

<b>Subject:</b>	<b>Adult Social Care Fees Report 2022/23</b>
<b>Date of Meeting:</b>	<b>11 January 2022</b>
<b>Report of:</b>	<b>Rob Persey, Executive Director Health and Adult Social Care</b>
<b>Contact Officer: Name:</b>	<b>Andy Witham</b>
<b>Email:</b>	<b><a href="mailto:andy.witham@brighton-hove.gov.uk">andy.witham@brighton-hove.gov.uk</a> and</b>
<b>Ward(s) affected:</b>	<b>All</b>

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

1.1 The report sets out the recommended fee levels and uplifts to be paid to Adult Social Care providers from April 2022. 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 Brighton & Hove City Council ("Council") by the Care Act 2014 to meet the needs of those requiring care and support and to ensure provider sustainability and viability. The proposals set out below are made while recognising the challenges of the ongoing pandemic and the financial position of the Council and Adult Social Care providers.

**2. RECOMMENDATIONS:**

2.1 That the Adult Social Care & Public Health Sub Committee agrees to the recommended fee increase of 2% to all care providers providing services as set out in the table at Appendix 1 for the 2022-23 financial year. The underpinning background to the fee changes are contained in the main body of the report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Spending Review 2021 was a 3-year announcement which purported to increase Local Government Spending Power by 3% in 2022/23. However, this includes funding for social care reforms which will be matched by new costs. Removing this shows that Spending Power has increased by 1.8%. This is some way short of current and anticipated demand and inflationary pressures in 2022/23.
- 3.2 A key point to note in the Council's budget position is that the one-off Covid 19 grant awarded for 2021/22 (£8.023m) was used to balance the recurrent General

Fund budget for 2021/22. While some aspects of the Council's finances are expected to recover in 2022/23, including fees & charges, rents and taxation, the loss of £8.023m is a substantial sum to cover, particularly given that new estimated cost pressures of over £12m are now projected in 2022/23.

- 3.3 The announcement of a 3-year Spending Review makes the position for the Council very clear for the next few years. The level of resources is now known for a period of years and is not likely to significantly fluctuate. This makes the task of balancing the budget over the period both clear but very challenging as there is a large budget shortfall in 2022/23 and further, albeit lower, predicted budget shortfalls in later years.
- 3.4 The pandemic has significantly increased the costs of social care. Throughout 2021-22 the adult social care sector received financial support from the Department for Health and Social Care (DHSC) to support providers during the Covid-19 pandemic, originally commencing in May 2020 and currently planned to last until March 2022. This funding was introduced to support providers with implementing infection control measures and was then extended to include support for testing costs and vaccination costs.
- 3.5 The grant funding is sent to local authorities with guidance for allocation to adult social care providers, the majority to Care Quality Commission ("CQC") registered providers (care homes, home care providers and providers of supported living) plus a discretionary allocation some of which has been distributed to services which do not need to be CQC registered.
- 3.6 The Council has received in 2021-22 a total of £4.66m for a range of measures to support providers with infection control, testing measures and workforce recruitment and retention. This has been predominantly paid to care home providers, CQC registered community care providers.
- 3.7 Throughout the 2021-22 financial year there has been an increase in workforce capacity pressures, impacting most significantly on the home care sector as many more people are choosing to have care in their own home rather than within a care home. This has been exacerbated by people leaving the care sector due to low salaries and burnout after the pandemic. People who had gone into care work during the pandemic whilst on furlough have reverted to their other employment and staff who returned home to European Union countries are choosing not to return. It is now more difficult to recruit staff from the European Union due to post Brexit government requirements. In addition, the requirement for care home staff to be Covid-19 double vaccinated as of November 2021 (and home care staff from April 2022) has created a further challenge.
- 3.8 In September 2021 with a growing number of home care packages remaining unallocated the Council decided to support the home care sector by paying providers for their commissioned hours of care rather than the actual hours of care. This approach was used in the first wave of the pandemic in 2020 and was stated to be the critical task in supporting both recruitment and retention of staff.
- 3.9 Following this in mid-October 2021 a new grant fund was announced, the Workforce Recruitment & Retention Fund. The fund is provided to support local authorities to address workforce capacity pressures in their geographical area

this winter (to end March 2022) through recruitment and retention activity. The Council has allocated 75% of the grant fund to CQC registered providers within Brighton and Hove to support (amongst other things) local recruitment initiatives including new starter incentives and retention payments to encourage staff to remain within social care.

#### **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Previous years uplifts have been targeted and applied across specific areas but as the current pressures are impacting across the whole of social care it is difficult to propose an alternative to paying the 2% uplift across all areas of service provision.

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The Council and the NHS Brighton and Hove Clinical Commissioning Group (partners to the care home and home care contracts) are committed to co-production. Regular Care Home Forums and Home Care Stand-up meetings are held where provider organisations can raise issues which includes fee rates.
- 5.2 The annual Social Care and Support Services survey for clients is resuming this year and the responses from it are always considered by the Council's ASC Commissioning & Contracts Team.
- 5.3 Extensive engagement is also underway with stakeholders, clients and carers regarding the re-commissioning of the new Care Home and Home Care contracts.

#### **6. CONCLUSION**

- 6.1 Despite the considerable financial pressures on the Council and the support measures put in place to assist the provider market during these last 2 years, the Council recognises the ongoing rising costs that providers continue to experience and with this in mind and to support providers throughout 2022/23 the 2% increase is proposed as set out below and as summarised in Appendix 1 to be applied from 11 April 2022.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 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 £103m across all primary support groups i.e. Physical Support, Sensory Support, Memory & Cognition Support, Mental Health Support and Learning Disabilities.
- 7.2 The proposed increase in rates is set out in the main body of the report and summarised in Appendix 1. These changes will result in an increased Community Care spend of approximately £1.8m, prior to any additional negotiated increases following review of individual placements. The current 2021/22 budget inflation

and identified corporate service pressure funding will accommodate the proposed fee increases.

*Finance Officer Consulted: Sophie Warburton*

*Date: 03/12/2021*

- 7.3 It is a function of the Adult Social Care and Public Health Sub-Committee to make Council decisions about Adult Social Care in Brighton and Hove. The Council has statutory duties under the Care Act 2014 to ensure that there is sufficient provision of a diverse range of services to meet people's social care and support needs and ensure there is a varied, viable and sustainable market of social care providers able to deliver the required services both now and in the future.

*Lawyer Consulted: Sara Zadeh Date: 10/12/2021*

#### Equalities Implications:

- 7.4 This funding will have an impact in ensuring that some of the most vulnerable members of our community in Brighton and Hove receive good quality, effective care and support services and will contribute to reducing health inequalities. An uplift in fees will also provide support for an increasingly fragile market (both locally and nationally) and demonstrates a commitment to provide support for both service users and some of the lowest paid members of the local workforce.
- 7.5 Equalities Impact Assessments are currently being carried out as part of the recommissioning process for both the Care Home and the Home Care contracts.

#### Sustainability Implications:

- 7.6 There are no specific sustainability implications for this report; it does not include changes to services or recommissioning. However, it is of note that the DHSC Covid-19 funding was available to providers to use to purchase bicycles for staff to use to get to/from work or to visit clients.
- 7.7 Sustainability implications are part of the recommissioning process currently underway for both care homes and home care.

#### Brexit Implications:

- 7.8 Recruitment has become more challenging as a result of Brexit and the government's new and requirements which are restrictive in terms of cost and that many carers would not satisfy the skill requirements.

#### Any Other Significant Implications:

#### Crime & Disorder Implications:

7.9 There are no Crime & Disorder implications.

Risk and Opportunity Management Implications:

7.6 If the Adult Social Care & Public Health Sub Committee failed to agree any uplift to fees in 2022-23 there would be a significant risk that providers would refuse to accept new clients or service notice on existing ones. This risk is still in place (but at a lower level) by proposing an uplift of 2%.

## SUPPORTING DOCUMENTATION

### Appendix 1 – Fee Rates Table

Service	Current fee 2021-22	New fee 2022-23	% uplift
<b>Care Homes and Care Homes with Nursing – set rates only</b>			
In city care homes – set fees per week	£600	£612	2%
In city care homes with nursing – set fees per week	£787.60 includes FNC at £187.60	£799.60 inclusive of the FNC ( <i>NB this may change as 2022-23 rate not yet set by NHS</i> )	2%
<b>Out of City Care Home and Care Home with Nursing Placements</b>			
Out of city care homes on set rates	Host Authority Rates	Host Authority Rates ( <i>new placements only</i> ) 2% on existing rates	2%
Out of city care homes with nursing on set rates	Host Authority Rates	Host Authority Rates ( <i>new placements only</i> ) 2% on existing rates	2%
Out of city care homes individually negotiated ( <i>eg, LD, MH, ABI, PD</i> )	Variable Rates	Variable Rates	2%
Out of city care homes with nursing individually negotiated ( <i>eg, LD, MH, ABI, PD</i> )	Variable Rates	Variable Rates	2%
<b>Supported Living &amp; Community Support: Learning &amp; Physical Disabilities, functional mental health</b>			
Supported Living for people with learning disabilities	Variable Rates	Variable Rates	2%
Supported Living for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable Rates	Variable Rates	2%
Community support for people with learning disabilities	Variable Rates	Variable Rates	2%
Community support for adults with Physical and/or Sensory Disabilities and Acquired Brain Injury	Variable Rates	Variable Rates	2%
Community support for adults with functional mental health issues	Variable Rates	Variable Rates	2%
<b>Home Care</b>			
Home care main area/back up provider – core fee	£18.74	£19.11	2%
Home care main area/back up provider – enhanced fee	£20.84	£21.25	2%
Dynamic Purchasing System Approved Provider Packages	Variable	Variable ( <i>but no less than Framework rates</i> )	2%
<b>Direct Payments</b>			
Direct Payments Monday to Friday hourly rate for those employing Personal Assistants	£11.33	£11.55	2%
Direct Payments Weekend hourly rate for those employing Personal Assistants	£12.36	£12.60	2%
Other Direct Payment agreements	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
<b>Day Support</b>			
Day support (Learning Disabilities)	Variable	Variable	2%
Day support (Acquired Brain Injury)	Variable	Variable	2%



