



ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE

Thursday, 3 March 2022

REPORT TITLE:	RATES AND FEES ENGAGEMENT EXERCISE OUTCOME
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 2022/2023. The service areas that the rates and fees cover are Residential and Nursing care, Supported Living, Extra Care, Care and Support at home, Direct Payments and Shared Lives

This is a key decision as the total budget impact is £4.5m and it affects all wards.

RECOMMENDATION/S

The Adult Social Care and Public Health Committee is recommended 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 care, Supported Living, Extra Care, Care and Support at home, Direct Payments and Shared Lives.
2. Approve the application of the rates with effect from 1 April 2022.

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 19th of November 2021 and 17th December 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 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.
- 2.3 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 LAs 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 2022/23 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. Shared Lives?
- 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 December 2021, the Council introduced an opportunity to incentivise providers to pay the increased Real Living Wage (RLW) of £9.90 for a period between 1st December 2021 and 31 March 2022. This was funded by one-off grant monies provided by the Department of Levelling Up Housing and Communities. The fee models for 2022/2023 includes the continuation of this opportunity for those providers who wish to adopt the RLW. This fee rate initiative helped to support the market during with its covid response to attract, recruit and retain staff within the sector, and to

recognise the valuable work undertaken during the pandemic of the social care workforce.

3.14 The table below provides an analysis (to date) of the proportion of Wirral Council clients who are now receiving care from a Provider paying the RLW.

3.15 Table 1: Percentage of Wirral Council Clients receiving care from Providers paying RLW.

Care Type	%
Domiciliary Care / Extra Care	97
Residential/Nursing Care	75
Supported Living	91

3.16 Officers have been working with a range of technologies and a new asset-based approach to Social Work assessment, which will inform a review of all Supporting People funded cases during 2022/2023. It is anticipated that the outcome of the reviewed cases, will be cost neutral and therefore no anticipated impact on rates and fees of Adult Social Care Budget.

3.17 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 increase.

4.0 FINANCIAL IMPLICATIONS

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

Care Type	Fee Type	Unit	2021-22 Fee Rates	Proposed 2022-23 Fee Rates	% Fee Rate Increase	Estimated Budget Pressure £m
Supported Living - Day Support	RLW	Hourly	£16.92	£17.76	5.0%	1.28
	Standard to RLW	Hourly	£16.92	£17.76	5.0%	
	Standard	Hourly	£15.89	£17.06	7.4%	
Supported Living - Night Support	RLW	Night	£131.99	£138.57	5.0%	0.37
	Standard to RLW	Night	£131.99	£138.57	5.0%	
	Standard	Night	£124.00	£133.07	7.3%	
Extra Care - Older People	RLW	Hourly	£14.80	£15.54	5.0%	0.14
	Standard to RLW	Hourly	£14.80	£15.54	5.0%	
	Standard	Hourly	£13.90	£14.91	7.4%	
Extra Care - Adults (18-64)	RLW	Hourly	£16.92	£17.76	5.0%	0.14
	Standard to RLW	Hourly	£16.92	£17.76	5.0%	
	Standard	Hourly	£15.89	£17.06	7.4%	
Extra Care - Adults (18-	RLW	Night	£131.99	£138.57	5.0%	0.03
	Standard to RLW	Night	£131.99	£138.57	5.0%	

64)	Standard	Night	£124.00	£133.07	7.3%	
Residential Care - Long Term	RLW	Weekly	£527.00	£550.00	4.4%	0.61
	Standard to RLW	Weekly	£527.00	£550.00	4.4%	
	Standard	Weekly	£502.00	£532.00	6.0%	
Residential EMI Care - Long Term	RLW	Weekly	£589.00	£616.00	4.6%	0.35
	Standard to RLW	Weekly	£589.00	£616.00	4.6%	
	Standard	Weekly	£561.00	£595.00	6.1%	
Nursing Care - Long Term	RLW	Weekly	£565.00	£596.00	5.5%	0.43
	Standard to RLW	Weekly	£565.00	£596.00	5.5%	
	Standard	Weekly	£526.00	£571.00	8.6%	
Nursing EMI Care - Long Term	RLW	Weekly	£601.00	£633.00	5.3%	0.26
	Standard to RLW	Weekly	£601.00	£633.00	5.3%	
	Standard	Weekly	£560.00	£607.00	8.4%	
Domiciliary Care	RLW	Hourly	£17.79	£18.47	3.8%	0.51
	Standard to RLW	Hourly	£17.79	£18.47	3.8%	
	Standard	Hourly	£16.64	£17.61	5.8%	
Direct Payments	RLW	Hourly	£14.39	£14.89	3.4%	0.34
	Standard to RLW	Hourly	£14.39	£14.89	3.4%	
	Standard	Hourly	£14.06	£14.55	3.5%	
Total Increase						4.46

*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. The FNC rate for 2022/2023 was not announced at the time of writing the report

Commissioners will also factor in the cost pressures of the following fee rates as part of the Better Care Fund 22/23 priorities:

Care Type	Fee Type	Unit	2021-22 Fee Rates	Proposed 2022-23 Fee Rates	% Fee Rate Increase	Increased cost to Better Care Fund £m
Reablement	RLW	Hourly	£17.79	£18.47	3.8%	0.10
	Standard to RLW	Hourly	£17.79	£18.47	3.8%	
	Standard	Hourly	£16.64	£17.61	5.8%	
Mobile Nights (block)	RLW	Hourly	£18.43	£19.13	3.8%	0.03
	Standard to RLW	Hourly	£18.43	£19.13	3.8%	
	Standard	Hourly	£17.24	£18.24	5.8%	

Commissioners also factored in the pressures for the Shared Lives contract extension from 7th January 2022 to 7th January 2023. The impact of the fee increase will be from 1st April 2022 to 7th January 2023. This is summarised as follows, with an impact of £56,088:

Shared Lives Care Type	Current Rate	Proposed Rate	Additional Cost
Day Support (Carer Payment)	£9.50	£9.90	£2,401
All Bandings		5% uplift	£27,996
Management fee	£79.00	£95.00	£25,691

- 4.2 The cost of implementing the revised fees from 1 April 2022 is £4.5m for the full year 2022/23. 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 Minimum Wage at £9.50 and Real Living Wage at £9.90, where they choose to pay Real Living Wage and meet employer workplace pension responsibilities and additional National Insurance Contributions of 1.25% from 1st April 2022.
- 4.4 The council budget for 2022/2023 will be discussed at Council on 28th February 2022. If any changes to the Council budget are agreed at that meeting, the Director of Health and Care will provide a verbal update to the 3rd March Adult Social Care and Public Health Committee for any potential impact on the rates and fees set out in this paper.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has undertaken 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 minimum and real living wage requirements.
- 5.3 The Care Act 2014 places a duty on the Local Authority to promote diversity and quality in provision of services, including the efficient and effective operation of a market in services for meeting care and support needs. The Local Authority must have regard to market sustainability, fostering continuous improvement in the quality of such services and the efficiency and effectiveness with which such services are provided; also to encourage innovation in service provision. The engagement exercise with the Local Community Care Market for fee rates to be paid to care providers for 2022/2023 and the rates, as set out in table 4, assist the Local Authority to meet its statutory obligation to meet needs for care and support within the market environment required by the Act.

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 continue to support the Real Living Wage for the Community Care Market, 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
17th November 2021	Briefing to Provider Market
4-week period of engagement: 19 th November 2021 – 17 th December 2021	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
Wc 11 th January 2022	Council concludes officer recommendations to be included in the report to Adult Social Care, Health and Public Health Committee in March 2022
Wc 11 th January 2021	Council drafts its final fee rate proposals for Joint Health and Care Commissioning Executive Group (JHCCEG)
March 3 rd 2022	Report delivered to Members at Adult Social Care and Public Health Committee, with recommendation to approve and implement from 1 April 2022.

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.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 Many of the services provided on Wirral are delivered by Local Businesses
- 11.2 The introduction and continuation of the Real Living Wage has resulted in Community Care Market staff being paid the Real Living Wage of £9.90

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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.

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
Adult Social Care and Public Health Committee – Outcome of Provider Rates and Fees annual exercise	7 th June 2021
Adult Social Care and Public Health Committee- Shared Lives Review	23 rd September 2021