



# **2022-23 Sefton Council Care Home Fees Consultation**

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# Strategic Commissioning Context

## National Context

**People at the Heart of Care:** Adult Social Care Reform Policy paper: which includes

- Central Government funding of £3.6 billion from 2022-2025 to reform social care charging system, enabling all Local Authorities to move towards paying a fair rate for care and prepare local markets for implementation of reforms
- Support to strengthen Local Authorities market shaping and commissioning capabilities and the development of a Market Sustainability Plan
- More Self-funders from October 2023 able to ask Local Authority to arrange their care to provide choice in relation to better-value care

# Strategic Commissioning Context

## Local Context

- Adult Social Care Strategy and Vision
- Transformation, Integration and Demand Management Programme
- Joint Care Home Strategy 2021-24 and exploration of further joint commissioning and quality monitoring arrangements
- Cost of Care Exercise currently ongoing - provider engagement with ARCC has been positive
- To stress - there is ongoing commitment to the exercise and using its findings evidenced through change to staffing / other costs percentage splits used to formulate 2022/23 fee proposals
- Full findings will not be available by the end of the current financial year and anticipate the results of the exercise will be made available soon after the annual uplift decision-making timescales, for subsequent consideration by Sefton Council and Health

# Consultation Approach

As part of this consultation process the Council wishes to particularly receive and consider feedback in relation to the following questions;

1. Whether the level of proposed fees set out will cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1st April 2022 to 31st March 2023; and
2. If you do not agree with the above rates and in particular, if you consider that they will not cover the cost of meeting assessed care needs within an efficient residential/nursing home, please outline why and provide any supporting information that you feel may be pertinent.

# Consultation Approach / Rationale

- Consultation commenced on 28th February 2022
- Consultation letter outlined
  - Recognition that cost increases in the market are apparent as of now, and therefore, rather than delaying our formal consultation, we are following the typical fee setting and consultation processes in parallel with the engagement and analysis work gathered from the cost of care exercise.
  - Whilst the fee increase process will follow a similar approach to previous years, there has been a change to the formula used to calculate proposed increases in part recognition of market pressures - Previously, this split was calculated based on a 65/35 split. However, following the initial feedback it has been amended to a 70/30 split to reflect that staff costs are typically higher than 65% of total costs.

# Consultation Approach / Rationale continued

- Consultation letter outlined (continued)
  - Whilst this would result in a calculation being made of 70% of the 6.62% National Living Wage increase (resulting in a 4.63% staffing element increase), this has been further amended to take into account the increase to National Insurance thresholds. It has been calculated that this will add an estimated 0.47% to pay bills and as a result a total increase of 7.09% has been applied to the 70% staffing element, resulting in a 4.96% increase to this element of the proposed fee increase (i.e.  $70\% \text{ of } 7.09\% = 4.96\%$ ).
  - The above results in the following changes to how the fee proposals have been formulated;
- Consultation will follow previous approaches – such as Equality Impact Assessments, FAQ's and dedicated section on Sefton website

# Fee Increase Calculations

	<b>Previous Percentage Split Calculations</b>		<b>New Percentage Split Calculations Used for 2022/23 Fee Proposals</b>	
	<b>Staffing</b>	<b>Other Costs</b>	<b>Staffing</b>	<b>Other Costs</b>
<b>% of Total Costs</b>	65	35	70	30
<b>% Increase</b>	7.09%	5.5%	7.09%	5.5%
<b>Narrative</b>	To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)	CPI Rate – February 2022	To reflect both NLW and NI increases  (70% of 6.62% NLW increase + 0.47% NI Increase)	CPI Rate – February 2022
<b>Deflated % Increase</b>	4.61%	1.93%	4.96%	1.65%
<b>Overall Proposed Fee Increase</b>	6.54%		6.61%	

# Fee Proposals

- The following fees are proposed

	Residential Care	EMI Residential	Nursing	EMI Nursing
<b>2022/23 Proposed Fee</b>	£558.11	£631.47	£573.91	£637.85
<i>2021/22 Fee</i>	£523.51	£592.32	£538.33	£598.30
<i>Weekly Increase</i>	£34.60	£39.15	£35.58	£39.55
<i>% Increase</i>	6.61%	6.61%	6.61%	6.61%



# The Consultation / Decision Making Timeline

Ref	Action	Target Date
1	Confirm Proposals and Process to All Providers (Letter to all providers to confirm proposals and consultation process)	28 <sup>th</sup> February 2022
2	Period for Consultation Responses from Providers (Providers to supply comments, information and evidence on the matters consulted on)	28 <sup>th</sup> February 2022 – 10 <sup>th</sup> April 2022
3	Consultation event with Providers	8 <sup>th</sup> March 2022
4	Assessment and Analysis of Responses (Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority)	11 <sup>th</sup> April 2022 – 22 <sup>nd</sup> April 2022
5	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 <sup>rd</sup> April 2022 – 8 <sup>th</sup> May 2022
6	Deadline for Cabinet report to be submitted	9 <sup>th</sup> May 2022
7	Letter to all Providers (signposting them to Cabinet report - published the week in advance of the meeting)	19 <sup>th</sup> May 2022
8	Cabinet Decision	26 <sup>th</sup> May 2022
9	2022/23 Fees Published (Following expiry of “call-in” period for Decision)	3 <sup>rd</sup> June 2022

## Provider Feedback / Questions

Opportunity now for Providers to  
give initial feedback / raise any  
questions or queries

Thank You