

THE VALE OF GLAMORGAN COUNCIL

CABINET: 5<sup>TH</sup> SEPTEMBER, 2016

REFERENCE FROM HEALTHY LIVING AND SOCIAL CARE SCRUTINY  
COMMITTEE: 18<sup>TH</sup> JULY, 2016

“182 UPDATE REPORT ON DOMICILIARY CARE WITHIN THE VALE OF  
GLAMORGAN (DSS) –

The Interim Head of Business Management and Innovation presented the report, the purpose of which was to update Members on issues faced by Domiciliary Care providers within the Vale of Glamorgan.

The report advised that there were 39 domiciliary care providers registered with the Council's approved provider list, 36 of these currently supported citizens on a regular basis.

The Independent Sector provided 97% of the care hours commissioned to support the assessed care and support needs of citizens in the Vale. The Vale spent £11,376,567 on domiciliary care in the last financial year, with an anticipated further £2m increase in spending on domiciliary care in this current financial year as demographic factors were causing rising levels of need and demand.

Previously, the Scrutiny Committee received a report regarding the Council's position in respect of 1<sup>st</sup> Grade Care at its meeting held on 4<sup>th</sup> January, 2016. Following that meeting, Members requested a six monthly update on domiciliary providers. Members noted that there had not been any further incidents in relation to 1<sup>st</sup> Grade Care. As planned, 1<sup>st</sup> Grade Care completed all the steps outlined within their Action Plan to the satisfaction of the Council's Contract Monitoring Officers. There had been no further actions taken in regard to this agency.

Members would also be aware that the Vale of Glamorgan Council had recently terminated its contract with Gabriel's Care Limited. This followed a period when the agency was under embargo and an Action Plan had been developed to support the agency to meet required standards. However, although some improvements were noted, these were modest and unsustainable, leading to the Authority's decision to terminate their contract.

Local Authorities in England and Wales were obliged to undertake an annual review of fees paid to providers of care and support services. There was no statutory duty to offer an increase in fees following a review or at any specific time during the financial year or to follow any particular process in calculating appropriate fees. There were however some additional factors that needed to be considered for the

2016/17 financial year, such as changes to legislation and case law that had generated financial pressures for providers of services, including domiciliary care.

The key issues that had caused anxiety for providers in domiciliary care on a national and local basis were as follows:

- Introduction of the National Living Wage for over 25s
- Minimum wage for under 25s
- Payment for all work related time, including the requirement to pay staff for travelling time and
- Auto-enrolment in pension schemes.

The Interim Head of Business Management and Innovation advised Members that in recognition of financial pressure experienced by agencies providing domiciliary care, the Council had awarded a 3.5% increase on hourly rates from 6<sup>th</sup> April, 2016. In the allocated budget for Social Services provision had been made for a 1% increase in the rates paid to domiciliary care agencies. All providers within the Vale of Glamorgan were informed of this decision and were also given the option of meeting with the Authority's officers if they felt that the increased fees would have an adverse and unsustainable impact upon the financial viability of their business.

Nine providers of domiciliary care had met with officers of the Council to discuss the implications of the 3.5% fee increase. The majority of agencies proposed that, if they were to meet the contractual arrangements of the Council and remain financially viable, any increase in fees this year would need to be in the region of 7-8%.

The Chairman, in querying whether the providers were content with the 3.5% increase, was advised that there was a variety of differences with each individual provider. A Committee Member stated that a concerning scenario was the additional £2m that had been identified in relation to cost pressures and that this represented a 16% increase for agencies which was at odds with the 3.5% that had been offered. The Committee Member also queried previous proposals around a monthly / year agreement and he questioned the timescales in relation to the implementation of this. In reply, the Interim Head of Business Management and Innovation stated that it was important to clarify for Members the process involved with care agencies. She summarised that overall, a 3.5% increase had been offered and implemented and that of the 39 agencies in the Vale, only nine had come back to seek an opportunity to discuss this with Officers. At present, the Council was working with these providers and was undertaking an evaluation of their business situations in order to ensure service continuity. With regard to the £2m increase, the Committee noted that this was based on demand for services and growth and was not related to the change in fees. A big part of the increase costs for providers related to the National Living Wage, around which, the South East Wales Improvement Collaborative was undertaking work to evaluate the impact. In addition, a review was being undertaken by the Care and Social Services Inspectorate for Wales (CSSIW) around the domiciliary care market in Wales, which would be reported on in September 2016.

With regard to the monthly / year agreement with fees, the Committee was reminded that this related to the residential care sector, which was a three year arrangement. It was recognised that discussions for next financial year would need to commence, but the Interim Head of Business Management and Innovation indicated that this would be following conclusion of discussions regarding this year's rates for individual care homes. She further advised that under the Social Services and Wellbeing Act, there was the requirement to jointly commission care home placements and that this work would also be commencing in the Autumn, but that preliminary discussions had already taken place.

As a follow up to the comments relating to domiciliary care, a Committee Member stated that it was important to ensure that there was not a 'race to the bottom', in which, the Council provided barely acceptable levels of care. He expressed concern around the need to provide appropriate training and that commissioning of services might be based solely upon costs. In reply, the Interim Head of Business Management and Innovation stated that quality of care was a critical factor and this was why the Council requested to evaluate the business models of care agencies and was why the Service required agencies to be compliant with regulations. She also indicated that a lot of discussion was planned on outcome based commissioning for the domiciliary care provision.

#### RECOMMENDED –

- (1) T H A T the contents of the report be noted.
- (2) T H A T the Vale of Glamorgan's response to provider performance concerns, including actions being taken to improve the monitoring of providers' performance and the support offered to provider organisations be noted.
- (3) T H A T the report be referred to Cabinet for its consideration.
- (4) T H A T the Action Plan related to Operation Jasmine and the proposed joint work with Cardiff Council be noted.
- (5) T H A T the Scrutiny Committee receives an update report in six months' time.

#### Reason for recommendations

(1-5) To ensure that Members continue to exercise effective oversight of the important functions undertaken by the Social Services Directorate.”

Attached as Appendix – [Report to Healthy Living and Social Care Scrutiny Committee](#): 18<sup>th</sup> July, 2016