

Report to Cabinet Member for Health & Wellbeing

Decision to be taken on or after 23 August 2019

**Decision can normally be implemented at least
3 working days after decision has been signed.**

Cabinet Member Report No. HW06.19

Title: Adult Social Care Fee Uplifts 2019-20

Date: 15 August 2019

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Local members affected: All

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

This report sets out the recommended fee uplift across care and support contracts for 2019-20 to meet the Council's contractual obligations and Care Act responsibilities to ensure that fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care.

Recommendation

That the Cabinet Member for Health and Wellbeing approves the following recommendations:-

- **in principle adoption of a zero % fee uplift for all commissioned provision outside of the Council's contractual requirements to older people (OP) block care homes**
- **payment of contractual uplifts on two OP block contracts at a maximum cost of £382.6k (to be adjusted in line with change in Funded Nursing Care (FNC) payment from £158.16 in 2018-19 to £165.56 in 2019-2020 but the total cost be no more than £382.6k)**

- to pay up to maximum 2% increase for 2019-2020 for the Council's three preferred domiciliary care providers on receipt of evidence of commercial pressures from changes in law.
- on receipt of sufficient evidence of requirement for uplift and on a case by case basis to pay increases for the cost impact resulting from legislative changes, including 4.9% increase in National Living Wage in 2019-2020 and particularly for existing Direct Payment packages which have not had a routine fee increase in the last two years.

A. Background

• Care market pressures

1. The market is currently looking for fee increases in excess of 4%, on average between 4% and 7% and both older people block care home providers have requested improved rates. However, whilst social care remains fragile, there is not much evidence of a failing market in Buckinghamshire at this time. There has been departure of individual older people care homes and the County Council has had to manage the challenge of Allied Healthcare going in to administration as did other areas nationally. Other than this, the main issue of concern is the longstanding matter of the financial sustainability of Fremantle Trust, adult social care's single biggest sector partner.

• Additional funding

2. Recognising these pressures, the County Council has made provision particularly for increases in the national living wage.

• Legal

3. Under the Care Act 2014, local authorities have responsibility to pay their contracted providers adequate rates to deliver sustainable, appropriate care.
4. There are additional contractual requirements with respect to inflation and other financial pressures with our providers. In discharging these obligations, the County Council agrees an annual increase in contracted fees.
5. When commissioning services, local authorities should assure themselves and have evidence that service providers deliver services through staff remunerated so as to retain an effective workforce. Remuneration must be at least sufficient to comply with the national minimum wage legislation for hourly pay or equivalent salary
6. When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care.

B. Proposal

5. Following careful analysis of the pressures across our providers, it is proposed that the Council adopts the following approach to fee uplifts for 2019-2020:
 - in principle adoption of a zero % fee uplift for all commissioned provision outside of our contractual requirements to our older people block care homes.

- payment of contractual uplifts on two OP block contracts at cost £382.6k (to be adjusted in line with change in Funded Nursing Care (FNC)).
- for our three preferred domiciliary care providers on receipt of evidence of pressures from changes in law, to pay up to maximum 2% increase for 2019-20.
- additional allocated funding, only be awarded on receipt of sufficient evidence of requirement and on a case by case basis, for the cost impact resulting from legislative changes, and particularly for existing Direct Payment packages which have not had a routine increase in the last two years.

6. A number of considerations have been made in determining the proposal. These include:

- National living wage increasing by 4.9% from 1st April 2019.
- Other changes in law and inflationary increases in the last year.
- Limited increases over recent previous years.
- Regional benchmarking and the actions being taken by other local authorities to pay their contracted providers adequate rates to deliver sustainable, appropriate care.
- Generally providers in Buckinghamshire already pay staff higher hourly rates than the national living wage to be competitive in the labour market but home care and Direct Payments are areas that continue to be potentially affected in meeting national living wage legislation.
- Our detailed knowledge of the stability of our local providers and risks of provider failure, disruption to our individual clients and their families of such failure or uncertain or poor care.

C. Other options available, and their pros and cons

- **Offer 0% uplift**

7. A number of authorities have decided to offer an inflationary uplift of zero without any consideration of provision. Whilst this option would save the Council money, it would jeopardise the stability of our providers and risk the County Council failing to discharge its legal duties under the Care Act.

- **Offer a fixed percentage uplift across all providers suppliers for inflation and other pressures**

8. A fixed percentage would not adequately recognise the varying pressures across the different categories of providers. This option would also run the same risks of jeopardising provider stability and discharge of legal duties as with offering 0% uplift.

D. Resource implications

9. The impact of the proposals contained within this report is to increase annual payments to external providers within a budget of an additional £973.4k.

10. Management and staffing capacity to implement the recommendations will be met from within the Adult Social Care service and is not anticipated to be different to the similar capacity requirements in previous years.

E. Value for Money (VfM) Self-Assessment

11. As part of the development of the principles to guide the allocation of the fee uplift, resource incentivising value for money for the Council was a very important principle. As part of this report the Council has attempted to apply incentives in areas to provide an increase in value for money through improved quality.

F. Legal implications

12. Responsibilities under Care Act 2014 have been considered in recommendations.

G. Property implications

13. Not applicable.

H. Other implications/issues

14. Not applicable.

I. Feedback from consultation, Local Area Forums and Local Member views

15. Members have been consulted on the requirement for additional resources to support fee uplifts as part of the Medium Term Plan. The Cabinet Member for Health & Wellbeing has been fully briefed on the application of this.

J. Communication issues

16. The Council has been having on-going discussions with the local care and support providers. These providers will be notified of the outcome of this decision as soon as is practicable, following the decision. Where applicable the fee uplifts will be applied as soon as the decision is taken and backdated where appropriate to 1st April 2019.

K. Progress Monitoring

17. Integrated Commissioning management will oversee the implementation of this decision.

L. Review

18. The implementation of these rates will be reviewed throughout the course of the year and as part of next year's budget planning and inform the action to be taken for 2020-21 with respect to fee increases for our care providers.

Background Papers

None

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Member Services Team by 5.00pm on 22 August 2019. This can be done by telephone (to 01296 382343), or e-mail to democracy@buckscc.gov.uk.