



**COUNCILLOR
CHRISTINE JONES**

CABINET

26 March 2018

FEE SETTING FOR 2018/19

Councillor Christine Jones said:

“Making sure our residents can get access to the highest quality nursing and residential care is incredibly important. Even during a time of such prolonged national austerity, we cannot and will not compromise on quality.

“In Wirral, we work hand in hand with local businesses and the Care Quality Commission to make sure our residents are supported and have a good of high quality care when they need it.

“I am proud that after extensive consultation with care providers across the borough, we are proposing an investment of almost £3 million this year. This money will be used to support care providers, further improve the quality of services residents can receive and support our most vulnerable people.”

REPORT SUMMARY

- To report the outcome of consultation with care providers with regard to the proposed 2018-19 fee rates for services provided for Adults and Older People in Wirral.
- To summarise local requirements to deliver a good quality responsive and sustainable care market, that reflects resident’s expectations.

- Proposals have been made in the context of continuing significant financial pressures in relation to care costs for both providers and for the council, whilst giving due regard to local market pressures and the actual cost of care.
- The consultation has covered services provided on behalf of Wirral Adult Social Care and Wirral CCG as part of its joint commissioning arrangements for Wirral-wide service provision across Wirral.
- The report covers all sectors: Residential and nursing (including Transfer to Assess and specialist services), domiciliary care (including extra care housing support), supported living, shared lives, reablement and mobile night services.
- 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.

RECOMMENDATION/S

- Cabinet approve the proposed rates and fees recommended by officers within the report.
- Cabinet recommend to Council that the increased cost of £2.9m be met by the Social Care Precept element of Council tax.
- Cabinet approve to uplift fees to providers from 1 April 2018
- Cabinet note the intention to work in collaboration with the Liverpool City Region (LCR) and the supported living sector to pilot test and phase in a sustainable new model of care.
- Cabinet note the intention to work with partner organisations and the independent sector to develop a new model of domiciliary care provision.

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 domiciliary care market and the growing challenges identifying sufficient capacity in sectors such as residential EMI and nursing EMI.
- 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 proposed fee rates take account of their views.
- 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 Commissioning 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 fees that are set are also designed to support integrated commissioning between the Council and its Health Service partners. This includes effective joint commissioning with the CCG for provision such as Transfer to Assess ("T2A"), which supports the whole system economy.
- 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 and consideration of local factors.
- 3.4 There have been significant challenges in the domiciliary care market in Wirral in 2017/18, which has had a destabilising effect and lead to some people having to wait for appropriate support at home. Additionally, there are growing challenges identifying sufficient capacity in sectors such as residential EMI and nursing EMI. The system is prioritising investment in T2A to support the whole system capacity and flow. This ensures that people's opportunities for independence are maximised.
- 3.5 The Integrated Commissioning Hub, is committed to improving the outcomes for older people and people with disabilities in Wirral, and minimising future demand within a sustainable budget.
- 3.6 Officers have been working with the LCR and local providers to consider and develop alternate service delivery models. A pilot was carried out with a major supported living provider in 2017/18, the outcomes of which are being evaluated, prior to wider roll-out in 2018/19. This will help to establish a sustainable model in the future.

4.0 FINANCIAL IMPLICATIONS

2017/18	Current 17/18	Proposed 18/19	Increase 17/18 to 18/19	Est. Pressure/ Yr (£m)
Funded from Precept:				
Supported Living – Day	£13.55	£14.00	3.3%	0.69
Supported Living – Night	£73.92	£77.52	4.9%	0.12
Residential	£434	£450	3.7%	0.59
Residential EMI	£488	£509	4.3%	0.26
Nursing	£477	£492	3.1%	0.21
Nursing EMI	£499	£513	2.8%	0.18
Domiciliary Care*	£13.80	£14.80	7.2%	0.74
Extra Care	£12.00	£12.42	3.5%	0.05
Extra Care (Early Onset Dementia)	£13.45	£14.60	8.6%	0.02
Direct Payments	£7.65	£7.83	2.4%	-
Shared Lives	£367	£379	3.3%	0.03
Total Increase				2.89

BCF (Pooled Fund):				
Dom Care Plus**	-	£16.67	-	0.14
Reablement*	£15.70	£16.84	7.2%	0.07
Mobile Nights*	£14.29	£15.33	7.2%	0.05
T2A - Residential	£500	£524	4.8%	0.01
T2A – Residential EMI	£556	£581	4.5%	0.01
T2A - Nursing	£751	£774	3.1%	0.01
T2A – Nursing EMI	£800	£830	3.8%	0.10
Total Increase				0.39

*Fee rates in these areas have increased by more than the average due to the consideration given to increased travel time, which is statutory obligation on providers to pay. The effect of this is felt more keenly by community care providers than care homes and therefore results in a larger percentage fee rate uplift.

**Dom Care Plus is a new commission which supports people who live at home with complex, long-term conditions.

- 4.1 In respect of residential services, a greater percentage increase has been applied to the residential EMI rate, to incentivise the market to meet demand in this area.
- 4.2 The cost of implementing the revised fees from 1 April 2018 is £2.9m for the full year 2018/19. This can be accommodated from within the Adult Social Care Budget subject to inclusion of the Adult Social Care Precept for 2018/19 is estimated to raise £3.9m. The cost of the fee rate increases in the BCF pool is £0.39m; accordingly, the two-year BCF pool has been amended to absorb the increased cost. The income from the ASC precept and associated expenditure has been included within the Council's 2018/19 budget that was approved at full Council on 5 March 2018'.
- 4.3 Work is being completed on the implementation of pre-paid cards for direct payments. It is estimated that the savings deliverable from this will render the fee increase in respect of direct payments cost-neutral.

5.0 LEGAL IMPLICATIONS

- 5.1 Under the Care Act 2014 local authorities ("LA's") 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 care and support providers to deliver better, innovative and cost-effective services and support to promote the well-being of every person with need of care and support. This requires LA's to identify those with care and support needs in their area, identify what needs require prioritising and then encourage provider competition, while monitoring the quality of the services provided. In addition, LA's have a duty to assure provision, where care providers in their area that 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: ICT, STAFFING AND ASSETS

6.1 Officers will continue to work with the sector to develop new care models for both domiciliary care and 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 2018.

Date	Actions/Details
Tuesday 16 January to Tuesday 13 February 2018	Commencement of engagement re: fee proposal for 2018/19. Four week engagement period up to 5pm 13 February. Providers' engagement options: <ul style="list-style-type: none"> • Individual meetings • Open book accounting • Group forums • Email correspondence
Wednesday 14 February to Tuesday 27 February 2018	Consideration of all comments received by 13 February deadline. Opportunity for any required clarification with providers.

Wednesday 28 February to 1 March 2018	The Council drafts its final position and proposal for Cabinet
26 March 2018	Cabinet considers the proposal and confirms decision.
April 2018	New rates applied (subject to Cabinet decision)

9.0 EQUALITY IMPLICATIONS

Has the potential impact of your proposal(s) been reviewed with regard to equality?

Equality impact Assessments have been carried out.

10.0 BENCHMARKING

10.1 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 – Consultation/Provider Feedback

Appendix 2 – Benchmarking Exercise

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	13 March 2015
Cabinet	6 June 2016
Cabinet	27 March 2017