



INTEGRATION JOINT BOARD

Date of Meeting	7 June 2022
Report Title	Social Care Supplier Uplifts
Report Number	HSCP22.041
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer
Consultation Checklist Completed	Yes
Directions Required	Yes
Appendices	Direction

1. Purpose of the Report

- 1.1. To update the Integration Joint Board on the potential requirements for further uplifts for some social care providers following the recent increases in inflation.

2. Recommendations

- 2.1. It is recommended that the Integration Joint Board:

- a) Instruct the Chief Officer to negotiate uplifts for those Social Care providers not covered by the National Care Home Contract using the process and principles indicated in paragraph 3.4;
- b) Instruct the Chief Finance Officer to uplift the direct payments for clients using the same process indicated in paragraph 3.4 and note that further information will be brought back to the IJB on this situation via the quarterly financial monitoring; and
- c) Make the direction contained in Appendix 1 of this report and instruct the Chief Finance Officer to issue this direction to Aberdeen City Council.



INTEGRATION JOINT BOARD

3. Summary of Key Information

Social Care Providers

- 3.1. On the 10 March 2022 the IJB agreed to pass over a funding uplift to social care providers, not covered by the National Care Contract (NCHC), based on the national guidance prepared by COSLA. The rationale for passing over this level of funding uplift being to support the requirement to pay adult social care staff a minimum of £10.50 per hour.
- 3.2. Social care providers covered by the National Care Home Contract (NCHC) receive the level of uplift required per the nationally agreed contract renegotiation process. At the time of setting the budget this was unknown, however, has now been agreed nationally at 5.38% for care homes and 5.58% for nursing homes. The NCHC is based on a cost calculator and there were large increases in costs in relation to insurance, energy and staffing.
- 3.3. On the 10 March 2022 information was becoming available that the increase in energy prices would be sustained, along with an increase in petrol prices. In the middle of May it was confirmed that inflation as measured through the consumer prices index is current running at 9%. Whilst the IJB isn't directly exposed to energy prices for buildings or petrol prices, most of its commissioned social care services and their staff are.
- 3.4. Prior to the pandemic there was no national guidance on how to inflate contracts not covered by the NCHC and this decision was left to local decision making, taking into account local circumstances. Each year the IJB previously agreed that negotiations take place with suppliers led by the Commissioning, Procurement and Contracts Team, Aberdeen City Council to determine the level of uplift. It is proposed to revert to this process his year using the principles below as the basis for the discussions:
 - NCHC providers will receive the uplifts agreed nationally,



INTEGRATION JOINT BOARD

- All non NCHC suppliers will receive a minimum uplift based on the COLSA national guidance,
 - For residential care providers not covered by NCHC, uplifts can be negotiated where deemed appropriate by the Chief Finance Officer up to the level of increase on the relevant NCHC rate,
 - For non-residential care providers, uplifts can be negotiated, where deemed appropriate by the Chief Finance Officer up to 1%
 - The requirement for any uplift would need to be evidenced by the social care provider and where evidence is provided would be back dated to 1 April 2022.
- 3.5. Whilst the amount to non-residential providers is not large, it will show a willingness from ACHSCP to work in partnership with providers and is affordable within the financial envelope. Further updates on this position will be reported to the IJB through the quarterly financial monitoring.
- 3.6. It is recommended that those clients who receive direct payments and employ their own support staff would receive an uplift of 1% to maintain parity with the other Self Directed Support options.
- 3.7. The maximum financial exposure of the maximum increases recommended in this report is £1.3 million. These can be funded via additional funding received and confirmed following the approval of the Medium-Term Financial Framework.

4. Implications for IJB

- 4.1. **Equalities** –this report has a positive impact in terms of equalities, all providers and clients receiving direct payments will be able to access an additional uplift if appropriately evidenced and all will be treated fairly and consistently.
- 4.2. **Fairer Scotland Duty** – providing the additional uplift will have a positive impact in terms of the Fairer Scotland Duty reducing the opportunity for inequality of outcomes for the people of Aberdeen based on socio-economic factors.



INTEGRATION JOINT BOARD

- 4.3. **Financial** – The cost of the recommendations within this report will be met from within existing budgets.
- 4.4. **Workforce** – the recommendations within this report will have a positive impact on the workforce employed by commissioned providers or via Direct Payments, enabling them to be reimbursed for the additional costs related to their roles.
- 4.5. **Legal** – There are no direct legal implications arising from this report.
- 4.6. **Clinical Safety and Effectiveness** – There are no direct clinical safety and effectiveness implications of this report.

5. Links to ACHSCP Strategic Plan

- 5.1. This report and the Medium-Term Financial Framework have been drafted in order to support the IJB to deliver on its strategic plan. This report links directly to the Caring Together Aim of our revised Strategic Plan 2022-25 as well as to the Relationship Enabler. The IJB can only deliver on the statutory responsibility in relation to delivering social care if commissioned providers are funded adequately to sustain their service during periods of high inflation. Providing uplifts as described in this report will ensure improved sustainability as well as maintaining the supportive and collaborative relationships we have developed with the market.

6. Management of Risk

- 6.1. **Identified risk(s) and link to risk number on strategic register:**
Strategic Risk 1- Cause: The strategic commissioning of services from third and independent sector providers requires both providers and ACHSCP to work collaboratively (provider with provider and provider and ACHSCP) in order to strategically commission and deliver services to meet the needs of local people. This is a new dynamic, based on mutual trust.

Event: Limitations to the extent with which strategic commissioning of services progresses between ACHSCP and third and independent providers of health and social care.





INTEGRATION JOINT BOARD

Consequence: There is a gap between what is required to meet the needs of local people, and services that are available; consequences to the individual include not having the right level of care delivered locally, by suitably trained staff; consequences to the sector include investments made in services that will not be fully utilised and thereby risks to sustainability; and consequences to the partnership includes an inability to meet peoples needs for health and care and the additional financial burden of seeking that care in an alternative setting.

6.2. How might the content of this report impact or mitigate the known risks:

This report builds upon one of the controls in place for Strategic Risk 1- “Conscious cultural shift to change relationships, with all strategic commissioning activity proceeding in a collaborative manner.” Also governance arrangements established between the Partnership and commissioned services includes representatives from third and independent sectors being on the Strategic Commissioning Programme Board, thus enhancing mutual trust.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



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DIRECTION

ISSUED UNDER S26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014

The **ABERDEEN CITY COUNCIL** is hereby directed to deliver for the Board, the services noted below in pursuance of the functions noted below and within the associated budget noted below.

Services will be provided in line with the Board's Strategic Plan, directions previous issued by the integration joint board and existing operational arrangements pending future directions from the Board.

Approval from IJB received on:- 7 June 2022

Description of services/functions:- All adult social care services covered by the Aberdeen City Integration scheme.

To implement a process where providers can apply for negotiate additional uplifts with ACHSCP

- NCHC providers will receive the uplifts agreed nationally,
- All non NCHC suppliers will receive a minimum uplift based on the COLSA national guidance,
- For residential care providers not covered by NCHC, uplifts can be negotiated where deemed appropriate by the Chief Finance Officer up to the level of increase on the relevant NCHC rate,
- For non-residential care providers, uplifts can be negotiated, where deemed appropriate by the Chief Finance Officer up to 1%
- The requirement for any uplift would need to be evidenced by the social care provider and where evidence is provided would be back dated to 1 April 2022.
- Direct payments will also be raised by up to 1%

Reference to the integration scheme:- All services listed in Annex 2, Part 2 of the Aberdeen City Health and Social Care Integration Scheme. All functions listed in Annex 2, Part 1 of the Aberdeen City Health and Social Care Integration Scheme.



INTEGRATION JOINT BOARD

Link to strategic priorities (with reference to strategic plan and commissioning plan):-

This will help to maintain market stability in what are some difficult operating conditions due to increases in costs.

Timescales involved:-

Start date: 01 April 2022

End date: 31 March 2023

Associated Budget:- The associated budget for these functions and services is £1.3 million.

This direction is effective from 1st April 2022.