

Agenda item tbc



Meeting: Highland Health and Social Care Committee

Meeting date: 28 June 2023

Title: Personal Assistant rates for Direct Payment, Option 1's

Responsible Executive/Non-Executive: Simon Steer, Director of Adult Social Care/Pamela Cremin, Interim Chief Officer, Community Services

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1 Purpose

This is presented to the Highland Health and Social Work Committee for:

- Discussion
- Decision

This report relates to a:

- Policy/government directive
- Emerging issue

This aligns to the following NHS Scotland quality ambition(s):

- Safe, Effective and Person Centred

This report relates to the following Strategic Outcome(s)

Start Well		Thrive Well		Stay Well	X	Anchor Well	
Grow Well		Listen Well	X	Nurture Well		Plan Well	X
Care Well	X	Live Well	X	Respond Well	X	Treat Well	
Journey Well		Age Well		End Well		Value Well	X
Perform well		Progress well					

2 Report summary

To update the committee of the significant progress towards establishing a co-produced reference hourly rate for Options 1's in partnership with the SDS Peer Support Group by establishing a fair, transparent, and mutually understood personal assistant hourly rate for Option 1s.

2.1 Situation

- 2.1.1 NHS Highland is committed to developing a co-produced Self Directed Support (SDS) Strategy with input and support from SDS Scotland, In Control Scotland, The SDS Highland Peer Support Group, Community Contacts and NHS officers which has been regularly considered, debated and scrutinised at Highland Health and Social Care Committee (HHASC).
- 2.1.2 As an integral and enabling component of the new strategy, NHS Highland was approached by members of the SDS Highland Peer Support Group in March 2022 to start to explore the “true cost of care” with an additional requirement to see Option 1’s as a positive alternative to other traditional delivery methods, ensuring people have flexibility, choice and control over their social care and support.
- 2.1.3 Costing Care and identifying budgets was identified as a key component and it is the aim of NHS Highland in partnership with others to describe a fair, equitable and sustainable framework for the calculation of individual budgets. We think this should support the exercise of choice by ensuring that the recruitment and retention of valued Personal Assistants is a realistic and sustainable option.
- 2.1.4 In Highland while developing this reference model with the Peer Support Group, NHS Highland has acknowledged at the outset that the current £15.52 per hour rate does not include the true overhead core cost components of delivering care and is therefore to those who are expected to manage Option 1’s, not clearly understood and transparent.
- 2.1.5 The current Option 1 rate is therefore in the view of NHS Highland officers not defensible or sustainable and the current rate does require updating and modernising, subject to necessary funding, noting the current rates paid to external care providers are significantly higher than the current £15.52 per hour.
- 2.1.6 All Integrated Joint Boards and Local Authorities have a statutory duty to offer and provide all four options with the SDS Standards stating “the overall care budget needs to be realistic in terms of meeting assessed care need”.

2.2 Background

- 2.2.1 For many years, the Option 1 rate was held at a lower hourly rate and it has just not kept pace with inflationary/staff cost overheads and this has been further exacerbated by the pandemic, where many service users were not able to access the appropriate level of care that they have been assessed for.

We do think this is directly linked to the hourly rate however it is not the only contributory factor, as the entire care sector is challenged by recruitment and retention stressors and there is also stiff competition from other recruiting sectors in our urban, rural and remote care settings.

- 2.2.2 It is important to note that despite the low hourly rate, the number has substantially increased for both younger and older adults in all areas, specifically in some of our more remote and rural areas. As at March 2022, 467 people were receiving an Option 1 compared to 613 people as at May 2023. This increase of 23% does however highlight

the unavailability of other care options and a real market shift as we are unable to commission “traditional” services and we see a reduction in delivered care-at-home and increased unmet need across Highland. 82% of Option 1’s include an element of personal assistant input with 70% of the total number of people receiving an Option 1, having an accumulated balance.

2.2.3 NHS Highland is projected in 2023-24 to spend in excess of £11.4m on Option 1’s with 613 people currently in receipt of an Option 1. This report also demonstrates the mix of those receiving Option 1s across our urban, rural and remote settings.

2.2.4 To date, NHS Highland has had eight individual meetings with the SDS Highland Peer Support Group since March 2022 and has now agreed on a mutual new reference rate proposal, subject to funding, which will clearly identify and include the core cost overheads and move closer to meeting the “true cost” of delivering care.

2.2.5 NHS Highland has also identified as part of a Promoting choice, control and flexibility in Social Work and Social Care Programme, five key areas where the need for significant system change and/or development requires systemic support.

One of these directly related areas aims to increase the level of independent support available across all the four options and is setting up a Project with funding available up to £0.200m, to procure independent sources of advice, information and support which are available to all those exploring the help open to them via self-directed support.

NHS Highland intends to develop the additional capacity to work in partnership with people to ensure they have a greater support to realise the Options available to them and to increase their role in decision-making about SDS.

2.3 Assessment

2.3.1 As stated above, while developing a reference rate model with the SDS Highland Peer Support Group, NHS Highland has acknowledged that the current £15.52 hourly rate does not include the required overhead core cost component’s, therefore some initial modelling assumptions required to be tested at the outset by NHS Highland officers.

While acknowledging the complexity of calculating the true cost of care, it was important that any new reference model was fair, transparent, simple to understand and to implement and it could be portable in future years, aligning to future annual cost uplifts.

2.3.2 When considering a future, fair and transparent model, it was imperative that any starting point for the calculation of a reference hourly rate for Options 1’s, should be based on the underpinning Scottish Government (SG) minimum pay requirement of £10.90 per hour from 1/4/23.

- *The current Care-at-home Highland Pricing Model (HPM) provides for a three tiered range of rates for urban, rural, and remote to take account of travel time and mileage across the geographical area.*
- *A transparent and understood methodology is understood by both commissioner and provider.*
- *2023-24 direct staff costs are based on a minimum £10.90 per hour.*

2.3.3 There was general support for a bespoke version of the above HPM model although some concerns were expressed from the group in earlier meetings around the preciseness of postcode definitions which were based on the Scottish Index for Multiple Deprivation. The primary considerations for the SDS Highland Peer Support Group were to agree on the following key principles before agreeing on a future reference model.

- *To consider/agree all relevant overhead percentage costs*
- *To consider/agree a composite average hourly rate **or** to progress with an urban, rural and remote rate for Option 1's.*
- *To consider if we require a bespoke "specialist" rate.*

A guiding principle was that any agreed model must be aligned to any further annual inflationary funded uplift that may be subject to available funding from SG.

2.3.4 After careful consideration of the September 2022 service user geographical split across North Highland, the SDS Highland Peer Support Group requested that Community Contacts and NHS Highland representatives provide some case studies/personal stories that could be presented to the group during February 2023, highlighting the reference rate model across Highland for final consideration and recommendation. See **Appendix Three** for further details.

2.3.5 There is not a nationally agreed Option 1 hourly rate although we do know that Social Work Scotland and others have been following with interest the work being undertaken by the group within NHS Highland.

2.3.6 After many good and equal conversations involving NHS Highland, Community Contacts and the SDS Highland Peer Support Group, we have co-produced and agreed for consideration and recommendation by NHS Highland, a three tier bespoke model of the Highland Pricing Model which is based on national methodology devised by the UK Home Care Association and is already in place within NHS Highland for providers delivering external care-at-home services.

2.3.7 For 2023/24, taking into account the minimum SG hourly rate has increased from £10.50 to £10.90 from **April 2023**, the new reference rates for Option 1s would be as follows:

- Current rate = £15.52 per hour
- Urban rate = £16.67 per hour
- Rural rate = £17.37 per hour
- Remote rate = £18.07 per hour

Before considering these new proposed reference rates, it is important to set these in context to what we currently pay external providers and our current in-house unit cost rate.

- Care at home urban = £22.45 per hour
- Care at home rural = £25.06 per hour
- Care at home remote = £27.69 per hour
- Support work rate = £20.41 per hour
- In-house current care at home unit cost = £54.59 per hour

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial
Limited

Moderate
None

X

Comment on the level of assurance:

NHS Highland cannot control the individual circumstances around each Option1 care package and the assurance level given is specific to the proposed reference rate and due to significant consultation, input, and co-production with actual users of services involving the SDS Highland Peer Support Group and representative groups such as Community Contacts and SDS Scotland during 2022, the proposed level of assurance for committee consideration is therefore viewed as moderate.

This proposed fee rate model is also supported by detailed information led and a collaborative designed solution which demonstrates transparency of approach.

This new pressure and all other financial pressures will be carefully monitored and assured by the Joint Officer Group, which consists of representative Senior Officers of both NHS Highland and Highland Council.

3 Impact Analysis

3.1 Quality/ Patient Care

Significant recruitment and retention challenges are currently being experienced by many users of Option 1's accessing in their local communities the assistance necessary to meet their assessed care needs. This proposed increase in the Option 1 rate which acknowledges the geographical challenges of NHS Highland will help to sustain these much valued local services to support full flexibility, choice and control.

3.2 Workforce

In additional to significant sector wide recruitment and retention stressors, some users of Option 1's with care packages are on the verge of collapse which will result in additional resource pressures for NHS Highland and other care providers who are in some areas not able to provide services where we have seen a demonstrable growth in demand for Option 1's.

3.3 Financial

The financial commitment for NHS Highland is significant and this is estimated as a full year **additional** cost commitment **of £1.024m**, based on current information.

In recent years, significant accumulations have been recovered before, during and after the pandemic as partly due to the lower rate, many service users have not been able to access the care needs that they have been assessed for and it is expected that despite an increase in the rate, some Option 1 users will continue to experience difficulties to recruit personal assistants but any in year 2023-24 accumulations will be offset to ensure this additional cost commitment of £1.024m is part mitigated against.

During the short term, there is a cost pressure as we level up the current personal assistant rates but it is important to set this in context with the accumulation's and any sustainable further growth in Option 1's should be offset against a reduction in the

number of Option 3's. During 2022/23, £1.8m of accumulations were recovered, albeit some were impacted by the pandemic stressors. Current accumulated funds are monitored closely by business support and this is supported by robust standard operating procedures.

This significant cost investment is required to ensure the sustainability of our current Option 1 packages which are still the most cost effective and efficient delivery models which have grown primarily due to the absence of any other traditional delivery and more expensive care models as detailed above.

NHS Highland will continue to promote all SDS approaches and Option 1's as a sustainable delivery model in the absence of other service delivery models as this favoured option by many is deemed crucial to the sustainability of services, while continuing to promote choice, flexibility and control.

This investment is an underpinning core element of the overall SDS Programme and further investment to independent support organisations as highlighted at Section 2.2.5 requires to be put in place to support those who choose an Option 1 to ensure they are fully supported in this role.

3.4 Risk Assessment/Management

The risks are multi-faceted and complex but the primary risk is the future sustainability and growth of many Option 1 care packages if the current rate differential is not addressed.

3.5 Data Protection

None

3.6 Equality and Diversity, including health inequalities

None

3.7 Other impacts

The inability for recipients of Option 1's to continue to live in their own home with the flexibility, choice and control which they have a right too, can lead to increased stress and distress for families.

3.8 Communication, involvement, engagement and consultation

Extensive communication, involvement, engagement and consultation with the SDS Highland Peer Support Group, Community Contacts, NHS Highland and other stakeholders during the co-production of this proposal.

3.9 Route to the Meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

- Eight meetings of the SDS Highland Peer Support Group starting April 2022
- Previous discussion at the Adult Social Care Leadership Team

- Meeting with Health and Wellbeing Minister on 18/8/2022
- Meeting with SDS Scotland on 23/11/2022
- Noting development of proposal at Highland Health and Social Care Committee in various reports during 2022 and 2023.
- Adult Social Care Leadership Team on 14/3/2023
- Joint Officers Group on 14/4/2023

4 Recommendation

The actions requested of the Highland Health and Social Care Committee is:

- 1) **To consider** the information, appendices and extensive engagement with SDS Highland Peer Support Group and other stakeholders in preparing this new co-produced Option 1 payment model.
- 2) **To consider and recommend** implementation of the new proposed reference hourly rate(s) from Monday 3rd July 2023, noting the additional cost commitment for this financial year of £0.750m which is based on the current service user profile.

4.1 List of appendices

The following appendices are included with this report:

- Appendix **One** – SDS slide deck for Health and Wellbeing Minister and other stakeholders.



2022-08-17 SDS
Options 1s Final JB.p



- Appendix **Two** – Option 1 split as at September 2022 by urban, rural and remote.



SDS1 Sep-22 by
urban-rural-remote a



- Appendix **Three** – Case studies for reference rate model.



Stories to illustrate
the suggested model



- Appendix **Four** – Reference Option 1 hourly rate for 2023-23.



JB 2023-24
Reference Rates.pdf



- Appendix **Five** – Slide deck overview of proposal for Joint Officer Group.



2023-04-11 Option
1 Rate Overview.pptx

