Report to:	Cabinet	**Date of Meeting:**	Thursday 4 February 2016
Subject:	Ethical Care Council	**Wards Affected:**	(All Wards);
Report of:	Head of Commissioning Support & Business Intelligence		
Is this a Key Decision?	Yes	**Is it included in the Forward Plan?**	Yes
Exempt/Confidential	No		

Purpose/Summary

To enable Cabinet to consider becoming an Ethical Care Council by adopting the Ethical Care Charter.

Recommendation(s)

That Cabinet:

1. Authorise officers to implement Stage One and to convene a group to consider Stage Two and Three of the Charter.

2. Request officers to report back to Cabinet in due course on the outcome of the consideration of stages two and three of the Charter.

How does the decision contribute to the Council's Corporate Objectives?

Corporate Objective		Positive Impact	Neutral Impact	Negative Impact
1	Creating a Learning Community		√	
2	Jobs and Prosperity	√		
3	Environmental Sustainability		√	
4	Health and Well-Being	√		
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation:

To provide Cabinet with a clear course of action for becoming an Ethical Care Council whilst ensuring an understanding of the potential implications.

Alternative Options Considered and Rejected:

The Council could decide not to adopt the Ethical Care Charter. This is not recommended within the report as it is recognised that the aims and principles of the Charter are consistent with the aims of the Council.

The Council could also decide to adopt all three stages of the Charter immediately. This is not recommended within the report as there are significant financial and other implications involved and it is not possible at this time to present a full understanding of those.

What will it cost and how will it be financed?

(A) Revenue Costs

Whilst it is not currently possible to fully quantify the costs of implementing the Charter, it is considered that any costs of implementing Stage One of the Charter can be met from within existing resources. If officers subsequently identify that costs cannot be met within existing resources this will be reported back to Cabinet. The costs of implementing Stage Two and particularly Stage Three are substantial and the recommendations provide for more work to be done to fully understand them before a decision is made in respect of their implementation.

(B) Capital Costs

None

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
Legal	
Human Resources	
Equality 1. No Equality Implication	√
2. Equality Implications identified and mitigated	
3. Equality Implication identified and risk remains	

Impact of the Proposals on Service Delivery:

The purpose of the Ethical Care Charter is to improve the quality of care through improved pay, conditions and working methods. Any impact upon service users should therefore be positive through improved services. Implementing Stage 1 of the Charter will require some changes to the current contract with commissioned Domiciliary care providers in relation to travel time, their travel costs and other necessary expenses such as mobile phones and it is expected that this will require some increase in contract price. This could be progressed as part of the annual review of contract price required within the contract. A Group would be convened to consider Stage 2 and 3 and this would include understanding the likely impact upon service delivery.

What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and comments have been incorporated into the report (FD 3993/16)

Head of Regulation and Compliance has been consulted and comments have been incorporated into the report. (LD 3276/16))

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Background Papers:

None

Introduction/Background

1. The Ethical Care Charter (the Charter) was developed by UNISON in 2012 after they undertook an online survey of homecare workers which revealed "*a committed but poorly treated and paid workforce, doing its best to maintain good levels of quality care in a system in crisis*". The survey "Time to Care" was open to UNISON members and non-members and attracted 431 responses.

2. UNISON state the objective behind the Charter as "*to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions which a) do not routinely short-change clients and b) ensure the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels*". In the Charter UNISON suggest that "*rather than councils looking to achieve savings by driving down the pay and conditions for council-employed staff, they should be using these as a benchmark against which to level up*".

3. In light of the findings of the survey, UNISON is calling for councils to commit to becoming Ethical Care Councils, by commissioning homecare services which adhere to their Charter and are publishing names of those councils who do. Locally UNISON has requested, through the Cabinet Member for Adult Social Care, that the Council formally considers adopting the Charter.

4. In some areas, the Council's current commissioning of homecare services is already in line with the requirements of the Charter but there are a number of issues that need careful consideration before the Charter could be adopted in Sefton. These issues carry with them significant implications for the council.

5. The full Charter can be viewed at www.unison.org.uk but in summary there are three stages to the Charter for the commissioning of homecare services:

Stage One

6. As a starting point, the focus for commissioning of visits will be client need rather than minutes or tasks, with workers provided the freedom to offer appropriate care and time to liaise with their clients. Time allocated to visits will match the needs of their clients, with standard 15-minute visits generally not used. Visits will be scheduled so that workers are not forced to rush time with their clients or leave them early to get to their next appointment.

7. Homecare workers will be paid for their travel time, costs and necessary expenses and those who are eligible must be paid statutory sick pay.

Stage Two

8. Clients will be allocated the same homecare worker(s) wherever possible. Zero hours contracts will not be used in place of permanent contracts and all homecare workers

will be trained regularly to the necessary standard to provide a good service at no cost to them and during work time.

9. Providers must have a clear and accountable procedure for following up staff concerns about clients' wellbeing. Homecare workers will be given the opportunity to meet regularly with co-workers in order to share best practice and limit their isolation.

Stage Three

10. All homecare workers will be paid at least the Living Wage. The Living Wage is based on the concept of the amount of money that is needed to ensure that people are able to live both with dignity and provide a decent standard of living for their families. The Living Wage should not be confused with the National Minimum Wage which is a legal requirement. There are two rates of the Living Wage: the London Living Wage (currently £9.40 per hour) and the UK Living Wage (applicable outside Greater London and currently £8.25 per hour). These rates are calculated annually and were last updated in November 2015.

11. All homecare workers will be covered by an occupational sick pay scheme in order to ensure that staff do not feel pressurised to work when they are ill in order to protect the welfare of their vulnerable clients.

Implementation

12. Within the Guidance Document produced by UNISON, it is necessary in the first stage to convene a review group from providers, local NHS and UNISON reps to work on a plan for adopting a Charter with an immediate commitment to Stage 1 and a plan for adopting Stages 2 and 3. In terms of implementation, it is clear that any overall plan must also consider the overall financial position of the Council

Implications

13. The principles of the Charter are consistent with the Council's aims and stated priorities:

- **Protect the <u>most</u> vulnerable** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them.

- **Commission and provide core services** which meet the defined needs of communities and which can't be duplicated elsewhere.

- **Enable/facilitate economic prosperity** i.e. maximise the potential for people within Sefton to be financially sustainable through employment/benefit entitlement.

- **Facilitate confident and resilient communities** which are less reliant on public sector support and which have well developed and effective social support networks.

14. Demographics indicate a growth in demand for Care and Support services. The combined impact of demographics, pressures and new statutory requirements (Care Act 2014) presents a significant challenge that will require a sustained and robust Council wide response. This will require us to develop solutions that ensure people remain independent for as long as possible; support carers to continue caring; encourage people to plan in advance for their care needs; and promote wellbeing and independence and community inclusion. Only a strategic approach can mitigate the demand and financial pressures that will continue to be faced by Adult Social Care.

15. Some of the requirements set out in the Charter are already being met in Sefton. Domiciliary Care packages are commissioned in order to meet assessed needs and regular liaison takes place between Providers and the Council in order to review care packages to ensure that needs are being met and levels of care are appropriate. Sefton on the whole does not commission 15 minute calls and presently there are only a very small number of packages in place which include 15 minute calls, typically for medication prompt visits. Providers have mechanisms in place for ensuring that travel time between calls is minimised for staff and they always seek to ensure that Service Users are allocated the same care workers. Statutory sick pay is paid to those who are eligible by all providers. Homecare workers are offered training programmes by providers. They meet regularly with other members of staff be it through staff meetings, one to one supervision or group meetings with other homecare workers. This allows for an opportunity to share best practice, monitor progress and reduce isolation.

16. Sefton's contracts with providers have a focus on ensuring continuity of care as well as stipulating that staff must receive sufficient training and supervision. Providers are required to adhere to local Safeguarding policies and procedures in order to ensure effective reporting of concerns regarding Service Users wellbeing. There is also the facility for providers to offer flexible visit times in order to best meet the needs of Service Users.

17. Travel time is not currently paid for by providers, however one provider pays mileage at 20p per mile, with another paying 'assistant care supervisors' and staff 'on standby', who may have to travel further, a higher rate of £8.15 per hour. One provider equips staff with a mobile phone, with calls paid for by said provider. Another pays for parking tickets if a homecare worker has to park outside a client's home. No other expenses are currently paid for. Zero hours contracts are currently being used by all commissioned Homecare providers. These requirements would have to be addressed in order to fully meet the objectives of stage one and two of the Charter.

18. Stage three of the Charter requires all homecare workers to be paid at least the Living Wage. None of the Council's current care providers pay their homecare workers the Living Wage at the present time. If Cabinet determine that they have an aspiration to complying with stage three, there are a number of significant issues that need consideration before the implementation of the Living Wage for all homecare workers could be applied.

The Living Wage

19. The Living Wage is based on the concept of the amount of money that is needed to ensure that people are able to live both with dignity and provide a decent standard of living for their families. The actual hourly rate is set independently, updated annually and is calculated according to the basic cost of living in the UK. This is carried out by the Centre for Research in Social Policy (CRSP) at Loughborough University and is funded by the Joseph Rowntree Foundation. There are two rates of the Living Wage: the London Living Wage (currently £9.40 per hour) and the UK Living Wage (applicable outside Greater London and currently £8.25 per hour). These rates are calculated annually and were last updated in November 2015.

20. Adoption of the Living Wage has been included in the National Joint Council (NJC) Trade Union side Pay Claim for 2016/2017 amongst other claims –"deletion of NJC and all local pay points which fall below the level of the UK Living wage"

21. The Living Wage campaign started in the early 2000s and has since been adopted by a number of organisations across a range of sectors and currently includes KPMG, Save the Children and Barclays Bank amongst others. A number of Councils across the UK have also signed up, and most notably in the North West, Preston, Manchester City, Burnley, Oldham, Salford, and Wirral. However, out of a number of organisations who promote the Living Wage, a much smaller number is in fact an organisation with Living Wage accreditation. The Living Wage is also concerned with ethical employment practices and its principles extend to employer procurement supply chains.

22. Aside from the obvious improvement in pay for employees, organisations who have introduced the Living Wage have reported a range of business and wider economic benefits including reduced absenteeism, increased productivity and enhanced community perceptions identifying them as 'employer of choice'. This is one of the considerations that needs to be balanced against the other issues such as cost.

23. The Living Wage should not be confused with the National Minimum Wage (currently £6.70 per hour for employees over 21 years old) or with the National Living Wage which the Government intends to introduce in April 2016 and will set a new level for the legally required minimum wage at £7.20 rising to £9.00 an hour by 2020. Complying with increased National Minimum Wage/National Living Wage rates is a legal requirement that presents an ongoing financial pressure for providers and commissioners that will need to be suitably addressed whatever decision Cabinet makes in relation to this report.

Considerations

24. Adopting the Charter and enforcing payment of the Living Wage for all Homecare Workers would have significant budgetary implications for Council commissioned services, over and above ensuring compliance with legally required National Minimum Wage/National Living Wage rates, potentially requiring more than £700k additional annual cost/expenditure in relation to commissioned Homecare and a similar additional amount if Direct Payment rates are linked to the commissioned Homecare rate (subject of another paper on the same Cabinet Agenda).

25. The above figure is merely an estimate based on current understanding of pay rates within services. A fully detailed analysis of actual pay rates and consequential increased costs would need to be undertaken to fully understand the impact of implementing Stage 3 of the Charter. It should also be noted that the above estimate does not make any allowance for any 'knock-on' costs of maintaining differentials within pay structures that providers might be anticipated to identify.

26. The total increased annual cost would be significant at a time when the Council's budgets are already being stretched. Therefore, the increase in cost needs to be balanced against other issues.

27. Representations might also be anticipated from providers of other commissioned care services, seeking parity of minimum pay levels, therefore due consideration must also be given to potential impact of implementing the Living Wage for all commissioned social care services. Whilst it is difficult, without a detailed analysis of actual pay rates to quantify this impact, initial estimates indicate this could be in excess of £10m of additional annual cost/expenditure.

28. To ensure that any potential equal pay risks are mitigated, it is essential that the principles of the Living Wage are applied consistently.