



Although a formal committee of Brighton & Hove City Council, the Health & Wellbeing Board has a remit which includes matters relating to the Clinical Commissioning Group (CCG), the Local Safeguarding Board for Children and Adults and Healthwatch.

Title: **Proposed Fees for Adult Social Care Providers 2021/22**

Date of Meeting:

Report of: **Rob Persey, Executive Director Health and Adult Social Care**

Email: [andy.witham@brighton-hove.gov.uk](mailto:andy.witham@brighton-hove.gov.uk)

Wards Affected: **All**

**FOR GENERAL RELEASE**

### **Executive Summary**

This paper sets out the recommended fee levels and uplifts to be paid to Adult Social Care providers from April 2021. The services that are considered in this report are integral to the proper functioning of the wider health and care system, which includes managing patient flow in and out of hospital. It is recognised that public finances are under increasing pressure but this needs to be balanced with the need to manage and sustain the provider market to support the increasing complexity and demand and to comply with the duties placed on the Council by the Care Act 2014 to meet the needs of those requiring care and support and to ensure provider sustainability and viability. The proposals set out below are made while recognising the challenges of the ongoing pandemic and the financial position of the Local Authority and Adult Social Care providers.

### **Glossary of Terms**

**CQC** – Care Quality Commission

**FNC** – Funded Nursing Care

**National Living Wage** - The [National Living Wage](#) is the minimum rate employers are allowed to pay employees aged 25 or over for each hour worked. There is a separate rate for those under 25.

**Real Living Wage** – a voluntary scheme where employers pay more than the National Living Wage

**Providers** – organisations based in the private, independent or voluntary sector that provide care and nursing



## 1. Decisions, recommendations and any options

- 1.1 That the Board agrees to the recommended fee increases as set out in the table at Appendix 1. The underpinning background to the fee changes are contained in the main body of the report:

## 2 Relevant information

- 2.1 The following is an extract from a report of the Acting Chief Finance Officer that was tabled at P&R committee dated 8 October 2020. This report sets out the impact and financial position of the local authority as a result of the Covid-19 pandemic.
- 2.2 *During the initial crisis period and lockdown, the pandemic significantly increased social care, homelessness, public health, PPE, coroner and other related emergency response costs but also resulted in a severe economic slowdown.*
- 2.3 *The latter impacted many sectors that are heavily reliant on visitors to the city. This in turn resulted in an impact on the council's finances due to significant impacts on sales, fees & charges income, particularly museum and event venue incomes, as well as parking charges and penalty notices.*
- 2.4 *Similarly, taxation revenues have been affected primarily due to the impact on businesses and jobs and therefore more people needing financial support, such as Council Tax Reduction. There has also been a slow-down in housing developments, impacting on the tax base, and it is expected that Council Tax collection rates will be impacted, particularly in relation to older debts. There are similar impacts in relation to Business Rate growth assumptions and collection rates.*
- 2.5 *The council has only been able to offset these impacts to a limited extent because it is expected to continue to support its suppliers and service providers in line with the Cabinet Office Supplier Relief Policy Note and, as a public authority, it is not expected to make significant use of the government's Employment Support scheme (furlough).*
- 2.6 *The majority of its statutory services must also continue to be provided alongside a wide range of other essential services such as refuse and recycling collections.'*

### Financial Support to Social Care Providers

- 2.7 At the start of the pandemic the Council put in place measures to support the provider market this included paying some providers on planned hours (homecare) and putting in place a claims process to enable other providers to submit claims for Covid-19 related spend. Payments via the claims process – to date total £0.256m.
- 2.8 Alongside the financial support measures the council put in place, the Department for Health and Social Care (DHSC) also introduced infection control grant funding. This funding was introduced to support providers with implementing infection control measures.

- 2.9 For Brighton & Hove City Council this meant that we received a total of £2.745m. In line with the guidance £1.979m was paid to care home providers, £0.552m to community care providers and £0.134m on provider PPE. The balance of £0.080m may need to be repaid.
- 2.10 A subsequent round of Infection Control Grant was then released which for Brighton and Hove City Council totalled £2.618m with £1.404m allocated to care homes, £0.691m to community care providers and £0.524m is the discretionary top up.

### **3 Fees Proposal for 21/22**

- 3.1 Despite the considerable financial pressures on the local authority and the support measures put in place to assist the provider market during this difficult year, the local authority also recognises the ongoing rising costs that providers continue to experience. With this in mind and to support providers throughout 21/22 the following increases are proposed as set out below and as summarised in Appendix 1.

#### **3.2 Care homes and care homes with nursing in the city on set fees**

- 3.2.1 The current weekly set fee for a care home placement is £582. The Health supplied Funded Nursing Care (FNC) cost of £183.92 is added to the weekly care home fee to make a total of £765.92; this is the weekly set fee for a care home with nursing bed.
- 3.2.2 At the time of producing this report the Council is currently able to purchase approximately between 25-30% of placements at these rates. As such and in line with the council's financial modelling (which includes funding for staffing costs, pensions, food, utilities etc) leads to the recommendation that an uplift of 3% is applied to the set rates. This ensures that the pay element of the set rate financial model will be increased to support increase in the National Living Wage.

#### **3.3 Care homes and care homes with nursing in the city on individual negotiated rates**

- 3.3.1 A considerable number of placements made in care homes and care homes with nursing are individually negotiated. Placements for people with learning disabilities, physical and or sensory disabilities, acquired brain injury or functional mental health needs tend to be individually negotiated but an increasing number of older people's placements are also subject to negotiation. There is no automatic increase to these rates as they are already above the proposed new fee rate and fees can vary significantly according to provider and individual user's needs. Any increases to the rates of high cost placements will be based upon reviews of individual placements, service quality and an examination of detailed placement costings.

#### **3.4 Block Contract arrangements**

- 3.4.1 It is recommended that individual negotiations take place with care homes and care homes with nursing that have block contract arrangements, as provided for in the individual contract arrangements with each home.

### **3.5 Out of city care homes and Care Homes with Nursing**

3.5.1 It has long been recognised that each Local Authority area best understands their local market. It is recommended that Brighton & Hove City Council match the applicable host authority set fees for new care home placements out of the city. Existing placements will not be automatically uplifted.

### **3.5 Learning Disability Providers**

#### **3.6.1 Residential care for people with learning disabilities**

Historically Learning Disability residential services have received limited increases in fees as many fees are individually negotiated, making it difficult to apply a standard uplift. In the last 18 months many of these rates have been evaluated and renegotiated on an individual basis and are generally considered to be value for money. There is no automatic increase to these rates as they are already above the proposed new fee rate and fees can vary significantly according to provider and individual user's needs. Any increases to the rates of high cost placements will be based upon reviews of individual placements, service quality and an examination of detailed placement costings.

#### **3.6.2 Supported living for people with learning disabilities**

The Council has engaged with local providers of supported living services, to develop a better understanding of the fees paid. There are now clear hourly set rates for supported living services that apply to both core costs and additional hourly rates. The recommendation for supported living services for adults with a learning disability is to increase fees by 3%.

#### **3.6.3 Community support for people with learning disabilities**

Community support services for adults with learning disabilities provide a range of support services including CQC registered care services that can support individuals with personal care needs. They also provide support for service users to access the community and develop independent living skills. Community support in some respects is similar to home care and providers may be competing for staff with home care agencies. The recommendation for community support services for adults with a learning disability is an increase in line with the core home care set rates of 3%.

### **3.6 Services for people with Physical and/or Sensory Disabilities and Acquired Brain Injury**

#### **3.6.1 Residential care for people with Physical and/or Sensory Disabilities and Acquired Brain Injury**

Similar to learning disability services, residential fees for services for people with physical, sensory and brain injuries are individually negotiated, making it difficult to apply a standard uplift. There is no automatic increase to these rates as they are already above the proposed new fee rate and fees can vary significantly according to provider and individual user's needs. Any increases to the rates of high cost placements will be based upon reviews of individual placements, service quality and an examination of detailed placement costings.

### **3.6.2 Supported Living for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury**

Supported living is a developing area for these client groups and fees are currently individually negotiated. Work is ongoing to develop a consistency of rates and the support model for costing them but at this time and in support further development of these services the recommendation for supported living service fees for adults with a Physical and/or Sensory Disability and Acquired Brain Injury is an increase of 3%.

### **3.6.3 Community support for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury**

Community support rates have been individually negotiated with each provider. The work needed to support people with sensory needs and acquired brain injuries is specialist in nature and the fees reflect this. Workers provide support for service users to access the community and develop independent living skills. Where services are registered with CQC personal care may also be provided. The recommendation for community support services for adults with physical sensory disabilities and brain injuries is to increase in line with the core home care rate of 3%.

## **3.7 Services for people with functional Mental Health issues**

### **3.7.1 Community support for adults with functional mental health issues**

There are a limited number of providers offering community support for people with functional mental health issues resulting in community support rates that have been individually negotiated with each provider. Workers provide support for service users to access the community and develop independent living skills. The recommendation for community support services for adults with functional mental health issues is to increase these rates by 3%.

## **3.8 Home care**

### **3.8.1 Home Care main area and back up providers**

There was a full review of home care fees prior to the recommissioning of home care services and implementation in September 2016 of the new home care contract. The contract includes two rates and these are detailed in Appendix 1.

3.8.2 The 2016 contract incorporated a clause that required home care providers to observe the council's commitment to the Unison Ethical Care Charter. The requirements included that care workers would be paid the Real Living Wage, travel time between visits to service users would be paid for, together with any costs associated with their work (i.e. mobile phone use) and care workers to be offered choice of either fixed term contracts or nil hours (if they want flexibility of work). The current Living Wage Foundation rate is £9.50 per hour and at the time of writing this report the 2021-2022 Living Wage Foundation rate had not yet been announced.

3.8.3 The Lots commissioning hourly support in Extra Care premises and the Homeless Lot that were also commissioned as part of the home care re-commissioning (starting September 2016) are currently block contract arrangements and so will follow the same approach as 3.4 above.

### **3.9 Self-Directed Support and Direct Payments**

3.9.1 Self-directed support also called 'personalisation' gives people control of the support they need to live the life they choose. A key part of the service is the provision of direct payments - funding from the council made to people with assessed needs to buy services or employ people to support them. There are currently over 560 adults in receipt of direct payments.

3.9.2 Where someone chooses to have direct payments to employ personal care assistants the initial care plan is assessed at specific direct payment rates (which do not include profit margins and other agency costs). All people employing personal care assistants are required to pay their employees the National Living Wage rate. It is recommended that all direct payment rates and existing personal budgets are uplifted by 3%. The funding in the personal budget can be used flexibly with agency care and/or personal care assistants wages.

### **3.10 Shared Lives**

3.10.1 Shared lives services support adults who are unable to live independently and they are therefore supported in the community within a family home setting. Shared lives carers provide accommodation, care and support in their own home. Currently the services are being developed to support parents with learning disabilities, young people in transition to adult services and adults with physical disabilities and acquired brain injuries.

3.10.2 In order to facilitate the expansion of shared lives to further client groups and attract more carers work is being undertaken to align the fee levels for the council run Shared Lives scheme (not part of this report) and the voluntary sector scheme. At this time there is a recommendation of a 3% uplift for the voluntary sector scheme management fees.

### **3.11 Day Support**

3.11.1 Day Support services support adults who live in the community so that people have the opportunity to socialise with other people, and in many instances also provide family carers a break from their caring responsibilities. The council has contracts with a variety of providers across a range of client groups – learning disabilities, Acquired Brain Injury and older people, as well as encouraging take-up of Direct Payments to fund day support. An uplift of 3% is recommended for learning disabilities and Acquired Brain Injury providers of day services. Older people's day services with set rates were re-negotiated in 2019-20 so are not included in this report.

### **3.12 Further considerations**

#### **3.12.1 Additional benefits**

For 2021/22 it is recommended that the current systems of additional benefits offered to providers remain in place. This includes Brighton & Hove City Council continuing to fund and provide a range of training and targeted advice sessions e.g. courses on a wide range of care topics and fire evaluations that are free to access. The council also provides advice and support relating to health and safety and access to a team providing service quality improvement support and advice.

## **4. Important considerations and implications**

### **4.1 Legal:**

- 4.1.1 It is a function of the Health and Wellbeing Board to oversee and make decisions concerning Adult Social Care in the City. The Local Authority has statutory duties under the Care Act 2014 to ensure there is sufficient provision of a diverse range of services to meet people's social care and support needs and to ensure that there is a varied, viable and sustainable market of social care providers able to deliver the required services both now and in to the future.

Lawyer consulted: Judith Fisher

Date: 16/01/2021

### **4.2 Finance:**

- 4.2.1 The Council provides in the region of 3,500 packages of care with external providers for different types of care at a gross cost of £102m across all primary support groups i.e. Physical Support, Sensory Support, Memory & Cognition Support, Mental Health Support and Learning Disabilities.
- 4.2.2 The proposed increase in rates is set out in the main body of the report and summarised in Appendix 1. These changes will result in an increased Community Care spend of approximately £1.4m, prior to any additional negotiated increases following review of individual placements. The current 2021/22 budget inflation and identified corporate service pressure funding will accommodate the proposed fee increases.

Finance Officer consulted: Sophie Warburton

Date: 06/01/2021

### **4.3 Equalities**

- 4.3.1 This funding will have an impact in ensuring that some of the most vulnerable members of our community in Brighton & Hove receive good quality, effective care and support services and will contribute to reducing health inequalities. An uplift in fees will also provide support for an increasingly fragile market (both locally and nationally) and demonstrates a commitment to provide support for both service users and some of the lowest paid members of the local workforce.

### **4.4 Sustainability:**

- 4.4.1 There are no specific sustainability implications for this report; it does not include changes to services or recommissioning.

## Appendix 1 – Fee Rates Table

Service	Current fee 2020-21	New fee 2021-22	% uplift
<b>Care Homes and Care Homes with Nursing</b>			
In city care homes – set fees per week	£582	£600	3%
In city care homes with nursing – set fees per week	£747.56 Includes FNC at £183.92	£783.92 inclusive of the FNC <i>NB this may change as 2020-21 rate not yet set by NHS</i>	3%
<b>Out of City Care Home and Care Home with Nursing Placements</b>			
Out of city care homes on set rates	Host Authority Rates	Host Authority Rates	Variable
Out of city care homes with nursing on set rates	Host Authority Rates	Host Authority Rates	Variable
Out of city care homes individually negotiated	Variable Rates	Variable Rates	Variable
Out of city care homes with nursing individually negotiated	Variable Rates	Variable Rates	Variable
<b>Supported Living &amp; Community Support: Learning &amp; Physical Disabilities, functional mental health</b>			
Supported Living for people with learning disabilities	Variable Rates	Variable Rates	3%
Supported Living for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable Rates	Variable Rates	3%
Community support for people with learning disabilities	Variable Rates	Variable Rates	3%
Community support for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable Rates	Variable Rates	3%
Community support for adults with functional mental health issues	Variable Rates	Variable Rates	3%
<b>Home Care</b>			
Home care main area/back up provider – core fee	£18.19	£18.74	3%
Home care main area/back up provider – enhanced fee	£20.23	£20.84	3%
Dynamic Purchasing System Approved Provider Packages	Variable	Variable	variable
<b>Direct Payments</b>			
Direct Payments Monday to Friday hourly rate for those employing Personal Assistants	£11.00	£11.33	3%
Direct Payments Weekend hourly rate for those employing Personal Assistants	£12.00	£12.36	3%
Other Direct Payment agreements	Variable	Variable	3%
<b>Shared Lives</b>			
Shared Lives Management Fee	Variable	Variable	3%
Shared Lives fee to carers	Variable	Variable	3% to care element
<b>Day Support</b>			
Day support for people with Learning Disabilities	Variable	Variable	3%
Day support for people with Acquired Brain Injury	Variable	Variable	3%