Wearing, Chief Officer: Finance and Resources

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SCOTTISH LIVING WAGE SETTLEMENT (2016 and 2017) AND PROVIDER RATES UPLIFTS

Purpose of Report:

To update the Glasgow City Integration Joint Board on the conclusion of provider responses to the offer made to increase National Care Home Contract Rates; to the offer made to 101 providers of a 3.1% uplift backdated to 1st April 2016; and, the offer of providers of care home places for under 65s to uprate their rates to National Care Home Contract Rates.

To advise Glasgow City Integration Board that the Scottish Government settlement for 2017/18 includes provision for increase in Scottish Living Wage and that proposals will be presented to the board in June 2017 for distribution of these monies

To advise Glasgow City Integration Board that the partnership is supporting sustainable rates for Framework Agreement providers by applying agreed uplifts through a programme of reviews.

Recommendations:

The Integration Joint Board is asked to:

- a) note the report;
- b) note that the proposals for allocation of the Scottish Living Wage element of the Scottish Government settlement will be reported to the Integration Joint Board in June 2017;
- c) note the increase in rates to providers to create a sustainable marketplace; and
- d) note that the conclusions of survey work on the Community Benefits created by our procurement activity will be reported to the Integration Joint Board in June 2017.

Relevance to Integration Joint Board Strategic Plan:

Contributes to addressing a financial pressure on the HSCP budget in respect of increasing the minimum wage and moving to a living wage, leading to increased employer costs and requests for uplifts from contractors, as noted on page 29 of the Strategic Plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services
Personnel:	No impact on Partnership personnel.
Carers:	No direct impact on carers, however, the current shape of service provision must move beyond a dependence on paid employee inputs only, to one that also includes an increased use of technology enabled care and other support networks being deployed in care support not just for the service user but also for their carer.
Provider Organisations:	Offers of uplift were made to providers subject to their agreement to pay the Scottish Living Wage. The offer made covered 3 areas: the National Care Home Contract, Care at Home and Supplementation funded services and other care home provision for under 65s.
Equalities:	No EQIA carried out as this report does not represent a new policy, plan, service or strategy, but the equitable distribution of a budget allocation from the Scottish Government.
Financial:	<p>The proposal of a percentage uplift at the level identified, can be absorbed within the financial allocation provided by the Scottish Government as part of the 2016/17 settlement. As previously reported to the Integration Joint Board in relation to younger adults in care home settings, the uplift proposal can also be accommodated within resources made available in the Scottish Government's settlement and Resource Transfer uplifts for 2016/17.</p> <p>The council on 12th November 2015 approved a Framework Agreement for Selected Social Care supports. This framework agreed new rates would be applied to the purchase of care from 02/17 following reviews of service users care plans.</p> <p>With only a few exceptions this has meant the application of higher rates for the purchase of services</p>

Legal:	No option for delivering the Scottish Living Wage is free from the risk of legal challenge. Legal Services have, however, advised that of the proposed variation approaches, the standard percentage uplift presents the least risk.	
Economic Impact:	None.	
Sustainability:	None.	
Sustainable Procurement and Article 19:	None	
Risk Implications:	Risk of challenge from providers	
Implications for Glasgow City Council:	Risk of challenge from providers.	
Implications for NHS Greater Glasgow & Clyde:	None.	
Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	✓
	2. Glasgow City Council	
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

1. Purpose of Report

- 1.1 To update the Glasgow City Integration Joint Board on the conclusion of provider responses to the offer made to increase National Care Home Contract Rates; to the offer made to 101 providers of a 3.1% uplift backdated to 1st April 2016; and, the offer of providers of care home places for under 65s to uprate their rates to National Care Home Contract Rates.
- 1.2 To advise Glasgow City Integration Joint Board that the Scottish Government settlement for 2017/18 includes provision for increase in Scottish Living Wage and that proposals will be presented to the board in June 2017 for distribution of these monies
- 1.3 To advise Glasgow City Integration Joint Board that the partnership is supporting sustainable rates for Framework Agreement providers by applying agreed uplifts through a programme of reviews. New rates for purchasing services from providers were agreed by the council's Executive Committee on 12th November 2015 and are now being implemented

2. Background

- 2.1 Following the decision of the Integration Joint Board the offers of uplift were made to providers subject to their agreement to pay the Scottish Living Wage. The offer made covered 3 areas: the National Care Home Contract, Care at Home and Supplementation funded services and other care home provision for under 65s.
- 2.2 The uplift offer was agreed at the Integration Joint Board on 21st September 2016 and is conditional on an agreement to pay the Scottish Living Wage from 1st October 2016.
- 2.3 The council ran a tender for a range of social care supports in 2015 and reported the outcomes of this to Executive Committee. On 12th November 2015 the award of contract was approved. Rates submitted by providers were accepted by the Partnership based on assurances from providers they could meet the employer and other responsibilities.

3. Responses

- 3.1 All 57 National Care Home Providers have accepted the offer and committed to pay the Scottish Living Wage. The Partnership will audit compliance with this in the next year.
- 3.2 The Partnership wrote to 101 providers offering the uplift. 2 of those providers are no longer providers and the offer is no longer applicable.

At the end of this exercise 95 out of the other 99 active providers have contractually committed to pay the Scottish Living Wage.

- 3.3 At the conclusion of this exercise all 26 providers providing care home places for under 65 year olds have responded accepting the uplift.

4. Providers not accepting offer

- 4.1 **Icare.** A legacy provider from a previous Care at Home framework. Decisions were made, after the organisation was unsuccessful in their tender application, to allow service users to stay with this provider under the previous terms of their contract. The provider is no longer eligible to be awarded new business, and at service user review stage the provider would require to be changed; such a review would need to be triggered by the service user or provider. Currently the organisation supports 11 service users.
- 4.2 **National Autism Society.** The organisation made their acceptance of the offer conditional on Glasgow and all other local authorities agreeing to also increase all of their rates for all services. Glasgow cannot negotiate rates for services in Ayrshire and in Manchester or accept that progression onto Scottish Living Wage is conditional on applying the uplift to children's services not in scope. The organisation supports 2 service users in Glasgow.
- 4.3 **Methodist Homes.** Methodist Homes are committed to paying the Scottish Living Wage but don't want to make this a contractual agreement.

4.4 **Buddies:** A legacy provider of day opportunities for people with autism

5. **Benefits to staff**

5.1 The Partnership is aware that IJB members are keen to understand the Community Benefits from the procurement activity in the city. A survey of these is now taking place and the results will be reported to the IJB in June 2017. This is the first step in auditing implementation of Scottish Living wage.

6. **2017 Scottish Government Settlement**

6.1 The Partnership has received confirmation that the settlement for the council includes an allocation to address the uplift in Scottish Living Wage for 2017/18 and address issues of provider sustainability. No guidance on its distribution to providers has as yet come from the Scottish Government

6.2 Partnership staff are currently carrying out an option appraisal which will involve engagement with the sector, and will make future recommendations to the IJB and the Council on its distribution

6.3 Options being considered will include:

- A flat cost uplift to meet new Scottish Living wage and on-costs
- Flat % uplift
- Implementation of a compliant rate
- Individual provider discussions
- Or a hybrid of the above options

7. **Increase in Framework Agreement provider rates**

7.1 The Partnership has been working with a significant number of providers to transition them from historical rates onto those approved at committee on 12th November 2015; rates paid to them to encourage sustainable, quality social care services.

7.2 Partnership staff have worked with providers and localities to manage the cost pressures associated with the move to Framework Agreement rates through current care management, negotiated and commissioning pathways.

7.3 Cost pressures have been managed by the following changes:

- Sharing of support hours across service users
- Use of cost effective support arrangements such as assistive technology and responder services
- Allowing service users to live more independently and with risk
- Identification of creative outcome solutions not dependent on staff support

7.4 The Partnership to date has absorbed the cost pressures on rates without increase/or only marginal increase in personalisation expenditure. This is partially offset by consistently applying charging policy:

7.5 The following provider rates have had almost all of their business increased as outlined below:

- Community Integrated Care 2.02% increase in rates
- Enable Glasgow 8% increase in rates
- Mainstay 7.69% increase in rates
- Community Care Choices 30.99% increase in rates
- Carewatch Glasgow 16.99% increase in rates
- Momentum Scotland 6.99% increase in rates
- Kelvin Care 11.97% increase in rates
- Crossroads Caring Scotland 10.13% increase in rates
- Baillieston Community Care 12% increase in rates
- C-Change Glasgow 6.55% increase in rates
- Inclusion 3.02% increase in rates
- Fair Deal 1.32% increase in rates
- Mears 10.41% increase in rates
- Real Life Options 6.55% increase in rates
- Community Lifestyles 0.35% increase in rates
- Quarriers 1.76% uplift in rates

7.6 In addition to any Scottish Living Wage uplift for 2017/18 Partnership staff will work to apply the following rate uplifts by review no later than 1st October 2017.

- The Mungo Foundation 3.2% increase in rates
- Enable Scotland 6.98% increase in rates
- Blackwood Homes and Care 4.69% increase in rates
- Glasgow Eastend Community Carers 3.64% increase in rates
- The Human Support Group 30.59% increase in rates
- Cornerstone 4.55% increase in rates
- Share Scotland 5.22% increase in rates
- Epilepsy Scotland 1.96% increase in rates
- Rotary Residential and Care Centres 6.69% increase in rates
- Bield Housing and Care 0.19% increase in rates
- Carr Gomm 6.59% increase in rates
- CrossReach 2.19% increase in rates
- Living Ambitions 6.13% increase in rates
- Lifeways Community Care 8.19% increase in rates
- RNIB 3.96% increase in rates
- Leonard Cheshire Disability 2.07% increase in rates
- The Richmond Fellowship 5.53% increase in rates
- Queens Cross Housing Association 17.66% increase in rates
- Penumbra 18.44% increase in rates
- SAMH 1.625 uplift in rates

8. Recommendations

8.1 The Integration Joint Board is asked to:

- a) note the report;

- b) note that the proposals for allocation of the Scottish Living Wage element of the Scottish Government settlement will be reported to the Integration Joint Board in June 2017;
- c) note the increase in rates to providers to create a sustainable marketplace;
and
- d) note that the conclusions of survey work on the Community Benefits created by our procurement activity will be reported to the Integration Joint Board in June 2017.