

BUDGET SETTING 2025-26
EQUALITY IMPACT ASSESSMENT (EIA)

Title of EIA – Policy Proposal		Market Management in Adult Social Care Inflation Proposal
EIA Author	Name	Jon Reading
	Position	Head of Commissioning and Quality
	Date of completion	20th November 2024 Updated 3rd February 2025
Director	Name	Pete Fahy
	Position	Director of Adult Services and housing
Cabinet Member	Name	Cllr Linda Bigham
	Portfolio	Adult Services

PLEASE REFER TO [EIA GUIDANCE](#) FOR ADVICE ON COMPLETING THIS FORM

SECTION 1 – Context & Background

1.1 In summary, what is the background to this proposal?

The autumn Budget introduced two proposals that have an inflationary impact on providers of adult social care.

- An increase of 6.7% in National Living Wage for people aged twenty-one and over from £11.44 to £12.21 per hour. An increase of 77p per hour
- Companies to pay NI at 15% on salaries above £5,000 from April, up from 13.8% on salaries above £9,100 a year.

These costs pressures are compounded by general inflation which is currently running at 3.2% (CPIH)

Providers may expect full compensation for these additional costs, however, our proposals, due to the current financial position of the Council are to **exclude general inflation from our fee rate award**. Equally our award is not able to recognise any wage increases to maintain pay differentials for various levels of staff. We know, for example, that some senior carers in the independent sector are paid just 50p per hour more than basic grade carers.

Inability to support providers to reach a cost neutral position could result in the following:

- Not filling vacant posts
 - Redundancies (International recruits may be more affected due to higher costs of employment)
 - An increase in zero-hour contracts
 - Possible service closures/contract hand backs
 - Reduced investment in staff development and training

As we tender for services as contracts expire there is also the potential for decreased interest in bidding for work with the City Council.

SECTION 2 – Consideration of Impact

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Refer to guidance note for more detailed advice on completing this section.

In order to ensure that we do not discriminate in the way our activities are designed, developed, and delivered, we must look at our duty to:

- Eliminate discrimination, harassment, victimisation, and any other conflict that is prohibited by the Equality Act 2010
- Advance equality of opportunity between two persons who share a relevant protected characteristic and those who do not.
- Foster good relations between persons who share a relevant protected characteristic and those who do not.

2.1 Baseline data and information

Approximately 150 organisations are contracted to provide services to the City Council who will be affected by this proposal. Services are provided to adults aged eighteen and over with an eligible social care need.

2024/25 average fee rates by main Service Type

Home support – £21.14 per hour
 OP residential homes - £813.20 per week
 OP Nursing – £936.47 per week (excludes funded nursing care)
 Younger adults nursing homes £1195 (excludes funded nursing care)
 Younger adults residential - £1537
 Supported Living £21.15 per hour.
 Housing with Care £20.19

2.2 On the basis of evidence, complete the table below to show what the potential impact is for each of the protected groups of residents/service users.

- Positive impact (P),
- Negative impact (N)
- Both positive and negative impacts (PN)
- No impact (NI)
- Unknown impact (UI)

Protected Characteristic	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required.
Age 0-18	Not applicable	Not applicable
Age 19-64	N	This proposal is likely to have a negative impact on some working age adults with disabilities/mental ill health who rely on adult social care provision with some providers at risk of failure/quality issues .
Age 65+	N	This proposal is likely to have a negative impact on older people who rely on adult care provision with some providers at risk of

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		failure/quality issues It is not yet known what the impact of this proposal will be.
Disability	N	This proposal is likely to have a negative impact on adults with disabilities who rely on adult care provision with some providers at risk of failure/quality issues
Gender reassignment	UI	It is not yet known what the impact of this proposal will be.
Pregnancy and maternity	UI	It is not yet known what the impact of this proposal will be.
Race (Including: colour, nationality, citizenship ethnic or national origins)	UI	It is not yet known what the impact of this proposal will be.
Religion and belief	UI	It is not yet known what the impact of this proposal will be.
Sex	UI	It is not yet known what the impact of this proposal will be.
Sexual orientation	UI	It is not yet known what the impact of this proposal will be.
Care-Experienced	N	This proposal is likely to have a negative impact on quality of care experienced by some people who rely on adult social care

2.3 Will there be any potential impacts in relation to health and/or digital inequalities? *Please think about issues such as socio-economic groups, areas of deprivation etc*

Potential impacts could include:

- Potential indirect impact on carers pay and working conditions, including factors such as finance and health of paid carers.
- Increased health inequalities for carers and service users should level of support be reduced.
- As non-pay related expenditure is likely to be most affected this impacts could be experienced in areas including food and drink, utilities, training and general maintenance. All of these areas have a potential impact on health and wellbeing
- Service closures/contract hand backs have significant impact on health outcomes. This risk is especially relevant for home support providers who already operate on very small margins.
- Providers cut back on technological support as a way of reducing costs thus impacting on service users with protected characteristics.
- Reduced quality of services as providers seek to reduce costs. Providers seek to recover costs through third party contributions (top-ups) which passes an increased cost onto family members and/or relatives which has an in turn knock on effect to these parties

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3.0 Will there be any potential impacts on Council staff from protected groups? If yes complete the table below: NOT APPLICABLE

Protected Characteristic	Number of Employees impacted	Impact type P, N, PN, NI, UI	Nature of impact and any mitigations required.
Age 16 -18	N/A		
Age 19-64	N/A		
Age 65+	N/A		
Disability	N/A		
Gender reassignment	N/A		
Pregnancy and maternity	N/A		
Race (Including: colour, nationality, citizenship ethnic or national origins)	N/A		
Religion and belief	N/A		
Sex	N/A		
Sexual orientation	N/A		

4.0 How could you monitor and evaluate the effect of this proposal?

Feedback from the Care Market. Increase in representations for review through our Fee Rates panel.
Closures and contract hand backs.
Reductions in quality monitored through Quality Assurance processes.

5.0 Action Planning		
Issue Identified	Planned Actions	Timeframe
To be identified during consultation based on feedback	Fee rate panel to consider specific representations from providers	In place
	Monitor potential closures/ contract hand backs providing support where appropriate and/or following provider failure process	Ongoing

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	Monitor quality of provision to detect any reductions in quality attributable to financial challenges	Ongoing
	Monitor level of interest in tender opportunities	31 st March 2026

6.0 Completion Statement

The potential equality impact of this proposal is as follows:

- No impact has been identified for one or more protected groups
- Positive impact has been identified for one or more protected groups
- Negative impact has been identified for one or more protected groups
- Both positive and negative impact has been identified for one or more protected groups
- The potential impact of this proposal on protected groups is not yet known

7.0 Approval

Name of Director: Pete Fahy	Date: 20/11/24 Post-consultation approval: 06/02/25
Name of Lead Elected Member: Cllr Linda Bigham	Date sent to Councillor: 02/12/24 Post-consultation approval: 06/02/25