

# Brighton & Hove City Council

## Agenda Item 29

### ADULT SOCIAL CARE & PUBLIC HEALTH SUB COMMITTEE

Subject:	<b>Adult Social Care Fees Report 2023/24</b>
Date of Meeting:	<b>10<sup>th</sup> January 2023</b>
Report of:	<b>Rob Persey, Executive Director Health and Adult Social Care</b>
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Ward(s) affected:	All

#### FOR GENERAL RELEASE

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The purpose of the Adult Social Care Fees Report 2023-24 is to recommend fee levels and uplifts to be paid to Adult Social Care providers from 10<sup>th</sup> April 2023. It attempts to balance the pressure on public finances with the need to manage and sustain the provider market to support the increasing complexity and demands for care while also complying with the duties placed on Brighton & Hove City Council ("Council") by the Care Act 2014 to meet the needs of those requiring care and support.

#### 2. RECOMMENDATIONS

- 2.1 That the Adult Social Care & Public Health Sub Committee agrees to the recommended fee increases as outlined in Appendix 1. The underpinning background to this proposed fee change is contained in the main body of the report. The proposed fee increases are within the council funding allocated for uplifts for 2023-24.

#### 3. CONTEXT/BACKGROUND INFORMATION

- 3.1 The pandemic has significantly increased the costs of social care. Throughout 2020-21 and 2021-22 the adult social care sector received financial support from the Department for Health and Social Care ("DHSC") to support providers during the Covid-19 pandemic. This funding was introduced to support providers with implementing infection control measures, and then extended to include support for testing costs, vaccination costs with final grants issued to support workforce

recruitment and retention. However, all these grants ended in March 2022 after being provided for nearly two years.

- 3.2 Workforce capacity pressures have been growing significantly over the last two years, notably impacting on the home care sector as many more people are choosing to have care in their own home rather than within a care home. This has been exacerbated by home care and care home staff leaving the care sector due to low salaries and burnout after the pandemic. Funding provided by the government to support recruitment and retention of care staff has had little long-term impact. It is now more difficult to recruit staff from the European Union due to post Brexit government requirements, although Social Care carers are now on the government's Shortage Occupancy List following pressure from the sector (February 2022). However, the salary requirements mean that staff need to be employed full-time to reach the minimum salary requirement – something that is rare in a sector where zero hour contracts and part-time staff are the majority.
- 3.3 Rising fuel costs have hit the Care sector significantly. In Home Care carers outside the central city area regularly use cars as many outlying parts of the city are too hilly to use bicycles and it is too slow to use buses between care calls. Alternatives to car use are being examined as part of the current recommissioning of Home Care (expected completion July 2023) but until that time it is difficult to change the existing ways of working.
- 3.4 The accommodation based care sector - Care Homes and Supported Living - have also faced rising fuel costs; central heating is commonly in use for the majority of the year in most care homes and environments where people are relatively immobile. Similarly food costs have increased substantially in 2022 and providers are seeking to pass these costs on.
- 3.5 A further ongoing cost that providers face is the Real Living Wage increasing by 10% from £9.90 to £10.90 (a contractual requirement for Home Care providers) and the National Living Wage, currently £9.50, which has been announced to increase by just under 10% to reach £10.42 in 2023.

### 3.6 **Care & Nursing Homes**

Due to the issues listed in 3.1-3.5 above it is increasingly difficult to place clients at the Council's set rates and as of October 2022 only 15% of council funded people are in care homes at set rates. Although the Set Rate is now £624 the average cost the Council paid for a care home placement in October 2022 was £816 for a Care Home providing physical care and £918 for a Dementia Care Home which is more than 33% above the Set Rate.

- 3.7 Rather than looking at Set Rates it is thus proposed to use the average of fee rates agreed for care and nursing home placements as the basis for fee uplifts for **Older People**, using as the averaged figures, £900 per week for a care home and £1,000 per week for a nursing home. The proposal then distinguishes between a 5% uplift for care home fees at £900 or lower and nursing home fees at £1,000 or lower and a 2% uplift for those fees above £900/£1,000.
- 3.8 However, it is proposed that all **specialist care and nursing home placements**, which are mainly for people of a working age requiring lifelong support (learning disabilities, physical disabilities, sensory impairments, Acquired Brain Injuries

(ABI) and mental health), receive a standard uplift of 5% as the higher Fees reflect the increased support that people in specialist placements require.

### 3.8 **Home Care and Extra Care**

The impact of the issues listed in 3.1-3.5 above is reflected in an extremely low pick up of Packages of Care by Home Care Providers including in extra care establishments. This means that there are significant delays in people receiving care; the more complex the support package required, the slower it is likely to be picked up; double-up carers and carers with the use of vehicles are in particular short supply. The council currently has around 100 people waiting to be sourced care, comprising over 1,200 hours of support.

3.9 Additionally, Home Care providers are asking to hand-back packages of care where they are saying that they have insufficient numbers of carers to provide care safely. Where carers are absent from work due to Covid or other sickness it is difficult to replace them with agency staff and care companies are having to go further afield to source alternative care often at significant cost. Three of the Council's largest providers have asked to return multiple packages of care since February 2022. This is not exclusive to Brighton and Hove but is part of a national picture and an issue that is being addressed by the ADASS South East group, Skills for Care and others. If providers cannot offer competitive rates of pay then potential staff are choosing other career options whilst longstanding career carers are also leaving for alternative work in supermarkets or the hospitality sector.

3.10 It is proposed that all providers offering the current Framework rate will receive a 6% uplift – this applies to the council's main Framework providers who are on set rates and over 50% of other packages of care which are provided by providers on the council's Dynamic Purchasing System. Those providers who bid at higher rates on the council's Dynamic Purchasing System will receive either 4% or 2%.

### 3.11 **Neighbouring authorities rates for Care Homes and Home Care**

The position in Brighton and Hove has been made more challenging as our neighbouring authorities East Sussex County Council (ESCC) and West Sussex County Council (WSSC) pay a range of Set rates unlike the council.

3.11.1 The Council's set rate for Home Care is now £20.07 per hour whereas ESCC pay between £20.40 to £30.56 per hour dependent on area. A local comparison is the ESCC Saltdean rate as the area of Saltdean is divided between the Council and ESCC – the rate paid by ESCC in Saltdean is £21.80 per hour. WSSC are paying providers a minimum rate of £23.20 (to match the United Kingdom Home Care Association's (UKHCA) published minimum cost of care for 2022/23).

3.11.2.1 The Council's Set Rate for Care Homes is now £624 per week. In East Sussex ESCC pay weekly rates currently vary from £589.75 to £738.43 (across six different care rates). In West Sussex WSSC pay weekly rates vary from £591.26 to £840.92 (also across six different care rates). Both East and West Sussex County Councils pay higher rates for dementia care beds.

### 3.12 **Fair Cost of Care and strategic direction**

3.12.1 This year the Department of Health & Social Care required all local authorities to survey a range of providers covering older people's care homes and Over 18s home care to improve the understanding of the actual costs of delivering care in their local area. Brighton & Hove City Council ran a data collection exercise throughout June & July 2022 and included engagement events for Care Homes and Home Care providers operating within the City.

3.12.2 Providers were under no obligation to submit a return and the overall return level was low and therefore the use of the information is limited. However the submitted returns and calculated averages will help contribute to the information we are using in recommissioning and strategic direction. There are other factors including Council budgets, existing demand and service pressures, legislative reforms and new inspection frameworks that will also inform our approach to commissioning.

3.12.3 The Fair Cost of Care funding will be continued in 2023-24 with funding available to support older people's care homes and Over 18s home care as before. Proposed Fees for 2023-24 have included this fund.

### 3.13 **Specialist Support Services**

The council commissions a range of specialist support services for clients with learning disabilities, physical disabilities, sensory impairments, Acquired Brain Injuries (ABI) and mental health issues.

3.13.1 The council has negotiated rates for **Community Support** with a range of providers. The recommendation is to increase the hourly rates by the same percentage as framework Home Care providers as Community Support providers are competing to recruit staff from the same workforce pool as Home Care carers and there is a shortage of Community Support currently. There is a report due to this sub-committee on Community Support in early 2023 which will propose the commissioning of a Dynamic Purchasing System that will address issues of varying rates and open up the market. Proposed 6%.

3.13.2 **Supported Living** rates are usually negotiated per person so there are no set rates. Due to cost pressures some providers negotiated a further in-year uplift (on top of the original 2% for 2022-23). A Dynamic Purchasing System is to be commissioned in the 2023-24 year (to commence the following year) and until this takes place an uplift that is comparable to care home and nursing home specialist placements is proposed as supported living is also an accommodation placed service: 5%.

3.13.3 **Shared Lives Services** – the basis of Shared Lives is that people live in a Shared Lives Carer's home and this is a service area that the council is trying to grow. Rates are subject to negotiation with the providers which have yet to be concluded but would not exceed 5%.

3.13.4 **Day Support Services** are all subject to negotiated rates. The majority of Day Services (over 90% of the total provision) are provided for people with learning disabilities. Due to cost pressures some providers negotiated an in-year uplift (additional to the original 2% 2022-23 uplift). Proposed: 4%

3.14 There is a project underway to look at **Direct Payments**, the issues that deter people from choosing a Direct Payment and increasing their take-up; this work will continue into 2023. It is proposed to offer a higher uplift on the hourly rates in 2023-24 to encourage people to become Personal Assistants (PAs), as a lack of PAs in the market is one of the deterrents to people taking on a Direct Payment. There is a legal obligation to pay the National Living Wage which rises to £10.42 next April 2023 but the council also encourages all people with a Direct Payment to pay the Real Living Wage which has been set for 2023 at £10.90 which also supports the need for a higher uplift. Proposed 8%.

### 3.15 **National picture**

In June 2022 the Local Government Association stated that Provider costs are likely to increase by at least 6.7% in 2023/24. In more recent weeks (November 2022) this figure has been projected at 9%. However, the council needs to set sustainable Fee Rates within budget and significant efforts have been made to create a nuanced yet robust approach for the setting of Fees for the 2023-24 financial year.

3.16 By setting healthy fees the council reduces the risk of destabilising the local market and care staff exiting the workforce.

## **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 Given the pressure on the care system and most specifically the difficulties to recruit and retain the care workforce which is one of the lowest paid in the economy there is no other option than to provide fee uplifts. Despite in-year increases to Home Care providers they are handing back Packages of Care and discussing exiting the Brighton and Hove market while Care Homes are rarely accepting clients on Set Rates.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 The Council and the NHS Brighton and Hove (partners to the care home and home care contracts) are committed to co-production. Regular Care Home Forums and Home Care Stand-up meetings are held where provider organisations can raise issues which includes fee rates.

5.2 The annual Social Care and Support Services survey for clients is resuming this year and the responses from it are always considered by the Council's ASC Commissioning & Contracts Team.

5.3 Engagement has taken place with stakeholders, clients and carers regarding the re-commissioning of the Home Care and Care Home contracts. This will also support the 'Market Sustainability and Fair Cost of Care Fund' work.

## **6. CONCLUSION**

6.1 Despite the considerable financial pressures on the Council and the support measures put in place to assist the provider market during the last three years, the Council recognises the ongoing rising costs and pressures that providers continue to experience. With this in mind the increases are proposed as set out below to be applied from 10 April 2023.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 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 £115m across all primary support groups i.e. Physical Support, Sensory Support, Memory & Cognition Support, Mental Health Support and Learning Disabilities.
- 7.2 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 £4.8m, prior to any additional negotiated increases following review of individual placements. The current 2023/24 budget inflation and identified corporate service pressure funding will accommodate the proposed fee increases.

*Finance Officer Consulted: Sophie Warburton Date: 15/12/2022*

### Legal Implications

- 7.3 It is a function of the Adult Social Care and Public Health Sub-Committee to make Council decisions about Adult Social Care in Brighton and Hove. The Council has statutory duties under the Care Act 2014 to ensure that there is sufficient provision of a diverse range of services to meet people's social care and support needs and ensure there is a varied, viable and sustainable market of social care providers able to deliver the required services both now and in the future.

*Lawyer Consulted: Sandra O'Brien 13/12/22*

### Equalities Implications:

- 7.4 This funding will have an impact in ensuring that some of the most vulnerable members of our community in Brighton and 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.
- 7.5 Equalities Impact Assessments are currently being conducted as part of the recommissioning process for both the Care Home and the Home Care contracts and will take place for any other re-commissioning.

### Sustainability Implications:

- 7.6 There are no specific sustainability implications for this report; it does not include changes to services or recommissioning. However, it is of note that the DHSC Covid-19 funding was available to providers to use to purchase bicycles for staff to use to get to/from work or to visit clients
- 7.7 Sustainability implications are part of the recommissioning process currently underway for both care homes and home care.

### Brexit Implications:

- 7.8 Recruitment has become more challenging as a result of Brexit and the government's requirements regarding entry to the UK to work which are restrictive in terms of cost to providers and that many carers would not satisfy the Skilled Visa requirements. In February 2022 the government placed Carers on the Shortage Occupation List but carers will need to earn £10.50 per hour and work a 48 hour week to satisfy the salary requirements.

Any Other Significant Implications: None

### Crime & Disorder Implications:

- 7.9 There are no Crime & Disorder implications.

### Risk and Opportunity Management Implications:

- 7.10 If the Adult Social Care & Public Health Sub Committee failed to agree the Fees Report 2023-24 there is a significant risk that providers would refuse to accept new clients or serve notice on existing ones. This risk is still in place (but at a lower level) by proposing the uplifts listed in Appendix 1.

## **SUPPORTING DOCUMENTATION**

### **Appendix 1 – Fee Rates Table**

<b>Service</b>	<b>Current fee 2022-23</b>	<b>New fee 2023-24</b>	<b>% uplift</b>
<b>Care Homes and Care Homes with Nursing</b>			
In city care homes – set fees per week	£624	£655	5%
In city care homes	Fees between £625-£900 per week	Variable	5%
In city care homes – <b>over 65s physical and memory</b>	Fees over £900	Variable	2%
In city care homes with nursing – <b>over 65s physical and memory</b>	Fees under £1,000 (excludes FNC at £209.19)	Variable	5%
In city care homes with nursing - nursing – <b>over 65s physical and memory</b>	Fees over £1,000 (excludes FNC at £209.19)	Variable	2%
In city care homes & care homes with nursing – <b>specialist placements</b> (learning disabilities, ABI, sensory, functional mental health) individually negotiated	Variable rates	Variable	5%
<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 ( <i>new placements only</i> )	Variable
Out of city care homes with nursing on set rates	Host Authority Rates	Host Authority Rates ( <i>new placements only</i> )	Variable

<b>Service</b>	<b>Current fee 2022-23</b>	<b>New fee 2023-24</b>	<b>% uplift</b>
Out of city care homes – <b>over 65s physical and memory</b>	Fees up to £900	Variable rates	5%
Out of city care homes – <b>over 65s physical and memory</b>	Fees over £900	Variable rates	2%
Out of city care homes with nursing – <b>over 65s physical and memory</b>	Fees up to £1,000	Variable rates	5%
Out of city care homes with nursing – <b>over 65s physical and memory</b>	Fees over £1,000	Variable rates	2%
Out of city care homes and care homes with nursing – <b>specialist placements</b> (learning disabilities, Acquired Brain Injury, sensory, functional mental health) individually negotiated.	Variable Rates	Variable rates	5%
<b>Supported Living &amp; Community Support: Learning &amp; Physical Disabilities, functional mental health</b>			
<b>Supported Living</b> for people with learning disabilities, Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable rates	Variable rates	5%
<b>Community support</b> for people with learning disabilities, Physical and/or Sensory Disabilities and Acquired Brain Injury or functional mental health issues (excluding block contract agreements)	Variable rates	Variable rates	6%
<b>Home Care</b>			
Home care main area/back up provider - core fee	£20.07	£21.27	6%
Home care main area/back up provider – enhanced fee	£22.31	Uplift to be confirmed by NHS	
Extra Care services	Variable rates	Variable rates	6%
Dynamic Purchasing System Approved Provider Packages	£20.07 or lower	£21.27	6% or to reach set rate £21.27
Dynamic Purchasing System Approved Provider Packages	£20.08 to £22.50	Variable rates	4%
Dynamic Purchasing System Approved Provider Packages	Above £22.50	Variable rates	2%
Live-in Care	Variable rates (DPS commissioned)	Variable rates	Variable
<b>Direct Payments</b>			
Direct Payments Monday to Friday hourly rate for those employing Personal Assistants	£11.55 to £11.60	£12.50	8% (rounded)
Direct Payments Weekend hourly rate for those employing Personal Assistants	£12.60	£13.60	8%
Other Direct Payment agreements	Variable (above set rates)	Variable rates	Variable
<b>Shared Lives</b>			
Shared Lives Management Fee	Variable rates	Variable rates	Variable
Shared Lives fee to carers	Variable rates	Variable rates	Variable
<b>Day Support</b>			
Day support for people with Learning Disabilities	Variable rates	Variable rates	4%

Service	Current fee 2022-23	New fee 2023-24	% uplift
Day support for people with Acquired Brain Injury	Variable rates	Variable rates	4%
Day support for Older People	£33.70	£34.70	4% (rounded)

