



City of Westminster

Cabinet Member Report

Meeting or Decision Maker:

Cabinet Member for Adult Social Care,
Public Health and Voluntary Sector

Date:

27 November 2023

Classification:

Part Exempt – Appendix A is exempt
under Paragraph 3, Section 12A of the
Local Government Act 1972

Title:

Increase in homecare workers' hourly
rate of pay

Wards Affected:

All

Policy Context:

Fairer Communities and Fairer Council

Key Decision:

Yes

Financial Summary:

Recommendation to spend
approximately £1.2m per annum on
carers pay from specified grant income.

Report of:

Bernie Flaherty, Deputy Chief Executive
and Executive Director of Adult Social
Care and Health

1. Executive Summary

- 1.1 This report outlines the proposal for a pay increase for homecare workers who work on block contracts and via direct payments of an additional £1.50 per hour, starting in December 2023. Any increase to the wages and salaries element of the hourly rate would be subject to the usual tax and National Insurance contributions.
- 1.2 This proposal aligns with the goals of the Ethical Care Charter that the Council signed in May 2023, and it is in line with the Fairer Westminster Strategy's ambitions.
- 1.3 This will emphasise the Council's commitment to tackling inequalities, particularly low pay in the care workforce, and providing high-quality adult social care services. It will also support investment into the carer market sector, developing market resilience, and supporting staff retention and recruitment. The use of the Market Sustainability and Investment Fund (MSIF) also supports the objective of the Department of Health and Social Care to invest into front line services to support market sustainability and infrastructure.

2. Recommendations

- 2.1 It is recommended that the Cabinet Member for Adult Social Care, Public Health and Voluntary Sector, in consultation with the Cabinet Member for Finance and Council Reform:
- (a) Agrees that the Council uses the MSIF to provide subsidy grants for paying homecare workers (who work on block contracts and via direct payments) an additional £1.50 (above London Living Wage) per hour for the period to which the grant applies, starting in December 2023.
- (b) Approves grants for the purposes outlined in (a) above for the period to which the grant applies, commencing December 2023 to the following providers:

HEALTH VISION UK LIMITED
Company Number 06407941
LONDON CARE LIMITED
Company Number 03117278
MIHOMECARE LIMITED
Company Number 03203080
VINCENTIAN CARE PLUS
Company Number 05321333
SMITHFIELD HEALTH & SOCIAL CARE LTD t/a VERILFE
Company Number 07522706

(c) Notes the estimated annual cost of £1.2m; the indicative amounts of the grants set out in Table 1 in the exempt Appendix A to this report; and that the actual amounts of the grants will vary based on the actual hours delivered.

3. Reasons for Decision

- 3.1 The increased pay will support the delivery of the Council's Fairer Westminster ambitions to tackle inequality, deliver high-quality adult social care services, and ensure its procurement is responsible. This will also help tackle low pay in the care workforce.
- 3.2 A Cabinet Member Decision is required in accordance with the Cabinet Terms of Reference due to the value of the decision.

4. Background, including Policy Context

- 4.1 Homecare services help people live independently at home, with care workers providing personal care and support that includes help with the activities of daily living, including washing, dressing, sharing reminders about medication, preparing food, and other tasks agreed as part of an individual's care plan.
- 4.2 Care workers usually visit multiple residents in their homes at different periods throughout the day. The job often requires lone-working, travel from one home to another, and sometimes gaps between caring appointments.
- 4.3 Although providing personal care can be rewarding and is a vocation for many, there are times when people's behaviours, health conditions, and domestic environments present challenges for care workers.
- 4.4 The value of this work to individuals and wider society is not matched by the economic value placed on the role of a care worker. However, recent Polling research from The Health Foundation and Ipsos found that the public's top priority for social care was improving pay and conditions for staff (42% of respondents).
- 4.5 The Council formally signed the Unison Ethical Care Charter in May 2023 to re-affirm the value of care workers and commit to improving their working conditions, which could also help with recruitment and retention in the sector and improving the quality of care. Moreover, improvement to the working conditions for care workers will supplement existing work that forms the Council's response to the cost-of-living crisis.
- 4.6 Compliance with the UNISON Ethical Care Charter supports multiple Fairer Westminster ambitions:
- Reducing poverty and inequality and making Westminster a healthier and more equitable place.
 - Providing excellent public health and social care services.

- Our procurement is responsible and ensures ethical treatment of people

4.7 The government's MSIF was created to enable local authorities to make tangible improvements to adult social care capacity. Local authorities can choose to use the funding to: increase fee rates paid to adult social care providers, increase adult social care workforce capacity and retention, and reduce adult social care waiting times. The grant will provide additional funds to attract care workers into the workforce and support providers to build capacity and ensure sustainability, which is an ambition of the funding from central government. It is expected, in turn, that it will lead to greater consistency of care for service users, lower staff turnover, and a positive impact on people from two protected characteristics groups (women and residents from a Global Majority background) by enhancing the pay of homecare workers.

5. Financial Implications

5.1 The annual estimated annual value for this initiative is £1.2m per annum based on block homecare hours. The costs are based on analysis of activity delivered, and these reflect a high-end estimate to build in flexibility for managing costs. The actual costs incurred annually will be impacted by the volume of homecare hours prescribed each year. If implemented in December 2023, the costs for 2023/24 will be £400k followed by an annualised cost of £1.2m.

5.2 The costs are to be fully offset by central government funding announced in July 2023. The Council is in receipt of £2m per annum under the Market Sustainability Improvement Fund – Workforce Fund. Therefore, the grant funding will be sufficient to fund this initiative.

5.3 The Council's Medium Term Financial Planning (MTFP) assumes that this Market Sustainability funding will continue on a recurring annual basis. There is no explicit confirmation that the funding will continue beyond financial year 2024/25. However, based on past experience regarding social care funding announcements the financial risk of a funding cut in the near future is not deemed high at this stage.

5.4 If the financial risk of funding being reduced were to materialise then the anticipated costs will be built into the Council's future MTFP process; alternative funding would be sought or the continuation of the service reviewed as the costs cannot be absorbed as part of the Adult Social Care current budget. Continuation of this offer would be assessed as part of the Council's overarching MTFP review which prioritises resources in line with its Fairer Westminster priorities.

5.5 The pay rate of £1.50 is to cover homecare workers' basic pay and employer on-costs. This increase will help improve low pay in the care workforce and

help ensure residents continue to receive high-quality adult social care services.

6. Legal Implications

- 6.1 Section 1 of the Localism Act (the general power of competence) provides the necessary power for the Council to award the grants.
- 6.2 The grants fall within the definition of a subsidy under the Subsidy Control Act 2022 (the SCA) which has replaced the previous state aid regime. Accordingly, officers must carry out a subsidy control assessment prior to giving the grants to ensure that the grants are in accordance with the subsidy control principles set out in the SCA. Details of the subsidies must be published on the government's Subsidy Control Database within 90 days of the date of the subsidy.
- 6.3 Subsidies which are not given in accordance with the SCA will be considered to be unlawful subsidies and can be challenged in the Competition Appeal Tribunal. A successful challenge could result in a recovery order being made requiring subsidy recipients to repay the subsidy. In most circumstances, a legal challenge must be brought within one month of the date of publication of the required transparency information.
- 6.4 It is recommended that the Council enters to formal grant agreements with the providers.

7. Carbon Impact

- 7.1 Officers anticipate the carbon impacts of this decision to be minimal. However, in keeping with the Council's net zero ambitions and procurement policies, home care providers must demonstrate how they are meeting the Council's net zero goals. The actions they are undertaking include: mandatory recycling, encouraging staff to walk or cycle between appointments and carbon impact awareness training sessions.

8. Equalities Implications

- 8.1 No negative impacts on service users with protected characteristics are expected from this change. Positive impacts on women and residents from a Global Majority background are expected. Officers anticipate that the increase in home care workers' pay could help improve job satisfaction and retention. This, in turn, could ensure that they maintain and/ or improve the quality of care they deliver to service users, particularly those who are elderly and/ or have a disability.

9. Consultation

- 9.1 Consultation with Ward Members is not necessary, as this will benefit residents across the borough and the impacts are not ward-specific. Officers engaged with the block care providers extensively and regularly to plan,

design and implement the new pay arrangements in December 2023. Feedback from carers will also be gathered and used to inform contract management. Contract monitoring will support ensuring assurance of the payments being made directly to carers and case studies to support feedback loops.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

Gareth Wall – gwall@westminster.gov.uk

APPENDICES

Appendix A – Grants (exempt from publication)

BACKGROUND PAPERS

- Background papers should list the documents on which the report author has relied in compiling the report.
- Confidential background papers (i.e. papers not available for public inspection) should have an asterisk against them and an indication of the grounds for exemption

For completion by the **Cabinet Member for Adult Social Care, Public Health and Voluntary Sector**

Declaration of Interest

I have no interest to declare in respect of this report

Signed: N. Butler-Thalassis Date: 27 November 2023

NAME: **Councillor Nafsika Butler-Thalassis**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Increase in homecare workers' hourly rate of pay and reject any alternative options which are referred to but not recommended.

Signed: N. Butler-Thalassis

Cabinet Member for Adult Social Care, Public Health and Voluntary Sector

Date: 27 November 2023

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.