

Brighton & Hove City Council

Adult Social Care & Public Health Sub Committee

Agenda Item 35

Subject: Adult Social Care Fees Report 2024/25

Date of meeting: 17th January 2024

Report of: Executive Director, Health & Adult Social Care

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 The purpose of the Adult Social Care Fees Report 2024-25 is to recommend fee levels and uplifts to be paid to Adult Social Care providers from 8th April 2024. 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 2024-25.

3. Context and background information

Background

3.1 Workforce capacity pressures have continued to grow during the cost of living crisis that has followed the pandemic, with significant changes in staffing in both the home care and care home sector. Recruiting staff became increasingly difficult until pressure from the care sector resulted in Social Care carers being added to the government's Shortage Occupancy List in February 2022, initially short-term but now ongoing. This is having a notable impact, and was referenced in the November 2023 Office for National Statistics report as one of the reasons for the uplift in net migration to the UK. However, the minimum salary requirement means that staff need to be employed full-time to satisfy it – something that is rare in a sector where zero-hour contracts and part-time staff are the majority.

- 3.2 Rising fuel costs have also hit the Care sector. 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 constantly examined, for example a trial of e-bikes was made available to contracted home care providers in 2023, but it is difficult to change the existing ways of working.
- 3.3 The accommodation based care sector - Care Homes and Supported Living - have also faced challenges regarding utility bills; central heating is commonly in use for much of the year in most care homes and environments where people are relatively immobile. Where food costs have increased, providers are seeking to pass these costs on in the form of higher fees.
- 3.4 A further ongoing cost that providers face is the Real Living Wage increasing by 10% both last year (£9.90 to £10.90) and the same percentage this year, taking the rate to £12. This is a contractual requirement for Home Care providers and a recommendation for all other care providers. The National Living Wage, currently £10.42, is also due to increase by 9.8% in 2024 to £11.44, and additionally will apply to 21 and 22 year olds.
- 3.5 **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 2023 only 10% of council funded people are in care homes at set rates. The set rate is currently £655, and with providers refusing to accept this rate due to their higher costs it is proposed to raise the set rate by 7% to £700 to incentivise pick-up of placements. Issues relating to this will be addressed in the recommissioning of the care home contract which is currently underway.
- 3.6 As regards the remaining 90% of placements, the average cost the Council paid for a placement in October 2023 was £998 for a Care Home providing physical care, and £1,095 for a Dementia Care Home which is more than 50% above the Set Rate. For these placements, it is 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, £1,000 per week for a care home and £1,100 per week for a nursing home. The proposal then distinguishes between a 5% uplift for care home fees at £1,000 or lower and nursing home fees at £1,100 or lower and a 3% uplift for those fees above £1,000/£1,100.
- 3.7 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**
There has been a recommissioning of the council's main Home Care services since the last Fees Report. Due to changes in service providers ,and the impact of the power to bring in overseas workers, Packages of

Care are being picked up by Home Care Providers, including in extra care establishments, in a more timely fashion. However, there are still 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 short supply, and prices are rising where care is not sourced by the Framework of providers on set rates. Workforce numbers remain an issue both locally and nationally; 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.

However, in October 2022 the council had around 100 people waiting to be sourced care, a figure that has dropped in October 2023 to an average of 10. Although the reasons are not completely clear this is believed in part to be due to the introduction of increased numbers of overseas workers.

- 3.9 It is proposed that all providers offering the current Framework rate will receive a 7% 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 5% or 3% (for hourly rates above £23.60).
- 3.10 It is proposed that packages of **Live-in care** will receive a 5% uplift as this reflects other accommodation-based uplifts, namely care homes and nursing homes.

3.11 Neighbouring authority 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 (WSSCC) have given higher uplifts than the Council in the last two financial years. However, an analysis undertaken by the South East ADASS (Association of Directors of Adult Social Services) Commissioning & Market Development Network suggests that the council’s average rates for older people’s care and nursing homes are higher than both of our Sussex neighbours (see paragraph 3.11.1) although the reverse is true of home care (see paragraph 3.11.2).

3.11.1 The Council’s Set Rate for Care Homes is now £655 per week, across all care groups. In East Sussex ESCC pay weekly rates varying from £648.76 to £773.71 (across three different care rates). In West Sussex WSSCC pay weekly rates which range between £700 to £890 (also across three different care rates). The highest rates are for dementia care. To note – in addition to these figures residents in Nursing Homes receive Funded Nursing Care for at £209.19 per week (paid by the NHS).

3.11.2 The Council’s set rate for Home Care is now £21.27 per hour whereas ESCC pay between £22.44 to £33.60 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 £24 per hour, over 13% higher. WSSCC are paying providers a minimum

rate of £25.29 (nearly matching the United Kingdom Home Care Association's (UKHCA) published minimum cost of care for 2023/24 which is £25.95).

3.12 **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.

3.12.1 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. Rates under £21.27 will be increased by 7% and rates above by 5%. A new Dynamic Purchasing System has been commissioned that has attracted some new Community Support providers to the city. Providers submitted ceiling rates within this commission and must hold these rates until 31/03/2025.

3.12.2 The council has negotiated rates for **Supported Living** with a range of providers. There are ranges in fees as these are based upon individual assessed needs rather than set rates. A new Dynamic Purchasing System (DPS) has been commissioned that has attracted some new Supported Living providers to the city. It is anticipated that this will introduce more competitive rates but there are still some Supported Living providers that did not apply to the DPS, and an uplift is proposed of 6%.

3.12.3 **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. Shared Lives carers can also provide respite and day share options. Rates are subject to negotiation with the providers which have yet to be concluded but would not exceed 7%.

3.12.4 **Day Support Services** are all subject to negotiated rates. Most Day Services (over 90% of the total provision) are provided for people with learning disabilities. Providers are currently contracted via a DPS which will close at the end of March 2024 with Providers moving to interim contractual arrangements. The longer-term intention is for a review of Day Services and Opportunities in the city for adults with learning disabilities and a range of other need areas for example; Autistic Adults, Adults with Mental Health needs and Acquired Brain Injury. Proposed: 5%

3.13 **Direct Payments**

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 2024. Offering higher uplifts helps 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 is currently £10.42 but the council also encourages all people with a Direct Payment to pay the Real

Living Wage which has been set for 2024 at £12 which also supports the need for a higher uplift. Proposed 8%.

3.14 National picture

At the end of October 2023, the Local Government Association wrote to the government setting out the acute financial pressures councils face, and the steps they felt the Government needed to take to address them. Adult social care and winter pressures were listed as one of three key areas of council activity experiencing sharp financial and/or demand pressures. Although the Government provided additional funding for adult social care in 2023/24 the LGA stated that this did little more than allow councils to stand still given their ongoing cost and demand pressures. One of the main drivers for increased care fees was the 9.7% increase in NLW in 2023-24 – something that is likely to occur again with the new increase in NLW by 9.8%.

3.15 The Registered Care Association for East Sussex Brighton & Hove (comprising local care owners, directors and managers) has also sent a letter since the autumn budget statement citing a minimum cost pressure for 2024-25 of 8.9%.

3.16 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 2024-25 financial year. By setting healthy fees the council reduces the risk of destabilising the local market and care staff exiting the workforce.

4. Analysis and consideration of 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. The number of Care Homes accepting clients on Set Rates is in decline (15% in October 2022, 10% in October 2023) and process of setting care home fees will be reviewed as part of the recommissioning that is underway. Home Care providers are increasingly relying on overseas workers who need to be paid, broadly speaking, for a 40-hour week, unusual for a sector where zero-hour contracts are common.

5. Community engagement and consultation

5.1 The Council is committed to co-production. Regular Care Home Forums and Home Care 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. Additionally, Healthwatch are commissioned to carry out Home Care checks, where volunteers interview people who use Home Care services, focusing on one provider per month. Service users raise home care issues, but are also able to raise other care issues with the interviewers.

5.3 Engagement has taken place with stakeholders, clients and carers regarding the re-commissioning of the Home Care and Care Home contracts. This also supports the ongoing 'Market Sustainability and Fair Cost of Care Fund' work. The current recommissioning of Community Support and Supported Living also included extensive engagement to ensure the right services are commissioned.

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 8th April 2024.

7. Financial implications

7.1 The Council provides in the region of 3,500 packages of care with external providers for diverse types of care at a gross cost of £133m 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 a net increase Community Care spend of approximately £6.2m, prior to any additional negotiated increases following review of individual placements. The current 2024/25 budgeted inflation and identified corporate service pressure funding will accommodate the proposed fee increases.

Name of finance officer consulted: Sophie Warburton
Date consulted: 29/11/2023

8. Legal implications

8.1 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.

Name of lawyer consulted: Sandra O'Brien
Date consulted: 29/11/23

9. Equalities implications

9.1 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.

9.2 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.

10. Sustainability implications

10.1 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. The council's Transport team has also worked with Home Care providers to loan e-bikes as part of a pilot programme (started September 2023).

10.2 Sustainability implications are part of the recommissioning process currently underway for both care homes and Community Support/Supported Living.

11. Other Implications

Social Value and procurement implications

11.1 This Report does not have procurement implications. Procurement of social care services always includes consideration of Social Value, so that has been addressed outside of this report.

Crime & disorder implications:

11.2 None

Public health implications:

11.3 Providers of social care services are required to operate in line with appropriate infection prevention and control procedures including the purchase of PPE from the agreed fees.

Supporting Documentation

Appendix 1 – Fee Rates Table 2024-25

Service	Current fee 2023-24	New fee 2024-25	% uplift
Care Homes and Care Homes with Nursing - in city			
In city care homes – set fees per week	£655	£701	7%
In city care homes with <i>nursing</i> – set fees per week	£655 + FNC at £209.19 = £833.19	£701 + FNC to be paid by NHS	5%

In city care homes weekly fees	Fees between £702-£1,000	Variable	5%
In city care homes – over 65s physical and memory	Fees over £1,000	Variable	3%
In city care homes with <i>nursing</i> - over 65s physical and memory	Fees under £1,100 (excludes FNC at £209.19)	Variable	5%
In city care homes with <i>nursing</i> - over 65s physical and memory	Fees over £1,100 (excludes FNC at £209.19)	Variable	3%
In city care homes & care homes with nursing – specialist placements (learning disabilities, ABI, sensory, functional mental health) individually negotiated	Variable	Variable	5%
Out of City Care Home and Care Home with Nursing Placements			
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 <i>nursing</i> on set rates	Host Authority Rates	Host Authority Rates (<i>new placements only</i>)	Variable
Out of city care homes – over 65s physical and memory	Fees up to £1,000	Variable	5%
Out of city care homes – over 65s physical and memory	Fees over £1,000	Variable	3%
Out of city care homes with <i>nursing</i> – over 65s physical and memory	Fees up to £1,100	Variable	5%
Out of city care homes with <i>nursing</i> – over 65s physical and memory	Fees over £1,100	Variable	3%
Out of city care homes and care homes with nursing – specialist placements (learning disabilities, Acquired Brain Injury, sensory, functional mental health) individually negotiated.	Variable	Variable	5%
Supported Living & Community Support: Learning & Physical Disabilities, functional mental health			
Supported Living for people with learning disabilities, Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable	Variable	6%
Community support for people with learning disabilities, Physical and/or Sensory Disabilities and Acquired Brain Injury or functional mental health issues (excluding block contract agreements)	Rates up to £21.27	Variable	7%
Community support for people with learning disabilities, Physical and/or Sensory Disabilities and Acquired Brain Injury or functional mental health issues (excluding block contract agreements)	Rates over £21.28	Variable	5%
Home Care			
Home care main area/back up provider - core fee	£21.27	£22.76	7%

Extra Care services	Variable	Various	7%
Dynamic Purchasing System Approved Provider Packages	£21.27 or lower	£22.76	7% or to reach £22.76
Dynamic Purchasing System Approved Provider Packages	£21.28 to £23.60	Variable	5%
Dynamic Purchasing System Approved Provider Packages	Above £23.60	Variable	3%
Live-in rates	Variable rates (DPS commissioned)	Variable rates	5%
Direct Payments			
Direct Payments Monday to Friday hourly rate for those employing Personal Assistants	£12.50	£13.50	8% (rounded)
Direct Payments Weekend hourly rate for those employing Personal Assistants	£13.60	£14.70 (rounded)	8% (rounded)
Direct Payments sleep-in rate	£56.50	£61.00 (rounded)	8% (rounded)
Other Direct Payment agreements	Variable (above set rates)	Variable	Variable
Shared Lives			
Shared Lives Management Fee	Variable	Variable	Up to 7%
Shared Lives fee to carers	Variable	Variable	Up to 7%
Day Support			
Day support for people with Learning Disabilities	Variable	Variable	5%
Day support for people with Acquired Brain Injury	Variable	Variable	5%
Day support for Older People	£34.70	£36.45	5% (rounded)

