

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**5 April 2016**

**REPORT OF THE STRATEGIC DIRECTOR - ADULT CARE**

**INDEPENDENT SECTOR HOME CARE FEES 2016-17**

**ADULT SOCIAL CARE**

**1 Purpose of report**

To seek Cabinet approval;

- to increase fees for independent sector home care from 1<sup>st</sup> April 2016, by 6.1% on all hourly rates
- to increase all travel/visit rates by 6.1% from 1st April 2016
- to introduce a weekend sitting rate of £9.92 per hour from 1<sup>st</sup> April 2016
- to introduce a minimum call time of 30 minutes for all new packages located in rural parts of the county.
- to introduce a new model of travel payments with the funding being allocated by the postal ward where a client lives.
- make an inflationary payment of up to 6.1% for specialist home care placements where evidence is provided of inflationary pressures
- to make an inflationary payment of 0.69% on all home care fees from 1<sup>st</sup> October 2016

**2 Information and Analysis**

There are approximately 3,700 people currently in receipt of home care support from up to 50 independent sector home care providers, which is equivalent to 70% of the home care market.

The Derbyshire Homecare Association ("the Association") represent many of the home care providers. It has requested, on behalf of their members, that the Council consider an increase in fees for 2016/17 to assist with meeting costs associated with the introduction of the National Living Wage. Adult Care has also received additional requests from other providers not represented by the Association for a fee increase to reflect inflationary pressures. The last fee increase paid to independent sector home care

providers was in October 2015 following an increase in the National Minimum Wage.

For a detailed explanation of the providers' concerns, Cabinet Members should read recent correspondence between the Association and the Council can be found at Appendices 4-6. The Council will further respond to the Association following the decision by Cabinet in respect of 2016-17 fee rates.

## **2.1 Costs Highlighted by Home Care Providers**

### National Living Wage

Provider representatives have identified that the minimum wage is due to increase by 7.5% for staff aged 25 and over from 1 April 2016 (from £6.70 per hour to £7.20 per hour). They note in their letter of the 28<sup>th</sup> January 2016 that they have very few staff aged under 25 and that they do not want a two level pay system, as this would be detrimental to recruitment and retention of under 25's to the industry.

#### Council response

In responding to the providers' request for an inflationary fee increase, the Council has identified the main budget headings that need to be considered when setting home care fee rates. Appendix 1 details these headings and proposed inflationary increases as set out below.

From April 2016 providers will be required to pay all staff over 25 at the National Living Wage which is equivalent to a 7.5% increase on the minimum wage rate set in October 2015.

To reflect the National Living Wage the Council has decided to apply an inflationary increase on staff costs of 6.38%. This increase has been calculated to reflect that Skills for Care National Minimum Dataset for Social Care in Derbyshire (NMDS-SC) as at September 2015 which recorded that 85% of care staff in Derbyshire are over 25.

### Auto pension enrolment

The required auto pension enrolment was another area that provider representatives felt the Council should build in to the fee rate increase. As part of these changes providers will need to make a pension payment of 1% for all eligible staff.

## Council response

The auto-enrolment pension scheme has been subject to a national introduction over the past few years. From 1st April 2015 all providers had to enrol all staff into a pension scheme. It has been nationally accepted that the additional costs to a provider will be in the region of 1% on their staffing bill for 2016/17. It is therefore proposed that overall staff costs should be increased by 1% to enable providers to meet this new requirement.

## Sitting services

The current sitting service (where no personal care is provided) rate paid by the Council is £8.58 per hour. Providers have expressed concern that this rate provides little flexibility and have requested an increased rate specifically for evenings and weekends to help attract more staff to undertake these duties.

## Council response

The Council contracts, in exceptional circumstances, for the provision of a sitting service to be available at any time, day or evening (until 8pm). Often this service is to provide respite for a carer. The sitting service worker does not provide personal care, practical home care or independent support, but rather ensure the person is safe and responds appropriately to their client's needs during the stay.

The Council already pays an additional amount for weekend and evening personal care calls and it is therefore proposed that an additional rate is introduced for these periods for sitting services. It is proposed that this additional rate is set at 80p per hour extra to assist providers with recruiting and retaining staff to work particularly at weekends. This difference of 80 pence per hour is the same as currently allocated for night time and weekend personal care calls.

## Travel time

The Association have highlighted that when Her Majesty's Revenue and Customs (HMRC) undertake checks of payment of wages by home care providers they are focused on ensuring that providers pay their home care staff at least the minimum wage for their travel time between calls. The Association would like the Council to ensure that the travel rates paid reflect journey time.

Provider representatives also expressed concern about the three travel rates currently paid by the Council. For each visit to a client's home the Council pays an additional amount to assist with covering the wages of the staff

member and any additional costs. Providers argue that the current travel rates create anomalies since the higher “rural” rate paid in High Peak and Derbyshire Dales is paid in areas of high population density such as Buxton and Glossop as well as the more rural locations.

The Association have suggested that to improve the chances of support packages in rural locations it is preferable for the length of visit to be a minimum of 30 minutes. Without this minimum call time it is argued by The Association that workers are reluctant to make long journeys to the call and back for 15 minute calls.

### Council response

The Council makes an additional payment per home care visit to assist providers in paying staff travel time and to meet the costs incurred by staff. The National Minimum Wage rules require home care providers to count travel time between visits towards the calculation of working time. Although travel expenses have remained steady the impact of the National Living Wage means that providers should have to pay staff more to compensate for the travel time element. It is proposed that the current travel rates are inflated in line with the proposed standard 6.1% inflationary increase for home care which has been calculated to take account of the impact of the National Living Wage.

### Travel payments

As noted the Council pays an additional amount to providers for each home care visit to assist providers to meet costs associated with travelling from one call to the next. There are currently three values as shown in the table below:

<b>Current</b> Allocation by District and Borough (2015 - 2016)	<b>Current</b> Payment per Visit (2015- 2016)	<b>New</b> proposed allocation of payment to be identified by Postal Wards	Proposed <b>New</b> Rate increase of 6.1%
Chesterfield	£1.70	Urban	£1.80
High Peak/Dales	£2.95	Rural	£3.13
Other Areas	£2.40	Semi-Rural	£2.54

As noted by provider representatives, one anomaly of these arrangements is that providers operating in densely populated areas of Derbyshire Dales District e.g. Ashbourne, Matlock, Bakewell and High Peak Borough e.g. Buxton receive the highest rural payment.

The highest travel payment is meant to encourage take up of new work in the more rural parts of these districts and boroughs. It is noted that encouraging providers to take on new work in isolated rural areas is always challenging. Difficulties in covering these home care calls can often result in delayed hospital discharge.

#### Council response

It is proposed to introduce a new model of travel payments with the funding being allocated by the postal ward where a client lives. This will assist in differentiating between whether the client lives in a more densely populated urban area or whether they live in a sparsely populated rural community.

It is proposed that these new travel fee arrangements would be adopted from 13<sup>th</sup> April 2016. All new work would be set up using these new arrangements. The travel payments against the current packages of care would be inflated as detailed in this report however it is not proposed to change any of these payments to reflect the new bandings. It is expected that this transitional implementation of the allocation of new travel rates will be cost neutral and give providers time to reposition their budgets to accommodate the change.

As per the providers request it is also proposed that a minimum call time of 30 minutes be introduced for all new packages located in rural parts of the county.

#### Training Days

The Association, in their letter of 21<sup>st</sup> February 2016, challenged the number of training days allowed for in the Council's assumptions used when calculating the fee rates. The Council have previously funded up to 3 days training in the fee model whereas The Association would like up to 5 days in the calculation to reflect the 2 days training on moving and handling and management of medication each year. They would also like a further 3 days each year to assist with meeting 9 other different training requirements.

#### Council response

The Council notes the concerns highlighted by Providers that the calculation of fee rates should in their view take further account of the training requirements for their staff. It should be noted however that the expectation for yearly management of medication training is only required of providers in

receipt of the Quality Premium payment and the costs of this training are to be met from this additional payment.

The Council will continue to offer free access to Council run training courses many of which contribute towards the Care Certificate. The Council will also explore with Skills for Care and local training centres other ways to promote and support workforce development. It is also proposed to review the training requirements of the Council to identify whether there are alternative methods to achieve required standards. For instance Providers will be encouraged to link their staff with the free e-learning training packages offered by the Council. Appendix 5 details the current Council training offer.

### Staff recruitment and retention

Providers have also previously expressed concern about how low wages in the sector impact on their ability to recruit and retain sufficiently well trained staff.

#### Council response

It is nationally recognised that there are particular problems with encouraging people to consider a career in providing care. This is no different in Derbyshire with providers regularly alerting us to their problems with recruiting and retaining staff. The workforce has a high level of turnover and although some of this movement may be between jobs in the sector, providers are frequently losing staff in whom they have made a considerable investment in terms of training and development. This can create real instability in the market.

The recruitment and retention of staff is particularly problematic in the more rural parts of the county. The impact of the difficulties in recruiting staff is that Adult Care is unable to arrange packages of care.

It is considered that the proposals made within this report to increase home care fee rates for the second time in twelve months following a fee increase on the 1<sup>st</sup> October 2015 to reflect the National Minimum Wage will help local providers to recruit and retain staff.

### Increase in Care Quality Commission registration fee, business rates and other cost increases.

Providers have also expressed concerns about other inflationary pressures including concerns about a proposed increase of between 72% and 180% on their yearly Care Quality Commission ("CQC") registration fee.

## Council Response

The CQC are required by the Government to achieve full chargeable cost recovery over a defined timescale which has led to this proposed increase in their yearly registration charge. In order to assist providers with meeting this overhead it is proposed to increase 50% of head office costs as shown in Appendix 1 by 2%. It is calculated that based on the average of 900 commissioned hours per provider per week this will enable providers over a year to build up the necessary funding to respond to the lower of the two proposed CQC increases.

### **2.2 Risk Analysis**

It is likely that if the Council does not make an increase in payment to reflect the increase in National Living Wage arrangements that the Council could be challenged by the Association about The Council's commitment to promote fair and equitable working arrangements for independent sector workers.

There is also a concern that the recruitment and retention of care staff is very difficult because of the low pay in the sector. This means that providers do not always have the staffing capacity to provide services to meet clients' needs in a timely way which results in people having to wait for a care package to be set up. Delays in setting up new home care packages can result in people spending longer in hospital than they need to, or being admitted into a care home for a short period of time until a home care package can be set up.

### **2.3 Proposals**

The impact of these proposals is shown below. The proposed increase in fee rates will not impact on the level of Quality Premium payment. This quality premium is a payment made to providers who have evidenced that they have met a set of additional standards particularly in respect of training their staff. The majority of providers now receive this payment.

### **Proposed Independent Home Care Spot Contract Fees from 1<sup>st</sup> April 2016**

None of the following service types can have a commissioned call length of less than 15 minutes

## Non-Quality Premium rates

Service type		£
Day Time	7am-8pm	11.88 p/h
Night Time and Weekends	8pm-7am	12.60 p/h
Sleep In 9 hours	10pm-7am	59.22
Sitting Service	Day	9.12 p/h
	Weekend	9.92 p/h
Living In Care		1099.35 p/w

## Quality Premium rates

Service Type		£
Day Time	7am-8pm	12.60 p/h
Night Time and Weekends	8pm-7am	13.20 p/h
Sleep In 9 hours	10pm-7am	65.52
Sitting Service	Day	9.84 p/h
	Weekend	10.64 p/h
Living In Care		1165.85 p/w

## 2.4 Benchmarking

The proposed fee rates for the provision of home care in Derbyshire although lower than authorities local to Derbyshire they are in fact comparable once travel rates are included. The fee rates for the other local authorities are before any inflationary increases for 2016/17. It is understood that increases between 5 and 10 % are being considered by other authorities.



Derbyshire	£11.88 - £12.60	(Proposed Day rate without travel payment)
Nottinghamshire	£12.70 – £13.20	tendered values inclusive of travel – (rates for additional capacity £13.50 - £17.58)
Derby City	£ 12.72	inclusive of travel
Tameside	£ 12.81	Inclusive of travel

### **3. Impact of the Proposals on Specialist Home Care Fees for other Client Groups**

The proposals made in this report, and summarised in Appendix 1, focus on the basic fee rates for the provision of home care. The Council also funds specialist home care services for people who live in supported living care settings.

Supported living is an alternative to residential care, providing home care support and accommodation to people who are assessed as eligible for adult care services. In a supported living service, the housing provider and support provider are separate, and the client is a tenant. Accommodation is homely not institutional with clients contributing directly to daily tasks around their own home.

Specialist home care providers receive higher hourly fee rates that reflect the greater investment in staff and training to meet an individual's needs. It is proposed that an increase in payments of up to 6.1% can be agreed with providers that provide specialist home care provision in supported living care settings where they can evidence that their costs have increased in.

#### **3.1 National Minimum Wage Increase from 1<sup>st</sup> October 2016.**

The Government announced on the 14<sup>th</sup> March 2016 that the minimum wage rates for staff under the age of 25 would be subject to increases in hourly rates. The standard rate of the national minimum wage for 21- to 24-year-olds will increase by 3.7% to £6.95 per hour, after the Government accepted recommendations for the new rates from the Low Pay Commission (LPC).

This paper has focused on 85% of the workforce being impacted by the introduction of the National Living Wage due on the 1<sup>st</sup> April 2016. It is proposed that a further increase is implemented from the 1<sup>st</sup> October 2016 to take account of the Minimum Wage increase that is likely to impact on the other 15% of the workforce.

The impact of the additional Minimum Wage payment from 1<sup>st</sup> October 2016 will be a further increase of 0.69% on homecare fee rates. Appendix 7 shows the calculation of how this Minimum Wage increase will impact on overall fee levels. Appendix 8 details how this increase is translated into new fee levels from 1<sup>st</sup> October 2016. Because a number of the rates have to be rounded up to allow them to be divisible by 12 to facilitate 5 minute billing it is proposed not to inflate the travel rates.

#### **4 Financial Considerations**

The proposed increase of 6.1% on homecare fees and travel rates from 1<sup>st</sup> April 2016 would cost £1.820m. The proposed increase of 6.1% from 1<sup>st</sup> April 2016 on specialist homecare fees will cost up to £1.117m. The proposed increase of 0.69% on fees to be implemented from 1<sup>st</sup> October 2016 would cost an additional £0.120m on homecare fees and up to £0.074m on specialist homecare fees.

#### **5 Legal Considerations**

In considering this report Cabinet must give careful consideration to the representations from Derbyshire Homecare Association set out in Appendix 4. The rates should also take into account the legitimate current and future costs, and the potential for improved performance and most cost effective ways of working.

In accordance with the Care Act 2014, the Council is under a new duty to promote diversity and quality in the market of care and support provision. The Council is satisfied that the methodology used in calculating the proposed fee increase is equitable and properly reflects the increased cost pressures highlighted by the providers

#### **6 Other Considerations**

In preparing this report the relevance of the following factors has been considered: environmental, prevention of crime and disorder, equality and diversity, human resources, health, property and transport considerations.

#### **7 Key Decision**

Yes

#### **8 Is it necessary to waive the call-in period?**

No

## **9 OFFICER'S RECOMMENDATION**

That Cabinet agrees:

- the proposed fee increases for the independent sector home care fees from 1<sup>st</sup> April 2016, by 6.1% on all hourly rates for home care
- an increase of 6.1% on all travel/visit rates from 1<sup>st</sup> April 2016
- the introduction of a weekend sitting rate from 1<sup>st</sup> April 2016 of £9.92 per hour
- the introduction of a minimum call time of 30 minutes for all new packages located in rural parts of the county
- the introduction of a new model of travel payments with the funding being allocated by the postal ward where a client lives
- to make an inflationary payment of up to 6.1% for specialist home care placements where evidence is provided of inflationary pressures;
- to make an inflationary payment of 0.69% on all fees from 1st October 2016;

**Joy Hollister  
Strategic Director – Adult Care  
County Hall  
MATLOCK**

## Appendix 1

### Proposed Home Care Fee Rate 1st April 2016

2016/17	Actual	% Increase	
Hourly Wage	7.20	6.38%	7.65
Employers NI above £155 per week	0.25	15.22%	0.29
Pension Auto Enrolment 1%	0.07	1.00%	0.08
<b>Total Hourly staff cost</b>	<b>7.52</b>	<b>6.9%</b>	<b>8.03</b>
Holiday pay 4 weeks	0.58	6.9%	0.62
Sickness pay 2 weeks year	0.29	6.9%	0.31
3 training days per year	0.09	6.9%	0.10
Bank holidays 8 days per year	0.23	6.9%	0.25
<b>Net Hourly Rate</b>	<b>8.71</b>		<b>9.31</b>
Head Office	2.48	50% of cost 2%	1.26
		50% of cost 6.9%	1.32
<b>Total Hourly rate</b>	<b>11.19</b>		<b>11.89</b>
<b>Divisible by 12</b>	<b>11.20</b>		<b>11.88</b>
<b>Increase of 6.1%</b>			

## Appendix 2

### Assumptions Used in Calculating Fee Rates

- Contribution towards hourly wage has been increased by 6.38% based on 15% staff under 25 in carer roles in Derbyshire This has been calculated to reflect that National Minimum Dataset for Social Care (NMDS-SC) as at September 2015 which recorded that 85% of care staff in Derbyshire are over 25.
- Employers pay 13.8% NI Ers above £155 per week
- Holiday Pay is calculated at 4 weeks plus an additional 8 days bank holiday entitlement. This is equivalent to 5.6 weeks statutory minimum annual leave entitlement.
- Staff on- costs and increased by 6.9% to reflect impact of living wage increase
- Head office costs - judgement that 50% of costs attributed to business are low paid staff costs so increase by 6.9%
- CQC registration fees are subject to consultation either 72% increase in fees or 180% increase in fees, equivalent to £573 to £1433 per year – to assist with meeting this overhead it is proposed to increase the other 50% of head office costs by 2%. It is calculated that based on the average of 900 commissioned hours per provider per week this will enable providers over a year to build up the necessary funding to respond to the lower of the two proposed CQC increases.

### Travel rates

Previously allocated Areas		Allocation by wards new services only
Chesterfield	1.80	Urban
High Peak/Dales	3.13	Rural
Other Areas	2.54	Semi Rural

### Ward Identification

1 Hectare = 2.5 acres

**Rural** Ward population density per hectare is largely below 1 person

**Semi Rural** Ward population density per hectare is largely between 1 and 4 people

**Urban** Ward population density per hectare is largely over 4 people

## Appendix 3

### Proposed Independent Home Care Spot Contract Fees from 1<sup>st</sup> April 2016

None of the following service types can have a commissioned call length of less than 15 minutes.

#### Non-Quality Premium rates

Service type	£	Divisible by
Day Time 7am-8pm	11.88 p/h	12 to allow 5 minute billing
Night Time 8pm-7am and Weekends	12.60 p/h	12 to allow 5 minute billing
Sleep In 10pm-7am 9 hours	59.22	9 to reflect no of commissioned hours
Sitting Service Day Weekend	9.12 p/h 9.92 p/h	4 to allow for 15 minute billing
Living In Care	1099.35 p/w	7 to allow for daily billing

#### Quality Premium rates

Service Type	£
Day Time 7am-8pm	12.60 p/h
Night Time and Weekends 8pm-7am	13.20 p/h
Sleep In 10pm-7am 9 hours	65.52
Sitting Service Day Weekend	9.84 p/h 10.64 p/h
Living In Care	1165.85 p/w

**All of the above rates are inclusive of Bank Holiday payments**

## Appendix 4



Chair: Stephen Sowden  
c/o Pegasus Care Ltd  
Dunston House  
Dunston Road  
Chesterfield S41 9QD

01246 202404  
[Pegasuscare@btconnect.com](mailto:Pegasuscare@btconnect.com)

Dear Joy & Colin,

At the DHCA Annual General Meeting yesterday the following committee was elected.

Chair; Stephen Sowden [pegasuscare@btconnect.com](mailto:pegasuscare@btconnect.com)  
Vice Chair Elizabeth Kerry [e.kerry@btopenworld.com](mailto:e.kerry@btopenworld.com)  
Treasurer; Steve Harris [steveharris@medilinenurses.co.uk](mailto:steveharris@medilinenurses.co.uk)  
Secretary; Sally Hughes; [sally.hughes@radis.co.uk](mailto:sally.hughes@radis.co.uk)

Below I give details of the outcomes of our discussions on pertinent points from our meeting.

1, From the returns from the 12 replies received, the number of staff under 25 averages out at 10.2%, although one agency was as high as 30%.

The overall feeling is that we do not want a two level pay system, as this would be detrimental to recruitment and retention of under 25's to the industry.

2. Unpaid 'invoices' to agencies.

Once again there are major complaints regarding outstanding debts by DCC to agencies. At the meeting yesterday it averaged out amongst twelve agencies that DCC owe in excess of £100K!

The failing is not with Matlock but with the Field Work teams who are failing to request new or revised Purchase orders from Darren Bateman's Purchasing/support team. E-mails to Group Managers fail to resolve the situation as they seem to be forwarded on to workers or managers who have already failed to respond.

As requests in the past only result in on or two representatives attending, the Association requests that some service managers are instructed to attend our next meeting on Wednesday 6 April at The Hub, South Normanton DE55 2AA at 2.00pm to offer their solutions to this major problem.

It is ironic that this issue has come to light when there is to be a meeting on Market Failures in March.

3. A discussion around TRS took place and the difficulty in contacting someone as the role has now moved to Diane Shaw who is only part time in the role and she says that there is no cover on the days when she is not in. A contact is required for when the system fails, as has occurred frequently over the past two weeks.

4. A long discussion took place around Colin's memo before Christmas, asking us to look at if packages could be reduced in time/times changed, and also the frequent "lack of provision" notices from brokerage. Most agencies do try and reduce or change packages appropriate to client needs. The stumbling is again field work, who fail to respond to the request or tell agencies to continue as it is as they may deteriorate again (reluctance to change purchase order?). Some workers hold a review and change the PO without inviting the agency or even consulting with them, and frequently get the PO wrong.

With regard to Brokerage problems there are more requests for 'double up packages' of one worker for say 45 mins and the second for 30 mins and other calls where one worker is for 15 mins less than the other. Many agencies expressed concern that these are difficult to cover as 2 staff tend to work as a team covering double-ups and it leaves staff with unpaid time whilst waiting for the other worker. It would be better if a more consistent approach could be adopted where both staff are there for the same length of time this would also provide more consistency of staff to the client. Derby City have already looked at and are adopting this change.

With regard to changing times, as has been suggested, we do not feel this would be acceptable to CQC without the SW discussing with the client and re-writing the care plan, as we are frequently subjected to SW complaining to us that the calls are not as stated on the Care Plan either through looking at TRS or holding a review which again we are not invited to.

We would like brokerage and field workers to look at the practicalities of 15 min calls in semi- rural locations where due to its location it takes 15 mins to travel there and 15 min to travel back. These calls, as a result of travel time, are loss making. In some rural locations the worker needs to visit the home, not rely on a location search of the post code, as the property can be 1-2 miles from where the location is shown on the map. I looked at one which was 1.5 miles down a single track road half a mile being an unmade track.

5. We are dismayed at the proposed increase in CQC fees of at least 72%.



As we may not be able to meet before you have to submit reports to cabinet, I feel the above information may be of use.

Kind Regards

Stephen Sowden  
Chair

## Appendix 5



Stephen Sowden  
Chair  
Derbyshire Home Care Association  
c/o Pegasus Care Ltd  
Dunston House  
Dunston Road  
Chesterfield S41 9QD

**Joy Hollister**

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Dear Mr Sowden

Re: Proposed Home Care Fee Rates 2016 – 2017

Thank you for your recent email dated 28<sup>th</sup> January 2016 and attached letter detailing the Association's proposals for next year's fee levels. We will of course consider your views alongside the Council's proposals detailed in this letter.

Following Cabinet approval of the Council's budget I am now able to write to advise you of the proposed home care fee rates for 2016-2017. The method for identifying the proposed fee rates builds on the cost model previously used for 2015-2016 fee levels detailed in the paper presented to Cabinet on the 22<sup>nd</sup> September 2015. See appendix 1.

The cost headings used to identify the 2015 -2016 fee levels have been inflated based on a set of assumptions about inflationary pressures paying particular attention to the introduction of the National Living Wage in April 2016. The assumptions used in determining the proposed fee increase are detailed in Appendix 2.

The outcome of this work is that the Council is proposing to increase fee rates by £0.68 per hour from 1st April 2016 which is equivalent to a 6.1% increase. This proposed increase is made in light of the continued Council budget pressures. Appendix 3 attached shows how this increase will be translated into weekly costs for each client group.

I can also advise that it is proposed that the current travel rates will also be increased by 6.1% in line with the overall fee rate increase. It is proposed that from

the 18<sup>th</sup> April 2016 all new work will be allocated a travel rate based on the ward where each client lives. The three travel rates will be maintained however their allocation will be determined on the local population density of each of the wards. This will ensure that travel payments across the county can be more sensitive to when a support package is in rural sparsely populated ward or in an urban densely populated area. It is proposed to only introduce this for new packages; current packages will stay with the current allocated travel rates. I am afraid we will not be able to respond to requests to change any of these 'old' rates to fit with the new proposed arrangements.

It is also proposed to introduce a new sitting service rate with an additional amount allocated for weekends. Sleep-in payments will be increase in line with the proposed increase of 6.1%. The Council will reconsider this when and if guided to do so by Her Majesty's Revenue and Customs.

A Cabinet Paper detailing the Council's proposals will now be prepared and I would be happy to include any further comments from you on behalf of the Derbyshire Home Care Association on the proposals summarised in this correspondence. I would appreciate it if you could advise me of your comments by 22<sup>nd</sup> February 2016 as it is planned that these proposals will be presented to Cabinet on the 5<sup>th</sup> April 2016 with fees backdated to 1<sup>st</sup> April 2016. This will then give the Council time to reflect on the Association's proposals detailed in your recent email and any further comments you would like to submit.

Yours sincerely

**Joy Hollister**  
**Strategic Director, Adult Care**

## Appendix 6



Chair: Stephen Sowden  
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21 February 2016

Dear Joy

Thank you for your letter and attachments regarding the proposed increase in fees.

I have consulted with the members who accompanied me to our meeting with you last year, and we have the following concerns and observations.

1. We are very disappointed with the proposed rates, having understood from your letter that the Council is proposing a 6.1% increase. Our calculations indicate that this equates to 6.1% for Non Quality Premium agencies, but only 5.64% for Quality Premium Agencies.

We show our calculations below:

<u>Non-Quality Premium rates</u>		Sep-15	Apr-16	Percentage uplift
Service type		£	£	
Day Time	7am-8pm	11.2	11.88	6.1%
Night Time	8pm-7am and Weekends	11.92	12.64	6.0%
Sleep In	10pm-7am	55.86	59.22	6.0%

9 hours				
Sitting Service	8.58	9.12	6.3%	
Living In Care	1036.12	1099.32	6.1%	Average 6.1 %

Quality Premium rates

Service Type	£	£		
Day Time 7am-8pm	11.92	12.6	5.7%	
Night Time 8pm-7am and Weekends	12.52	13.34	6.5%	
Sleep In 10pm-7am 9 hours	62.24	65.52	5.3%	
Sitting Service	9.3	9.84	5.8%	
Living In Care	1100.1	1163.2	5.7%	Average 5.64%

Travel rates

Chesterfield	1.70	1.80	5.9%	Urban
High Peak/Dales	2.95	3.10	5.1%	Rural
Other Areas	2.40	2.50	4.2%	Semi-rural
Average 5.07%				

Would it be possible for you to return to these calculations?

Other observations are:-

2. Holiday Pay – the statutory amount of Holiday pay is now 5.6 weeks. Calculations need use the 12.07% minimum calculation which ensures that the statutory 28 days annual leave is accrued for.

3. Travel Time, a topic which HMRC are very keen on, does not appear to have been taken into calculations. 15 mins Travel Time amounts to a payment of £1.80, added to this are elements for NI and pension. Even in urban areas extenuating conditions (traffic, roadworks, accidents) can result in 15 minutes travel.
4. Training Days, you have allowed for 3 days, however new staff require 5 days class room training in addition to field work training, to meet the Care Certificate Requirement.  
As per terms & Conditions, existing staff require 2 days update training every year on Medication and Moving & Handling (although we understand DCC staff only revise Medication every 3 years! Why the difference?)  
Additionally all staff require update training on at least 9 different topics which averages out to 3 days per year.  
This indicates that if the 3 days in your calculations is the expectation, then standards will fall, and we will not be able to pay staff to undertake extra training ie level 2 unless they choose to fund themselves, voluntarily.
5. We have concerns over 15 minute calls in rural and semi-rural areas where travel time can amount to in excess of 15 minutes each way for the call.  
Assuming there is a 30 minute element of travel plus the 15 minute call this would create a payment to the carer of £5.40.  
We would receive on the semi rural rate of £5.25 or a Rural rate of £6.25.  
The first rate is a loss situation and the second leaves little to cover all other costs. We also find that staff are also reluctant to take on a 15 min call when they spend more time travelling than at the call.
6. There is assumption that 15% staff are under 25. This is more than we have, and we have recognized the need to pay ALL staff at NLW (something that many other sectors are doing), since it is administratively difficult to separate, and also unfair and won't encourage new young staff to come into social care.
7. The head office costs do not appear to allow for the substantial increases we may incur in business rates, CQC fees, and other

increases on basics and compulsory purchases. (insurance and disposables).

8. With regard to the change to travel rate allocation we would be grateful if we could have more in depth details of how this will be implemented. Perhaps Colin Selbie could supply more details.

We do feel that a further meeting with yourself and Colin would be advantageous. As discussions and a greater understanding of the "global" situation would enable me to offer a better explanation to members of the Association.

Yours Sincerely

Stephen Sowden  
Chair

## **Appendix 6**

### **Adult Care Learning and Development Activity: Private, Voluntary and Independent Sector Care Providers (PVI)**

#### **Current provision:**

All DCC learning and development courses are at no cost apart from first aid and basic food hygiene where there is an external cost for the certificate.

The PVI sector providers are allocated 50% of the places on all of the courses.

#### **PVI Course Preferences:**

There are distinct courses that PVI sector provider's access; they are not attending the entire Care Certificate programme. However, they do dip into some of the courses that make up the programme.

- Safeguarding recognising and alerting others to abuse. 1 day
- Tissue viability. ½ day
- Infection control. ½ day
- Dementia awareness. 1 day
- Autism awareness. 1 day
- Administering medication in the community. 1 day
- Administering medication in care homes. 1 day
- First aid 1 day
- Moving and handling core modules
- Moving and handling updates ½ day
- Leadership and management 6 modules.

#### **Information packs (training materials) E-learning**

These can be accessed by providers through the DCC website and the EPDR learning platform.

Information packs can also be accessed through the DCC website.

- Principles of the Mental Capacity Act and DoLS.
- Infection control
- Tissue viability
- Medication awareness
- Fire safety
- Fire evacuation
- Care in safety
- Personal safety

#### **Additional Support**

When requested a representative from AC learning and development will visit a provider that has been issued with a notice of removal of registration. Or that contracts have identified as being of concern. They will offer advice on what training is required and how it can be accessed and support the manager to develop a learning and development action plan. Where providers are at risk through lack of



training learning and development will support with some in house training for the service as part of their action plan.

AC learning and development are currently working with providers to make best use of training rooms they may have. L&D will provide training courses they are interested in at their venues, the provider will have 25% of the places, and other providers will have access to the remaining places. Some of the venues are in areas of the county that are difficult for staff to travel from; this may be a solution to cutting down travel time and costs.

## Appendix 7

### Proposed Home Care Fee Rate from 1st October 2016

2016/17	Actual	% Increase	
Hourly Wage	7.20		
85% at National Living Wage		6.38%	
15% of staff at Minimum Wage From 1 <sup>st</sup> October 2016		0.55%	
Overall Increase from 1st Oct 2016		6.93%	7.70
Employers NI above £155 per week	0.25	26.95%	0.31
Pension Auto Enrolment 1%	0.07	1.00%	0.08
<b>Total Hourly staff cost</b>	<b>7.52</b>	<b>7.53%</b>	<b>8.09</b>
Holiday pay 4 weeks 0.62	0.58	7.53%	0.62
Sickness pay 2 weeks year 0.31	0.29	7.53%	0.31
3 training days per year 0.10	0.09	7.53%	0.10
Bank holidays 8 days per year 0.25	0.23	7.53%	0.25
<b>Net Hourly Rate</b>	<b>8.71</b>		
Head Office	2.48	50% of cost 2% 50% of cost 7.53%	1.26 1.33
<b>Total Hourly rate</b>	<b>11.19</b>		<b>11.96</b>
<b>Divisible by 12</b>	<b>11.20</b>		<b>12.00</b>
<b>Increase of 6.79%</b>			

## Appendix 8

### Proposed Independent Home Care Spot Contract Fees from 1<sup>st</sup> October 2016

None of the following service types can have a commissioned call length of less than 15 minutes.

#### **Non-Quality Premium rates**

Service type	£	Divisible by
Day Time 7am-8pm	12.00 p/h	12 to allow 5 minute billing
Night Time 8pm-7am and Weekends	12.72 p/h	12 to allow 5 minute billing
Sleep In 10pm-7am 9 hours	59.67	9 to reflect no of commissioned hours
Sitting Service Day Weekend	9.16 p/h 10.00p/h	4 to allow for 15 minute billing
Living In Care	1106.91 p/w	7 to allow for daily billing

#### **Quality Premium rates**

Service Type	£
Day Time 7am-8pm	12.72 p/h
Night Time 8pm-7am and Weekends	13.80 p/h
Sleep In 10pm-7am 9 hours	65.57
Sitting Service Day Weekend	9.88 p/h 10.72 p/h
Living In Care	1170.79 p/w

**All of the above rates are inclusive of Bank Holiday payments**

**Travel rates will not be increased due to the need to round up hourly rates to enable them to be divisible by 12.**