



# Doncaster Council

## Report

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30<sup>th</sup> June 2020

**To: THE CHAIR AND MEMBERS OF CABINET**

### **SUPPORTED LIVING PROVIDERS HOURLY RATES 2020/21**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
Cllr Rachel Blake	All	Yes

### **EXECUTIVE SUMMARY**

1. The Council commissions a number of Supported Living Services (SLS) for people with learning disabilities. These serve an essential purpose for Doncaster people but also for the Council in relation to good quality, value-for-money support intended for people with complex needs who have traditionally been supported in more restrictive settings at greater cost.
2. Consideration of appropriate inflationary uplift is a contractual provision. SLS providers have not been offered an uplift for 2020/21 yet because of other work pressures brought upon by the Covid crisis. Although providers have been given a significant amount of up-front financial support with cashflow as part of the Council's Covid response, the 2020/21 uplift needs to be addressed so that providers have a sustainable way of supporting inflationary pressures including the National Living Wage increase. The report also seeks to address the overall sustainability of base contract rates to support delivery of Doncaster's strategic housing ambitions for individuals with a learning disability and/or autism as articulated in Doncaster's Learning Disability and Autism Strategy and the Doncaster Growing Together Housing (Homes for All) Programme.
3. The recommended option seeks to support provider financial stability during the COVID 19 crisis and beyond, recognising the cost pressures arising from general inflation that builds up the hourly rate for each provider on a standardised cost basis approach. In doing so providers will be equipped to deliver the strategic priorities of the Council including through delivering overall savings on high cost placements for people with a learning disability.

## **EXEMPT REPORT**

4. The main body of the report is not exempt. However, the appendix to this report is EXEMPT as the subject is a commercially sensitive matter, therefore it is NOT FOR PUBLICATION because it contains exempt information under paragraph 3, of part 1 of schedule 12a of the local government act 1972, as amended, (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

## **RECOMMENDATIONS**

5. It is recommended that Cabinet:

Approves the implementation of option 3 which recognises the costs pressures arising from general inflation (National Living Wage and Consumer Price Index inflation) and also provides a standardised cost basis approach that builds up the hourly rate for each provider.

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

6. Supported Living Services play a key role in enabling vulnerable members of our communities to live more independent lives. The recommended option will:
  - i. Support the stability and sustainability of Support Living Providers increasing their resilience to the financial pressures they face in the delivery of their services providing care and jobs to the people of Doncaster
  - ii. Compliment and support the delivery of both the Doncaster Growing Together Housing (Homes for All) Programme and Doncaster's Learning Disability and Autism Strategy housing work stream by providing support options to enable the range of accommodation solutions being pursued including greater use of existing 'ordinary' housing stock through to bespoke new build 'specialist' housing schemes where such provision is appropriate to meet the needs and aspirations of individuals.

## **BACKGROUND**

7. Supported Living services (SLS) support adults mainly of working age, most often with a learning disability but sometimes other disabilities and health issues also. Supported Living is delivered in relatively small-scale communal settings, with each person typically having their own one or two bedroom apartment. The focus of SLS is helping people with community living, including accessing opportunities that most take for granted, like employment and maintaining social connections. Supported Living has been increasingly seen as a vastly preferable alternative for many adults with a learning disability who have traditionally been placed in care homes with much greater restrictions on their opportunities and their liberty.
8. Benchmarking against other LAs in the region demonstrates that Doncaster's SLS hourly rates are amongst the lowest. The current Supported Living rates are also lower than the Council commissions for homecare. A small differential is to be expected because Supported Living does not involve travel time, but the current differential is creating a recruitment and retention

issue for some providers.

9. The rates also inhibit the strategic objective of the Council, which is to use Supported Living to help people move from much more restrictive often institutional settings where their opportunities are reduced and where the Council often incurs significant additional expense. A low rate for Supported Living reduces the capability of providers to provide the stable and consistent support that people with complex needs require to live safely in these settings. This reduces the ability to help people move into Supporting Living from more restrictive, higher cost settings.
10. The majority of the current Supported Living Services (SLS) contract was awarded in September 2018, with providers bidding for the relevant elements and including an hourly rate for day provision & waking nights as well as sleep-ins between floor and ceiling rate thresholds set by the Council. The contract was awarded to four providers.
11. In July 2019, a fifth provider was awarded a further SLS contract to operate from the former RDaSH residential care homes.
12. It is apparent that the current construct of the individual SLS hourly rates across all five providers is not consistent given the commissioning of these contracts has taken place over a period of time.
13. Consultation has taken place with the Doncaster Clinical Commissioning Group (DCCG) as some care packages are jointly funded.

## **OPTIONS CONSIDERED**

### **14. Option 1: Do Nothing**

This option would not allow providers to meet the statutory obligation to pay the 2020-21 increase in National Living Wage and is not recommended.

### **Option 2: Uplift hourly rates to take account of NLW increase and CPI inflation**

This option would allow providers to meet the statutory obligation to pay the 2020-21 increase in National Living Wage and also address other inflationary pressures via the Consumer Prices Index. However it would not address the impact, sustainability and standardisation issues raised in this report, inhibiting delivery of the strategic ambitions of the Doncaster Growing Together Housing (Homes for All) Programme and Doncaster's Learning Disability and Autism Strategy housing work stream to provide a range of accommodation (and support) solutions to meet the needs and aspirations of people with a learning disability and/or autism so is not recommended. The hourly rates per provider under option 2 are shown in the appendix.

### **Option 3: Uplift based on a consistent cost basis / methodology and appropriate increases for NLW and CPI inflation**

This option would support financial stability to providers, it recognises the costs pressures arising from general inflation (National Living Wage and Consumer Price Index inflation) and also provides a standardised cost basis approach that builds up the hourly rate for each provider. In addition this option will compliment and support the delivery of both the Doncaster Growing Together Housing (Homes for All) Programme and Doncaster's

Learning Disability and Autism Strategy housing work stream by providing support options to enable the range of accommodation solutions being pursued including greater use of existing 'ordinary' housing stock through to bespoke new build 'specialist' housing schemes where such provision is appropriate to meet the needs and aspirations of individuals. The rates would still be towards the lower end compared to other LAs in the region, but closer to the median rate. Individual rate uplifts would range from 3.76% to 7.33%. The hourly rates per provider under option 3 are shown in the appendix. **This is the recommended option.**

## REASONS FOR RECOMMENDED OPTION

15. **Option 3** is the recommended option as it attends to the known inflationary cost pressures and applies a standardized methodology for calculating SLS hourly rates. This option will support provider financial stability and ensure that services will be fit for purpose in delivering the Council's strategic objectives for adults with a learning disability, particularly those with the most complex needs.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

16.

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	Support local providers' stability and sustainability therefore supporting the local Doncaster economy
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	

	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in Doncaster Schools that are good or better</li> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	Support market sustainability, enabling continuity of care for Doncaster's more vulnerable citizens
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	Maintaining value for money services

## RISKS AND ASSUMPTIONS

17. There is a risk to ongoing sustainability within the Supported Living Services market if this matter is not addressed and therefore service continuity related risks for people supported by these services.

## **LEGAL IMPLICATIONS [PC & 02/06/2020]**

18. Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do.
19. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
20. Section 5 of the Care Act 2014 gives the Council a duty to shape and maintain an efficient and effective market of services for meeting the care and support needs in their area. This includes working with providers to understand the true cost of care and minimising the risk of unexpected provider failure. This may involve increasing rates to support the financial stability of providers.
21. Legal Services to assist with formalising any necessary variations to contracts.

## **FINANCIAL IMPLICATIONS [CE 18/05/20]**

22. The cost of this decision is estimated at £841k per annum. The majority of this (£557k) has already been provided for within the AH&WB 20/21 budget – this covers the NLW & CPI only uplift.
23. The residual balance of £284k is the cost of the further uplift to recognise all elements by applying a standardised methodology. This amount will be funded by a virement from the corporately held contingency to the SLS budget within AH&WB. FPRs state that virements between Directorates with a value in excess of £250k must obtain key decision approval.
24. This decision does not change the current charge to the 323 clients of Supported Living Services.

## **HUMAN RESOURCES IMPLICATIONS [AT & 01/06/2020]**

25. There are no HR implications.

## **TECHNOLOGY IMPLICATIONS [INITIAL PW & DATE 02/06/20]**

26. There are no direct ICT implications in relation to this decision. The new rates and effective date will need to be updated in relevant systems, where applicable.

## **HEALTH IMPLICATIONS HC 01/06/20**

27. The change in cost structure will have a neutral effect on health implications.

## **EQUALITY IMPLICATIONS [INITIAL & DATE]**

28. Decision makers must consider the Council's duties under the Public Sector Equality Duty in Section 149 of the Equality Act 2010. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

## **CONSULTATION**

29. Senior Leadership have been consulted with during the completion of this report.

## **BACKGROUND PAPERS**

30. There are no background papers to this report.

## **REPORT AUTHOR & CONTRIBUTORS**

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