



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 Fees for Adult Social Care Providers 2020/21

Date of Meeting: 28th January 2020

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

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Wards Affected: All

FOR GENERAL RELEASE

Executive Summary

This paper sets out the recommended fee levels and uplifts to be paid to Adult Social Care providers from April 2020. 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. As there was no uplift for the 2019/20 financial year supporting and sustaining the provider market is of particular significance for the 2020/21 financial year.

Glossary of Terms



CQC – Care Quality Commission

FNC – Funded Nursing Care

National Living Wage - The [National Living Wage](#) is the minimum rate employers are allowed to pay employees aged 25 or over for each hour worked. There is a separate rate for those under 25.

Real Living Wage – a voluntary scheme where employers pay more than the National Living Wage

Providers – organisations based in the private, independent or voluntary sector that provide care and nursing

1. Decisions, recommendations and any options

1.1 That the Board agrees to the following recommended fee increases as set out in the table below at 1.1.1. The underpinning background to the fee changes are contained in the main body of the report:

1.1.1 Tables of Fees

Service	Current fee 2019-20	New fee 2020-21	% uplift
Care Homes and Care Homes with Nursing			
In city care homes – set fees per week	£571	£582	2%
In city care homes with nursing – set fees per week	£736.56 Includes FNC at £165.56	£747.56 Includes FNC at £165.56 <i>NB this may change as 2020-21 rate not yet set by NHS</i>	2%
In city Learning Disability care homes not on set rates (individually negotiated)	Variable	Variable	Variable
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
Out of City Care Home and Care Home with Nursing Placements			
Out of city care homes on set rates	Host Authority Rates	Host Authority Rates	<ul style="list-style-type: none"> • Match set rates for new placements. • 2% to existing placements
Out of city care homes with nursing on set rates	Host Authority Rates	Host Authority Rates	<ul style="list-style-type: none"> • Match set rates for new placements. • 2% to existing placements
Out of city care homes individually negotiated	Variable	Variable	Variable

Service	Current fee 2019-20	New fee 2020-21	% uplift
Out of city care homes with nursing individually negotiated	Variable	Variable	Variable
Supported Living & Community Support: Learning & Physical Disabilities, functional mental health			
Supported Living for people with learning disabilities	Variable	Variable	2%
Supported Living for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable	Variable	Variable
Community support for people with learning disabilities	Variable	Variable	2%
Community support for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable	Variable	2%
Community support for adults with functional mental health issues	Variable	Variable	variable
Home Care			
Home care main area/back up provider – core fee	£17.83	£18.19	2%
Home care main area/back up provider – enhanced fee	£19.83	£20.23	2%
Dynamic Purchasing System Approved Provider Packages	Variable	Variable	variable

Direct Payments			
Direct Payments Monday to Friday hourly rate for those employing Personal Assistants	£10.80	£11.00	2%
Direct Payments Weekend hourly rate for those employing Personal Assistants	£11.80	£12.00	2%
Other Direct Payment agreements	Variable	Variable	2%
Shared Lives			
Shared Lives Management Fee	Variable	Variable	2%
Shared Lives fee to carers	Variable	Variable	2% to care element
Day Support			
Day support for people with Learning Disabilities	Variable	Variable	2%
Day support for people with Acquired Brain Injury	Variable	Variable	2%

2 Relevant information

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

2.1.1 The current weekly set fee for a care home placement is £571. The Health supplied Funded Nursing Care (FNC) cost of £165.56 is added to the weekly care home fee to make a total of £736.56; this is the weekly set fee for a care home with nursing bed.

2.1.2 The council's financial modelling (which includes funding for staffing costs, pensions, food, utilities etc) leads to the recommendation that an uplift of 2%

is applied to the set rates. This ensures that the pay element of the set rate financial model will be increased in line with the National Living Wage. The employer minimum pension contributions that were introduced in three stages are now complete – the 2019 required 3% minimum employer contribution on pensionable pay was the final stage which means that there is no addition for 2020-21.

2.1.3 For information only a comparison of Brighton & Hove City Council's set rates for 2019-20 with those of East Sussex County Council and West Sussex County Council are found in Appendix 1.

2.2 Care homes and care homes with nursing in the city on individual negotiated rates

2.2.1 Some placements made in care homes and care homes with nursing are individually negotiated. Placements for people with learning disabilities, physical and or sensory disabilities, acquired brain injury or functional mental health needs tend to be individually negotiated but an increasing number of older people's placements are also subject to negotiation. There is no automatic increase to these rates as they are already above the proposed new fee rate and fees can vary significantly according to provider and individual user's needs. Any increases to the rates of high cost placements will be based upon reviews of individual placements and an examination of costings. A system has been set in place to ensure a streamlined approach to this.

2.1 Block Contract arrangements

2.3.1 It is recommended that individual negotiations take place with care homes and care homes with nursing that have block contract arrangements, as provided for in the individual contract arrangements with each home.

2.4 Out of city care homes and Care Homes with Nursing

2.4.1 It has long been recognised that each Local Authority area best understands their local market. It is recommended that Brighton & Hove City Council match the applicable host authority set fees for new care home placements out of the city and give 2% to existing placements where their set rate fees apply. It is also recommended that unless there are exceptional circumstances any waiver or third party agreement (over and above their set rates) will not be increased.

2.5 Learning Disability Providers

2.5.1 Historically Learning Disability services in Brighton & Hove have received limited increases in fees as many fees are individually negotiated, making it difficult to apply a standard uplift. In the last 18 months many of these rates

have been evaluated and renegotiated on an individual basis and are generally considered to be value for money.

2.5.2 Supported living for people with learning disabilities

The Council has engaged with local providers of supported living services, to develop a better 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. The recommendation for supported living services for adults with a learning disability is to increase fees by 2%.

2.5.3 Community support for people with learning disabilities

Community support services for adults with learning disabilities provide a range of support services including 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. Community support in some respects is similar to home care and providers may be competing for staff with home care agencies. The recommendation for community support services for adults with a learning disability is an increase in line with the core home care set rates of 2%.

2.6 Services for people with Physical and/or Sensory Disabilities and Acquired Brain Injury

2.6.1 Similar to learning disability services, fees for services for people with physical, sensory and brain injuries are individually negotiated, making it difficult to apply a standard uplift. This is also an area where rates have been evaluated and renegotiated on an individual basis over the last 18 months – work that it is still ongoing.

2.6.2 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. Work is ongoing to develop a consistency of rates and the support model for costing them but at this time the recommendation for supported living service fees for adults with a Physical and/or Sensory Disability and Acquired Brain Injury is dependent on these ongoing negotiations and is therefore variable.

2.6.3 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 for community support services for adults with physical sensory disabilities and brain injuries is to increase in line with the core home care rate of 2%.

2.7 Services for people with functional Mental Health issues

2.7.1 Community support for adults with functional mental health issues

There are a limited number of providers offering community support for people with functional mental health issues resulting in community support rates that have been individually negotiated with each provider. Workers provide support for service users to access the community and develop independent living skills. There is no recommendation to change the rates for community support services for adults with functional mental health issues as several of the services only commenced in 2019-20 and thus have recently negotiated rates.

2.8 Home care

2.8.1 Home Care main area and back up providers

There was a full review of home care fees prior to the recommissioning of home care services and implementation in September 2016 of the new home care contract. The contract includes two rates. The current core rate of £17.83 per hour is for adult social care and the enhanced rate at £19.83 per hour is for packages of care that have a health element e.g. Continuing Health Care which is funded by the NHS. The rates were established 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. Since September 2016 the rates have been uplifted twice.

2.8.2 The 2016 contract incorporated a clause that required home care providers to observe the council's commitment to the Unison Ethical Care Charter. The requirements included that care workers would be paid the Real Living Wage, travel time between visits to service users would be paid for, together with any costs associated with their work (i.e. mobile phone use) and care workers to be offered choice of either fixed term contracts or nil hours (if they want flexibility of work). The current fee incorporates this. The current Living Wage Foundation rate is £9 per hour and the 2020-2021 Living Wage Foundation rate has been announced at £9.30 per hour. By giving an uplift of 2% this will allow the contracted home care providers to continue to fulfil their obligation to pass on the uplift to care workers and ensure that the pay element of the set rate is increased in line with the Real Living Wage. This has been cost modelled and will still provide a small profit margin for home care providers. This will be applied from the date of the 2020/21 fee uplift.

2.8.3 The Lots commissioning hourly support in Extra Care premises and the Homeless Lot that were also commissioned as part of the home care re-commissioning (starting September 2016) are also included within the 2% uplift.

2.9 Self-Directed Support and Direct Payments

2.9.1 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 560 adults in receipt of direct payments.

2.9.2 Where someone chooses to have direct payments to employ personal care 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 care assistants are required to pay their employees the National Living Wage rate. It is recommended that all direct payment rates and existing personal budgets are uplifted by 2%. The funding in the personal budget can be used flexibly with agency care and/or personal care assistants wages.

2.10 Shared Lives

2.10.1 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.

2.10.2 In order to facilitate the expansion of shared lives to further client groups and attract more carers work is being undertaken to align the fee levels for the council run Shared Lives scheme (not part of this report) and the voluntary sector scheme. At this time there is a recommendation of a 2% uplift for the voluntary sector scheme management fees. Work is also underway to develop respite care rates so at this time a recommendation for respite fees is not included in this report.

2.11 Day Support

2.11.1 Day Support services support adults who live in the community so that people have the opportunity to socialise with other people, and in many instances also provide family carers a break from their caring responsibilities. Research shows that day services deliver valued outcomes, such as promoting wellbeing and supporting people to retain independence. The council has contracts with a variety of providers across a range of client groups – learning disabilities, Acquired Brain Injury and older people, as well as encouraging take-up of Direct Payments to fund day support. An uplift of 2% is recommended for learning disabilities and Acquired Brain Injury providers of day services. Older people's day services with set rates were re-negotiated in 2019-20 so are not included in this report.

2.12 Further considerations

2.12.1 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 wide 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 are well-attended and recruitment and retention of staff has featured as a main topic. There is also funding for flu vaccines for front line care workers.

2.12.2 Both the current Care Home & Care Home with Nursing contract and the Home Care services contract are joint contracts with NHS Brighton & Hove CCG. They were re-procured in 2016; the initial period for the Care Home contract runs to September 2020 while the Home Care contract runs to September 2021. Both have opportunities for extension. During the 2020-21 financial year the Commissioning & Contracts Team will lead a review of the associated fees/rates to ensure that they are sustainable and reflect the actual cost of care.

3. Important considerations and implications

3.1 Legal:

3.1.1 It is a function of the Health and Wellbeing 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 the future.

Lawyer consulted: Judith Fisher

Date: 4 December 2019

3.2 Finance:

3.2.1 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 £88m across all primary support groups i.e. Physical Support, Sensory Support, Memory & Cognition Support, Mental Health Support and Learning Disabilities.

3.2.2 The proposed increase in rates is set out in the main body of the report and summarised in paragraph 1.1.1. These changes will result in an increased Community Care spend by £1.4m. The current 2020/21 budget inflation assumes a fee uplift of 2% which will fund these proposed fee increases.

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

3.3 Equalities

3.3.1 This funding will have an impact in ensuring that some of the most vulnerable members of our community in Brighton & Hove receive good quality, effective care and support services and will contribute to reducing health inequalities. An uplift in fees will also provide support for an increasingly fragile market (both locally and nationally) and demonstrates a commitment to provide support for both service users and some of the lowest paid members of the local workforce.

3.4 Sustainability:

3.4.1 There are no specific sustainability implications for this report; it does not include changes to services or recommissioning.

Supporting documents and information

Appendix 1:

Weekly fee rates for 2019/20 from 8th April 2019

Care Homes

	Brighton & Hove	West Sussex		East Sussex	
	All Adult rate including Mental Health	Standard	Enhanced (geographical)	Older people's rate	
Physical	£571	£528.27	£655.39	LT	£500.78
				ST	£525.70
Memory		£591.75	£686.65	LT	£540.26
				ST	£567.07

LT = Long Term
ST = Short Term

Nursing Homes

	Brighton & Hove	West Sussex		East Sussex	
	All Adult rate including Mental Health	<i>Local CCG pays FNC directly</i>		Older people's rate	
		Standard	Enhanced (geographical)		
Physical	£571 + FNC = £736.56	£563.63 + FNC = £729.19	£631.95 + FNC = £797.51	LT	£568.61 + FNC = £734.17
				ST	£597.03 + FNC = £762.59
Memory				LT	£590.59 + FNC = £756.15
				ST	£620.06 + FNC = £785.62

Single Funded Nursing Band (FNC) £165.56

