

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

Title: Proposed Fee Increase for Adult Social Care Providers 2018/19

Date of Meeting: 30 January 2018

Report of: Rob Persey (Executive Director Health and Adult Social Care)

Contact: Andy Witham (Head of Adult Social Care Commissioning)

Tel: 01273 291498

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

Wards Affected: All

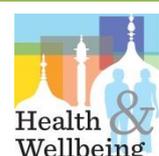
### **FOR GENERAL RELEASE**

#### **Executive Summary**

This paper sets out the recommended increase in fees to be paid to Adult Social Care providers from April 2018. The services that are considered in this report are integral to the proper functioning of the wider health and care system, which includes managing patient flow in and out of hospital. It is recognised that public finances are under increasing pressure but this needs to be balanced with the need to manage and sustain the provider market to support the increasing complexity and demand and to comply with the duties placed on the Council by the Care Act 2014 to meet the needs of those requiring care and support and to ensure provider sustainability and viability.

#### **Glossary of Terms**

FNC – Full Nursing Care



## **1. Recommendations**

- 1.1 That the Health & Wellbeing Board approved the fee increases as set out in table 1 in section 3.
- 1.2 Note: If the below recommendations are not agreed, or if the Board wishes to amend the recommendations, then the item will need to be referred to the Policy, Resources and Growth Committee meeting on 8th February 2018 to be considered as part of the overall budget. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget, which means it needs to be dealt with by Policy, Resources and Growth Committee as per the requirements of the constitution. This will not stop the committee from making recommendations to Policy, Resources and Growth Committee.

## **2. Relevant information**

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

The current weekly set fee for a care home placement is £556. The Health supplied Funded Nursing Care (FNC) cost of £155.05 is added to the weekly care home fee to make a total of £711.05. This is the weekly set fee for a care home with nursing bed. Based upon modelling of Living Wage increases over previous years it is recommended that uplifts of 2.68% are applied to the set rates which ensure that the pay element of the set rate financial model is increased in line with the Living Wage.

### **2.2 Care homes and Care Homes with Nursing in the city on individual negotiated rates**

Some placements made in some care homes and care homes with nursing are individually negotiated. These tend to be for people with learning disabilities, physical and or sensory disabilities, acquired brain injury or functional mental health needs. Fees and can vary significantly according to provider and individual user's needs and any increase to these rated will be based upon reviews of individual placements.

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

It has long been recognised that each Local Authority area best understands their local market. It is recommended that Brighton and Hove City Council match the applicable host authority set fees for new and existing registered care home placements out of the city where these fees apply. It is also recommended that unless there are exceptional circumstances any waiver or third party agreement will not be increased until the local set fee has been reached.

It is recommended that care homes and care homes with nursing that have block contract arrangements individually negotiate arrangements.

## **2.4 Learning Disability Providers**

2.4.1 Learning Disability services in Brighton & Hove have received limited increase in fees for the past six years with 1% being applied to supported living services in 2017. Historically many fees are individually negotiated, making it difficult to apply a standard uplift.

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

The Council has engaged with local providers of supported living services, to develop an understanding of the fees paid. There are now clear hourly set rates for supported living services that apply to both core costs and additional hourly rates. These rates are generally considered to be value for money. The recommendation is for supported living services for adults with a learning disability to increase fees by 2%.

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

Community support services for adults with learning disabilities provide CQC registered care services that can support individuals with personal care needs. They also provide support for service users to access the community and develop independent living skills. The recommendation for community support services for adults with a learning disability to increase by 2%

2.4.4 The Council has recently undertaken a review of all packages that include sleep in shifts to ensure that providers are able to meet the requirement to pay these staff the living wage. This is following a requirement from Her Majesty's Revenue and Customs (HMRC) for providers to pay the National Living Wage to those staff undertaking sleep in shifts. There has been no additional funding provided by central government to address this increased financial pressure. We are continuing to monitor the situation and ensure that any government guidance and related funding to support local authorities and providers is responded to and dealt with accordingly.

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

2.5.1 Similarly to learning disability services, fees for services for people with physical, sensory and brain injuries generally have not been increased in recent years.

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

Supported living is a developing area for these client groups and fees are currently individually negotiated. The recommendation is for supported living

service fees for adults with a Physical and/or Sensory Disability and Acquired Brain Injury to increase by 2%.

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

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

The recommendation is for community support services for adults with physical sensory disabilities and brain injuries to increase by 2%.

## **2.6 Shared Lives**

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

2.6.2 In order to facilitate the expansion of shared lives to further client groups and attract more carers an uplift of 2% is recommended to be added to the 2016/17 care component banding levels, and carers aligned to these bandings.

## **2.7 Home care**

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

Much work was undertaken on the home care fee for implementation in September 2016 as part of the new home care contract. There are two rates. The core rate of £17.53 is for adult social care and the enhanced rate is for packages of care that have a Health element e.g. Continuing Health Care. These rates were based on the UKHCA's annual report 'A Fair Cost for Home Care', with some local variations to take into account the particularities of Brighton and Hove.

2.7.2 Unison Ethical Charter for Home Care advocated for the UK Foundation Living Wage of £8.45 per hour to be paid to care workers. The current fee incorporates this. The Living Wage Foundation rate announced on 6th November 2017 increases the UK rate from £8.45 to £8.75. It is recommended that fees paid to home care providers are uplifted to reflect this. Contracted home care providers are then obliged to pass on the uplift to care workers i.e. to pay a minimum of £8.75 per hour for all care workers from date of fee uplift.

## **2.8 Self-Directed Support**

2.8.1 Self-directed support also called 'personalisation' gives people control of the support they need to live the life they choose. A key part of the service is the provision of direct payments - funding from the council made to people with assessed needs to buy services or employ people to support them. There are currently over 561 adults in receipt of direct payments and increasing this figure is a key target for Adult Social Care and we are looking at way to promote this as a viable option for people.

2.8.2 Where someone chooses to have direct payments to employ personal assistants the initial care plan is assessed at specific direct payment rates (which do not include profit margins and other agency costs). All people employing personal assistants are required to pay their employees The National Living Wage rate. It is recommended that all direct payment rates including those existing personal budgets are uplifted by 2%. The funding in the personal budget can be used flexibly with agency care and/or personal assistants wages.

## **2.9 Further considerations**

### **2.9.1 Additional benefits**

Following representation from providers, it is recommended that the current systems of additional benefits offered to providers remain in place. This includes Brighton & Hove City Council continuing to fund and provide a range of training and targeted advice sessions e.g. courses on a range of care topics and fire evaluations that are free to access. The Council also provides advice and support relating to health and safety. Forums for care home, home care and learning disability providers are held regularly and recruitment and retention of staff has featured as a main topic. There is also funding for flu vaccines for front line care workers.

The Council is also funding through the Improved Better Care Fund a programme of work to support Care Home and Care homes with Nursing to look to see how through the adaptation to buildings and through investment in equipment homes are able to diversify and support greater complexity of client to meet the increasing demand for these services.

### 3 Detailed Recommendations

<b>Table 1: Recommended Fees 2018/19</b>			
<b>Service</b>	<b>Current fee</b>	<b>New fee</b>	<b>% uplift</b>
<b>Care Homes and Care Homes with Nursing</b>			
In city care homes – set fees	£556	£571	2.68%
In city care homes with nursing – set fees	£711.05 Includes FNC at £155.05 note this may change	£726.05 Includes FNC at £155.05 note this may change	2.68%
In city care homes not on set rates (individually negotiated)	Variable	Variable	Variable
In city care homes with nursing not on set rates (Individually negotiated)	Variable	Variable	Variable
Block Contract Arrangements	Variable	Variable	Variable
<b>Out of City Care Home and Care Home with Nursing Placements</b>			
Out of city care homes	Host Authority Rates	Host Authority Rates	Variable
Out of city care homes with nursing	Host Authority Rates	Host Authority Rates	Variable
Out of city care homes individually negotiated	Variable	Variable	Variable
Out of city care homes with nursing individually negotiated	Variable	Variable	Variable
<b>Learning and Physical Disabilities</b>			
Supported Living for people with learning disabilities	Variable	Variable	2%
Community support for people with learning disabilities and or physical disabilities	Variable	Variable	2%
Supported Living for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable	Variable	2%
Community support for adults with Sensory Disabilities and/or Acquired Brain Injury	Variable	Variable	2%
<b>Home Care</b>			
Home care main area/back up provider – core fee	£17.53	£17.83	1.7%
Home care main area/back up provider – enhanced fee	£19.53	£19.83	1.5%
Dynamic Purchasing Approved Provider Packages	Variable	Variable	1.7%
<b>Direct Payments</b>			
Direct Payments Monday to Friday hourly rate for those employing personal assistants	£10.60	£10.81	2%
Direct Payments Weekend hourly rate for those employing personal assistants	£11.60	£11.83	2%
Existing Direct Payment contract uplifts hourly rate*	Variable	Variable	2%
<b>Shared Lives</b>			
Shared Lives Management Fee	Variable	Variable	2%
Shared Lives fee to carers	Variable	Variable	2% to care element

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

### **4.1 Legal:**

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

Lawyer consulted: Judith Fisher

Date: 15 November 2017

### **4.2 Finance:**

4.2.1 The Council provides in the region of 3,500 packages of care with external providers for different types of care at a gross cost of £84m across all primary support groups i.e. Physical Support, Sensory Support, Memory & Cognition Support, Mental Health Support and Learning Disabilities.

4.2.2 The proposed increase in rates is set out in the main body of the report and summarised in paragraph 3.1. These changes will result in an increase Community Care spend by £1.1m. The current 2017/18 budget assumes a fee uplift of 2% which will fund a large proportion of the increase.

4.2.3 If the ASC Precept is agreed for 2017/18 it will be allocated to fund the fee uplift.

4.2.4 Out of area placements, not on set rates, will continue to be individually commissioned and the financial impact of any changes will be monitored.

Finance Officer consulted: Sophie Warburton Date: 14/11/2017

### **4.3 Equalities:**

4.3.1 Fees paid by the council take into account national guidelines, including the Living Wage rates for hourly pay to care workers. The Living Wage is of benefit to many of the sector's lowest paid staff, many of whom share legally protected characteristics.

Equalities Officer - Sarah Tighe-Ford

Date: 17/01/2018

