

## **CONSULTATION**

### **CONSIDERATION OF FEEDBACK FROM PROVIDERS**

The following aspects of the marketplace have been consulted with:

- Residential and nursing care
- Supported living
- Extra care
- Domiciliary Care
- Intermediate (Transfer to Assess) Service

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

- Residential and nursing care: 11
- Supported living: 13
- Domiciliary Care: 3

In total, 27 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.

A number of providers thanked the Council for the level of transparency within the fee models, giving them the ability to properly assess how the fee rate has been set. The Council was also praised for the early consultation which allows enough time to plan before implementation on the 1 April 20.

Ref	Comment	Qty	Response
<b>1</b>	<b>Residential/Nursing</b>		
1.1	The National Minimum Wage (NMW) and National Living Wage (NLW) have increased after the consultation started.	10	The increases in the NMW/ NLW have been reflected in the updated Residential and Nursing model which was distributed on 17 Jan 20.
1.2	The updated Residential and Nursing model uses the National Minimum Wage for employees under 25 and the National Living Wages for employees over 25. This two-tier approach had not been used previously and is not applied in providers pay scales.	3	The Council's fee model reflects the Government's band system for the national minimum wage for under and over 25s.
1.3	The average NI rate used in the model is insufficient.	2	The NI rate offered is an average rate applied to gross pay and is in line with expectation of the UKHCA report on the "A Minimum Price for Homecare".
1.4	The pay differential between care support workers and managerial employees is shrinking due to the use of differing uplift rates (6.2% for Support workers and only 1.4% for Managers)	2	Care Support Worker pay is increased in line with NMW/ NLW. Managers pay is increased in line with inflation. This is considered to a reasonable allowance.
1.5	The model uses a pay rate for Management and Admin which is not reflective of the amount which needs to be paid by providers.	3	The pay rates used within the 'Management Allowance' figure, which include managerial and admin posts, is derived from current market data and are considered to be a reasonable allowance.
1.6	The cover allowance for training is insufficient.	1	The council believes that an allowance of 4 days per year for training, per employee, is fair.
1.7	Recruitment challenges have resulted in higher agency costs		The rate offered includes the assumption that agency staff are employed at an hourly rate twice as expensive as that of care staff. This is considered to be a reasonable allowance.
1.8	We employ more staff than your model allows	2	The Council recognises that there will be variance in the marketplace in terms of the staffing structure employed, with some homes employing more staff than others. The fee model assumes that 27 full-time equivalent staff are employed in a typical 37-bed unit and the Council considers this to be a reasonable allowance
1.9	The total rate offered is insufficient	6	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and provides sufficiently for each provider to fulfil its legal duty to pay the NLW.
1.10	No allowance has been made for the ancillary costs of activities, e.g. licenses, materials, bedding, etc.	1	The fee model contains an allowance for non-staff expenses, including ancillary activities costs.
1.11	Cost of fabric, utilities, services and decoration are different to what is provided for in the model.	1	The treatment of these aspects in the model is based on care home figures from the Royal Institute of Chartered Surveyors. This is considered to be a fair allowance and consistent with the approach taken in the model in previous years

1.12	The number of care hours per resident are not representative of the actual position in care homes.	1	The care hours in the model allows for between 18.5 and 23.0 hours of direct care per resident per week, which is based on a data collection exercise undertaken with local care homes. This is believed to be a fair allowance.
1.13	The Return on Activity (ROA) offered in the model is below the market average.	1	The ROA has been calculated by applying return on capital and activity percentages suggested by CBRE's UK Healthcare Property Trends. This represents the typical return on activity figure expected for a modern, purpose built, fully compliant home and the Council considers this to be a fair allowance.
1.14	The model does not accurately reflect our central management overheads	2	The fee model has been calculated consistently over the past seven years and transparently demonstrates the consideration given to the actual cost of care.
1.15	How does the proposed fee rate compare to other Local Authorities?	1	Appendix 2 of this report shows the how Wirral Council's fee rates compare to neighbouring Local Authorities.
1.16	Government has pledged more money into social care so why are the fee rates so low.	2	The additional funding made available from the Social Care Precept has been fully used to increase providers' fee rates across all sectors.
<b>2</b>	<b>Supported Living</b>		
2.1	The National Minimum Wage (NMW) and National Living Wage (NLW) has increased.	12	The increase in the NLW/NMW has been reflected in the proposed model.
2.2	We pay our staff more than the NMW/ NLW wage, which the model does not provide for.	11	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and provides sufficiently for each provider to fulfil its legal duty to pay the National Living Wage.
2.3	The updated Supported Living model uses the National Minimum Wage for employees under 25 and the National Living Wages for employees over 25. This two-tier approach had not been used previously and is not applied in providers pay scales.	7	The Council's fee model reflects the Government's band system for the national minimum wage for under and over 25s.
2.4	The average NI rate used in the model is insufficient.	2	The NI rate offered is an average rate applied to gross pay and is in line with expectation of the UKHCA report on the "A Minimum Price for Homecare".
2.5	The pay differential between care support workers and managerial employees is shrinking due to the use of differing uplift rates (6.2% for Support workers and only 1.4% for Managers)	6	Care Support Worker pay is increased in line with NMW/ NLW. Managers pay is increased in line with inflation. This is considered to a reasonable allowance.
2.6	The model uses a pay rate for Managers which is not reflective of the amount which needs to be paid by providers.	3	The pay rates used for Managers is derived from current market data and are considered to be a reasonable allowance.
2.7	The model uses a pay rate for Administration which is not reflective of the amount which needs to be paid by providers.	1	The pay rates used for Admin worker is derived from current market data and are considered to be a reasonable allowance.

2.8	The assumption that Team Leaders cover 5% of direct care is not accurate. The cost of direct support should be 100% support workers.	2	The assumption that 5% of direct care is delivered by team managers was arrived at in 2017/18 through conversations with representatives from multiple large supported living providers. This is felt to be a fair allowance, although it is recognised that individual business practices may vary.
2.9	The ratio for managers to support workers of 1:10 is not accurate.	2	The assumed manager to care support worker ratio of 1:10 was arrived at through conversations with representatives from multiple large supported living providers. This is felt to be a fair allowance, although it is recognised that individual business practices may vary.
2.10	No allowance has been made for the ancillary costs of activities, e.g. licenses, materials, bedding, etc.	1	The fee model contains an allowance for non-staff costs, including ancillary activities costs.
2.11	The Apprenticeship Levy has not been factored into the model.	4	In the UKHCA November'17 briefing, no allowance is recommended as, in practice, most providers fall below the minimum threshold. Employers should be able to reclaim the cost of their levy by taking on and training apprentices, so the UKHCA's assumption is that the levy is cost neutral.
2.12	Agency costs are not included in the model	3	Agency costs are not accounted for directly but assumed to be picked up within the management and admin charge included in the model.
2.13	Recruitment and retention are an issue due to the hourly rate of pay for Care Support Worker being less than that of local supermarkets.	5	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and local factors and provides sufficiently for each provider to fulfil its legal duty to pay the National Living Wage
2.14	The hourly rate at paid for night-time should be the same as the day-time hourly rate. Can't understand the reason for the difference.	11	The Council's Supported Living rate provides sufficiently to meet providers' statutory responsibility to pay the NLW. However, in consideration of feedback we have increased the rate to factor in an element of annual leave and sickness. The Council still considers that the full range of management and admin functions are covered by the day-time rate.
2.15	The cover allowance for training is insufficient.	4	The council believes that an allowance of 4 days per year for training, per employee, is fair.
2.16	Sickness cover is understated	7	In consideration of feedback received, we have increased the sickness rate used in the fee model to 2%.
2.17	The cost allocated for managers is insufficient	1	The Council recognises that different staffing models will be employed by each organisation, but considers that the allowance given in the model, based on feedback from local supported living providers, is fair.
2.18	Are Wirral Council staff paid at pay at a rate and receive T&Cs similar to the expectations of this fee model?	2	The Council no longer directly employs staff to provide Adult Health and Care services.

2.19	The total rate offered is insufficient	6	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and provides sufficiently for each provider to fulfil its legal duty to pay the NLW.
<b>3</b>	<b>Domiciliary Care</b>		
3.1	The National Minimum Wage (NMW) and National Living Wage (NLW) has increased.	3	The increase in the NLW/NMW has been reflected in the proposed model.
3.2	Inflation has increased the cost of non-staffing expenditure items.	1	The non-staffing costs in the model have been increased to account for inflation.
3.3	Average Travel time costs are not correctly reflected in the fee model.	2	The Council's fee model was derived from open book accounting principles undertaken for implementation in 2019/20 and an inflationary increase has now been applied. As such, it complies with the requirement to give consideration to providers' actual costs of care and therefore, provides a fair and reasonable allowance.
3.4	Wage based on costs are not correctly reflected in the model.	1	The Council's fee model was derived from open book accounting principles undertaken for implementation in 2019/20 and an inflationary increase has now been applied. As such, it complies with the requirement to give consideration to providers' actual costs of care and therefore, provides a fair and reasonable allowance.
3.5	The increasing costs of deploying ECM systems aligned to payment rules paying on banded or minute by minute contact time are not reflected in the fee model.	1	The Council's fee model was derived from open book accounting principles undertaken for implementation in 2019/20 and an inflationary increase has now been applied. As such, it complies with the requirement to give consideration to providers' actual costs of care and therefore, provides a fair and reasonable allowance.  Commissioners are committed to working with providers to minimise system and processes impacts.
3.6	Increasing homecare acuity has resulted in continually evolving and higher cost training requirements whilst driving up provider insurance premiums	1	The Council's fee model was derived from open book accounting principles undertaken for implementation in 2019/20 and an inflationary increase has now been applied. As such, it complies with the requirement to give consideration to providers' actual costs of care and therefore, provides a fair and reasonable allowance.
3.7	Recruitment and retention are an issue due to the hourly rate of pay for Care Support Worker being less than that of local supermarkets.	2	The Council's fee model was derived from open book accounting principles undertaken for implementation in 2019/20 and an inflationary increase has now been applied. As such, it complies with the requirement to give consideration to providers' actual costs of care and therefore, provides a fair and reasonable allowance.
3.8	Need to take account of the latest UKHCA report and factor changes into your model.	1	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and provides sufficiently for each provider to fulfil its legal duty to pay the NLW.
3.9	The total rate offered is insufficient	3	The Council's fee model complies with the requirement to give consideration to providers' actual costs of care and provides sufficiently for each provider to fulfil its legal duty to pay the NLW.