

**ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE****Monday 6 March 2023**

<b>REPORT TITLE:</b>	<b>OUTCOME OF ANNUAL RATES AND FEES ENGAGEMENT EXERCISE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF CARE AND HEALTH</b>

**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 2023/2024. 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, Shared Lives and Specialist residential placements.

The report also takes in to account the National Fair Cost of Care Market sustainability exercise which requires the Council to undertake a cost of care exercise with its community care market. The results of the exercise have been shared with the Department of Health and Social care. Working toward a fair cost of care in subsequent years will be determined by the level of funding received each year.

The report supports the following priorities from the Wirral Plan:

- Brighter Futures - Working together for brighter futures for our children, young people and their families by breaking the cycle of poor outcomes for all regardless of their background.
- Inclusive Economy
- Working for a prosperous, inclusive economy - helping businesses to thrive and creating jobs and opportunities for all.
- Active and Healthy Lives - Working to provide happy, active and healthy lives for all, with the right care, at the right time to enable residents to live longer and healthier lives.

This is a key decision as the total budget impact is £14.7m and it affects all wards.

**RECOMMENDATION/S**

The Adult Social Care and Public Health Committee is recommended to approve the rates as set out in sections 4.2, 4.3 and 4.4 of this report to apply, with effect from 1 April 2023, to services commissioned by Wirral Council and jointly commissioned services between Wirral Council and NHS Cheshire and Mersey Integrated Care Board (Wirral Place), in relation to Residential and Nursing Care, Supported Living, Extra Care, Care and Support at Home, Direct Payments and Shared Lives.

## **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 consulted upon with the community care market, this exercise ran between 14 December 2022 and 13 January 2023.
- 1.2 Wirral 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.
- 1.3 Wirral submitted their outcome of the National Fair Cost of Care exercise as required on 14 October 2022. Future funding is predicated on this timely return.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Not to undertake an annual engagement exercise. The consequence of this would be that the community care market would not be able to provide feedback to officers on proposed rates and fees.
- 2.2 The Council could have proposed other alternative fee rate levels, which may not have met the needs of the market or been affordable.
- 2.3 The Council could have not applied allocated funds for the Fair Cost of Care exercise but understands that allocated funds will support the care market.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Under the Care Act 2014 the Council has 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 encourage provider competition, while monitoring the quality of the services provided. In addition, the Council has 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 2023/24 reflects the joint approach taken between the Council and NHS Cheshire and Mersey Integrated Care Board (Wirral Place).
- 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 The People's Directorate 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 rate and fees engagement exercise covers services provided on behalf of Wirral Adult Social Care and Health and NHS Cheshire and Mersey Integrated Care Board (Wirral Place) as part of its joint commissioning arrangements.
- 3.13 The fee models for 2023/2024 include the continuation of The Council's opportunity for those providers who wish to adopt the Real Living Wage (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 Percentage of Wirral Council Clients receiving care from Providers paying RLW: -

Care Type	%
Residential and Nursing	85
Domiciliary Care	99
Supported Living	91

3.16 The Market Sustainability and Fair Cost of Care fund was announced on 16 December 2021. The primary purpose of the fund is to support Local Authorities to prepare their markets for reform.

3.17 In 2022 to 2023 Local Authorities were expected to start making genuine progress towards sustainable fee rates, where they are not already doing so. This means reviewing fee rates paid to providers (in respect of 65+ care homes and 18+ domiciliary care, including those who operate in extra care settings) following completion of the Fair Cost of Care exercise in August 2022

3.18 For Local Authorities, it recognises the responsibility they have in stewarding public money, including securing best value for the taxpayer.

3.19 The cost of care exercise, whilst it may inform such, it is not a fee setting exercise.

3.20 The Council has shared proposed fee models with care providers. It has responded to the issues raised during the consultation period, taken feedback from the market, and reflected this in revised proposals. Accordingly, the final proposal has been adjusted to include allocation of Fair Cost of Care funds and Officers consider the model reasonable and well considered.

#### 4.0 FINANCIAL IMPLICATIONS

4.1 The first table of proposed fees, shared with the Care Market within the engagement exercise was as follows: -

Care Type	Fee Type	Unit	Current 2022-23 Fee Rates	Proposed 2023-24 Fee Rates	Proposed Fee Rate Increase	% Fee Rate Increase
<b>Supported Living - Day Support</b>	RLW	Hourly	£17.76	<b>£19.52</b>	£1.76	9.9%
	Standard to RLW	Hourly	£17.76	<b>£19.52</b>	£1.76	9.9%
	Standard	Hourly	£17.06	<b>£18.76</b>	£1.70	10.0%
<b>Supported Living - Night Support</b>	RLW	Per night	£138.57	<b>£152.24</b>	£13.67	9.9%
	Standard to RLW	Per night	£138.57	<b>£152.24</b>	£13.67	9.9%
	Standard	Per night	£133.07	<b>£146.35</b>	£13.28	10.0%
<b>Extra Care - Older People</b>	RLW	Hourly	£15.54	<b>£17.18</b>	£1.64	10.5%
	Standard to RLW	Hourly	£15.54	<b>£17.18</b>	£1.64	10.5%

	Standard	Hourly	£14.91	<b>£16.34</b>	£1.43	9.6%
<b>Extra Care - Adults (18-64)</b>	RLW	Hourly	£17.76	<b>£19.52</b>	£1.76	9.9%
	Standard to RLW	Hourly	£17.76	<b>£19.52</b>	£1.76	9.9%
	Standard	Hourly	£17.06	<b>£18.76</b>	£1.70	10.0%
<b>Extra Care - Adults (18-64)</b>	RLW	Per night	£138.57	<b>£152.24</b>	£13.67	9.9%
	Standard to RLW	Per night	£138.57	<b>£152.24</b>	£13.67	9.9%
	Standard	Per night	£133.07	<b>£146.35</b>	£13.28	10.0%
<b>Residential Care - Long Term</b>	RLW	Weekly	£550.00	<b>£593.00</b>	£43.00	7.8%
	Standard to RLW	Weekly	£550.00	<b>£593.00</b>	£43.00	7.8%
	Standard	Weekly	£532.00	<b>£571.00</b>	£39.00	7.3%
<b>Residential EMI Care - Long Term</b>	RLW	Weekly	£616.00	<b>£665.00</b>	£49.00	8.0%
	Standard to RLW	Weekly	£616.00	<b>£665.00</b>	£49.00	8.0%
	Standard	Weekly	£595.00	<b>£640.00</b>	£45.00	7.6%
<b>Nursing Care - Long Term</b>	RLW	Weekly	£596.00	<b>£661.00</b>	£65.00	10.9%
	Standard to RLW	Weekly	£596.00	<b>£661.00</b>	£65.00	10.9%
	Standard	Weekly	£571.00	<b>£631.00</b>	£60.00	10.5%
<b>Nursing EMI Care - Long Term</b>	RLW	Weekly	£633.00	<b>£702.00</b>	£69.00	10.9%
	Standard to RLW	Weekly	£633.00	<b>£702.00</b>	£69.00	10.9%
	Standard	Weekly	£607.00	<b>£670.00</b>	£63.00	10.4%
<b>Domiciliary Care</b>	RLW	Hourly	£18.47	<b>£20.17</b>	£1.70	9.2%
	Standard to RLW	Hourly	£18.47	<b>£20.17</b>	£1.70	9.2%
	Standard	Hourly	£17.61	<b>£19.02</b>	£1.41	8.0%
<b>Direct Payments</b>	RLW	Hourly	£14.89	<b>£15.97</b>	£1.08	7.3%
	Standard to RLW	Hourly	£14.89	<b>£15.97</b>	£1.08	7.3%
	Standard	Hourly	£14.55	<b>£15.63</b>	£1.08	7.4%
<b>Residential Care - Short Term</b>	RLW	Weekly	£550.00	<b>£593.00</b>	£43.00	7.8%
	Standard to RLW	Weekly	£550.00	<b>£593.00</b>	£43.00	7.8%
	Standard	Weekly	£532.00	<b>£570.82</b>	£38.82	7.3%
<b>Nursing Care - Short Term</b>	RLW	Weekly	£596.00	<b>£661.00</b>	£65.00	10.9%
	Standard to RLW	Weekly	£596.00	<b>£661.00</b>	£65.00	10.9%
	Standard	Weekly	£570.00	<b>£630.14</b>	£60.14	10.6%

4.2 Following feedback from the market as part of the engagement period, and including allocation of the Fair cost of care funds, the revised proposed rates for consideration by Adult Social care and Health Committee are: -

Care Type	Fee Type	Unit	Current 2022-23 Fee Rates	Proposed 2023-24 Fee Rates	Proposed Fee Rate Increase	% Fee Rate Increase
<b>Supported Living - Day Support</b>	RLW	Hourly	£17.76	<b>£19.60</b>	£1.84	10.4%
	Standard to RLW	Hourly	£17.76	<b>£19.60</b>	£1.84	10.4%
	Standard	Hourly	£17.06	<b>£18.76</b>	£1.70	10.0%
<b>Supported Living - Night Support</b>	RLW	Per night	£138.57	<b>£152.92</b>	£14.35	10.4%
	Standard to RLW	Per night	£138.57	<b>£152.92</b>	£14.35	10.4%
	Standard	Per night	£133.07	<b>£146.35</b>	£13.28	10.0%
<b>Extra Care - Older People</b>	RLW	Hourly	£15.54	<b>£17.25</b>	£1.71	11.0%
	Standard to RLW	Hourly	£15.54	<b>£17.25</b>	£1.71	11.0%
	Standard	Hourly	£14.91	<b>£16.41</b>	£1.50	10.0%
<b>Extra Care - Adults (18-64)</b>	RLW	Hourly	£17.76	<b>£19.60</b>	£1.84	10.4%
	Standard to RLW	Hourly	£17.76	<b>£19.60</b>	£1.84	10.4%
	Standard	Hourly	£17.06	<b>£18.76</b>	£1.70	10.0%
<b>Extra Care - Adults (18-64)</b>	RLW	Per night	£138.57	<b>£152.92</b>	£14.35	10.4%
	Standard to RLW	Per night	£138.57	<b>£152.92</b>	£14.35	10.4%
	Standard	Per night	£133.07	<b>£146.35</b>	£13.28	10.0%
<b>Residential Care - Long Term</b>	RLW	Weekly	£550.00	<b>£637.00</b>	£87.00	15.8%
	Standard to RLW	Weekly	£550.00	<b>£637.00</b>	£87.00	15.8%
	Standard	Weekly	£532.00	<b>£618.00</b>	£86.00	16.2%
<b>Residential EMI Care - Long Term</b>	RLW	Weekly	£616.00	<b>£710.00</b>	£94.00	15.3%
	Standard to RLW	Weekly	£616.00	<b>£710.00</b>	£94.00	15.3%
	Standard	Weekly	£595.00	<b>£687.00</b>	£92.00	15.5%
<b>Nursing Care - Long Term</b>	RLW	Weekly	£596.00	<b>£701.00</b>	£105.00	17.6%
	Standard to RLW	Weekly	£596.00	<b>£701.00</b>	£105.00	17.6%
	Standard	Weekly	£571.00	<b>£671.00</b>	£100.00	17.5%
<b>Nursing EMI Care -</b>	RLW	Weekly	£633.00	<b>£743.00</b>	£110.00	17.4%

<b>Long Term</b>	Standard to RLW	Weekly	£633.00	<b>£743.00</b>	£110.00	17.4%
	Standard	Weekly	£607.00	<b>£710.00</b>	£103.00	17.0%
<b>Domiciliary Care</b>	RLW	Hourly	£18.47	<b>£21.72</b>	£3.25	17.6%
	Standard to RLW	Hourly	£18.47	<b>£21.72</b>	£3.25	17.6%
	Standard	Hourly	£17.61	<b>£19.02</b>	£1.41	8.0%
<b>Direct Payments</b>	RLW	Hourly	£14.89	<b>£16.58</b>	£1.69	11.4%
	Standard to RLW	Hourly	£14.89	<b>£16.58</b>	£1.69	11.4%
	Standard	Hourly	£14.55	<b>£16.24</b>	£1.69	11.6%
<b>Residential Care - Short Term</b>	RLW	Weekly	£550.00	<b>£637.00</b>	£87.00	15.8%
	Standard to RLW	Weekly	£550.00	<b>£637.00</b>	£87.00	15.8%
	Standard	Weekly	£532.00	<b>£618.00</b>	£86.00	16.2%
<b>Nursing Care - Short Term</b>	RLW	Weekly	£596.00	<b>£701.00</b>	£105.00	17.6%
	Standard to RLW	Weekly	£596.00	<b>£701.00</b>	£105.00	17.6%
	Standard	Weekly	£570.00	<b>£671.00</b>	£101.00	17.7%

\*NHS Funded Nursing Care (FNC) is paid in addition to the above fee rates for Nursing Care and Nursing EMI care. For 2022/23, the FNC rate has been £209.19 per week. The FNC rate for 2023/2024 was not announced at the time of writing the report.

Following the engagement process pressures were identified due to inflation, cost of living and recruitment and retention issues. The revised fees also take account of recent announced funding, relating to market sustainability and fair cost of care.

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

<b>Shared Lives Care Type</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
Day Support	£9.90 per hour	£10.90 per hour
One Band fee rate	£357	£374.85
Non- band Complex Care		5% uplift

4.4 Specialist residential rates, both in Wirral and Out of Borough will be uplifted by 5% and any standard Out of Borough placements will be paid at a rate matching the host authority.

4.5 The total impact for rates and fees increases for 2023/2024 is £14.7m.

4.6 Funding allocation has been made up as follows: -

£10.57m	Fee Uplift and Growth
£4.22m	Market Sustainability Funding
<b>£14.79m</b>	<b>Total</b>

## 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 Council 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 2023/2024 and the rates, as set out in table 4.2, assist the Local Authority to meet its statutory obligation to meet needs for care and support within the market environment required by the Act, and also to move towards a fair cost of care.

## 6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 No implications arising as a result of this exercise.

## 7.0 RELEVANT RISKS

- 7.1 The Council could decide not to agree the budget to continue to support the Real Living Wage for the Community Care Market, the impact of this would mean that frontline community care market staff would have to revert to National Minimum Wage levels as a minimum.
- 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 and the impact of inflation.

## 8.0 ENGAGEMENT/CONSULTATION

Date	Actions/Details
Friday 9 December 2022	Briefing to Provider Market
Monday 12 December 2022 to Friday 13 January 2023	Verbal briefings at Provider Forums. Options for feedback include: <ul style="list-style-type: none"><li>• 1:1 individual meetings</li><li>• Email feedback via dedicated email address for each sector</li><li>• Conversation on Provider portal</li></ul>
W/C Monday 16 January 2023	Council concludes officer recommendations to be included in the report to Adult Social Care and Public Health Committee in March 2022.
W/C Monday 16 January 2023	Council drafts its final fee rate proposals

	for Joint Health and Care Commissioning Executive Group (JHCCEG).
Monday 6 March 2023	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

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 No significant 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 will result in Community Care Market staff being paid the Real Living Wage of £10.90 for providers who choose to take it up.

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## APPENDICES

N/A

## BACKGROUND PAPERS

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

## TERMS OF REFERENCE

This report is being considered by the Adult Social Care and Public Health Committee in accordance with Section 2.2(a) and (b) of its Terms of Reference: adult social care matters (e.g., people aged 18 or over with eligible social care needs and their carers) and promoting choice and independence in the provision of all adult social care).

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Adult Social Care and Public Health Committee – Outcome of Provider Rates and Fees annual exercise	7 June 2021
Adult Social Care and Public Health Committee – Outcome of Provider Rates and Fees annual exercise	3 March 2022