



Item No. 10

Meeting Date Wednesday 18th October 2017

Glasgow City Integration Joint Board Finance and Audit Committee

Report By: Susanne Millar, Chief Officer, Planning, Strategy & Commissioning / Chief Social Work Officer and Sharon Wearing, Chief Officer, Finance and Resources

Contact: Debbie Miller / Jenniffer McCourt

Tel: 0141 276 5729 / 0141 276 5567

EXTENSION OF THE 2015 SOCIAL WORK FRAMEWORK AGREEMENT FOR SELECTED PURCHASED SOCIAL CARE SUPPORTS AND INTENTION TO OFFER A TRANSITIONAL SLEEPOVER RATE

Purpose of Report:

To advise the IJB Finance and Audit Committee of the decision to extend the above Framework and agree the offer of a revised sleepover rate to providers

Recommendations:

The IJB Finance and Audit Committee is asked to:

- a) note the decision to extend the 2015 Framework Agreement for Selected Purchased Social Care Supports (the Framework) until the end of January 2019; and
- b) agree the offer to providers giving a choice of retaining their agreed existing sleepover rate or moving to a transitional sleepover rate set by GCHSCP within a GCHSCP agreed budget. The vast majority of sleepover support is provided under the Framework contract so this offer will apply to Framework providers. It will also apply to sleepover supports provided under some other contracts.

Relevance to Integration Joint Board Strategic Plan:

The services delivered under the 2015 Framework including sleepover supports are a key factor in enabling the Partnership to deliver on its aspiration of providing support at the right time, in the right place, and from the right person, and to provide health and social care services in local communities where possible. They support the Partnership's key priorities of shifting the balance of care and enabling independent living for longer.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community
Personnel:	None
Carers:	None
Provider Organisations:	Giving providers the option to retain existing sleepover rates or move to a transitional sleepover rate will help to sustain the market whilst alternative models of overnight support are developed.
Equalities:	All providers will be offered the same choice.
Financial:	The proposed transitional rate is £9.38 per hour. This will cost an additional £1,750,440 in 17/18. The full year effect at the rate based on current Scottish Living Wage rate of £10.56ph (this assumes a move to the Scottish Living Wage in 2018/19) would be £4,886,000 in 18/19.
Legal:	Advice has been taken from Legal Services and the option recommended reflects this
Economic Impact:	This will increase amount of funding paid to providers which will have an economic impact on available funding to be spent in the city.
Sustainability:	The proposed changes are designed to promote sustainability of services

Sustainable Procurement and Article 19:	Article 19 is not considered to apply to these services.
Risk Implications:	The national changes proposed dramatically increase the risk of service failure on sleepover support. If GCHSCP does not act, the majority of the sleepover supports it purchases will become financially unviable. There is a high risk that services will fail, alternative supports will be unavailable, and service users will be left without support.
Implications for Glasgow City Council:	Report required to be considered by the Contracts and Property Committee of Glasgow City Council
Implications for NHS Greater Glasgow & Clyde:	None

1. Background

- 1.1 The 2015 Social Work Framework Agreement is a contract for Part B Services which was subject to an open, competitive process in line with EU regulations, National Guidance and GCC Standing Orders. It is operational from 31.01.16 to 30.01.18. On 20th September 2017, the IJB approved an extension of the Framework until 30.01.19.
- 1.2 The estimated value of the Framework is up to £76,545,942 p.a. and the contract was set up to run for 2 years with two possible extensions of 12 months each. The contract was set up to cover legacy business as well as new business. The transition mechanism for existing business to move onto agreed Framework rates is via individual service user review.

2. Innovation and Impact

- 2.1 The successful establishment of the framework achieved several positive outcomes for GCHSCP which are summarised below:
- Enabled the delivery of GCHSCP's duties under the Self Directed Support legislation in terms of Option 2, 3 and 4.
 - Secured an unparalleled range of providers to choose from for service users wishing to exercise their rights under option 2 of the SDS Act.
 - Established a large multi-supplier framework and delivered a contract and written terms and conditions applicable to a large swathe of social work services many of which were formerly on unwritten/implied contracts.
 - Established a common suite of rates for each provider irrespective of service user group the service was provided to which minimised the opportunity for providers to charge different rates across care groups.

- Rolled up many classifications of support types into 3 main categories – Care and Support, Day Opportunities/Employability and Short Breaks and established core specification for each of these categories of support.
- Developed new processes such as the Provider Enquiry Report process to support the call off mechanisms for the framework agreement and aligned the commissioning process into the assessment and care management process in personalisation

2.2 In spite of considerable challenges and upward pressure on the cost of providing support the framework has held and framework providers have managed to continue to deliver legacy services and meet new demand. That said fieldwork staff are beginning to report delay and difficulties in placing new services. These are attributed to recruitment and retention issues across the social care sector. However some providers are now withdrawing from providing sleepover supports, others are reluctant to take on new business involving sleepover.

3. Progress and Issues in Implementing the Framework

3.1 Since the commencement of the framework in 2016, all new in scope business has been awarded through the Framework and a significant swathe of legacy business is now covered by the framework contract.

3.2 The last two years have seen a period of significant legislative and political change impacting on the purchased social care market. Purchased providers have been hit by increases to National and Scottish Living Wage, changes in Case Law relating to sleepover payments and other changes to employer's liabilities e.g. travelling time, increased pension contributions etc. This has resulted in increased pressure from providers to move legacy business onto framework rates and increase the rate at which fieldwork staff complete reviews. GCHSCP is currently planning the transition to Framework rates for the providers who have not yet had all legacy business moved to the Framework Agreement.

3.3 The two key issues affecting provider sustainability have been: Sustainability issues for providers who deliver sleepover support and are finding it difficult to meet the cost of provision at the agreed framework rate. Sustainability issues for providers who bid a low hourly rate for care and support and are finding it difficult to cover costs on the agreed framework rate.

4. Implications of Extending the Framework and the Need to Revise the Offer on Sleepover

4.1 Progressing the reviews and applying percentage uplifts to the agreed contract values have been the two key factors in supporting framework providers with sustainability challenges. In addition to the review work, a total of 5.6% uplift on the overall provider contract value has been offered to all framework providers from money made available from the Scottish Government to support the application of the Scottish Living Wage.

- 4.2 The longer the framework continues and providers are bound to the framework rates, the more likely it is that some lower priced providers on the framework will be unable/decide not to accept new business. This raises the risk that it becomes more difficult to allocate new business via the Framework. It is also a risk that some providers are unable to deliver existing business at framework rates and the business may need to be re-provisioned.
- 4.3 The Scottish Government have signaled an intention to move to sleepover payments being made at the Scottish Living Wage Rate from 2018/19. Currently, HMRC has indicated that recent employment tribunal decisions apply and that employers should be making payment to their workforces carrying out sleepovers at the lower National Living Wage. Currently, and in relation to either of the Living Wage rates, the majority of agreed rates for sleepover are unsustainable.
- 4.4 The options considered for revising the offer on sleepover by GCHSCP are summarised in Appendix 1, with Option 1 being recommended. This option will help to stabilize the sleepover provision across Glasgow in the short term whilst alternative longer term strategies on overnight support are agreed.
- 4.5 GCHSCP are in the early stages of developing a transformational change programme related to future provision of overnight supports which will be presented to the IJB in March 2018 following a period of three months consultation with all stakeholder groups.
- 4.6 This will involve a wholesale move to alternative care support arrangements being put in place by 1st April 2019, with which to support individuals to continue to live independently in a risk enabling approach. These will include increases in waking night staff and technology enabled care usage and are expected to qualitatively improve the care and provide a richer outcomes based independent living experience for service users, and ensure more appropriate working conditions for workforces.

5. Financial Implications of the proposed changes to Sleepover Rates:

- 5.1 It is proposed to offer a transitional sleepover rate of £9.38 per hour, with effect from 02 October 2017 for the remainder of this financial year and until the point in 2018/19 that the Scottish Government indicates a transition to the Scottish Living Wage. This meets the full cost of the National Living Wage of £7.50 per hour with associated on costs of 25%. This will cost an additional £1,750,440 in 17/18. If the Scottish Government determines the 1st April 2018 as the transition date to the Scottish Living Wage, based on the current Scottish Living Wage rate, the hourly rate would be increased to £10.56, with a full year impact of £4,866,000. These costs will be met from new funds allocated in 17/18 in respect of the Scottish Living Wage.

It is anticipated that the Scottish Government will provide an imminent further direction with regard to Sleepover payments and the Scottish Living Wage.

6. Recommendations

6.1 The IJB Finance and Audit Committee is asked to:

- a) note the decision to extend the 2015 Framework Agreement for Selected Purchased Social Care Supports (the Framework) until the end of January 2019; and
- b) agree the offer to providers giving a choice of retaining their agreed existing sleepover rate or moving to a transitional sleepover rate set by GCHSCP within a GCHSCP agreed budget. The vast majority of sleepover support is provided under the Framework contract so this offer will apply to Framework providers. It will also apply to sleepover supports provided under some other contracts.

Appraisal of Options for Establishing Sustainable Rates for Sleepover Services

1. Background

The SG has indicated that they are likely to move to payment of SLW for sleepover this financial year. The presumption is that money may be made available to LAs to fund this. This paper seeks to outline the options open to SWS to distribute funding for enhanced sleepover payments should it be available.

2. Options

None of the options available are perfect. Subject to advice from Legal and Audit option 1 is the most straightforward option available to sustain sleepover services whilst policies /strategy is further developed in relation to provision of alternative overnight support models for service users. If it is decided this is not possible under the terms of the Framework then the option of allowing Framework providers to re-submit sleepover rates could be taken.

No	Option	Benefits	Risks
1.	An offer is made to providers that they either: Retain the existing Sleepover rate agreed via the contract or accept the offer of moving to a transitional rate set by SWS.	<ul style="list-style-type: none"> • Sleepover is maintained at a sustainable rate until alternative options can be put in place for service users • Disruption to service users is minimised as far as possible. 	<ul style="list-style-type: none"> • Costs will increase while alternative options for service users are explored and implemented. • Clarification required from Legal Services whether this can be done under the terms of the Framework Agreement
2.	Providers are allowed to resubmit Sleepover Rates set by themselves.	This option fits well with the terms of the Framework Agreement Less resource intensive/quicker to implement in the short term Original system used to rank the Framework can easily be re-calibrated to re-rank using new rates	<ul style="list-style-type: none"> • The cost of this option is less certain than option 1. • Risk of challenge from providers that we are only opening up sleepover rates.

3.	Negotiate with Providers individually	Rates may be more sustainable and in line with the individual Provider's particular viability issues	<ul style="list-style-type: none"> • The cost of this option is less certain than option 1. • Clarification required from Legal Services whether this can be done under the terms of the Framework Agreement • This option is more resource intensive than either of the other two options.
----	---------------------------------------	--	--

3. Strategy Development

This approach would need to go hand in hand with the development of alternative approaches/policy and strategy clarifying GCHSCPs offer to service users on overnight supports.