

JOINT STRATEGIC COMMISSIONING BOARD
Fee Setting for 2019/20

Risk Please indicate	High N	Medium Y	Low N
Detail of Risk Description	<i>Ensuring fee rates paid to providers are sufficient to meet statutory requirements with regard to living wage and pension obligations. All commissioning activity is subject to appropriate consultation, engagement and impact assessments.</i>		

Engagement taken place	Y
Public involvement taken place	N
Equality Analysis/Impact Assessment completed	Y
Quality Impact Assessment	N
Strategic Themes	
To empower the people of Wirral to improve their physical, mental health and general wellbeing	Y
To reduce health inequalities across Wirral	Y
To adopt a health and wellbeing approach in the way services are both commissioned and provided	Y
To commission and contract for services that: <ul style="list-style-type: none"> • Demonstrate improved person-centred outcomes • Are high quality and seamless for the patient • Are safe and sustainable • Are evidenced based • Demonstrate value for money 	Y
To be known as one of the leading organisations in the Country	Y
Provide systems leadership in shaping the Wirral Health and Social Care system so as to be fit for purpose both now and in five years' time.	Y

JOINT STRATEGIC COMMISSIONING BOARD
(Committee in Common)

Meeting Date:	2nd April 2019
Report Title:	Fee Setting for 2019/20
Lead Officer:	Jacqui Evans

INTRODUCTION / REPORT SUMMARY

- To report the outcome of consultation with care providers with regard to the proposed 2019-20 fee rates for services provided for adults and older people in Wirral.
- To satisfy the Council's requirement to deliver a responsive and sustainable social care market, with a quality of care that reflects our local expectations.
- Proposals are made within the context of continuing significant financial pressures for both providers and the Council. The Council has given due regard to local market pressures and providers' actual costs of care.
- The consultation covers services provided on behalf of Wirral Council Adult Health and Care and NHS Wirral CCG as part of its joint commissioning arrangements as Wirral Health and Care Commissioning.
- The report covers the following sectors: Residential and nursing, supported living, extra care, domiciliary care, shared lives and reablement. The new integrated domiciliary care fee rate, including reablement, has already been approved at Joint Strategic Commissioning Board on 5th February 2019.
- The integrated, intermediate Transfer to Assess service is currently being reviewed and will have its own, dedicated report later in the calendar year.
- Unlike in previous years, the Council is not able to levy the Social Care Precept to support the cost and demand pressures in the Adult Care and Health sector. Instead, efficiencies will be delivered across the Health and Care sector to fund these fee rate increases.
- The following pledges are linked to (and supported by) the recommended increases:
 - Older People Live Well
 - People with disabilities live independently
 - Young People are ready for work and adulthood
 - Wirral is a place where employers want to invest and businesses thrive
 - Greater job opportunities in Wirral Council
 - Thriving small businesses
 - Workforce skills meet business needs

- The report includes a set of numbered appendices providing the detail for each sector.

RECOMMENDATIONS

- Joint Strategic Commissioning Board approve the proposed rates and fees recommended by officers within the report.
- Joint Strategic Commissioning Board approve to uplift fees to providers from 1st April 2019.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council has a statutory duty to maintain and support a local market to deliver care and support. The work undertaken by officers has taken into account legal requirements and core standards of care and has provided a clear evidence base for the proposed fee increase.
- 1.2 The Council has a duty to commission a range of high quality, appropriate services, offering people choice. There is a duty to ensure the market is responsive and sustainable; looking after the care market as a whole and ensuring continuity of care.
- 1.3 The proposed fee rates take account of the recent volatility in the care sector, driven by increasing difficulty for providers in acquiring and retaining staff.
- 1.4 Benchmarking exercises have been undertaken across the North West Finance Group. Consideration has been given to the benchmarking data gathered to inform fee proposal rates, a copy of which is attached in Appendix 2.
- 1.5 Provider views have been thoroughly considered in relation to their full range of costs and legislative and national requirements. Providers were offered a range of different ways in which to give their feedback to the Council, including 1:1 or group sessions, dedicated email correspondence and an open book accounting offer. The views expressed during this consultation period have been taken into consideration within the fee rates proposed.
- 1.6 A full list of provider feedback and explanation of the consideration the department has given to these points is attached in Appendix 1.

2.0 OTHER OPTIONS CONSIDERED

N/A

3.0 BACKGROUND INFORMATION

- 3.1 The commissioners' strategy is to set fees that stimulate a responsive and flexible market place, maintain capacity and ensure that a range of provision is available to meet local demands across the whole health and social care economy, including suitable provision for people with dementia. The approach to fee-setting for 2019/20 reflects the joint approach taken between Wirral Council and NHS Wirral CCG via Wirral Health and Care Commissioning.

- 3.2 Responsive and timely provision is required to support individuals appropriately in their community, avoiding and minimising the need for acute service and maximising outcomes for individuals. The Council is investing in the development of viable alternatives such as extra care housing and a range of reablement and community services to reduce and delay the need for long term care.
- 3.3 The rates and fees paid by the Council need to reflect both the requirements for providers to be able to meet quality and safety standards and enable the Council to maintain a stable market which can offer quality provision, whilst also ensuring best value for money and consideration of local factors.
- 3.4 Wirral Health and Care Commissioning is committed to improving the outcomes for older people and people with disabilities in Wirral and minimising future demand within a sustainable budget.

4.0 FINANCIAL IMPLICATIONS

2019/20	Current 18/19	Proposed 19/20	Increase 18/19 to 19/20	Est. Pressure/ Yr (£m)
Core Funded:				
Residential	450	471	4.7%	0.5
Residential EMI	509	525	3.1%	0.2
Nursing (excl. FNC)	492	511	3.9%	0.2
Nursing EMI	513	529	3.1%	0.2
Supported Living	14.00	15.00	7.1%	1.7
Domiciliary Care*	14.80	15.60	5.4%	0.6
Extra Care	12.42	13.12	5.6%	0.1
Direct Payments	12.04	12.49	3.8%	0.3
Shared Lives	379	401	5.8%	0.1
Total Increase				3.8
Better Care Fund:				
Dom Care Plus	16.67	17.55	5.3%	-
Reablement*	16.84	15.60	(7.4%)	(0.1)
Total Increase				

*Proposed fee rates in these areas are reflective of the outcome of the joint re-commission of domiciliary care in 18/19 with NHS Wirral CCG, resulting in a new 'top-to-bottom' service with one standard rate paid to providers across all types of care.

- 4.1 The cost of implementing the revised fees from 1 April 2019 is £3.7m for the full year 2018/19. This will be accommodated from within the Adult Health and Care budget by achieving £3.7m efficiencies, which forms part of the larger departmental savings target for maximising independence and wellbeing.
- 4.2 The proposed increases will ensure that providers are able to meet their statutory responsibilities, such as National Living Wage and employer workplace pension responsibilities.

5.0 LEGAL IMPLICATIONS

- 5.1 Under the Care Act 2014 local authorities (LAs) have a duty to promote diversity (choice) and quality in the care and support provider market. The purpose is to produce a sustainable and diverse range of providers to deliver better, innovative and cost-effective services. The support should promote the well-being of every person that needs it and enable them to greater levels of independence LAs are required to identify those with care and support needs in their area, identify what needs require prioritising and then encourage providers to meet those needs whilst monitoring the quality of the services provided. In addition, LAs have a duty to assure provision, where care providers in their area have failed to provide the required service at the appropriate level of quality.
- 5.2 In order to avoid challenge the Council must be able to demonstrate that the approach adopted in relation to the decision is open, fair and transparent. Provided that the Council has followed due process and given due regard to the actual costs of care, then the decision as to what fees it will pay to care home providers is a matter for the Council and it may take into account its financial circumstances in coming to that decision.
- 5.3 When considering the actual cost of care, fees should not be set mechanistically but should have due regard to providers' costs, efficiencies and planned outcomes for people using services. Fee setting must take into account the legitimate current and future costs as well as factors that may affect those costs (for example the National Living Wage) and not just the potential for improved performance and more cost-effective ways of working.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Officers will continue to work with the sector to develop new care models for supported living.

7.0 RELEVANT RISKS

- 7.1 The Council has shared the fee models with providers. It has responded to the issues raised during the consultation period, reflecting on the proposed changes and stating the reasons for its decisions. Accordingly, the final proposal is reasonable and well considered.
- 7.2 The Council has maintained a considered balance between the cost of care, maximising the Wirral pound, whilst considering local factors, quality and meeting need.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Council has undertaken a period of consultation and engagement with providers during January and February 2019.

Date	Actions/Details
Thursday 3rd January 2019 to Thursday 14th February 2019	Commencement of engagement re: fee proposal for 2019/20. Six-week engagement period up to 5pm 14 th February. Providers' engagement options: <ul style="list-style-type: none"> • Individual meetings • Open book accounting • Group forums • Email correspondence
Friday 15th February 2019 to Thursday 28th February 2019	Consideration of all comments received by 14 th February deadline. Opportunity for any required clarification with providers.
Friday 1st March 2019	The Council drafts its final position and proposal for Joint Strategic Commissioning Board
2nd April 2019	Joint Strategic Commissioning Board considers the proposal and confirms decision.
April 2019	New rates applied (subject to JSCB decision)

9.0 EQUALITY IMPLICATIONS

Equality Impact Assessments have been carried out and can be found: -

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017>

10.0 BENCHMARKING

The Council has benchmarked its own proposed fee rates against the indicative rates proposed by other Local Authorities in the North West. The outcome of this benchmarking exercise is included as Appendix 2 to this report.

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APPENDICES

Appendix 1 - Provider feedback

Appendix 2 - Benchmarking exercise

BACKGROUND PAPERS

HISTORY

Meeting	Date
Cabinet	6 th June 2016
Cabinet	27 th March 2017
Cabinet	26 th March 2018