

Report to:	JOINT MEETING EXECUTIVE CABINET / OVERVIEW PANEL
Date:	14 February 2024
Executive Member:	Councillor John Taylor – Executive Member Adult Social Care, Homelessness and Inclusivity
Reporting Officer:	Stephanie Butterworth – Director of Adult Services
Subject:	ADULT SERVICES FEES 2024-25
Report Summary:	The purpose of this report is to outline proposals in relation to revised prices to meet the increasing cost of providing adult services for 2024-25.
Recommendations:	<p>That Executive Cabinet notes the content of the report and:</p> <ul style="list-style-type: none"> • Approves the proposed new rates for care home placements as detailed in appendix 1 table 2 of this report. • Approves the increase in Nursing & Nursing with Dementia fees (appendix 1 table 2) by the increase to the Funded Nursing Care weekly rate effective from 1 April 2024 once confirmed by the Department of Health. There is no additional cost to the Council for this increase as it is fully funded by the NHS. • Approves the proposed new rates for Support at Home and Standard Home Care as detailed in appendix 1 table 3 of this report. • Approves the spot purchase rates for sleep-in and waking nights as detailed in appendix 1 table 3 of this report. • Approves the proposed uplifts of Adult Services commissioned contract prices highlighted in appendix 1 table 4 of this report • Approves the proposed revised rate for additional hours commissioned in Extra Care of £19.24 per hour. Please refer to paragraph 4.13 of this report. • Approves the proposed revised rate for additional hours commissioned in Active Day Services contract of £16.19 per hour. Please refer to paragraph 4.16 of this report. • Approves the revised Direct Payment rates as detailed in in appendix 1 table 5 of this report • Approves the rate increases for Shared Lives Carer payments detailed in appendix 1 table 6 of this report • Approves the increase of any fee not included in appendix 1 by 3.6% • Approves delegation to the Director of Adult Services to increase any fee in excess of those stated in appendix 1 by a greater percentage rate with supporting evidence. • Approves all payment rates detailed in the report to be effective from 1 April 2024

- Approves the related impact of care package fee increases on the financial assessment of the service user is from 1 April 2024.
- Notes

Corporate Plan:

The services link into the Council’s priorities:

- Help people to live independent lifestyles supported by responsible communities
- Improve Health and wellbeing of residents
- Protect the most vulnerable

Policy Implications:

Those accessing the service have been identified as having eligible needs under the Care Act 2014.

As set out in Section 5 of the Care Act 2014, local authorities have a duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable and high quality for the local population.

The Governments 10 year strategy as set out in “People at the Heart of Care” to reform Adult Social Care (ASC) includes all those who interact with social care. Not just those accessing direct services that have been identified as having eligible needs under the Care Act 2014 or assessed as requiring preventative services to delay eligibility and entrance to eligible services

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

The 2023/24 budgets for the provision of Adult Services Placements and Packages of Care including related contracts (e.g. Supported Living) total £80.49m gross (£61.87m net of service user contributions).

The estimated additional cost of the 2024/25 proposed inflationary increase on provider fees as set out in the report is £6.604m (£3.983m net of additional service user contributions to their care package), paragraph 5.2 table 1 refers.

The basis of the proposed provider fees will support the foundations of working towards a more sustainable provider market. In addition, this will also support the transition towards the full cost recovery of charges that are included within the financial assessment of service user contributions to care packages.

The proposed provider fee rates within the report will contribute towards the mitigation of potential local provider failure. The impact of this could result in higher cost out of borough care packages.

Robust performance monitoring arrangements remain in place and any variance to the estimated financial impact stated in section 5 of this report will be provided within the Directorate revenue monitoring reports during the 2024/25 financial year.

All cost uplifts and demand pressures are to be considered within the 2024/25 Council budget that will be presented to the Full Council on 27 February 2024. There will be no capacity to overspend against the budgets that are approved at this meeting.

Legal Implications:

By virtue of Section 5 of the Care Act 2014, local authorities have a duty to promote the efficient and effective operation of a market in

**(Authorised by the
Borough Solicitor)**

services for meeting care and support needs and the report sets out the balancing exercise undertaken in complying with this statutory provision.

It is also important to note that in setting the level of fees for adult social care statutory guidance must be followed. In particular, the report references Point 12 of Annex A of the Care and Support Statutory Guidance which requires that “A person must not be asked to pay a ‘top-up’ towards the cost of their accommodation because of market inadequacies or commissioning failures and must ensure there is a genuine choice...” and that is reflected in the options presented for determination

In addition to the above when making a decision in relation to the proposed fees the decision maker has to make a reasonable decision based on Wednesbury principles. The decision-maker must have taken into account matters that ought not to have been taken into account, or conversely, have failed to take into account matters that ought to have been taken into account.

Risk Management:

There will be a continued dialogue between commissioners and providers to ensure best value is delivered against the contract resource with a view to working towards service developments that realise savings going forward. These will be delivered through contract performance management and working in partnership with neighbourhood teams

Background Papers:

The background papers relating to this report can be inspected by contacting Trevor Tench on:



Telephone: 0160 342 3649



e-mail: trevor.tench@tameside.gov.uk

1. INTRODUCTION

- 1.1 The Government 10 Year Strategy - 'People at the Heart of Care' is based around three key objectives:
- People have choice, control and support to live independent lives
 - People can access outstanding quality and tailored care and support
 - People find adult social care fair and accessible
- 1.2 As set out in Section 5 of the Care Act 2014, local authorities have a duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable and high quality for the local population.
- 1.3 The focus of this report is the setting of revised fees for 2024-25 to meet the increasing cost of providing social care support to vulnerable adults. Work has been progressing in relation to the impact of a number of cost pressures imposed nationally on care providers that significantly challenge the financial viability and sufficiency of high-quality care provision.
- 1.4 Tameside, as with many local authorities, has cultivated strong relationships with providers, working in partnership to deliver good quality care despite ongoing financial, workforce and broader pressures, in a challenging environment exacerbated by the Covid-19 pandemic. The view nationally, however, is that a significant number of local authorities are estimated to pay below the cost of providing care (based on impact assessment modelling nationally for fair cost of care). This risks undermining local markets, creating unfairness, affecting sustainability and, at times, leading to poorer quality outcomes for those who draw on care and support services.

2. CURRENT SITUATION

- 2.1 Demand for service provision has been rising - the increasing number of older people and younger adults with complex and life limiting conditions and disabilities continue to add further pressure to services provided. As would be expected the increasing complexity of care needs does mean an increasing number of staff is required to support individuals and therefore an associated increase in costs to the Council.
- 2.2 In line with Councils across the country the period of the Covid pandemic and the time since has seen increasing numbers of people requiring care and support – seen most acutely in services supporting people to remain living in their own homes. To illustrate this point in domiciliary care, in February 2020, the Council commissioned 9,958 hours per week to support 947 people: In October 2023 this figure had risen to 14,938 hours for 1,202 people which is an increase of 50% in hours and 27% in numbers of people. In staffing terms an increase of 4,980 hours equates to an increased requirement of 135 full time equivalent (FTE) staff members.
- 2.3 Although many people are encouraged to seek help from within their own families or communities, increasing numbers still require help and support. The people who are now receiving care and support are those with more complicated and complex care and support needs that often need more intensive (and expensive) packages of care to meet their assessed eligible needs. Success in the treatment and care of adults with severe illnesses and disabling conditions has also meant that many more people in the borough are living longer; however, they are living with one or more health issues that require help and support.
- 2.4 The rise in the demand for care and support has not been matched by an increased ability to attract sufficient numbers of staff to keep pace with the demand for support. The sector has

seen a significant number of workers leaving the profession for a number of reasons – primarily rates of pay, attractive pay in other sectors (including the retail and hospitality sectors), and general illness and fatigue brought on by the intensity of working through the pandemic and supporting people with increasingly complex needs.

- 2.5 The concerns in relation to workforce need addressing to ensure that the social care sector is able to offer roles that are attractive in terms of pay and conditions, have positive recognition, and are valued employment options. An increased supply of workers in the sector will be essential in meeting both the current and projected future demand of an aging population for care and support.
- 2.6 During 2022, the Council on the basis of Government requirements completed a “Fair Cost of Care” exercise with providers in relation to residential and nursing care, and separately with respect to domiciliary care. The work utilised the following methodology:
- An approach easy for providers to engage with
 - Consideration of the impact of the self-funded and private market on cost models
 - Cost modelling that is locally informed, based on the actual cost incurred.
 - Consistent approach adopted across all providers surveyed.
 - Undertake benchmarking analysis with comparator authorities and NW Councils.
 - Provide, the actual local cost of care (based on provider feedback) that supports internal decision making, commissioning and modelling of future care fees, as well as for the purpose of submission to the Government.
 - consider options for outcome focused approaches for paying for care, including flexible care packages, and the implications of these for service user contributions.
 - undertake sensitivity analysis of inflationary increases and planned and anticipated changes in Government policy.
- 2.7 The figures collected were used to calculate the Fair Cost of Care rates as they apply locally and were used to inform the proposed fees for 2023/24. The proposed rates were presented to the providers in February 2023, but given the pressures on the Council budget were deemed unaffordable and revised rates were calculated and approved at Executive Cabinet in April 2023.

3. MARKET OVERSIGHT

National Picture

- 3.1 Ongoing funding and workforce pressures, coupled with a backdrop of increased demand, demographic changes and socio-economic challenges, have left the social care sector in an increasingly fragile position.
- 3.2 The key cost pressures relate to the social care workforce (including pay and agency costs), the complexity of people accessing services, energy, fuel, food inflation and the current cost of living crisis. In addition, Brexit and the associated changes to freedom of movement have impacted significantly on the availability of staff in some areas of the country. Each of these pressures have become so severe that care and support providers across the country are reportedly facing insolvency. The overwhelming majority of providers are exposed to many, if not all of these pressures, resulting in nearly half considering, or having recently considered, exiting the social care sector.
- 3.3 Such levels of financial pressure, coupled with a workforce leaving faster than they can be recruited, are devastating to the care and support sector. It has been reported that in many cases, care home providers will be forced to decommission unused rooms, scale down the use of costly temporary agency staff, focus on providing care to existing residents only and refuse to take on placements funded at the rates offered by Councils.

- 3.4 A Cordis Bright Report (October 2022) commissioned by members of the Care Quality Commission (CQC) Market Oversight Scheme, revealed that independent care and support providers are reaching a financial tipping point which risks denying people with learning disabilities and autism their right to decent, fulfilling, and stable care.
- 3.5 The pressures being felt is leading towards an increasingly unstable market and potential provider failure moving forward. Provider failure will impact significantly on Local Authorities, and therefore the NHS, who will be unable to commission care and support packages from providers.
- 3.6 If providers are unable to staff care services safely, they will struggle to both accept new and returning residents. In homecare the demand for the services is simply not being met and providers are unable to recruit and retain the staff they need. Providers across the country are being forced to stop supporting people, handing back responsibility to Local Authorities due to consistent losses on the day-to-day operation of services.
- 3.7 The “Sector Pulse Check” report, a piece of independent research commissioned by national learning disability charity HF Trust, along with Care England (the largest and most diverse representative body for independent providers of adult social care in England) illustrates the unique challenges facing the sector following the pandemic, cost of living crisis and decades of under-investment by central Government.
- 3.8 Based on a representative survey of care providers in England, the report describes how cost pressures, including increasingly high utility bills and increasing workforce pay resulted in 82% of providers being in deficit or facing a decrease in their surplus in 2022.
- 3.9 Financial and workforce pressures have also seen 42% of providers forced to close parts of their organisation or hand back care contracts to Local Authorities.
- 3.10 One survey respondent described the current climate as “genuinely the most perilous period in the organisation’s 50-year history,” going on to say that their “ability to provide residential care and supported living is seriously compromised.”
- 3.11 The Sector Pulse Check report illustrates that workforce-related cost pressures, driven by increases in the National Living Wage, were a standout concern for providers, with 92% citing workforce pay as a key pressure on their organisation. Concerningly, 81% said that Local Authority fee increases did not cover the increasing costs of workforce pay in 2022.
- 3.12 Low wages relative to other sectors, as well as a perception that better opportunities exist elsewhere, were identified as key drivers of difficulties in recruitment and retention, with 95% of respondents saying that increasing pay would have the most impact on boosting staff numbers.
- 3.13 Cumulatively, the impact of financial and workforce challenges faced by the adult social care sector leave some of the most vulnerable in society at risk of not being able to access the support they need, and has a knock-on impact for wider society, families, communities and the NHS.

Local Picture

- 3.14 Whilst the Council has passed on annual uplifts to the fees it has paid providers it is important to note that providers have increasingly indicated that the level of uplifts offered have not been sufficient to meet the increasing costs of delivering adult social care services. This has been seen most markedly from the announcement of fees from April 2023 with representation from providers across all sectors of independent adult social care provision, with clear

messaging about providers not being able to absorb inflationary increases that do not cover their increasing costs.

- 3.15 The service is currently seeing increased demand and request for support which can be demonstrated through a snapshot taken on 12th January 2024. New contacts awaiting assessment - 181 and Duty awaiting re assessment – 250. A request for support is initially triaged to ensure that any diversion to other services or self-help has already been offered. Therefore, progressed to full assessment and it is a reasonable assumption that most will result in care and support being offered and why we are seeing a corresponding adverse impact on the budget.

Fee Rates/Uplifts provided 2023-24

- 3.16 As outlined previously the Council carried out its Fair Cost of Care Exercise as required by Government in 2022 and local rates across Residential and Nursing care and domiciliary care were established and the methodology was utilised to inform a proposal on fees for 2023/24. These proposed rates were presented to the providers in February 2023, but given the pressures on the Council budget were deemed unaffordable and revised rates were calculated and approved at Executive Cabinet on 26 April 2023.
- 3.17 There has been significant kickback from providers throughout the current year in relation to the uplifts that were ultimately provided by the Council, especially given the requirement staff should be paid at the Real (Foundation) Living Wage Rate. The consistent message from providers has been that the methodology used in establishing the fees paid did not reflect the full range of costs providers faced in delivering adult social care services.
- 3.18 The blanket inflationary uplift of 6.7% across Adults Services contracts and Out of Borough placements has equally exorcised providers to challenge the fees being offered with business cases for inflationary uplifts above the 6.7% being received from a number of providers. In a number of cases the weekly rates paid to Out of Borough placements have exceeded the 6.7% increase offered where providers have evidenced a higher rate is required.

Care Home Provision

- 3.19 As noted expectations on fees had been raised with the independent sector, who were very disappointed with the level of fees that the Council eventually paid. On the back of the fees for care home beds, the largest provider in Tameside (HC-One) has informed the Council that, from April 2024, they will need to charge top-ups for a number of beds within their portfolio (provision for this is in line with the current contract). The top-up charges, whilst minimal (between £10 - £30 per room/week) will limit service user choice when deciding where to live.
- 3.20 Whilst a small number of homes do already charge top-ups, the introduction of top-ups by HC One will increase the number of beds where top ups are charged to 648 (out of an available 1,395). This leaves 747 beds that do not charge a top-up and, as at October 2023 that Council was funding 766 beds in borough (data from the care home monthly returns).
- 3.21 It is important to note that Point 12 of Annex A of the Care and Support Statutory Guidance states “A person must not be asked to pay a ‘top-up’ towards the cost of their accommodation because of market inadequacies or commissioning failures and must ensure there is a genuine choice. The local authority therefore must ensure that at least one option is available that is affordable within a person’s personal budget and should ensure that there is more than one. If no preference has been expressed and no suitable accommodation is available at the amount identified in a personal budget, the local authority must arrange care in a more expensive setting and adjust the budget accordingly to ensure that needs are met. In such circumstances, the local authority must not ask for the payment of a ‘top-up’ fee. The Council has, and will continue to, pay more than the published usual cost of care due to the lack of choice and suitability of care homes to meet service user’s needs.”

3.22 With this in mind there is a potential that the Council will not be able to purchase the number of beds to meet the needs of people requiring the service at our published rates, that the Council's published rate is wrong and fee rates therefore need to be increased.

3.23 It is clear, due to the success of supporting people to live at home longer through community support services, that people entering any care home provision are doing so with more complex needs and therefore support requirements. To meet this level of need the Council is increasingly commissioning additional one to one support for individuals to support entry into homes and ensure safety of the individual placement and others residing in the home. Whilst the number of people this relates to is fairly small, and the need for this provision can often be for a short period of time, the additional cost for each case is significant and is not covered therefore in the actual fees paid.

3.24 The Council pressure in the market has been further increased since 2018 with five care homes having exited the market this has resulted in a loss of 227 beds (a mixture of residential, nursing and specialist mental health beds). This has impacted on the markets ability to facilitate hospital discharge in a timely manner. In December there were only 66 vacancies across the whole care home sector in Tameside – with only 6 beds available in residential and nursing dementia beds which is of particular concern.

Recruitment and Retention

3.25 Recruitment into the social care sector has been problematic for some time (especially nurses), which has been highlighted by Skills for Care for some time. The latest report ([The state of the adult social care sector and workforce in England \(skillsforcare.org.uk\)](https://www.skillsforcare.org.uk) - published October 2023 with data correct as at 2022/23) notes a number of difficulties facing the market.

3.26 Some of the key factors affecting recruitment and retention into the market are:

- Rates of Pay – typically less than offered by retail operators
- Responsibility of job role – significantly higher responsibility of jobs than other sectors, i.e., service user's lives are in the hands of the care workers
- Reputation of job role – not valued by people who don't understand social care

3.27 The Skills for Care report confirms:

- Staff turnover is at 28.3% (nationally), although this varies significantly by job role, sector and employer. In Tameside there are distinct differences between the sectors, as well as independent providers and in-house employer:

	Independent Sector Employer			Local Authority Employer		
	Turnover rate	Ave. length of time in job role (years)	% Recruitment from within adult social care	Turnover rate	Ave. length of time in job role (years)	% Recruitment from within adult social care
Residential Care	31.40%	1.6	65%			
Nursing Care	40.10%	4.7	41%			
CQC Non-residential	29.30%	4.1	62%	11.60%	8.9	91%

- Staff turnover is highest in the first year of employment, with the national figure (for people at all ages) at 47.5%. For new people (under the age of 20), this figure rises to 53.7%.
- Within the next 10 years it is anticipated that 29% of the workers will either be retired or close to (based on 29% of workers currently aged 55 years or older). However, only 8% of workers are under aged under 25, so it appears there will be additional pressures in the future to keep up with the requirements to keep continue to recruit into the sector.

4. FINANCIAL INFORMATION

4.1 In developing proposals for fee uplifts for providers for 2024-25 a number of options have been considered:

- Option 1 - Pay at Real Living Wage – non pay with latest average 2024 CPI inflation rate (3.6%)
- Option 2 - Pay at Real Living Wage – non pay with nil inflation
- Option 3 - Pay at National Living Wage – non pay with latest average 2024 CPI inflation rate (3.6%)
- Option 4 - Pay at National Living Wage – non pay with nil inflation

4.2 Option 2 does not include any increase for inflation on non-staffing costs. There are risks to this option including risk around provider failure stated in paragraph 3.5 and the fact that CPI inflation is forecast to be 3.6% on average in 2024.

4.3 In consideration of the options available Options 3 and 4 which have the basis of support workers being paid at National Living Wage rates would be a backward step given the Council's commitment to working towards being a "Living Wage Employer", which is in line with all other GM Authorities.

4.4 In addition, the Council in February 2023 approved the payment of the Real Living Wage as a minimum to all social care support workers to recognise the crucial role they play in delivering social care services and supporting the recruitment and retention of the workforce required to meet current and future demand.

4.5 On this basis it is considered that Options 2, 3 or 4 are not viable proposals for 2024-25, and that Option 1 is the proposed recommendation.

Care Homes

4.6 In setting the rates of Care Home fees, an established cost of care methodology has been developed over the years based initially on an independent review carried out by Ernst and Young in 2012. The methodology was reviewed in 2015 and a revised cost of care framework was agreed with providers which was used to revise fees paid from 2016-17 onwards.

4.7 The existing fee rate methodology will therefore continue for 2024/25 and includes the cost implications of real living wage rates for care staff from 1 April 2024.

4.8 The recommended rates for 2024-25 from April 1 2024 are provided in appendix 1 table 2.

4.9 The nursing rates include the full value of the 2023-24 NHS Funded Nursing (FNC) at a rate of £219.71. Any increase to the FNC rate for 2024-25 FNC rate will be passed through to the care home providers. There is no additional cost to the Council for this increase as it is fully funded by the NHS.

Support at Home/Standard Home Care

- 4.10 The hourly rates for the Support at Home and Standard home care models have been calculated via the existing fee rate methodology. The 2024-25 methodology ensures that workers providing Standard Home Care will be paid the RLW rate of £12.00 per hour. Workers in the Support at Home service will be paid an enhanced hourly rate of £12.50 per hour to reflect the additional responsibilities of the enhanced service. Appendix 1 table 3 provides details of the recommended fee rates for 2024-25 from April 1 2024.
- 4.11 With both options there are additional spot-purchase rates for sleep-ins (£110.63 per night), and waking nights (£147.48 per night). The proposal is to retain both rates for 2024-25.

Contract Uplifts

- 4.12 In line with providing funding to ensure payment of the Real Living Wage and recognise inflationary pressures it is proposed contracts for Supported Living, Extra Care, and the Dementia Day service at Wilshaw House are increased by 7.92% The reduced percentage is in recognition of the estimated proportion of the contract that relates to care staff.
- 4.13 Within the Extra Care contract there is provision to spot purchase additional hours at £17.83 per hour based on 2023/24 rates. Whilst the expectation within the contract going forward is that there will be no requirement to purchase additional hours, the potential in the future is that there may be extreme occasions where this is required. With the proposed inflationary uplift of 7.92%, see paragraph 4.12 above, the revised rate for 2024-25 would be £19.24 per hour.
- 4.14 Appendix 1 table 4 provides details of the existing contracts within Adult Services together with the proposed contract values for 2024/25.

Day Service Options

- 4.15 In April 2022 the Council moved away from a cost per placement spot-purchase arrangement to a block contract with a single route to the existing and future daytime activities. A single lead provider, Active Tameside, was identified following tender. Active Tameside has the responsibility to arrange delivery of the existing range of daytime activities with local providers along with the development of new innovative daytime options as identified by current and potential future service users as different options are requested.
- 4.16 Within the Day Services contract there is provision to spot purchase additional hours at £15.00 per hour based on 2023/24 rates. Whilst the expectation within the contract is that there will be no requirement to purchase additional hours, the potential in the future is that there may be extreme occasions where this is required. With the proposed inflationary uplift of 7.92%, the revised rate for 2024-25 would be £16.19 per hour.
- 4.17 The contract cost identified for 2023-24 was £1.489m which covered staff pay rates at real living wage rates. The proposal for 2024-25 would be £1.607m
- 4.18 Appendix 1 table 4 provides details of the existing contracts within Adult Services together with the proposed contract values for 2024/25.

Direct Payments Rates

- 4.19 Once a package of care has been agreed with a service user, a personal budget is calculated which takes account of the cost of the care and in particular how the care will be provided. Service users can choose to take their personal budget as a Direct Payment, which allows the person to have their personal budget paid into their account and for them to determine how to spend the money to meet their needs in a more flexible way.

- 4.20 Some people choose to use their Direct Payment to commission care directly from a domiciliary care agency and the amount calculated for this is the standard home care fee detailed earlier in this report.
- 4.21 Care costs for people wishing to pay for their care from other sources by either acting as a direct employer themselves or using a brokerage agency such as Pay Partners are calculated as a Personal Assistant (PA) Rate.
- 4.22 Appendix 1 table 5 details the proposed Direct Payment rates for 2024-25.

Shared Lives Scheme

- 4.23 The Shared Lives Scheme offers placements to adults in need of long term, respite and day care. The care is offered by trained carers in their own homes in a similar way to fostering schemes for children.
- 4.24 Appendix 1 table 6 details the proposed Shared Lives Payment rates for 2024-25.

Out of Borough Placements

- 4.25 Placements for both older and younger adults are made across the UK either in response to the personal choice of individuals (primarily with older people – often to move closer to family) or due to the specialist nature of the placement required where there is no capacity in borough.
- 4.26 As stated previously in relation to older people's placements the Choice of Accommodation guidance is the overriding consideration for placements being made out of the borough and agreement is in place that fees for placements will be paid at the host Local Authority rates.
- 4.27 Uplifts in relation to younger adult placements is more difficult as placements are negotiated on an individual basis to meet the assessed needs. Whilst we will offer a set rate there are increasing difficulties in getting providers to agree the offered rate, which leads us in some cases agreeing to higher rates on the basis of evidence of increased costs to ensure the continuity for individuals, especially where we have no capacity locally to meet need.
- 4.28 The plan in relation to younger adult placements out of borough would be to offer an increase of 3.6% with flexibility to approve a higher rate where providers evidence a higher rate is required.

Charges for Services

- 4.29 People in receipt of social care services are expected to pay towards the cost of that care. People with savings and assets in excess of £23,250 will be expected to pay the full cost of their care which will incorporate the rise in fees proposed. Others will be expected to pay a proportion according to their income and assets.
- 4.30 A revised Charging Policy for Adult Services has been approved by the Council and a review of charging is being undertaken in three phases with the aim to align charges to the fees that the Council actually pays providers for adult services, whilst also potentially introducing new charges for some discretionary Services. The first phase of charging alignment has been agreed in relation to Direct Payments, Support at Home, Standard Homecare, Extra Care and Residential and Nursing Care and introduced from 1 April 2024.
- 4.31 A full financial assessment is carried out for all users of social care services to determine their ability to contribute towards their care costs, and this is reviewed on an annual basis to ensure that people continue to have the ability to pay and are not left unable to meet their day to day living costs at home.

5. FINANCIAL IMPACT

- 5.1 The estimated additional gross cost of the proposed increase on provider fees as set out in the report is £6.604m, the estimated additional gross service user income is £2.621m. The estimated additional net cost is £3.983m (net of additional service user contributions to their care package).

Estimated Gross Additional Expenditure 2024/25				
Care Provision	Option 1 - RLW plus CPI Inflation	Option 2 - RLW - No Inflation	Option 3 - NLW plus CPI Inflation	Option 4 - NLW - No Inflation
	£ m	£ m	£ m	£ m
Care Homes	3.415	3.074	2.156	1.817
Homecare / Support At Home	1.133	1.133	0.541	0.541
Commissioned Contracts	1.398	1.185	0.795	0.582
Direct Payments / Shared Lives	0.235	0.235	0.235	0.235
Out Of Borough / Specialist Placements	0.423	0.423	0.423	0.423
Total	6.604	6.050	4.150	3.598

Estimated Gross Additional Income 2024/25				
Care Provision	Option 1 - RLW plus CPI Inflation	Option 2 - RLW - No Inflation	Option 3 - NLW plus CPI Inflation	Option 4 - NLW - No Inflation
	£ m	£ m	£ m	£ m
Care Homes	-1.025	-0.922	-0.647	-0.545
Homecare / Support At Home	-0.889	-0.889	-0.608	-0.608
Commissioned Contracts	-0.629	-0.533	-0.358	-0.262
Out Of Borough / Specialist Placements	-0.078	-0.078	-0.078	-0.078
Total	-2.621	-2.422	-1.691	-1.493

Estimated Net Additional Expenditure 2024/25				
Care Provision	Option 1 - RLW plus CPI Inflation	Option 2 - RLW - No Inflation	Option 3 - NLW plus CPI Inflation	Option 4 - NLW - No Inflation
	£ m	£ m	£ m	£ m
Care Homes	2.390	2.152	1.509	1.272
Homecare / Support At Home	0.244	0.244	-0.067	-0.067
Commissioned Contracts	0.769	0.652	0.437	0.320
Direct Payments / Shared Lives	0.235	0.235	0.235	0.235
Out Of Borough / Specialist Placements	0.345	0.345	0.345	0.345
Total	3.983	3.628	2.459	2.105

6. CONCLUSION

- 6.1 As set out in the report the local market for adult social care is fragile. Providers are struggling to meet increasing costs whilst remaining financially viable, continue to face difficulties in recruiting and retaining sufficient staff to meet increasing demand and increasing complexity of individuals (competing with other industries that pay more whilst offering jobs with less responsibility than those in care), and managing the pressures created by the cost of living crisis.
- 6.2 The affordability of fee increases for the Council is a critical consideration given the financial pressure it is under but given the pressures the adult services providers are facing the balance of restrictive fee uplifts may mean that an adequate supply of care and support cannot be maintained to meet the level of demand required.
- 6.3 It is therefore proposed that fees are increased from 1 April 2024 that include the increase for Real Living Wage and non-pay inflation based on the average inflationary increase of 3.6%. Appendix 1 provides the proposed rates for 2024/25.

7. RECOMMENDATIONS

- 7.1 As set out at the front of this report.

APPENDIX 1

Table 2 - Care Homes

Care Home Rates inc. Real Living Wage & Inflation	Residential	Residential with Dementia	Nursing	Nursing with Dementia	Yew Tree - EMI Provision - Top Up
	£	£	£	£	£
Fee Rates – 2023/24					
Standard Rate	638.00	696.30	920.25	993.95	
Enhanced	682.66	745.04	983.00	1,061.86	35.65
Fee Rates – 2024/25					
Standard Rate	686.40	749.60	987.21*	1,067.21*	
Enhanced	734.40	802.10	1,054.91*	1,140.51*	38.30
Fee Rates – Increase					
Standard Rate	48.40	53.30	66.96	73.26	
Enhanced	51.74	57.06	71.91	78.65	2.65
Fee Rates – % Increase					
Standard Rate	7.6%	7.7%	7.3%	7.4%	
Enhanced	7.6%	7.7%	7.3%	7.4%	7.4%

* Includes 2023/24 FNC rate. Any increase in FNC for 2024/25 will be passed through to providers once confirmed. There is no additional cost to the Council for this increase as it is fully funded by the NHS.

Table 3 - Support at Home/Standard Home Care

Support at Home / Homecare including Real Living Wage	Homecare	Support At Home	Sleep-Ins	Waking Nights
	£	£	£	£
Fee Rates – 2023/24	19.50	21.14	110.63	147.48
Fee Rates – 2024/25	21.10	23.00	110.63	147.48
Fee Rates – Increase	1.60	1.86	0.00	0.00
Fee Rates – % Increase	8.2%	8.8%	0.0%	0.0%

Table 4 – Commissioned Contracts

Contract	Contract Value 2023/24	Proposed Contract Value 2024/25	Fee Rates – Increase	Fee Rates – % Increase
	£	£	£	%
Action Together - Miles for Smiles - Transport Contract (CCG)	13,000	14,029	1,029	7.92%
Stroke Association Contract (CCG)	32,917	35,523	2,606	7.92%
Gardening Maintenance (Greenscape) Contract	37,989	40,997	3,008	7.92%
Provision of Mental Health Service Contract - Wellbeing Hub	53,350	57,574	4,224	7.92%
Direct Payments - Paypartners Account Contract	82,185	88,692	6,507	7.92%
Age UK - Community Support Contract	188,076	202,966	14,890	7.92%
Richmond Fellowship Contract - Contribution to CCG	170,357	183,844	13,487	7.92%
Advocacy	211,545	228,293	16,748	7.92%
Action Together - Core Funding	173,340	187,063	13,723	7.92%
Mental Health Community Recovery Service Contract - Creative Support (Homecare)	193,709	209,045	15,336	7.92%
Supported Accommodation PD - Lomas Court - Icare GB Ltd - Extra Care Housing	256,455	276,759	20,304	7.92%
Respite Cumberland St LD Contract - CIC	277,080	299,016	21,936	7.92%
Tameside Link	345,700	373,069	27,369	7.92%
Wilshaw House - Dementia Day Service	463,556	500,256	36,700	7.92%
Mental Health Supported Accommodation Contract - Creative Support	613,027	661,560	48,533	7.92%
Intensive Support Contract LD - Creative Support	1,139,659	1,229,886	90,227	7.92%
Supported Accommodation LD – Contract Area 5 - CIC - Extra Care Housing - North	1,509,679	1,629,200	119,521	7.92%
Extra Care Housing- Melbourne, Beatrix, Fairfield, Hurst Meadow	1,519,760	1,640,080	120,320	7.92%
Supported Accommodation LD – Contract Area 2 - CIC - East	1,645,146	1,775,392	130,246	7.92%
Day Care Commissioned Contract	1,489,242	1,607,145	117,903	7.92%
Supported Accommodation LD– Contract Area 3 - Creative Support - North	2,156,420	2,327,144	170,724	7.92%
Supported Accommodation LD– Contract Area 4 - Creative Support - West	2,439,360	2,632,484	193,124	7.92%
Supported Accommodation LD – Contract Area 1 - Turning Point -West	2,648,507	2,858,190	209,683	7.92%
Total	17,660,059	19,058,207	1,398,148	

Table 5 - Direct Payments

DIRECT PAYMENTS					
Fee		2023/24	2024/25	Increase	Increase
		£	£	£	%
Personal Assistant	Per hour	13.10	13.60	0.50	3.8%
Care Provider Rate	Per hour	19.50	21.10	1.60	8.2%
Direct Payment	Sleep in	68.30	70.80	2.50	3.7%
Direct Payment	Night Sit	116.10	120.30	4.20	3.6%
Care Provider Rate	Sleep-in	110.63	110.63	0.00	0.0%
Care Provider Rate	Waking Night	147.48	147.48	0.00	0.0%
Managed Account	Weekly	7.90	8.20	0.30	3.8%
Hydrotherapy	Session	49.60	51.40	1.80	3.6%
Day Care	Day Rate	37.10	38.40	1.30	3.5%
Day Care	Additional Hour	13.00	13.50	0.50	3.8%
Respite	Weekly Rate	512.80	531.30	18.50	3.6%

Table 6 – Shared Lives

SHARED LIVES					
	Fees	2023/24	2024/25	Increase	Increase
		£	£	£	%
Day Support – Band 1	Per hour	8.51	8.80	0.29	3.4%
Day Support - Band 2	Per hour	10.21	10.60	0.39	3.8%
Day Support - Complex Needs	Per hour	15.33	15.90	0.57	3.7%
Respite - Band 1	Per night	54.95	56.90	1.95	3.5%
Respite - Band 2	Per night	96.49	100.00	3.51	3.6%
Respite - Complex Needs	Per night	132.68	137.50	4.82	3.6%
Long Term and Interim Support - Band 1	Per week	361.85	374.90	13.05	3.6%
Long Term and Interim Support - Band 2	Per week	489.13	506.70	17.57	3.6%
Long Term and Interim Support - Complex Needs	Per week	Subject to assessment	Subject to assessment		
Car Mileage	per mile	0.45	0.45	0.00	0.0%
Introduction Fee	per session	15.00	15.00	0.00	0.0%