**Care Home Fees Consultation**

**2022/2023**

**Q & A**

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| **No.** | **Question and Answer** |
|  | **Q.** The insurance premiums have risen significantly over the CPI rate. Has this been factored in and can you please show us the calculations that are over the CPI rate?**A.** The fee increases are based on a 70/30 split, with the 30% ‘other costs’ element being subject to a 5.5% uplift based on the February 2022 CPI Rate.As part of the consultation Providers are encouraged to provide any supporting information on cost pressures, such as that of increased insurance premiums |
|  | **Q.** Does the Council understand that increased costs are a big issue for providers?**A.** Yes, we do understand and appreciate the issue of increased costs for providers, however, the Council has a limited available budget, so when considering market costs, it is within the context of what is affordable. We appreciate that this is challenging and that it is both a local and national issue. Sefton, along with other Councils in similar positions have lobbied to ADASS, who in turn are sharing concerns with Central Government.Providers can reflect these issues in their consultation responses in relation to the current proposals and we will reflect your feedback in the Cabinet report. Please send evidence to us at**commissioningandcontracts@sefton.gov.uk**The Council has allocated funds from national grants (such as the Workforce Recruitment and Retention Fund) to Providers, but we are conscious that these are time limited, so we are also looking at wider initiatives it can implement to support Providers with recruitment and retention. |
|  | **Q. T**he proposed fees are associated with elderly and EMI. Do these apply to LD residential providers?**A.** Any final agreed percentage uplift would be applied to all types of Sefton care home placements. |
| 4. | **Q.** We asked for the calculations to be provided to us in advance of the consultation.**A.** The proposed fee calculations were detailed in the consultation letter dated the 28th of February 2022 and shared as part of the presentation sent to providers before the consultation meeting held on the 8th of March 2022. These calculations are separate to the Cost of Care exercise, which is still ongoing.The fee proposals have not been devised as part of any final outcomes from the cost of care exercise and have not been formulated by ARCC and any associated model they have produced.However, as outlined in the consultation letter, they have been devised in line with previous years, albeit with the change to the 70/30 staffing / other costs split, which in previous years has been a 65/35 split. This change was made following initial feedback from the cost of care exercise. |
|  | **Q.** What is Sefton doing about the collection of 3rd party contribution and pension funds?**A.** The 3rd party contribution is still under consideration, and we will be looking to commence work on this during the current year. |
|  | **Q.** The payment timescales are un-realistic. Can payment take place in April, rather than June?**A.** We will need to speak to our Executive Director of Corporate Resources about this, but we will need to consider the governance requirements for decision-making. |
|  | **Q.** How much profit are care homes meant to make based on your proposals?**A.** The RedQuadrant model included 13% of the rate would be for corporate overheads, profit and expected return on capital – but it is acknowledged that Providers have different business models, and the new cost of care exercise will encompass these factors |
|  | **Q.** Have national models been considered as they have a larger profitability and property rate than Sefton are proposing?**A**. These proposals and figures are not based on the ARCC Cost of Care exercise. That is separate and is still on-going. |