



Northumberland

County Council

RECORD OF DECISION TAKEN IN CONSULTATION WITH THE LEADER ON GROUNDS OF URGENCY

Decision maker: Daljit Lally, Chief Executive, in consultation with Cllr Glen Sanderson, Leader of the Council

Use of Government grant to fund a retention bonus for home care workers

Purpose of report

To seek confirmation of a decision to offer providers of visit-based home care services commissioned by the Council funding for a bonus payment for care workers who continue working through the coming winter. This decision is above the delegated limit for the Executive Director in consultation with the Cabinet Member, and therefore must be made in consultation with the Leader under the urgency provisions in paragraph 2.5 of the Council's standing orders.

Recommendations

The Chief Executive is recommended:

1. to approve the use of the Workforce Recruitment and Retention Fund for adult social care to fund bonus payments for home care workers as described in this report

Key issues

1. Nationally and locally, there are at present severe problems with the recruitment and retention of care workers, affecting most of the categories of care services which the council commissions to meet adult care needs
2. The workforce in these services is in most cases paid at rates only slightly above the National Living Wage, and one reason for the current pressures is that other employers, such as supermarkets and hospitality or tourist businesses, are currently offering both one-off recruitment incentives and better rates of pay
3. The Council has received a Government grant of £1.08m to be used by 31 March 2022 to support recruitment and retention in adult care. The grant conditions permit the use of this funding to fund incentives to retain care staff.
4. While problems are emerging in most services, currently the most critical issues are affecting home care services which visit older people and others with care and support needs in their own homes. The number of weekly hours of visit-based home care

which we are able to secure has fallen by around 10% since early summer, and the number of people who are having to wait in unsatisfactory situations for home care which they are assessed as needing has increased to unprecedented levels, with between 160 and 200 people on a waiting list for home care at any one time – four times the number which would in the past have been a reason for serious concern.

5. One consequence of current pressures on home care is that some older people are having to spend extended periods after discharge from hospital in temporary care home placements, which as well as being more expensive may undermine their confidence in returning home and their ability to cope independently. It is also leading to delays in hospital discharges, at a time when acute hospitals are under severe pressure, since families frequently refuse to accept discharge to a care home.
6. Discussions with home care providers have confirmed officers in the view that in the short-term the most effective use of the available grant funding is to offer bonuses paid to care workers who continue to work in the sector through a winter which is widely expected to be one of the most difficult for health and care services in living memory. While incentives for new recruits would in principle be an alternative, the council's own recent experience suggests that there is currently little interest in care work among people not already employed in the sector, and there would be no benefit in a scheme which mainly encouraged workers to move between care providers. A recruitment campaign starting now would also be unlikely significantly to increase care service capacity during what are usually the most difficult winter months, because of the need for new recruits to be vetted and trained.
7. To make it possible to offer bonuses on a scale which may make a significant difference to care workers, the recommendation is that these are focused on visit-based home care, rather than being paid to care workers in all services. This is likely to disappoint providers of other care services such as care homes and supported living schemes, but officers' view is that it would be a mistake to spread the funding so widely that it ceased to be a significant incentive to remain in care work. We anticipate that for typical home care workers bonuses will be in the region of £500-£1000, depending on the average hours they work (though it should be noted that because of the high marginal rate of "tax" for low-paid workers, including the taper of Universal Credit, the actual take home sum may in some cases be less than a third of the bonus payment).
8. There is a possibility that the NHS may offer further financial support, which on one option being discussed by NHS organisations in this region could be on a basis designed to enable the local authority to fund care providers to bring forward from April next year to this month the recently-announced increase in the National Living Wage. If both the scheme proposed here and the NHS support are agreed, this could for home care workers be equivalent to being paid over this winter at a rate above not only the National Living Wage but also the "Real Living Wage". In current circumstances, officers view is that it would not be unreasonable for both schemes to proceed.

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Use of Government grant to fund a retention bonus for home care workers

BACKGROUND

1. The proposed scheme

- 1.1 The basic operation of the proposed scheme is described in the draft information sheet for home care workers accompanying this report.
- 1.2 Officers' view is that it is important to give care workers a clear statement of how the bonuses will be calculated at the beginning of the scheme, to avoid any suspicion that the Council might end up paying less generous sums than initially suggested. The consequence of this is that it is in principle not possible to be certain that the total payment might not exceed the level of the Government grant available, though the level of payment has been calculated on the basis that if providers retain all of their existing capacity spending will be within the grant available.
- 1.3 Also, the risk that any higher-than-expected cost of premiums might have to be funded from the mainstream adult social care budget is not significantly different from the usual position with commissioned social care services, which is that the level of services which the council is obliged to pay for can never be certainly known in advance, because service levels are driven by assessments of individual needs. Because of the pandemic, there is a particularly wide margin of uncertainty this winter.
- 1.4 In reality a greater financial risk to the Council may be that if the capacity of commissioned homecare providers continues to fall, there may be an increasing need to arrange expensive and inappropriate alternatives, such as care home placements for people who would be able to return home if homecare was available to support them. One intention of the bonus scheme is to mitigate that risk.
- 1.5 The scheme is being offered only to home care providers which accept referrals under the Council's standard homecare contract (which is also used to secure NHS-funded homecare for people on behalf of Northumberland Clinical Commissioning Group). However it is proposed that it will take into account visit-based home care provided to Northumberland residents by these providers under private arrangements. This is because in many cases people making private arrangements for homecare would be eligible for care arranged by the Council if they requested it, and also because it would be unfair for homecare workers to be placed in a position where their entitlement to bonus depended on which service users their employer had allocated them to support. The conditions attached to the Government grant make it clear that it can be used to support providers of privately arranged care.
- 1.6 To reduce the financial risk, the agreement being offered to providers will specify that, if the proportion of the homecare hours which they deliver to private clients is higher over the winter period covered by the scheme than it was in November, the Council only guarantees to cover the cost of the bonuses up to the level which would have been paid if the proportions had remained the same. If there is sufficient funding remaining from the grant, the council will also cover some or all of

the remaining cost, but if not the provider will be expected to meet that from its own resources.

- 1.7 The bonus payment for each worker is expected to be approximately £1.50 for each hour worked over the 17 weeks from 3 December to 31 March, with providers paid an additional 10% as a contribution towards employer oncosts associated with the payment (NI, pension contributions, etc.). This 10% figure is a contribution only; providers are likely to have to top it up to meet the actual costs. Providers we have spoken to see this as acceptable.
- 1.8 Officers will also be reviewing options to minimise the risk of having to return a proportion of the grant funding if homecare hours fall further, and total payments under the proposed scheme are lower than the amount of the grant. These could include reimbursing other care providers retrospectively for exceptional costs incurred because of workforce pressures.

BACKGROUND PAPERS

There are no background documents for this report within the meaning of the Local Government (Access to Information) Act 1985.

IMPLICATIONS ARISING OUT OF THE REPORT

Policy	The aim of the proposal is to maintain the Council's ability to fulfil its statutory adult social care duties.
Finance and value for money	The cost of this scheme is expected to be fully covered by the Workforce Recruitment and Retention Fund for adult social care, which must be spent on activity carried out before 1 April 2022. Any additional cost would be chargeable to the adult social care budget, which would also bear the cost of any further expensive alternative ways of meeting statutory duties which might be required if the capacity of home care providers continues to fall.
Human Resources	Recipients of the bonus will be employees of commissioned homecare organisations, rather than of the council.
Property	No implications have been identified.

<p>Equalities (Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/></p>	<p>The proposal is essentially a means of strengthening the council's ability to fulfil existing statutory duties towards ill or disabled people. Homecare providers will be offered an opportunity to ask for special consideration if an individual employee is disadvantaged by the terms of the scheme for some exceptional reason, which could include reasons associated with protected characteristics.</p>
<p>Risk Assessment</p>	<p>The primary relevant risk for the Council is that it may become unable to fulfil its statutory duties, and the proposal is designed to mitigate that risk. For reasons explained in the report, the net financial risk is not expected to be significant.</p>
<p>Crime & Disorder</p>	<p>No implications have been identified.</p>
<p>Customer Considerations</p>	<p>There is understandable dissatisfaction among people who have been assessed as needing homecare, and their families, as a result of the current capacity problems in the services. The proposal aims to mitigate those problems.</p>
<p>Carbon reduction</p>	<p>No indications have been identified.</p>
<p>Wards</p>	<p>All</p>

URGENT DECISION TAKEN BY THE CHIEF EXECUTIVE IN CONSULTATION WITH THE LEADER OF THE COUNCIL

Subject: Use of Government grant to fund a retention bonus
for home care workers

**Outcome of consultation with the
Leader of the Council** Leader has agreed with the proposal as set out in this
decision.

Decision Taken: Accept the recommendation

Signature of decision maker

A handwritten signature in black ink, consisting of several loops and a trailing line, positioned to the right of the 'Signature of decision maker' label.

Date 10.12.21
