

Report to: STRATEGIC COMMISSIONING BOARD

Date: 23 March 2022

Executive Member: Councillor Eleanor Wills - Executive Member , Health, Social Care and Population Health

Clinical Lead: Asad Ali (Living Well)

Reporting Officer: Stephanie Butterworth – Director of Adult Services

Subject: ADULT SOCIAL CARE FEES 2022-23

Report Summary: The purpose of this report is to outline proposals in relation to revised prices to meet the increasing cost of providing adult social care services for 2022-23

Recommendations: That Strategic Commissioning Board be recommended to:

- (i) Approve the proposed new rates for care home placements as detailed in Section 4 of this report in line with the agreed cost of care framework detailed in Appendix 1.
- (ii) Approve the proposed new rates for Support at Home at £19.22 per hour (Appendix 2) and Standard Home Care at £17.73 per hour (Appendix 3)
- (iii) Approve the spot purchase rates for sleep-in at rates of £110.63 per night, and £147.48 per night for waking nights.
- (iv) Approve the proposed 6.6% uplift on the core contract prices at the four Extra Care Schemes and the proposed revised rate for additional hours commissioned in Extra Care of £16.71 per hour (Appendix 4)
- (v) Approve the proposed uplift by 5.3% of Adult Social Care contract prices highlighted in Section 2 and 4 of this report.
- (vi) Approve the revised Direct Payment rates as detailed in section 4;
- (vii) Approve the 5.3% uplift in the annual contract price for the Dementia Day Service at Wilshaw House.
- (viii) Approve the revised contract price for the Day Service Options Contract Lead Provider, Active Tameside, at the value of £1,395,728 for 2022-23 as detailed in section 4 of this report.
- (ix) Approve the rate increases for Shared Lives Carer payments detailed in Section 4
- (x) Approve the offer to increase younger adults out of borough placements by 5.3 % with flexibility to approve a higher rate where providers evidence a higher rate is required as detailed in Section 4.
- (xi) Approve that all the proposed new rates becoming effective from 1 April 2022

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

Budget Allocation (if Investment Decision)	2022/23 Budgeted Plans
CCG or TMBC Budget Allocation	TMBC
Integrated Commissioning Fund Section – s75, Aligned, In-Collaboration	S75
Decision Body – SCB Executive Cabinet, CCG Governing Body	SCB
Value For money Implications – e.g. Savings Deliverable, Expenditure Avoidance, Benchmark	

Additional Comments

The uplifts are set at the statutory minimum, allow providers to increase wage rates in line with the National Living Wage increase of 6.6% (from £8.91 to £9.50 from April 2022). The main exception is in Support at Home, where wage rates will increase by 4.2% in line with Foundation Living Wage (from £9.50 to £9.90 from April 2022).

No additional allowance has been made for the 1.25% increase in employers National Insurance effective from April 2022. However the current cost of care model for Tameside applies a NI contribution across all staff who may not reach the NI thresholds and Providers will receive an indirect contribution to this cost increase already.

The accommodation and administration elements of Residential and Nursing fees, along with the non-staffing elements of other contracts, have been increased in line with RPI of 3.1%, but recognise real inflation is likely to be much higher than this around fuel, food and insurance for example.

The proposed increases are in line with those proposed in the Council's 22/23 Budget, with the total pressure amounting to £1.6m. This represents a pressure to Adult Services, which is fully funded by corporate allocations. Options are being considered to increase rates of pay towards Foundation Living Wage and may be brought forward during 22/23, but were not part of the 22/23 Budgets.

Beyond the direct cost implications the Council has a duty under the Care Act as well as a financial interest in ensuring the sustainability of the social care economy in its area. If pay rates are set too low, staff may be attracted to other roles and providers may not be able to retain sufficient staff to ensure safe care. Likewise, if overall fee rates are not sufficiently attractive, some providers may opt to withdraw from the market or impose their own rates without negotiation. These are significant risks and should they materialise, it is possible that the Council would not be able to obtain sufficient provision under its Standard Frameworks and would be obliged to place more clients in off-contract packages, potentially resulting in unmet needs for clients at a much higher cost with no or limited value for money.

Legal Implications: (Authorised by the Borough Solicitor)	<p>The council's statutory duties in relation to the provision of care are set out in section 3 of this report.</p> <p>Board Members will note that there are provisions to set fees annually. Doing so is a fine balance between ensuring the sustainability of the market to be able to deliver these services whilst continuing to seek efficiencies given the overall financial pressures for the council.</p> <p>Continued close working with the market and partners remains critical to maintain both the quality and availability of these services.</p> <p>In addition given the considerable insufficiency of budget in this area robust commissioning and contract management remains key.</p>
How do proposals align with Health & Wellbeing Strategy?	The proposals align with the Living Well and Ageing Well programmes
How do proposals align with Locality Plan?	<p>The service links into the Council's priorities:</p> <ul style="list-style-type: none"> • Help people to live independent lifestyles supported by responsible communities • Improve Health and wellbeing of residents • Protect the most vulnerable
How do proposals align with the Commissioning Strategy?	The services support individuals to have the opportunity to build independence skills and reduce dependency on the health and social care system.
Recommendations / views of the Health and Care Advisory Group:	This report has not been presented to HCAG.
Public and Patient Implications:	Those accessing the service have been identified as having eligible needs under the Care Act 2014.
Quality Implications:	The services support quality outcomes for people to be able to live in their own home wherever possible.
How do the proposals help to reduce health inequalities?	The service delivers whole life support to vulnerable adults including ensuring individuals have access to a healthy lifestyle and routine medical checks.
What are the Equality and Diversity implications?	There are no negative equality and diversity implications associated with this report, see the Equality Impact Assessment at Appendix 5 .
What are the safeguarding implications?	There are no safeguarding implications associated with this report. Where safeguarding concerns arise as a result of the actions or inactions of the provider and their staff, or concerns are raised by staff members or other professionals or members of the public, the Safeguarding Policy will be followed.
What are the Information Governance implications? Has a privacy impact	Personal data relating to the delivery of the services is held by the Council and Provider and may include information on those accessing the service, officers of the Council and employees of

assessment been conducted?

the Provider. The Provider and the Council must comply with the provisions of the General Data Protection Regulation and the Data Protection Act 1998 in relation to their handling of this data and this is underpinned by relevant and appropriate provisions governing the handling of data in contractual terms and conditions

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

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer Trevor Tench



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1. INTRODUCTION

- 1.1 The focus of this report is the setting of revised prices 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 current providers that significantly challenge the financial viability of what the Council and CCG have been paying to deliver these essential services. From a financial perspective, the key cost pressures faced by providers are in the main related to the increase to the rate of the National Living Wage (NLW) and National Insurance (NI) contributions for implementation from 1 April 2022.
- 1.2 Consideration whilst recognising the expectation that increased NLW and NI rates are met, have been set against the background of the financial pressures faced by the health and social care economy.
- 1.3 The Council and CCG, as has been reported over a number of years continue to face significant financial pressures in the coming years. The budget report, as in previous years, for 2022/23 proposed a balanced budget, subject to the delivery of identified savings on Council Budgets, and an increase in Council Tax. The response to the Covid pandemic has created significant additional pressures and costs along with impacts on the Council's income budgets.
- 1.4 The CCG is currently working on the practicalities of its incorporation into the GM Integrated Care Service (ICS), due to go live in July 2022, with discussions on funding available locally ongoing. The CCG is party to a number of joint contracts with the Council, primarily in relation to support at home/home care and care homes with respect to the nursing element, and agreement has been in place with regards to contract uplifts that any reasonable or unavoidable uplifts should be agreed in line with the proposed increases included in the Council's budget.
- 1.5 Further, in relation to annual uplifts for Out of Borough placements, both the Council and CCG will offer a single inflationary rate. In some cases however, where the provider to justify a higher rate supplies evidence, we will need to agree to this to ensure continuity of care for individuals. Such agreement and thereby avoid unnecessary moves from places where people are settled and receiving the appropriate support to meet their needs.
- 1.6 Much work has been done over the past few years to radically change the way that services are provided, and there has been a focus placed on reducing the costs of services to support management of the overall budget reductions of the last decade
- 1.7 At the same time as managing reductions in financial resources 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.
- 1.8 The period of the Covid Pandemic 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, between the week commencing 16 March 2020 and 3 January 2022 there has been an increase of 2,330 hours per week commissioned which represents an increase of almost 28%. Over the period, the number of people supported by this service alone has increased by 89 people.
- 1.9 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 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.

- 1.10 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. This is an area that will need to be addressed over the coming years to ensure that we are able to offer roles that are attractive from the point of view of pay and conditions, have positive recognition, and are valued employment options that will support meeting current and the predicted future demands with an aging population for care and support.
- 1.11 This report will set out proposals for costs that will constitute the minimum requirements to meet the specific cost pressures imposed on providers across the health and social care sector.

2. BACKGROUND

Care Homes

- 2.1 The largest single spend in the Adult Services budget is for care home placements. The projected spend for 2021-22 on care home placements is approximately £20 million, which represents a large proportion of the total Adults budget. There has been a clear trend over the last five years to the profile of people being placed in care homes having more complex needs, and staffing levels have not increased to match this increase rendering some vacancies in homes not being available to fill in reality. This position has been compounded as the ability to recruit staff to the various roles in care homes continues to be very difficult despite providers running constant recruitment exercises. Whilst there are a number of factors contributing to this the greatest factor is in relation to the level of pay being offered for the role which our cost of care framework sets at National living Wage levels (currently £8.91 per hour).
- 2.2 The Council and CCG currently fund 712 placements per week across the care homes in Tameside, this compares to 734 places funded pre-pandemic. During the pandemic the number of places funded by the Council and CCG reduced significantly and financial support was provided to ensure that homes could remain operational during the first lockdown – the financial support scheme ended in August 2020). It is clear that we are getting back towards the previous profile of placements, and it is expected as with home care that the number of places funded will continue to increase.
- 2.3 The fee structure and Quality Premium scheme were designed to deliver a fine balance between contributing to saving imperatives while balancing the need to maintain a suitably sized and viable market to meet future demands, as we deal with the demographic pressures in the coming years.
- 2.4 The current five year fee agreement with the care home providers in the borough expires on 31 March 2023. This is a joint agreement with Tameside and Glossop CCG in relation to the nursing element of the agreement.
- 2.5 The joint arrangements with the CCG has resulted in considerable benefits to the sector:
 - Had there been separate contracts the homes would have faced the increased burden of both organisations undertaking contract monitoring exercises. The joint agreement is monitored jointly, thus reducing the burden on providers to provide information and also reduces the time home managers need to spend with monitoring staff providing evidence of contract compliance.

- Separate agreements would have led to separate discussions in relation to the setting of fees, potentially resulting in differential fee levels over the years driven by the financial position of the Council and CCG.
- The Continuing Health Care fee paid by NHS Tameside and Glossop has been fixed against the local nursing rate.

2.6 In defining the fees a cost of care framework was introduced to set annual fees based on a review of care home fees carried out by Ernst and Young during the previous contracting period. In consultation with providers this framework was updated and has been utilised over recent years to set each year's fees.

2.7 In 2018 in an attempt to drive up the quality of care delivered at the homes in Tameside, and thereby improve CQC ratings of homes, a dedicated 'Quality Improvement Team' was created to work with contracts performance staff. The combined efforts of the two disciplines has seen significant improvements in the CQC ratings across Tameside care homes. Currently (as 6 January 2022), 3% of homes are rated "Outstanding", 77% "Good", 20% "Requires Improvement", and no homes "Inadequate".

Support at Home/Home Care

2.8 The focus of the support at home/home care service is to enable people to remain living in their own home, "living well" as independently as possible, and achieving/maintaining their potential in relation to their physical, intellectual, emotional and social capacity.

2.9 To achieve this, the current support at home contracts focus on the provision of good quality outcome focused support appropriate to the needs identified in a strengths based individual support plan and to demonstrate this through assistance with the personal, practical and social/emotional tasks associated with ordinary living.

2.10 The local support at home/home care market is delivered exclusively via the external (independent) sector with the in-house service focus being on the delivery of Reablement support. From March 2006, the delivery of the home care service was reorganised to operate within specified postcode zones across the borough. The borough, and the service, is divided into four zones following consultation with the area teams and care providers – this is consistent with the neighbourhood approach across Tameside.

2.11 The service was last tendered in 2016 and contracts were awarded to six organisations with zoned contracts covering the four neighbourhoods to provide an enhanced "Support at Home" service. This provision is supplemented by additional providers approved to deliver a "Standard Home Care" service who pick up the work the six zoned providers are not able to cover (there are currently 12 providers delivering standard home care packages across the Borough).

2.12 On the week commencing 3 January 2022 a total of 12,898 hours were commissioned for 1,054 service users (covering both social care and CHC packages). When the pandemic lockdown started in March 2020 10,080 hours were being commissioned per week supporting 965 people. This represents an increase of 2,818 hours which equates to a 28% increase supporting an additional 89 people.

2.13 In 2016, as part of the annual fee setting process, a cost of care framework was agreed and this methodology has been in place ever since and is used to establish the rates each year for the "support at home" rate paid to the zoned providers and the "standard" home care rate for all other providers. The rates approved for 2021-22 were £18.45 per hour for the "support at home" service, and £16.65 per hour for the "standard" home care service.

2.14 The introduction of a revised "support at home" enhanced offer across the zoned providers recognised that the traditional Home Care model is seriously outdated in a modern health and

social care system and responded to the need to do something different. Six contracts were awarded across the four Tameside neighbourhoods with a requirement providers work with commissioners to develop a new service model that includes:

- Commissioning on the basis of outcomes allowing the provider to look not only at directly delivering care but opening up a whole range of options for meeting need such as
 - Negotiating with service users' families, friends, neighbours, communities what they can offer in terms of support to people to meet the individuals needs
 - Encouraging the greater use of technology (such as medication dispensers to reduce the number of physical calls required to ensure medication is taken),
 - Encouraging the use of adaptations and equipment;
 - Supporting people to access community activities available in their local neighbourhoods to ensure people can continue their interests whilst replacing where possible the for direct staff visits;
 - The use of telephone calls to replace a physical check call (but have the flexibility to call to the house in the absence of a response).
- A strong ongoing reablement emphasis in service delivery which enables providers to reduce individual packages to ensure that they can deliver support for new referrals as well as respond flexibly to fluctuations in care needs of existing users in their zone.
- Commissioners working with providers to blend health and social care roles where it makes sense to do so and thereby design a 'therapeutic workforce'.
- Assessments that are outcome based and will indicate to providers an allocation of hours as a guide – and included a move away from the practise of detailing calls, tasks and the time that support should be delivered.
- The provider will arrange with the services' users and carers directly to agree support plans to meet the identified need with providers providing evidence to commissioners that outcomes continue to be met as the guide hours are reduced across individual packages.
- A further angle to this was that providers would be actively involved in positively promoting care as a career of choice and offering this as a stepping stone into careers including nursing, social work and all associated caring options.

2.15 In recognition of the enhanced service offer described above, which required additional duties and increased staff skills, an enhanced rate of pay was agreed that ensures staff in the "support at home" service were paid at the Foundation (Real) Living Wage rate which has been reflected in the cost of care framework to establish the hourly rates paid to providers.

Extra Care Housing

2.16 The Council currently have four extra care housing schemes offering support to older people which are:

- Fairfield Court is situated in Droylsden and is owned by Anchor Trust.
- Melbourne Court is situated in Stalybridge and is owned by Contour Housing.
- Hurst Meadow is situated in Ashton-Under-Lyne and is owned by Hanover Housing.
- Beatrix House is situated in Dukinfield and owned by New Charter Housing Trust.

2.17 In addition the Council has a contract in place for extra care provision at Lomas Court which is owned by Mosscafe St Vincents Housing Group. This scheme provides support for adults with a physical disability.

2.18 Extra Care Housing Support was tendered in 2016 as part of the larger support at home contract described above with four of the six zoned providers having the contract for the scheme which is in their locality.

- 2.19 The current approach is to contract for core hours through the day with a sleep-in or waking night dependent on the needs of people in each of schemes ensuring that the service is available to people 24 hours per day. Additional hours are then delivered above the core to meet individual need in each scheme – a cost of care model based on that agreed in the support at home framework is used to determine the hourly rate for such hours – the framework is adjusted to reflect that the support is predominantly delivered in one setting.
- 2.20 In relation to supporting older people there is a need to expand the availability of extra care provision across the borough. The expansion will reduce the need for people to move into residential care thereby ensuring that people can continue to live independently in their own accommodation as identified in the Living Well At Home programme, but will also ensure that we are getting the best value option from both a quality of life perspective and cost basis.
- 2.21 Adult Services is therefore working with Colleagues in the Growth Directorate on ambitious plans to deliver four new Extra Care Sheltered schemes that will deliver approximately 320 new units of self-contained flats over the coming years.

Supported Accommodation including LD Respite

- 2.22 Supported accommodation largely refers to people requiring 24-hour support to meet their complex needs in their own homes. Support is primarily delivered to people living in group homes, or larger blocks of self-contained individual flats, and only to a small extent some people living on their own in their own house. The balance of provision has changed over the years with larger schemes of self-contained flats being developed in place of some group home settings, thereby increasing the number of people enjoying self-contained accommodation rather than having to share their living space whilst providing savings as economies of scale of supporting higher numbers in one location are realised with a reduction in support provision.
- 2.23 Care and support is provided either by the Council's in-house Long Term Support Service or by one of a number of external providers. The Council generally provides services in-house where needs are more complex as the Council can provide this more intensive support at a lower cost than the independent sector. Where needs are less complex, generally the Council's costs are higher than external providers.
- 2.24 External provision has been procured from the independent sector over the past 20 years via open tenders with awards made using a combination of cost and quality considerations.
- 2.25 The contracts have been affected in cost terms with the introduction of the National Living Wage from April 2016 along with increased contributions in relation to pensions and National Insurance.

Other Social Care Contracts

- 2.26 The Council holds a number of social care contracts and agreements in addition to those described above. These arrangements include those with Voluntary Sector providers (specifically Age UK, Action Together, and Mind), advocacy, and a payroll service.

Direct Payments

- 2.27 A Direct Payment is money that individuals can receive to arrange their own care and support services, rather than having the Council arrange them, once their eligible needs are determined. This puts people in charge of their own care or support arrangements, giving more choice, control, independence and flexibility over the care they receive.
- 2.28 Care costs for people wishing to pay for their care from other sources either by acting as a direct employer themselves are calculated as a Personal Assistant (PA) Rate.

2.29 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 fee established for Standard Home Care described earlier in this report.

Wilshaw House – Dementia Day Centre

2.30 Adult Services commissions a specialist day service for people with dementia at Wilshaw House. The overall aim of the service is to enable people to live as independent and fulfilling a life as possible in the community. The service is focused on a number of key objectives: enhancement of physical, mental, social and life skills; the provision of reliable practical emotional or psychological support to increase people's choice and control over their daily lives; enriching the range of experiences in a person's daily life through the opportunities and social contact offered; reducing social isolation and supporting carers in their caring role.

Day Service Options

2.31 In previous years, the Council has operated a framework of Approved Day Service Options with the key aims and objectives to provide day time support/activities for people who are eligible for publically funded care and support including for older people, people with a physical disability and people with learning disabilities. The providers on the list deliver day services in a diverse and innovative way, giving people choice and control over how personal needs and assessed outcomes could be met.

2.32 A daily placement rate was established which was uplifted by the Council's approved inflation rate since this option was introduced. In addition, an hourly rate was established for people as requiring additional support to fully embrace their chosen daytime option such as times when an individual requires support from two members of staff to deliver safe and appropriate care for a period of time.

2.33 As we move increasingly towards strengths-based practice, thinking positively about people who need care and support, we need to further engage with communities to reduce isolation and draw those with care and support needs into local voluntary and mutual aid networks. Such a strengths-based approach is about reducing dependency, it is about protecting and promoting the person's independence, resilience, choice and wellbeing.

2.34 A fundamental review of day services has been undertaken and concluded that we must look to raise aspirations for a fulfilling life for all. Daytime support options should focus on supporting people to do as much as they possibly can for themselves; hence, an employment first approach to promote independence and to support people wherever possible into meaningful employment opportunities enabling them to live well at home.

2.35 Thereafter, for all adults, the vision is about opening up opportunities in education, and volunteering alongside access to a range of community-based activities. For the cohort of younger adults going through transition, implicit in this approach is preparation for adulthood and there is a recognition that access to daytime support is key to helping people remain living as independently as possible at home.

2.36 The emerging day service strategy will focus on four key strands for the daytime offer:

- Employment
- Education
- Community assets
- Commissioned daytime offer

The emphasis will very much be on an "employment first" approach to daytime activity.

2.37 Following the review of day services over the last year, and in line with the emerging day service strategy, we are moving away from a cost per placement spot-purchase arrangement to a block contract with a single route to the existing and future daytime activities. This route

will be via a single lead provider– it will be the responsibility of the lead provider 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.

Shared Lives

- 2.38 Shared Lives, is a regulated form of social care, delivered by Shared Lives Carers, that is approved by a Care Quality Commission (CQC) registered scheme. The CQC is the independent regulator of all health and social care services in England and monitors and checks all care services to make sure they meet fundamental standards of quality and safety.
- 2.39 The aim of Shared Lives currently is to offer people aged 18 years and older an alternative and highly flexible form of accommodation and support. Individuals who need support, and choose Shared Lives, are matched with compatible Shared Lives Carers who support and include the person in their family and community life.

Out of Borough Placements

- 2.40 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.
- 2.41 In relation to older people's placements the Choice of Accommodation directive is the overriding consideration and agreement is in place that fees for placements will be paid at the host Local Authority rates.
- 2.42 Work is ongoing to build capacity locally to reduce the need for out of borough placements for younger adults in the medium to long term. The difficulty in relation to fees however is that these are negotiated on an individual basis to meet the assessed needs – and in relation to annual fee uplifts whilst we will offer a set rate there are increasing difficulties in getting providers to agree the offered rate. This can lead us to agreeing higher rates that are agreed on the basis of evidence of increased costs to ensure the continuity for individuals, especially where we have no capacity locally to meet need.

3. POLICY CONTEXT

- 3.1 The national framework governing care and support in England has undergone fundamental reform. The Care Act 2014, in effect as from 1 April 2015, replaced the piecemeal legislation across the previous sixty years. The Care Act 2014 gives effect to, amongst other things, the following provisions:
- Requiring the Council to promote individual wellbeing and apply the wellbeing principle in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.
 - The Council is responsible for preventing, reducing or delaying care and support needs.
 - Requires that the Council must promote the efficient and effective operation of a market of services for meeting care and support needs. The Act places duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.
 - Specifies the requirements of a personal budget prepared for each adult needing care or support itemising the cost of meeting assessed need and individual financial assessment in terms of actual payment.
 - Entitles an adult to express a preference for particular accommodation.
- 3.2 The duty on councils to assess any citizen who requests an assessment of their social care needs remains as a fundamental part of the Care Act as does the introduction of a national minimum eligibility criteria for receiving adult social care services.

- 3.3 Once an assessment is completed the Council must determine whether a person is eligible to receive services provided by or commissioned by the Council. Previous to the Care Act local councils had discretion regarding the level of need they deemed eligible using the Fairer Access to Care Services (FACS) eligibility criteria. In Tameside services provided to those people meeting category 1 and 2 of the FACS criteria, that is those people with critical and substantial needs.
- 3.4 The FACS eligibility criteria was replaced with the introduction of the Care Act's National Minimum Eligibility Criteria which means that all councils must now assess people and provide services to those people who meet the national criteria.
- 3.5 In addition to these provisions, the Council has a responsibility for market shaping as prescribed by the Act. Supplementing the Care Act 2014, there is further legislative provision and statutory guidance which has been issued by the Department of Health. The relevant regulations are Care and Support and Aftercare (Choice of Accommodation) Regulations 2014 (the Choice Regulations") which state that a local authority has to meet the provision of preferred accommodation. The effect of the Act, regulations and guidance, is to require the Council to facilitate and shape their market for adult care and support as a whole.
- 3.6 The statutory guidance issued under the Care Act 2014 states that local authorities must focus on outcomes when pursuing market shaping and commissioning. This is set out in the guidance and include:
- Councils should have regard to guidance on minimum fee levels
 - Councils must not undertake any actions which may threaten the sustainability of the market as a whole
 - Councils should assure themselves and have evidence providers deliver services through staff remunerated so as to retain an effective workforce.
- 3.7 Under the Care Act 2014 and the Choice of Accommodation Regulations, the Council needs to have regard to the Department of Health guidance "*Building Capacity and Partnership in Care*" it refers, more than once, to the need for consultation and cooperation between commissioners and providers of care. It states that fee setting must take into account the legitimate and current future costs faced by providers as well as the factors that affect those costs and the potential for improved performance and more cost effective ways of working. Local authorities should not use their position to drive down fees. Contract prices should not be set mechanistically but should have regard to providers' costs and efficiencies, and planned outcomes for people using services.
- 3.8 Under the National Assistance Act 1948 (NAA 1948) the Council was under a requirement to have regard to the actual costs of providing care so that it could have regard to those costs in setting the fees it pays to care providers (known as the usual costs). The Care Act 2014 and guidance does not require this. The Care Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways. However, the usual costs process remains lawful and a useful tool in market shaping and complying with regulations about choice.
- 3.9 Therefore, in seeking to identify a usual cost the Council is under very similar obligations as it was under the previous regime to consider the cost of care and engage with the providers to understand as far as possible their financial models.
- 3.10 The Government White Paper "People at the Heart of Care: Adult Social Care Reform" published in December 2021 sets out an ambitious vision to transform support and care in England. The vision has 3 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

- 3.11 The Vision for adult social care puts people and families at its heart. It is a vision that:
- Offers people choice and control over the care they receive
 - Promotes independence and enables people to live well as part of a community
 - Properly values our exemplary and committed social care workforce, enabling them to deliver the outstanding quality care that they want to provide
 - Recognises unpaid carers for their contribution and treats them fairly
- 3.12 Proposals are backed by the new Health and Social Care Levy announced in September 2021, of which £5.4 billion is being invested into adult social care over the next 3 years. Beyond the next 3 years, an increasing share of funding raised by the levy will be spent on social care in England.
- 3.13 The £5.4 billion over 3 years solely for Adult Social care reform will be used for the following areas:
- £3.6 billion to pay for the cap on care costs, the extension to means test, and support progress towards local authorities paying a fair cost of care, which together will remove unpredictable care costs
 - £1.7 billion to improve social care in England, including at least £500 million investment in the workforce. However, it should be noted that this element will not come directly to local authorities.
- 3.14 This reform of Adult Social Care presents both opportunities and challenges for Tameside. It is clear that the White Paper gives additional duties and expectations that do come with additional funding that needs to be directed towards delivering this ambitious vision.
- 3.15 In delivering the payment of a fair cost of care, and properly valuing a skilled, professional and committed social care workforce, it is important that rates of pay are enhanced. The Council has clear ambitions to become an “accredited real wage employer” and should therefore move as soon as practicably possible to ensure all workers are paid as a minimum at the real Living Wage rate (£9.90 per hour from April 2022). The social care sector is struggling to recruit to many social care roles – it is believed that one element for this being so difficult is that paying at the lower National Living wage rate is one element that is prohibitive in recruiting staff.

4. FINANCIAL INFORMATION

Care Homes

- 4.1 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 for 2016-17 and has been used each year since this date.
- 4.2 Applying the cost of care framework the following fees have been calculated for 2022-23:

	Residential £	Residential Challenging Behaviours £	Nursing £	Nursing Challenging Behaviours £
Current Rates 2021/22				
Standard Rate	552.00	602.00	773.00	835.00
Shared Room Rate	496.29		681.61	
Enhanced	590.64	644.14	827.11	893.45
Fee Rates - 1 April 2022 to 31 March 2023				

Standard Rate	580.00	633.00	815.00	882.00
Shared Room Rate	521.46		718.64	
Enhanced	620.60	677.31	872.05	943.74
1Percentage change in Rates				
Standard Rate	5.1%	5.1%	5.4%	5.6%
Shared Room Rate	5.1%		5.4%	
Enhanced	5.1%	5.1%	5.4%	5.6%

The detail of the workings for these proposed rates can be seen at **Appendix 1**

- 4.3 The nursing rates include the full value of the 2021-22 NHS Funded Nursing (FNC) at a rate of £187.60. The revised FNC rate for 2022-23 is yet to be announced but any increase in this rate will be passported on to nursing care providers and reflected in amendments to the Nursing Rates highlighted.

Support at Home/Home Care

- 4.4 In setting the hourly rates for the “Support at Home” and “Standard” home care models cost of care frameworks have been developed that recognise paying staff as a minimum the Foundation (Real) Living Wage for Support at Home, and the National Living Wage for standard home care. The Foundation (Real) Living Wage for 2022-23 from the 1 April 2022 will be £9.90 per hour, and the National Living Wage will be £9.50 per hour.
- 4.5 Taking account of these factors the proposed hourly rate for 2022-23 will see the rate for Support at Home increase from £18.45 to £19.22 per hour (detailed cost of care framework at **Appendix 2**), and standard home care rise from £16.65 to £17.73 per hour (detailed cost of care framework at **Appendix 3**).
- 4.6 With both offers 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 2022-23.

Extra Care Housing

- 4.7 It is proposed that the core contract values for 2022-23 are increased by 6.6% working with the impact of the increase in the National Living Wage.
- 4.8 The cost of care methodology for additional hours commissioned within the extra care settings will see an increase from £15.68 to £16.71 per hour – detail at **Appendix 4**.

Supported Accommodation including LD Respite Care

- 4.9 In line with other proposed contract uplifts, and consistent with the increase to the National Living Wage, the supported accommodation and LD respite contracts will be uplifted by 5.3%.

Direct Payments Personal Assistant Rates

- 4.10 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. 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.
- 4.11 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.
- 4.12 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.

4.13 The table below shows the proposed Direct Payment Personal Assistant fees for the forthcoming financial year.

DIRECT PAYMENTS			
Fee/Charge		2021-22	2022-23
Personal Assistant	Per hour	£11.90	£12.27
Care Provider Rate	Per hour	£16.70	£17.22
Direct Payment	Sleep in	£62.07	£63.99
Direct Payment	Night Sit	£105.49	£108.76
Care Provider Rate	Sleep-in	£110.63	£114.06
Care Provider Rate	Waking Night	£147.48	£152.05
Managed Account	Weekly	£30.81	£31.77
Hydrotherapy	Session	£45.04	£46.44
Day Care	Day Rate	£33.68	£34.72
Day Care	Additional Hour	£11.79	£12.16
Respite	Weekly Rate	£466.10	£480.55

Wilshaw House – Dementia Day Centre

4.14 In line with other proposed contract uplifts, and consistent with the increase to the National Living Wage, the supported accommodation and LD respite contracts will be uplifted by 5.3%.

Day Service Options

4.15 As outlined in paragraph 2.35, and in line with the emerging day service strategy, we are moving away from a cost per placement spot-purchase arrangement to a block contract with a single route to the existing and future daytime activities from April 1 2022. A single lead provider, Active Tameside, has been identified following tender. Active Tameside will have 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 The contract cost identified on the basis of 2021-22 prices was £1.2 million and the revised cost for 2022-23 with an inflationary lift to reflect the increase in NLW and an element of start-up costs will be £1,395,728.

Shared Lives Scheme

4.17 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.

4.18 In line with the proposed annual uplift of 5.3% the fees for 2022-23 are outlined in the following table:

SHARED LIVES			
	Fees	2021-22	2022-23
Day Support – Band 1	Per hour	£7.58	£7.98
Day Support - Band 2	Per hour	£9.09	£9.57
Day Support - Complex Needs	Per hour	£13.65	£14.37
Respite - Band 1	Per night	£48.91	£51.50
Respite - Band 2	Per night	£85.88	£90.43
Respite - Complex Needs	Per night	£118.09	£124.35
Long Term and Interim Support - Band 1	Per week	£322.06	£339.13
Long Term and Interim Support - Band	Per week	£437.40	£460.58
Long Term and Interim Support - Complex Needs	Per week	subject to assessment	subject to assessment

Out of Borough Placements

- 4.19 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.
- 4.20 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.
- 4.21 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.
- 4.22 The plan in relation to younger adult placements out of borough would be to offer an increase of 5.3% with flexibility to approve a higher rate where providers evidence a higher rate is required.

Charges for Services

- 4.23 People in receipt of social care services are expected to pay towards the cost of that care. People with savings and assets (not including their home) 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. 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.
- 4.24 It is recognised that the existing Charging Policy was last reviewed and revised in 2015-16 – it is planned that the existing policy is currently under review.

5 EQUALITIES

- 5.1 It is not anticipated that there are any equality and diversity issues with this proposal – see EIA at **Appendix 5**. The increased costs will ensure that all workers will be paid as a minimum the National Living Wage and support the service redesign proposals planned over the coming 12 months, thereby ensuring that individuals whose eligible assessed needs meet the national eligibility criteria will be offered a quality and diverse service from a skilled and valued workforce.
- 5.2 There are fundamental principles inherent in all proposals for delivering health and social care support to vulnerable adults:
- The receipt of health and social care services is based on eligibility. All adults over the age of 18 have the right to request an assessment of their need either as a potential service user or as a carer of someone who needs care and support. Once an assessment has been completed a decision will be made as to which needs someone has that are eligible to be met according to the national eligibility criteria laid out in the Care Act.
 - That wherever possible identified eligible need is met by family, friends, neighbours and the wider community.
 - That whatever eligible needs are left unmet by other parties must be met by either providing services directly to meet the need or by commissioning services from elsewhere. In doing so every effort should be made to use the most cost efficient service available to meet the eligible needs identified including the use of assistive technology and appropriate equipment.

- That people are expected to pay what they can afford to pay for the services that they are in receipt of taking full account of any income, savings and assets that they have.

5.3 Applying the national eligibility criteria robustly will ensure that only those people who have identifiable needs will receive help and support. This will ensure that all people will be treated fairly and equitably according to the needs that they have. People who have needs that are not deemed eligible will be offered other advice and signposted to other organisations who may be able to help.

6 RISK MANAGEMENT

6.1 There are a number of risks associated with this work. These are summarised as:

- Contracts need to as a minimum support providers adhere to the introduction of the National Living Wage, national insurance changes, and pension changes and the emerging problem relating to sleep-in payments.
- Contracts need to support providers in meeting the costs associated with the burden of the increased regulatory and inspection.
- Contracts need to support providers to address the increasing problem of recruiting sufficiently skilled staff, both social care and nursing, which is prevalent not just locally but nationally.
- There is a risk of challenge from providers that in setting the fees for the services outlined that they do not adequately reflect the local cost of delivering these services.

6.2 A further risk is that the uplifts being proposed in this report are not sufficient to stabilise the current markets, and that providers make a decision to exit the local market. The proposed fee increases have been calculated using local market and provider intelligence in an attempt to determine a local fee that is reasonable to both the commissioners and the providers.

6.3 These risks will be mitigated through ongoing review of the service offer and increased funding across contract prices.

7. CONCLUSION

7.1 The health and social care economy has seen unprecedented reductions in funding over the last decade.

7.2 As a result of these reductions all services have been subject to review to establish where efficiencies can be achieved and/or where services can be provided differently. This includes consideration of services where there are statutory and non-statutory duties and responsibilities.

7.3 The demand to meet savings targets have progressed at a time when providers have in the main been facing increased operating costs. The most significant increase in costs have been those experienced specifically in relation to the introduction of the National Living Wage to a sector that has for many years been operating on wage levels at or close to minimum wage levels, but also in relation to increased pension contributions, increased costs related to regulation, inflationary pressure related to utilities and insurance, and over the past twelve months costs related to Covid-19.

7.4 Work has been progressing over the past few years to work with providers to reflect these additional costs in realistic prices that can continue the delivery of what are essential services for the vulnerable adults concerned whilst working within the financial restrictions the Council and CCG have been working within. The methodology adopted has included revising cost of care frameworks that reflect local factors, and in some cases (such as in supported

accommodation) adopted open book accounting methodology to establish the impact on costs of these additional requirements.

8 RECOMMENDATIONS

8.1 As presented at the front of the report.

APPENDIX 1

	Residential	Residential Challenging Behaviour	Nursing	Nursing Challenging Behaviour
Staffing Costs	£	£	£	£
Qualified nurse staff	-	-	157.50	157.50
Care staff	179.55	217.55	187.60	235.38
Catering/Kitchen staff	25.59	25.59	25.59	25.59
Cleaning/Laundry/Domestic staff	29.34	29.34	29.34	29.34
Management / administration / reception / activity staff	20.95	20.95	20.95	20.95
Direct Staffing Costs	255.43	293.43	420.98	468.76
Staffing Oncosts	68.97	79.23	113.66	126.56
Total Staffing Costs	324.40	372.66	534.64	595.32
Accommodation & Administrative Costs				
Food and Kitchen Supplies	30.92	30.92	30.92	30.92
Domestic and Cleaning Supplies	5.04	5.04	5.04	5.04
Medical Supplies - Incontinence	-	-	3.67	3.67
Medical Supplies	3.00	3.00	3.00	3.00
Utilities & Insurance	31.59	31.59	31.59	31.59
Repairs & Maintenance	23.57	23.57	23.57	23.57
Service Contracts	2.06	2.06	2.06	2.06
Waste / Cleaning Services	3.87	3.87	3.87	3.87
Equipment Rental	4.98	4.98	4.98	4.98
Telephone	1.92	1.92	1.92	1.92
Administration	26.78	26.78	26.78	26.78
Staff Expenses	3.42	3.42	3.42	3.42
Legal & Professional	6.91	6.91	6.91	6.91
Total Accommodation and Administrative Costs	144.06	144.06	147.73	147.73
Total Operating Costs	468.46	516.72	682.37	743.05
Returns				
Return on Land & Buildings	65.16	65.16	65.16	65.16
Profit	46.85	51.67	68.24	74.30
Total Returns	112.01	116.83	133.40	139.46
Charge price per Bed	580.47	633.55	815.77	882.51
Proposed Base Fee*	580.00	633.00	815.00	882.00

APPENDIX 2

PROPOSED Support at Home Hourly Rate 2022-23			
Hourly Pay Rate	4.21%	£ 9.90	
Weekend Rate	plus 0.00%	£ 9.90	
Travel Time allowance	9 minutes	51	£ 11.39
Bank Holiday Premium	plus 50.00%		£ 0.13
Gross Pay			£ 11.52
ADD:			
National Insurance	9.50%		£ 1.09
Pension	3.00%		£ 0.35
Holidays	10.74%		£ 1.24
Training & Supervision	2.63%		£ 0.30
Direct Pay Costs			£ 14.50
Sub-total before Overheads			£ 14.50
Overheads	27.50%		£ 3.99
Sub-total before Profit			£ 18.48
Profit Margin	4.00%		£ 0.74
Proposed Hourly Rate Payable			£ 19.22

APPENDIX 3

PROPOSED Standard Homecare Hourly Rate 2022-23			
Hourly Pay Rate		6.62%	£9.50
Weekend Rate	plus	0.00%	£9.50
Travel Time allowance		8.2 minutes	£ 10.80
Bank Holiday Premium	plus	50.00%	£ 0.12
Gross Pay			£ 10.92
ADD			
National Insurance		7.00%	£ 0.76
Pension		3.00%	£ 0.33
Holidays		10.74%	£ 1.17
Training & Supervision		1.73%	£ 0.19
Direct Pay Costs			£ 13.37
Travel Payments		0 miles	£ 0.35
Sub-total before Overheads			£ 13.37
Overheads		27.50%	£ 3.68
Sub-total before Profit			£ 17.05
Profit Margin		4.00%	£ 0.68
Chargeable Rate per hour			£ 17.73

APPENDIX 4

PROPOSED Extra Care 22/23			
Hourly Pay Rate	6.62%	£ 9.50	
Weekend Rate	plus 0.00%	£ 9.50	
Travel Time allowance	3	minutes	£ 9.98
Bank Holiday Premium	plus 50.00%		£ 0.11
Gross Pay			£10.09
ADD			
National Insurance	9.500%		£ 0.96
Pension	3.00%		£ 0.30
Holidays	10.74%		£ 1.08
Training & Supervision	1.73%		£ 0.17
Direct Pay Costs			£12.60
Travel Payments	0	miles	£ -
Sub-total before Overheads			£12.60
Overheads	27.50%		£ 3.47
Sub-total before Profit			£16.07
Profit Margin	4.00%		£ 0.64
Chargeable Rate per hour			£16.71

APPENDIX 5

Equality Impact Assessment

Subject / Title		ADULT SOCIAL CARE FEES 2022-23	
Team		Department	Directorate
Joint Commissioning and Performance Management		Adults	Adults
Start Date		Completion Date	
4 January 2021		8 February 2022	
Project Lead Officer		Trevor Tench	
Contract / Commissioning Manager		Tim Wilde/Janine Byron	
Director		Stephanie Butterworth	
EIA Group (lead contact first)	Job title	Service	
Trevor Tench	Head of Commissioning	Adult Services – Commissioning and Performance	
Tom Quayle	Finance Manager	Financial Management – Adults and Population Health	
Tim Wilde	Team Manager	Adult Services – Commissioning and Performance	
Janine Byron	Team Manager	Adult Services – Commissioning and Performance	

PART 1 – INITIAL SCREENING

An Equality Impact Assessment (EIA) is required for all formal decisions that involve changes to service delivery and/or provision. Note: all other changes – whether a formal decision or not – require consideration for an EIA.

The Initial screening is a quick and easy process which aims to identify:

- *those projects, proposals and service or contract changes which require a full EIA by looking at the potential impact on, or relevance to, any of the equality groups*
- *prioritise if and when a full EIA should be completed*
- *explain and record the reasons why it is deemed a full EIA is not required*

A full EIA should always be undertaken if the project, proposal and service / contract change is likely to have an impact upon, or relevance to, people with a protected characteristic. This should be undertaken irrespective of whether the impact or relevancy is major or minor, or on a large or small group of people. If the initial screening concludes a full EIA is not required, please fully explain the reasons for this at 1e and ensure this form is signed off by the relevant Contract / Commissioning Manager and the Assistant Director / Director.

1a.	What is the project, proposal or service / contract change?	This proposal deals purely with the annual inflationary uplift fees across adult social care services – this covers the proposal for 2022-23. People in receipt of social care services are expected to pay towards the cost of that care. People with savings and assets (not including their home) 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. A full financial assessment is carried out for all users of social care services 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
1b.	What are the main aims of the project, proposal or service / contract change?	The proposed fee increases recognises the increased costs providers face in continuing to deliver social care service into the coming financial year. The proposed uplifts largely reflect the increase in the National Living Wage announced by the Government in November.

1c. Will the project, proposal or service / contract change have either a direct or indirect impact on, or relevance to, any groups of people with protected equality characteristics?

Where there is a direct or indirect impact on, or relevance to, a group of people with protected equality characteristics as a result of the project, proposal or service / contract change please explain why and how that group of people will be affected.

Protected Characteristic	Direct Impact/Relevance	Indirect Impact/Relevance	Little / No Impact/Relevance	Explanation
Age	✓			The services are for adults 18+. Those under 18 will have access to care and support via children's services
Disability	✓			The services are for vulnerable adults who have an eligible need as per the Care Act 2014
Ethnicity			✓	
Sex			✓	
Religion or Belief			✓	
Sexual Orientation			✓	
Gender Reassignment			✓	

Pregnancy & Maternity			✓	
Marriage & Civil Partnership			✓	

Other protected groups determined locally by Tameside and Glossop Strategic Commission?

Group (please state)	Direct Impact/Relevance	Indirect Impact/Relevance	Little / No Impact/Relevance	Explanation
Mental Health	✓			Service users may have a mental health need and will need access to other appropriate social care services
Carers	✓			The service supports carers to plan the long term needs of the person they support along with crisis support
Military Veterans			✓	
Breast Feeding			✓	

Are there any other groups who you feel may be impacted by the project, proposal or service/contract change or which it may have relevance to?

(e.g. vulnerable residents, isolated residents, low income households, those who are homeless)

Group (please state)	Direct Impact/Relevance	Indirect Impact/Relevance	Little / No Impact/Relevance	Explanation
N/A				

Wherever a direct or indirect impact or relevance has been identified you should consider undertaking a full EIA or be able to adequately explain your reasoning for not doing so. Where little / no impact or relevance is anticipated, this can be explored in more detail when undertaking a full EIA.

1d.	Does the project, proposal or service / contract change require a full EIA?	Yes	No
			✓

1e.	What are your reasons for the decision made at 1d?	The increased fees will allow access to appropriate provision, offer choice and control over the support individuals need to improve and better manage their wellbeing, contributing to improved experiences and outcomes. The service is open to anyone who meets the criteria.
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