

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

Date 26th July 2022

REPORT AUTHOR: County Councillor Sian Cox
Portfolio Holder for a Caring Powys

REPORT TITLE: Request for additional funding for external domiciliary care providers to pay for increased mileage rates for care workers

REPORT FOR: Decision

1. Purpose

1.1 Further to the 'Clean Me – Case for Domiciliary Care Agencies to use electric vehicles' Cabinet report of 5th July 2022. The purpose of this report is to request additional funding that will be used to increase the contractual rates that are paid to external domiciliary care providers.

1.2 This is on the condition that the external domiciliary care providers use the funding to increase the mileage rates paid to their care workers, bringing them in line with mileage rates paid to council domiciliary care workers.

1.3 If agreed, a virement is needed to transfer the requested funds to meet the additional costs in the current financial year from the Budget Management Reserve. The ongoing cost of this proposal will be identified by the service in the Financial Resource Model (FRM) as part of budget setting for 2023-24 and future years.

2. Background

2.1 Powys County Council's climate strategy "A strategy for Climate change - Net positive Powys 2021-2030" commits to "*provide opportunities for the electrification of transport*" [pp.13]. Encouraging use of electric fleet vehicles is part of the Council's wider ambitions around reducing direct and indirect carbon emissions to net zero.

2.2 Since the Russian invasion of Ukraine on 24th February 2022, both petrol and diesel prices at the pumps have reached record highs. This has put considerable pressure of our external domiciliary care providers, who compose 85% of the domiciliary care market, to continue to deliver services in rural Powys.

2.3 It is also recognised that the current lead in time for electric vehicles is estimated to be 18 months, so this will not alleviate the current situation.

2.4 As part of the council's commitment to recognise the vital and valued work of domiciliary care workers in Powys, in 2021/22 the Powys Pledges were introduced, which linked above average increases in rates for external domiciliary care providers, linked to improved terms and conditions for the workforce, over three years. In 2022/23, one of the pledges was for domiciliary care workers to receive a minimum of 35p per mile between calls. 35p is the figure used by the Homecare Association (UK wide membership body for homecare providers) when calculating the recommended minimum price for home care. However, due to the substantial and sustained increases in petrol and diesel prices since February 2022, external domiciliary care providers have approached the council for additional support.

2.5 It should be noted that the domiciliary care workforce is composed of over 80% of people who identify as female and are amongst the lowest paid roles within society. The increasing petrol and diesel costs also need to be seen in a context of an overall increase in daily living costs (utilities/food/fuel etc) which disproportionately impacts upon care workers who are on a lower income.

2.6 In addition, the local authority is unable to meet demand for domiciliary care to allow people to remain living in their own homes. As of 30th June 2022, there were 15 people who are medically fit in hospital but unable to return home due to the unavailability of domiciliary care, 18 people being supported in a residential setting and 26 people at home waiting for care and support to be sourced. If domiciliary care workers become reluctant to travel into more rural communities due to the distance or were to leave their roles altogether, this would have a devastating impact on the Local Authority's ability to provide care and support to

vulnerable adults and increase delayed discharges from hospitals. The demographics for the county predict an increase in older people and a reduction in people of working age over time, so pressure on the service is not expected to ease.

3. Advice

3.1 Over recent months the council has been working with external domiciliary care providers to mitigate the rising costs of fuel by consolidating runs through swapping packages of care with other providers and where necessary bring external domiciliary care staff in-house, under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Although transferring packages of care and support between providers does not always provide continuity of care it does mean that people can continue to be supported in their own homes. It is recognised that this mitigation is no longer sufficient due to the sustained increase in fuel costs.

3.2 Please note that it is not a requirement for domiciliary care providers to pay care workers to travel to their first and from their last calls, as this would be considered part of their commute to work, although some providers do pay for all or part of this cost.

3.3 The increase will be implemented with effect from the date of this report.

4. Resource Implications

4.1 In order to increase the rate paid to external domiciliary care workers from 35p per mile to 45p per mile, using calculations from the Homecare Association, would cost an additional £153,784 per annum at current capacity levels or £112,381 pro rata from 9th July 2022. Please note that the 28 day billing period is from 9th July 2022 until 5th August 2022 and that payments to providers are made in arrears. This would increase rates paid to external domiciliary care providers by approximately 43p per hour of contact time.

4.2 However, in the last 12 months, dom care hours from external providers peaked in August 2021. If we were to return to this level, the request would be for **£203,882** per annum or **£148,991** pro rata from 9th July 2022 (to tie in with the start of the 4 weekly billing period). As discussed in point 2.6 there are 59 people waiting for domiciliary care to be sourced.

4.3 This would also bring external domiciliary care workers in line with mileage rates paid to council domiciliary care workers.

4.4 At 27.06.22 ultra low sulphur unleaded petrol prices, according to the gov.uk 'weekly road fuel prices' website were £190.93 per litre.

[Weekly road fuel prices - GOV.UK \(www.gov.uk\)](https://www.gov.uk/weekly-road-fuel-prices)

4.5 If funding is approved for this purpose the administration of the change would require minimal staff resource.

4.6 The Head of Finance (Section 151 Officer) notes the content of the report. The Budget Management Reserve is set aside to meet budgetary pressures arising in a financial year, so can be justified to meet these costs for one year only. Agreeing the recommendation will also make an ongoing commitment to fund at this level into future years which will be reflected on the councils budget plan. The value of the virement will be based on actual expenditure incurred based on the hours delivered.

5. Legal implications

5.1 Legal: the recommendations can be accepted from a legal point of view

5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: " I note the legal comment and have nothing to add to the report".

6. Data Protection

6.1 The proposal does not involve the processing of personal data.

7. Comment from local member(s)

7.1 The rate increase will apply across the county and therefore will not impact on any specific local members.

8. Impact Assessment

8.1 All impacts are considered to be positive and therefore an Impact Assessment is not required.

9. Recommendation

9.1 For Cabinet to agree that the mileage rates in the Powys Pledges for external domiciliary care providers will match the mileage rates paid to Powys County Council staff with effect from the 9th July 2022.

9.2 For Cabinet to approve the proposed spend as discussed in point 4.2, to allow sufficient flexibility to meet peaks in expenditure. This is estimated to be maximum spend of £203,882 per annum or £148,991 pro rata from 9th July 2022 (to tie in with the start of the 4 weekly billing period). The additional funds will be passed onto the external domiciliary care providers, who in turn will pass onto their workforce according to the Powys Pledges.

9.3 That a virement of up to £148,991 is approved and transferred from the Budget Management Reserve for the 2022/23 financial year. The ongoing cost for future years will be identified by the service in the Financial Resource Model (FRM) as part of budget setting for 2023-24 and future years.

9.4 That a contract variation is sent to providers who can prove that they pay an increased mileage rate and this increase or decrease are in line with Local Authority rates.

9.5 That officers will review the appropriateness of maintaining the equity of travel expense rates between public sector and private sector care staff in July 2023 and throughout the twelve-month period through routine contract monitoring. This review will consider the wider impact on recruitment and retention within the domiciliary care sector.

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