

Appendix 1 CONSULTATION

CONSIDERATION OF FEEDBACK FROM PROVIDERS

The following aspects of the market place have been consulted upon:

Residential and Nursing Care
Domiciliary Care
Supported Living
Intermediate Care

Feedback and comments were received from the following number of providers:

Residential and Nursing Care 15
Domiciliary Care 5
Supported Living 17
Intermediate Care 2

In total 39 providers responded to the consultation.

Some providers sent multiple comments; therefore the actual number of responses in the table overleaf does not agree to the above breakdown of providers who responded.

Comment	No. of responses	Response
<u>Residential and Nursing Care</u>		
Can you explain how the ROI was calculated and why the rate is different to last year's calculation?	1	The ROI has been calculated by applying a 7% return on capital, as suggested by Laing Buisson, with a further 6% for discretionary profit, representing the typical return on activity figure as per the CBRE's Marketview on UK Healthcare.
Fees suggested seem to be based on supply and demand of beds, not the costs	1	The fee model has been calculated consistently over the past five years and transparently demonstrates the consideration given to the actual cost of care.
When will be the implementation date?	1	The new fees will be effective from 01/04/17.
The Council's assumed rate of capital is inadequate. Why are the Council not using the nationally-recognised Laing-Buisson or Mazars model?	1	The return on capital is based on a Laing-Buisson recommendation of 7%, based on the level of return expected, were the care home to be leased by an operator from a freeholder. The Council believes this is a fair allowance.
We find it difficult to do a like-for-like comparison with the model, in particular regarding the 95% occupancy level. There is a minimum level of staffing required no matter what the occupancy level.	1	Average occupancy is still at 95% across most care homes within the borough. No changes have been made to our model.
Are the rates are open to negotiation?	1	The Council has undertaken this period of consultation in order to listen to feedback from providers and review its own models.
<u>Domiciliary Care</u>		
16p per hour allowance for travelling time is inadequate	2	The Council believes the travel time allowed in the model is adequate given local geographic factors.
Why aren't the Council following the UKHCA toolkit rate of £16.70 per hour?	1	The Council has given consideration to the UKHCA model when setting the proposed rate, and has considered its own local factors where elements differ significantly from the UKHCA recommendations.
(List of Local Authority Social Services which paid over £16 per hour provided.)	1	The Council has set its rate specific to its own local market conditions, which may be substantially different to those conditions in other areas of the country. The rate offered is comparable to nearby authorities.

Supported Living

The £9.50 management rate may lead to the erosion of the first line manager differential, putting recruitment and retention of first line managers under significant pressure.	1	This has been considered in the fee model. The £9.50 was based on figures given by supported living providers in 2016, and is considered to be fair allowance.
Team meeting, supervision, training and appraisal costs are also higher than in the model.	2	In addition to the team meeting allowance, 50% of managers' time is assumed to be spent on non-care delivery, which also includes appraisal and supervision time. This is considered to be a fair allowance.
£7.50 is not an attractive or competitive offer	1	The Council's Supported Living Rate complies with the requirement to give consideration to providers' actual costs of care, and provides sufficiently to meet providers' statutory responsibility to pay the NLW.
No assumption of additional payments for bank holidays	2	The choice to make additional payments for bank holidays is a commercial decision, not a statutory obligation on the provider.
Where are training costs included in the model?	1	Training costs are included within the 14.1% management and general admin costs.
We pay all staff under 25 the same rate as for over 25s	2	This is a commercial decision on the part of each provider; the Council's fee model includes sufficient for each provider to fulfil its legal duty to pay the minimum wage for each respective age group.
Why is there a different rate for Waking Nights from the day time rate? the Waking Night rate has not increased since 2011	2	The waking nights are paid on an ad hoc, case-by-case basis and are therefore outside the scope of this exercise. The Council is undertaking a review of all its waking night commissions in 2017.
The proposed fee is insufficient to cover all our costs (pensions, apprenticeship levy, business rates increase, cost of CQC rates, insurance costs, petrol, and impact of BREXIT/sterling) and does not promote sustainability.	1	All the factors (with the exception of BREXIT/sterling, given the uncertainty and unknown impact) have been considered. The Council considers that the cost assumptions are reasonable and robust.
Training allowance is inadequate	1	UKGHA recommendation is between 1.5% and 3.0% for training, therefore 7 days is considered a fair allowance.
There is a 1% pension contribution allowance in line with UKHCA, however, the pension contribution to be paid by employers is set to rise to 2% in October 2017	1	Employer's minimum contribution doesn't rise to 2% until 06/04/18, as per: http://www.thepensionsregulator.gov.uk/employers/contributions-funding-tax.aspx#s9379

Specialist Nursing

Why has the cost of care calculator been implemented?

1

The cost of care calculator has been implemented to enable the department to understand the actual cost of delivering specialist residential /nursing care for individual service users. It increases transparency between the provider and the Council and assists in future reviews of that package of care.

Intermediate Care

What is the reasoning behind the reduction in payroll on-costs?

1

Employer's minimum pension contribution doesn't rise to 2% until 06/04/18, as per www.thepensionregulator.gov.uk

Have any further sources been used for return on activity percentage?

1

The Council has used the CBRE report Q1 2016 to inform its return on activity percentage.

Why only using 10 months data for inflation in 17/18 (12 months' data used in 16/17)?

1

This was the latest inflation figure available at the time. The latest inflation figures available (Jan '17) indicate that the inflationary increase is still accurate at 1.7%.

APPENDIX 2

WIRRAL'S PROPOSED RATES, BENCHMARKED AGAINST OTHER NORTH WEST COUNCILS

(SUBJECT TO APPROVAL)

(Please note some local authorities operate different models of care to Wirral, therefore an element of 'blending' has been necessary to achieve comparable figures).

