

## **Social Care Workforce Grant**

### **Purpose**

1. The purpose of the grant is to assist local authorities to manage the financial impacts of changing workforce costs and arrangements within the social care sector, particularly pressures arising from the national living wage.
2. This investment underpins a joint commitment between partners – where the Welsh Government supports local authorities to invest in service provision and employers will create a more valued workforce, reducing the high turnover in staff currently being experienced.

### **Background**

3. This grant is in support of workforce costs and arrangements, one of a number of interventions that the Welsh Government has undertaken to drive forward the programme of improvement of the social care sector that began with the publication of the Sustainable Social Services strategy in 2011.
4. Sustainable Social Services recognised the need for radical change to ensure that the current care and support systems remained sustainable within the context of changing social demographics and raised public expectations over quality and safety, in a climate of on-going resource constraint.
5. This was further progressed through the development and enactment of the Social Services and Well-being (Wales) Act 2014, which focused the delivery of care and support using a citizen centred approach giving greater voice and control, within a more integrated system of care across Wales.
6. As part of the implementation of the 2014 Act, the National Commissioning Board is currently working with commissioners and other partners to improve commissioning arrangements and developing an outcomes focused practice to contribute to citizen focused sustainable social care services. This will inevitably have an impact upon reducing the prevalence in the use of zero hours contracts.
7. The Regulations and Inspection of Social Care (Wales) Act 2016 refined the regulatory regime to ensure that it would remain fit for purpose in this new era, and also ensured that the voice of the service user was heard as part of the inspection regime.
8. However, this is not the end of the process. We are aware that the sector continues to face challenges. Consequently a series of round table events was established with stakeholders from across the sector to explore solutions to particular issues arising from workforce challenges. This included the need to improve the quality of services and continuity of care for people receiving care and support by creating a more valued, better skilled workforce with lower rates of turn over and the risks to service quality and safety these bring.

9. In recognition of these challenges, the Welsh Government provided an additional recurrent £25 million in the local government settlement for 2017/2018, specifically for social services.
10. On 5 January 2017 the Welsh Government announced it was making available a further £10 million of recurrent funding to local authorities to help meet pressures within the social care sector accentuated by the implementation of the UK Government's so-called "national living wage" in what has traditionally been a low-wage sector.
11. This is in addition to other Welsh Government funding programmes and approaches helping the sector meet the challenges it faces including the Integrated Care Fund, the Social Care Workforce Development Programme and the adjustment to the domiciliary care charging cap.
12. However, this grant programme is not just about providing additional funding. The Welsh Government cannot deliver the necessary changes alone. We expect our partners in local government and employers in the social care sector to contribute to this change programme if we are to succeed and improve the terms and conditions of the workforce.
13. The Welsh Government has worked in co-operation with stakeholders to develop and publish a number of principles and codes of practice around employment practices. These include:
  - a. *"Principles and guidance on the appropriate use of non-guaranteed hour arrangements in devolved Public Services in Wales."*

This was developed by the Public Services Staff Commission working with social partners and was published by the Welsh Government in December 2016 under section 60 of the Government of Wales Act 2006. The five principles it sets out will enable the appropriate use of NGHCs to support the effective and efficient delivery of public services for Wales. The Workforce Partnership Council will review the evidence on the adoption of these principles to determine whether this approach is successful; and
  - b. *A Code of Practice for Ethical Employment in Supply Chains* to support more ethical supply chains to deliver contracts for the Welsh public sector and third sector organisations in receipt of public funds.

This Code, launched in March 2017, is designed to ensure that workers in public sector supply chains are employed ethically and in compliance with both the letter and spirit of UK, EU, and international laws. The Code refers to unfair use of umbrella schemes and zero hours contracts (or non-guaranteed hours contracts (NGHCs) as they are also known).
14. The Welsh Government is committed to continued collaboration and co-operation with stakeholders to identify and find solutions to the ongoing issues facing the social care sector. This will require Welsh Government, local government and employers to work together to deliver the changes we need to deliver high quality social care and support through a dedicated and stable

workforce.

15. The Welsh Government will continue to work with stakeholders, including the National Commissioning Board, to develop toolkits and guidance that will focus on moving commissioning practice to an approach that works in partnership with service users, providers and others to deliver the best care and support outcomes for the individual.

## **Aims and Objectives**

16. The **aim** of this grant is to enable the social care sector to meet the financial pressures associated with the National Living Wage. Ensuring that people who work in the sector are appropriately rewarded for the work they do is part of a broader range of improvements to their terms and conditions. These changes are expected to support improvements in the quality and continuity of services delivered.
17. There is flexibility for local authorities to determine how best to use the grant as long as the way it is used is aligned to meeting the pressures associated with the National Living Wage. Whilst we are not expecting local authorities to evidence all of the criteria below, we will expect them to show how the funding is being used to support service providers in meeting their legal obligations and delivering a valued and rewarded workforce. Local Authorities should therefore work with their providers to ensure that they are also made aware of and clearly understand the objectives of this grant.
18. Welsh Ministers have made it clear that this funding is part of a tripartite agreement and that all partners will be required to contribute to the delivery of these objectives.
19. We will also expect service providers to demonstrate to local authorities, as part of the contract monitoring process, how they are contributing towards this goal. This could include evidence, that staff are remunerated for using their own vehicles to travel between clients and staff do not have to pay for their uniforms, training, etc.
20. The workforce is the principle resource for providers of social care impacting on the quality and continuity of care. Good quality services cannot be delivered in the context of a workforce which is subject to a high turn over of staff, where people feel undervalued or where inappropriate time pressures are applied to reduce costs. This grant is intended to provide a significant supplement to the resources provided by Local Authorities for these services to ensure that employers deliver an appropriately skilled and valued workforce alongside their obligations to pay the National Living Wage.
21. The **objective** of the grant is to ensure, that local authorities and service providers provide evidence of how they have used the funds to secure high quality services. This includes:

- a. Social care service providers deliver their legal obligations to their staff for care time with an aspiration to go further as the benefits of lower turnover are demonstrated
- b. enable social care service providers to take other actions to improve the terms and conditions of its workforce (e.g. ensuring a variety of contract arrangements are available to staff, as opposed to all contracts being zero hours/non guaranteed hours contracts);
- c. social care service providers address other aspects that impact upon payment of the national living wage (i.e. not deducting payments from their staff for uniforms, payment while attending training, use of own vehicles, etc.);

The grant may also be used to:

- d. ensure domiciliary care workers receive pay for travel time between calls;
  - e. support measures to ease the financial pressures of providing night time (sleep over) cover for vulnerable people;
  - f. ensure social care service providers delineate between travel and care time – e.g. developing clearer rotas to show the differences, providing a concise break down of payments on payslips etc.;
- and
- g. ensure that social care service providers, where they use third parties, comply with 5.1 of the code of practice on ethical employment in supply chains, which states:

*“5.1 Ensure that undue cost and time pressures are not applied to any of our suppliers if this is likely to result in unethical treatment of workers.”*

## **Funding**

- 22. The grant funding will be allocated and paid as a grant payment to each local authority in two tranches in 2017/2018. This recurrent funding from 2018/2019 will be incorporated into the Revenue Support Grant and will require appropriate evidence to be submitted the Welsh Government as outlined below to ensure compliance with the policy intent.
- 23. The allocation of funds will be based on the overall Personal Social Services Sector element of the 2017/2018 Standard Spending Assessment formula.
- 24. The Welsh Government will write to confirm the allocation being made to each local authority and provide a first payment that will deliver half of the grant award to the local authority.
- 25. The timetable for the grant will be as follows:

Allocation letters to Local Authority Directors of Social Services  This will include a breakdown of the funding being allocated.  (Letters will be copied to LA Treasurers)	:	11 May 2017
Signed letters from Directors of Social Services agreeing to terms and conditions.	:	15 May 2017
First payment of 50% of the grant funding.	:	18 May 2017
Mid year reporting from local authorities to highlight actions taken to ensure service providers have complied with the terms of the funding and that service providers have taken action to improve the terms and conditions of their workforce.	:	18 September 2017
Final payment of remaining 50% to be made.	:	2 October 2017
End of year reporting, to build upon the actions taken in the mid year report.	:	2 April 2018

26. The second payment will be made available in early October, subject to provision of a monitoring report evidencing local authority's monitoring of its social care provider contracts as meeting the criteria outlined at paragraph 21 above. This report should be submitted to the Welsh Government by 18 September to allow time to analyse the effectiveness of the interventions taken.

27. The end of year report provided through Local Authorities should provide a clear and concise outline of the actions taken to improve the terms and conditions of the workforce. This will include:

a. Local authorities:

- will be expected to report on the action they have taken whilst monitoring their contracts and update the information provided as part of the mid year report; and
- should also provide a statement of expenditure at the end of the financial year to outline how the grant was spent.

b. Service Providers:

- will also be expected to evidence the actions they have taken.