

JOINT STRATEGIC COMMISSIONING BOARD

Fee Setting for 2020/21

Risk Please indicate	High	<i>Medium Y</i>	Low
Detail of Risk Description	Provider fee setting is part of the Council's requirement to deliver a responsive and sustainable social care market.		

Engagement taken place	Y
Public involvement taken place	N
Equality Analysis/Impact Assessment completed	Y
Quality Impact Assessment	N
Strategic Themes	
<i>Working as One, Acting as One</i> – we will work together with all partners for the benefit of the people of Wirral.	Y
<i>Listening to the views of local people</i> – we are committed to working with local people to shape the health and care in Wirral.	N
<i>Improving the health of local communities and people</i> – Wirral has many diverse communities and needs. We recognise this diversity and will help people live healthier lives, wherever they live.	Y
<i>Caring for local people in the longer term</i> – we will focus on having high quality and safe services, with the best staff to support the future as well as the present.	Y
<i>Getting the most out of what we have to spend</i> – we will always seek to get the best value out of the money we receive.	Y

JOINT STRATEGIC COMMISSIONING BOARD

(Committee in Common)

Meeting Date:	10 March 2020
Report Title:	Fee Setting for 2020/21
Lead Officer:	Assistant Director, Integrated Commissioning

INTRODUCTION / REPORT SUMMARY

- To report the outcome of consultation with care providers with regard to the proposed 2020-21 fee rates for services provided for adults and older people in Wirral.
- To satisfy the Council's requirement to deliver a responsive and sustainable social care market, with a quality of care that reflects our local expectations.
- 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.
- 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.
- The report covers the following sectors: Residential and Nursing, Supported Living, Extra Care, Domiciliary Care, Direct Payments and Intermediate (Transfer to Assess) Service.
- 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.

RECOMMENDATIONS

- The members of Cabinet Committee approve the proposed rates and fees recommended by officers within the report. To take effect from 1 April 2020, the CCG notes the decision made by the Council.

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 both pressures and the recent volatility in the care sector, driven by increasing difficulty experienced by providers in recruiting and retaining staff.
- 1.4 2020-21 benchmarking data is not yet available from the North West Finance Group however, for reference, we have included the 2019-20 benchmarking data 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 feedback via a conversation on the Provider Portal, dedicated email correspondence and/or 1:1 meeting. The views expressed during this consultation period have been taken into consideration within the fee rates proposed.
- 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

Not applicable to the report.

3.0 BACKGROUND INFORMATION

- 3.1 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 2020/21 reflects the joint approach taken between the Council and Wirral Clinical Commissioning Group via Wirral Health and Care Commissioning.

- 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 for money and consideration of local factors.
- 3.4 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.
- 3.5 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 1 April 2020.

4.0 FINANCIAL IMPLICATIONS

2020/21	Current 19/20	Proposed 20/21	Increase 19/20 to 20/21	Est. Pressure/Yr (£m)
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Core Funded:

Residential	471.00	484.00	2.8%	0.4
Residential EMI	525.00	540.00	2.9%	0.2
Nursing (excl. FNC)*	511.00	524.00	2.5%	0.2
Nursing EMI (excl. FNC)*	529.00	542.00	2.5%	0.2
Supported Living: Day Rate	15.00	15.55	3.7%	0.8
Supported Living: Night Rate	92.97	105.27	13.2%	0.1
Domiciliary Care	15.60	16.31	4.6%	0.7
Extra Care	13.12	13.60	3.7%	0.1
Direct Payments	12.06	12.70	5.3%	0.5

Total Increase

3.2

Better Care Fund:**

Residential EMI T2A	605.00	620.00	2.5%	0.01
Nursing T2A	774.00	794.00	2.5%	0.09
Nursing EMI T2A	830.00	851.00	2.5%	0.00

Total Increase

0.10

*NHS Funded Nursing Care (FNC) is paid in addition to the above fee rates for Nursing Care and Nursing EMI care. For 2019/20, the FNC rate is £165.56 per week. It is anticipated that the FNC rate may rise by approximately 4% for 2020/21.

**Commissioners will factor in the intermediate (T2A) cost pressures as part of the Better Care Fund 20/21 priorities

- 4.1 The cost of implementing the revised fees from 1 April 2020 is £3.2m for the full year 2020/21. This will be accommodated within the overall budget setting for Adult Social Care which includes increased income from Social Support Grant and fully utilising the Social Care precept, as well as a range of efficiency proposals.
- 4.2 The proposed increases will ensure that providers are able to meet their statutory responsibilities, such as National Living Wage and employer workplace pension responsibilities.

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 good quality, 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 encouraging provider competition, while monitoring the quality of the services provided. In addition, LA's have a duty to assure provision.
- 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 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.
- 5.3 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 National Living Wage) and not just the potential for improved performance and more cost-effective ways of working.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Officers will continue to work with the sector to develop new care models for 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 2020.

Date	Actions/Details
Friday 3 January – Friday 7 February Five- week formal consultation period	Commencement of engagement re: fee proposal for 2020/21. Five-week engagement period up to 5pm 7 February. Providers' engagement options: <ul style="list-style-type: none"> • Feedback via a conversation on the Provider Portal. • Dedicated email: consultresnurs@wirral.gov.uk • Request 1:1 meeting
Friday 7 February – Monday 24 February 2020	Consideration of feedback received, and an opportunity to clarify points with Providers.
10 March 2020	The Council drafts its final position and proposal for Joint Strategic Commissioning Board (JSCB).
1 April 2020	New rates applied (subject to JSCB decision)

9.0 EQUALITY IMPLICATIONS

- 9.1 Equality impact Assessments have been carried out.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO2 or greenhouse gases.

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APPENDICES

Appendix 1 - Consideration of feedback from providers

Appendix 2 - Wirral's 2019/20 rates, benchmarked against other North West Councils' 2019/20 Rates

BACKGROUND PAPERS

N/A

HISTORY

Meeting	Date
Cabinet	27 March 2017
Cabinet	26 March 2018
Joint Strategic Commissioning Board	2 April 2019