



ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE

7 JUNE 2021

REPORT TITLE:	Fee Setting for 2021/22 (Outcome of Provider Fee Setting Engagement)
REPORT OF:	DIRECTOR OF CARE AND HEALTH

REPORT SUMMARY

This report describes the outcome of the annual engagement exercise with the Local Community Care Market for fee rates to be paid to care providers for 2021/2022. The service areas that the rates and fees cover are Residential and Nursing, Supported Living, Extra Care, Care and Support at home and Direct Payments.

This is a key decision as the total budget impact is £8.9m

RECOMMENDATION/S

The Adult Social Care and Public Health Committee is requested to;

1. Approve the rates as set out in the table at 4.1 of this report that apply to services commissioned by Wirral Council and jointly commissioned services between Wirral Council and NHS Wirral Clinical Commissioning Group (CCG), in relation to Residential and Nursing, Supported Living, Extra Care, Care and Support at home and Direct Payments.
2. Approve the backdating of the rates to apply from 1 April 2021.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council undertakes a fee setting engagement exercise on an annual basis, where rates and fees proposals are shared with the community care market, this exercise ran between 8 March 2021 and 11 April 2021 and is complete.
- 1.2 The Council has maintained a considered balance between the cost of care, maximising value for the Wirral pound, whilst considering local factors, quality and meeting needs of Wirral residents.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not to undertake an annual engagement exercise.
- 2.2 Officers have been supported by an external partner Cipfa C.Co to undertake a pre-engagement exercise.
- 2.3 The Council has shared the fee models with care providers. It has responded to the issues raised during the consultation period, reflecting on the proposed changes and stated the reasons for its proposals. Accordingly, the final proposal is reasonable and is well considered.
- 2.4 The Council could have proposed other alternative fee rate levels.

3.0 BACKGROUND INFORMATION

- 3.1 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 good quality, innovative and cost-effective services, and support to promote the well-being of every person with need of care and support.
- 3.2 This requires LA's to identify those with care and support needs in their area, identify what needs require prioritising and then encouraging provider competition, while monitoring the quality of the services provided. In addition, LA's have a duty to assure provision is of a good quality to meet needs.
- 3.3 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 and local factors, 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.
- 3.4 When considering the actual cost of care, fees have not been set mechanistically, but have given due regard to providers' costs, efficiencies and planned outcomes for

people using services. Fee setting has taken into account the legitimate current and future costs as well as factors that may affect those costs (for example the Real Living Wage and National Living Wage) and not just the potential for improved performance and more cost-effective ways of working.

- 3.5 The commissioners' strategy is to set fees that stimulate a responsive and flexible marketplace, 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 2021/22 reflects the joint approach taken between the Council and NHS Wirral Clinical Commissioning Group (CCG) via Wirral Health and Care Commissioning (WHCC).
- 3.6 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.
- 3.7 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.
- 3.8 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.
- 3.9 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, as well as its own financial circumstances.
- 3.10 The consultation covers services provided on behalf of Wirral Adult Care and Health and NHS Wirral Clinical Commissioning Group (CCG) as part of its joint commissioning arrangements as Wirral Health and Care Commissioning.
- 3.11 The report covers the following sectors: Residential and Nursing, Supported Living, Extra Care, Care and Support at home and Direct Payments.
- 3.12 The following council themes will be met:
 - A prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.
 - Brighter futures for our young people and families – regardless of their background or where they live.
 - Safe, vibrant communities where people want to live and raise their families.
 - Services which help people live happy, healthy, independent and active lives, with public services there to support them when they need it.
- 3.13 In May 2020, the Council introduced an opportunity to incentivise providers to pay the Real Living Wage (RLW) for a period between 1 May 2020 and 31 March 2021. The fee models for 2021/2022 includes the continuation of this opportunity for those

providers who wish to take it up. This fee rate initiative helped to support the market during with its covid response to attract and retain staff within the sector, and to recognise the valuable work undertaken during the pandemic of the social care workforce.

3.14 The Council agreed on 1 March 2021 to approve funds to continue to support the RLW initiative, and the fee model for 2021/22 continues to include this as an option for providers.

3.15 The tables below provide an analysis (to date) of the proportion of Care Providers that have agreed to pay their employees the Real Living Wage (RLW) and also the proportion of Wirral Council clients who are now receiving care from a Provider paying the RLW.

3.16 Table 1: Percentage of Wirral Care Providers Signed up to RLW fee rates.

Care Type	%
Domiciliary Care / Extra Care	74
Residential/Nursing Care	46
Supported Living	57

3.17 Table 2: Percentage of Wirral Council Clients receiving care from Providers paying RLW.

Care Type	%
Domiciliary Care / Extra Care	97
Residential/Nursing Care	58
Supported Living	73

3.18 In September 2020 in response to the request for exceptional financial support from Ministry of Housing, Communities and Local Government (MHCLG) the Council also worked with an external partner CIPFA C.Co to engage with the Community Care Market, to undertake an independent evaluation and review of its fee rate models. The review sought feedback from providers and considered actual costs from providers, which have been taken into account for the model for 2021/2022. CIPFA C.CO were able validate and endorse the Council’s models and suggested amendments based on feedback from providers which have been taken into account by the Council.

3.19 The Council has considered the recent Supreme Court Judgement “Royal Mencap Society v Tomlinson-Blake and Shannon v Rampersad (t/a Clifton House Residential Home)”. On the announcement of the judgment on 19 March 2021 the Council maintained its overnight fee model offer to the market and did not revert to a reduced sleep-in payment. The Council’s decision reflects feedback from providers about the recruitment and retention of staff to work overnight and associated costs.

3.20 Feedback has been received from Providers in relation to “Supporting People” funding which is not recommended for uplift in this financial year and the Council had agreed to review this within financial year 2021/2022.

3.21 The Council has taken in to account the impact of an increased void rate in the local Care Home market following the pandemic in conjunction with its delivery of new

models of care, including extra care. As a result, the Council has not supported or included any additional costs, other than in the existing model to attribute to increased voids.

4.0 FINANCIAL IMPLICATIONS

4.1 The table of proposed fees used within the engagement exercise:

Care Type	Fee Type	Unit	2020-21 Fee Rates	Proposed 2021-22 Fee Rates	% Fee Rate Increase	Estimated Budget Pressure £m
Supported Living - Day Support	RLW	Hourly	£16.76	£16.92	1.0%	2.10
	Standard to RLW	Hourly	£15.55	£16.92	8.8%	
	Standard	Hourly	£15.55	£15.89	2.2%	
Supported Living - Night Support	RLW	Night	£113.58	£131.99	16.2%	1.50
	Standard to RLW	Night	£105.27	£131.99	25.4%	
	Standard	Night	£105.27	£124.00	17.8%	
Extra Care Older People	RLW	Hourly	£14.66	£14.80	1.0%	0.20
	Standard to RLW	Hourly	£13.60	£14.80	8.8%	
	Standard	Hourly	£13.60	£13.90	2.2%	
Extra Care Adults (18-64)	RLW	Hourly	£16.76	£16.92	1.0%	0.10
	Standard to RLW	Hourly	£15.55	£16.92	8.8%	
	Standard	Hourly	£15.55	£15.89	2.2%	
Extra Care Adults (18-64)	RLW	Night	£113.58	£131.99	16.2%	0.10
	Standard to RLW	Night	£105.27	£131.99	25.4%	
	Standard	Night	£105.27	£124.00	17.8%	
Residential Care - Long Term	RLW	Weekly	£519.00	£527.00	1.5%	1.20
	Standard to RLW	Weekly	£484.00	£527.00	8.9%	
	Standard	Weekly	£484.00	£502.00	3.7%	
Residential EMI Care - Long Term	RLW	Weekly	£579.00	£589.00	1.7%	0.70
	Standard to RLW	Weekly	£540.00	£589.00	9.1%	
	Standard	Weekly	£540.00	£561.00	3.9%	
Nursing Care - Long Term	RLW	Weekly	£561.00	£565.00	0.7%	0.60
	Standard to RLW	Weekly	£524.00	£565.00	7.8%	
	Standard	Weekly	£524.00	£526.00	0.4%	
Nursing EMI Care - Long Term	RLW	Weekly	£581.00	£601.00	3.4%	0.50
	Standard to RLW	Weekly	£542.00	£601.00	10.9%	
	Standard	Weekly	£542.00	£560.00	3.3%	
Domiciliary Care	RLW	Hourly	£17.43	£17.79	2.1%	1.10
	Standard to RLW	Hourly	£16.31	£17.79	9.1%	
	Standard	Hourly	£16.31	£16.64	2.0%	
Direct Payments	RLW	Hourly	£13.84	£14.35	3.7%	

	Standard to RLW	Hourly	£13.38	£14.35	7.2%	0.80
	Standard	Hourly	£13.38	£13.92	4.0%	
Total Increase						8.90

*NHS Funded Nursing Care (FNC) is paid in addition to the above fee rates for Nursing Care and Nursing EMI care. For 2021/22, the FNC rate will be £187.60 per week.

Commissioners will also factor in the cost pressures of the following fee rates as part of the Better Care Fund 21/22 priorities:

Care Type	Fee Type	Unit	2020-21 Fee Rates	Proposed 2021-22 Fee Rates	% Fee Rate Increase	Increased cost to Better Care Fund £m
Reablement	RLW	Hourly	£17.43	£17.79	2.1%	0.1
	Standard to RLW	Hourly	£16.31	£17.79	9.1%	
	Standard	Hourly	£16.31	£16.64	2.0%	
Mobile (block) Nights	RLW	Hourly	£18.06	£18.43	2.1%	0.1
	Standard to RLW	Hourly	£16.90	£18.43	9.1%	
	Standard	Hourly	£16.90	£17.24	2.0%	

4.2 The cost of implementing the revised fees from 1 April 2021 is £8.9m for the full year 2021/22. This will be accommodated from growth within the overall budget setting for Adult Social Care which includes increased income from Social Care Support Grant and fully utilising the Social Care precept, as well as a range of efficiency proposals.

4.3 The proposed increases will ensure that providers are able to meet their statutory responsibilities, such as National Living Wage, where they choose to do so pay Real Living Wage and meet employer workplace pension responsibilities.

5.0 LEGAL IMPLICATIONS

5.1 The Council has undertaken both a pre- engagement exercise with an external partner, and an open engagement exercise with the market, which has been transparent.

5.2 The Council will as a result of the engagement exercise assure itself that it will meet legislative requirements in relation to national living wage requirements.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

No implications arising as a result of this exercise.

7.0 RELEVANT RISKS

- 7.1 The Council could have not agreed the budget to progress to support the Real Living Wage for the Community Care Market, this was agreed and supported by the Council on 1 March at Budget Council. The impact of this would have meant that many frontline care staff would have had to revert to National Minimum Wage levels.
- 7.2 The Council could have held the rates at existing levels, but this was not an option given the national requirements in relation to wages.

8.0 ENGAGEMENT/CONSULTATION

Date	Actions/Details
Engagement with CIPFA C.Co: September - December 2020	Engagement undertaken with external partner CIPFA C.Co to review fees model in an independent exercise with Provider Market.
5 March 2021	Briefing to Provider Market
4-week period of engagement: 8 March – 11 April 2020	Week commencing 8 March: verbal briefings at Provider Forums. Options for feedback include: <ul style="list-style-type: none">• 1:1 individual meetings• Email feedback via dedicated email address for each sector• Conversation on Provider portal
12 April – 16 April	
19 April 2021	Council drafts its final position for Joint Health and Care Commissioning Executive Group (JHCCEG)
7 June 2021	Report delivered to Members at Adult Social Care and Public Health Committee, with approval to backdate implementation to 1 April 2020.

9.0 EQUALITY IMPLICATIONS

No equality implications arising as a result of this exercise.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

No environmental implications arising as a result of this exercise.

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APPENDICES

Appendix 1 - For information and context, the report includes an appendix which details a summary of feedback given by providers as part of the consultation exercise.

Appendix 2 - For information and context, the report includes an appendix which details neighbouring authorities fee rates for 2020/21.

BACKGROUND PAPERS

Joint Health and Care Commissioning Executive Group report - 4 May 2021.
Provider engagement briefing and engagement documents.

SUBJECT HISTORY (last 3 years)

Wirral Health and Care Commissioning has provided an annual report on the outcome of its rates and fees engagement exercise for the last 3 years.

Council Meeting	Date
Council Budget	1 March 2021