

Title of report: Authorise additional funding for Hoople

Decision maker: Chief Financial Officer

Decision date: Tuesday 19th October 2021

Report by: Senior commissioning officer

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

Home First is the reablement service provided by Herefordshire Council. Staff within the service are employed on either Herefordshire Council or Hoople terms and conditions. As a consequence there is a disparity in the salaries paid for identical roles depending on whether the staff member is on a council or Hoople contract with some staff on Hoople contracts receiving a lower hourly rate of pay.

The purpose of this decision is to support fair pay by increasing the funding to Hoople to enable a wage increase for Reablement Workers (RW) and Assessment and Review officers (ARO). This will bring the hourly rate of pay into line with RW's and ARO's who are employed by Herefordshire Council.

A portion of the additional funding will be used by Hoople Care to have a recruitment drive for the Home First service, which currently has a significant number of staff vacancies. The correction of the current wage disparity will improve staff retention rates.

Recommendation(s)

That:

- a) An increase in funding to Hoople for the Home First service as part of Hoople Care is approved in order to increase the rate of pay for Hoople's reablement workers (RW) and assessment and review officers (ARO)**

Alternative options

1. Do nothing and leave salaries as they are. This is not recommended as the current salary paid to Assessment and Review Officers (AROs) and Reablement Workers (RWs) on the current Hoople contract is less than to workers in similar roles employed directly by the council. To leave the pay disparity in place may affect staff morale and leave the council and Hoople open to a legal challenge about equal pay. Without the proposed funding there will continue to be issues relating to staff recruitment and retention.
2. To increase the budget for Hoople in operating Home First only to allow pay for the affected staff to the living wage. This option is not recommended. An increase of any kind would doubtless be welcomed by those staff affected, but this modest increase is not thought sufficient to have a decisive impact on recruitment or retention. In addition, there would remain a disparity between employees employed in the same role within Hoople and the council. The course of action would highlight the wage differences, and any initial benefit to affected staff would be seen in this context.

Key considerations

3. The Home First service is Herefordshire Council's Care Quality Commission (CQC) registered reablement service. The service is for anyone over the age of 18 who is eligible for social care support and would benefit from a period of reablement.
4. The service is important to help people remain at home rather than go into hospital or residential care, for example following a fall or some sort of crisis at home. The reablement part of the service helps people regain skills and confidence in completing everyday tasks and activities, such as making meals, washing and dressing yourself
5. Currently staff for Home First are employed partly through the Council and partly through Hoople, although the intention in due course, is for all remaining council employed staff to transfer to Hoople under Transfer of undertakings, protection of employment regulations (TUPE).
6. The current level of pay for RWs and AROs employed by Hoople has a number of negative effects. Firstly there is a disparity with workers in very similar roles working for the council and staff on the lower pay scale are unhappy with the situation. This in turn is leading to an impact on staff retention which is not good within Home First. Currently, there is a number of staff vacancies in Home First which puts pressure on remaining staff and prevents the service from functioning as fully effectively or to capacity. The consequences of this include delayed discharges from hospital and increased reliance on the independent domiciliary care market. The market has its own challenges in staffing capacity and cannot always provide the services required. The most significant impact of this is that individuals may be in hospital for longer than they should be, which we know has a detrimental impact on the long term recovery of older and more frail individuals.
7. If levels of pay for Hoople workers remain the same, improvements in recruitment and retention are not likely to be achieved. There will be a significant negative impact on the provision of intermediate care and reablement through Home First service and

outcomes for vulnerable individuals. This could also lead in turn to additional costs elsewhere within the health and care system.

Community impact

8. Home First provides an essential reablement service that facilitates early discharge from hospital and a return home for patients. It is known that the longer a person remains in hospital the more likely it is that they will experience reduced confidence and mobility and worse outcomes overall..
9. Having a full complement of staff available within Home First will reduce delays for people ready to leave hospital. Delays in providing this service not only impact on the individual patient but bed space issues for the hospital which in turns creates capacity issues across the whole health and care system.
10. Accepting the recommended proposal will make employment in reablement work and the wider social care sector more attractive for people in the local employment market, providing pay above the living wage. This will have a positive impact for the local economy and support an important function in reducing pressure on hospitals and enabling patients to return home without any unnecessary delays.

Environmental Impact

11. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
12. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy. For example Hoople Care encourage home working wherever possible to minimise on unnecessary travel, also they ensure that any waste generated by the organisation is recycled wherever possible.

Equality duty

13. Please state how does this decision / proposal pay due regards to our public sector equality duty as set out below [do not remove the wording in the note, from section 149, below]

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
14. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our staff and providers are made aware of their contractual requirements in regards to equality legislation.
15. The Home First service supports people who share protected characteristics in relation to age and disability and they will benefit in significant numbers if the service can operate to optimum, with a full complement of motivated staff.
16. The salary increase for the affected staff will also address a an inequality that currently exists between the different terms and conditions staff work under, whilst they are required to perform the same tasks.

Resource implications

17. The cost of the part of the Home First workforce directly affected by this proposal is part of the budget for Hoople Care, operated by Hoople. In order to be able to implement the proposed pay increase, Hoople is seeking additional funding from the council of £135,104, as set out in the table at 22 below.
18. To address the current disparity in hourly rates of pay to reablement workers (RW's) and assessment and review officers (ARO's) between those employed by Hoople against the same roles employed by the council, a 12% increase in salary to the affected Hoople workers will be required. This represents a 13% increase in costs for the employer overall, including National Insurance and pension contributions.

19. The following table provides a comparison of hourly rates as they are currently and the proposed uplift.

Hourly Rate Comparison between Council and Hoople Home First workers		
Current Hoople		
Staff Group	Hourly Rate	
Reablement Workers	£8.99	
Assessment & Review Officers	£9.82	
Current Council		
Staff Group	Hourly Rate	
Reablement Workers	£10.15	
Assessment & Review Officers	£10.99	
Proposed Future Hoople		
Staff Group	Hourly Rate	% Increase
Reablement Workers	£10.11	12.37%
Assessment & Review Officers	£10.99	11.97%

20. The cost of the proposed salary uplift during the current financial year (2021/22) can be funded from the current budget for Home First, as a result of continued staff vacancies. Future and recurring funding of these salary increases can be met by allocating some of the annual inflationary increase in the Better Care Fund (BCF). The Home First service overall is funded from BCF.

21. The following table shows the proposed increase in salary and on-costs

Total Increase in Costs for Hoople-employed Home First workers	
Staff Group	Salary + Oncosts
Current RW costs	£843,111
Future RW Costs	£953,761
Increase in Costs	£110,651
Current ARO costs	£193,631
Future ARO Costs	£218,085
Increase in Costs	£24,454
Total Increase in Costs	£135,104

Legal implications

22. Hoople is a regulation 12 Company (a company owned by public sector bodies) and therefore exempt from the Public Contract Regulations 2015 so there are no procurement issues arising from this situation.
23. There is a potential risk of challenge, by way of an equal pay claim, if the pay of employees remained at different levels undertaking the same/similar work and it could be argued that the employer relationship between the 2 groups of employees gives way to satisfying the 'suitable comparator' requirement to bring a claim. .

Risk management

Risk / opportunity	Mitigation
If the proposed approach is not adopted, the option to do nothing and leave the situation unchanged will result in the service being unable to recruit suitable staff, existing staff may challenge Hoople / council regarding the inequality of wages	The proposed funding to enable an increase in wages for Hoople staff within Home First will mitigate this risk.
If the proposed approach is not adopted and funding only provided for a more limited pay increase, the risks to staff morale and future retention and recruitment would remain	The proposed funding to enable an appropriate increase in wages for Hoople staff within Home First will mitigate this risk so far as possible.
The proposed increase in costs will create a budget pressure within BCF spending from 2022/23	The relatively small, but nonetheless significant increase in funding can be met and maintained through the annual inflationary uplift in the BCF.
The increase in salary and subsequent recruitment drive may impact on other agencies working in the market who may not match the salary scales	The increase in salary will affect a relatively small number of Home First staff. The recruitment drive should bring staff complement up to capacity, but this will not be so great as to impact on the wider market.

Consultees

24. Although there has been no formal consultation, this proposal was discussed and approved at One Herefordshire Partnership Board
25. Trade union representatives are making plans to discuss the proposals with affected staff from the Home First service.

Appendices

None

Background papers

None Identified