



DERBYSHIRE COUNTY COUNCIL

CABINET

CARE HOME AND DAY CARE FEES 2022-23

Report of the Executive Director of Adult Care

Thursday, 10 March 2022

Report of the Executive Director - Adult Care

1. Divisions Affected

County Wide

2. Key Decision

Yes

3. Purpose

To seek Cabinet approval to:

- increase the rate paid to independent sector residential care homes for the financial year 2022-23 by 6.1% per week;
- increase the rate paid to independent sector nursing homes for the financial year 2022-23 by 6.1% per week
- make an inflationary payment of up to 6.1% for specialist care home placements where evidence is provided of inflationary pressures;
- set a rate of £45.38 per day (from £42.78 per day) for a day care placement in a care home;
- increase the rates for in-house day care and residential care by 6.1%;
- increase the dementia fee rate to £50.75 per week (from £47.81)
- make an inflationary payment of up to 3% for well-performing block contracts in specific circumstances.

4. Information and Analysis

The past 24 months has been unprecedented for the Care Industry, the impact of the COVID 19 pandemic has been widespread and it has brought many challenges. Locally there has been remarkable resilience shown by provider services, their staff have worked tirelessly to support some of the most vulnerable people in our communities and tried to keep up the spirits of people who haven't been able to have meaningful contact with their families due to restrictions on visiting people in care homes.

The impact of COVID 19 on the Care Market has been incredibly complex. Since the onset of the pandemic Providers have received a great deal of new national guidance and regular updates to help ensure that their services are safe and provide the best support to residents and staff. Providers, especially sole traders, report that sometimes this has felt overwhelming and that they were grateful for the support that officers from Adult Care, Public Health and the local NHS offered to help them manage the impact of strict infection control procedures in their services.

The Government have continued over the past 24 months to provide several short -term funding initiatives targeted to help support providers with meeting the additional temporary costs associated with COVID 19. The Council was asked to distribute this grant funding to Care Home Providers in Derbyshire to assist with meeting the costs associated with provision of infection prevention and control procedures, developing managed visiting arrangements for family members, the undertaking of regular testing of residents and staff and to assist with the promotion of vaccinations. The Council has also assisted with the distribution of funds targeted to assist with recruitment and retention of staff. These funds have included

- Infection, Prevention and Control funding (IPC) for the period October 2021 to March 2022. This included three distinct allocations of funding, an allocation of £2.86m for the Infection Control £1.42m for the Testing Funding (TF) and £0.2m for the Vaccine Funding (VF). Total £4.48M
- Workforce Recruitment and Retention Fund for October 2021 to March 2022 Total £1.2M
- Workforce Recruitment and Retention Fund round 2 between 10 December 2021 and 31 March 2022 Total £2.35m
- Omicron Support Fund Total £0.7m

Providers have continued to obtain free Personal and Protective Equipment (PPE) throughout this period from the Government PPE Portal, an offer which has been extended to March 2023.

4.1 Background

The focus of this paper is to consider the inflationary pressures experienced by Care Homes and to make recommendations about future funding arrangements.

The Council has contract arrangements in place with over 174 independent sector care homes for older people that, as of January 2021, provide support on behalf of the Council to approximately 2,584 people as detailed below:

- 787 people in nursing placements where the person needs constant involvement of, or supervision by a qualified nurse;
- 1,797 residential placements.

A further 293 people are supported in Council run Care Homes.

4.2 Fee Levels

A comprehensive review of fee levels for independent sector care services is undertaken annually. To assist with this review representatives of the Derbyshire Care Providers Association (“the Association”) were invited to meet with Councillor Hoy Cabinet Member for Adult Social Care and Gemma Poulter, Assistant Director for Adult Social Care and Health on the 28 January 2022 to set out particular business pressures affecting the care market and their costs.

The views shared at this meeting have assisted the Council in detailing 2022-23 fee proposals described in this paper. The Council has also received additional requests from other Care Home providers not represented by the Association for a fee increase to reflect inflationary pressures these have also been considered when setting fee proposals.

As in previous years the focus will be on reflecting the inflationary pressures on care home provision in setting fees for 2022-23.

The Association continue to express its view that the detailed fee analysis and consultation previously undertaken by the Council with providers was flawed and the fee rates do not cover their actual costs. The Association have requested that the Council undertake a new study to better understand their costs. The Council will continue using the previously

used fee setting methodology for determining the fees for 2022-23.

It is the Council's intention to undertake a new baseline fee setting exercise during 2022-23 by requesting detailed information from all Care Home Providers about all their costs. This exercise is a requirement of the Market Sustainability and Fair Cost of Care Fund allocated by the Department of Health and Social Care. It is intended that all Councils will undertake this exercise to prepare their markets for reform in line with the recent White Paper "People at the Heart of Care: adult social care reform".

This cost of care exercise will help identify sustainable fee rates by engaging with Providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the the over 65 Care Home market.

4.3 Background

The Association believes that the Council has not taken account adequately enough the financial impact of COVID 19 on their businesses, that the Council's fee model is flawed, and that the Council financially supports its own homes better than the private sector. They have expressed concerns that if the Council does not provide further funds that the market will no longer be sustainable. Some of the concerns highlighted by the Association are considered below.

- Impact of COVID 19 on their Businesses

Care Home providers expressed great concern that the current average occupancy levels in Care Homes has reduced compared to the same period two years ago before the COVID 19 pandemic. It is understood that Care Homes experienced above average deaths of their residents during the first year linked to the impact of COVID 19 and that they have subsequently experienced a reduction in the number of referrals made by health and social care for placements and a reduction in self-funded placements. Providers have reported that the impact of COVID 19 especially following the first wave has impacted on people's confidence in Care Homes being a safe place. They have reported a reduction in the number of referrals especially of self-funders as people look to be supported at home.

Providers have noted that the reduced occupancy levels and the lack of confidence in securing new residents will likely result in providers being unable to sustain their businesses. The Council is requested to ensure that fees paid support the care home market to be sustainable and to increase the value of the fees to address the drop in occupancy.

The Association has asserted that the current occupancy level is 80% and that the Council operates a fee model based on 90%. They have requested that the fee model needs to be updated to reflect the current situation.

- Council Response and Analysis

The number of vacancies reported by care homes in the county changed from 6.5% in January 2020 to 20% in January 2022. The method for collecting this information has changed during this time with homes now being encouraged to identify all the unused registered care beds whether they are available for use or not on a national care tracker. The previous local approach used to collect data in January 2020 identified how many beds were vacant and available to be used, any rooms or wings of a home that were not in use due to business reasons were not counted. Clearly this difference in data collection does not facilitate a direct comparison but it is certainly accepted that there has been a reduction in occupancy levels over the past 12 months.

The market has remained stable over the past year with only two service closures. One home closed following many years of poor performance resulting in action being taken by the Care Quality Commission and contract sanctions on new placements by the Council and Clinical Commissioning Group resulting in low occupancy. The Provider took the decision to close following long term difficulties in responding to their poor performance. The other home closure was a business decision following a reduction in occupancy resulting in the service no longer being viable.

The fee model used by the Council was developed with a 10% vacancy threshold. The Council's view is that the fee model should not be amended to increase the contribution towards sustaining empty beds in the Care Home sector. Whilst a viable and sustainable market is one that operates with higher occupancy, there is uncertainty over the future role of Care Home beds following the impact of COVID 19 due to individual choice for care. The Council has decided not to increase fee levels to help cover the costs of empty beds whilst this uncertainty exists. This will be a consideration when undertaking any new Fair Cost of Care fee setting exercise as referenced in this report.

- Staff Costs

The Association in their meeting with the Council on the 28 January 2022 and on the 4 February 2022 argue that the Council's fee model does not reflect the true costs of staffing and in their view the funds allocated in the fee model means they are unable to pay above the minimum wage. Providers have argued that the Council's fee model is flawed and that they believe that the Council's figures used for staffing are at a minimum £70 lower than it should be. They have also questioned why the Council's model does not include a budget line for use of agency staffing to cover costs of absent staff.

They identified that the National Living Wage is due to increase by 6.6% for staff aged 25 and over from 1 April 2022 (from £8.91 per hour to £9.50 per hour a 59p increase). They note that they have very few staff aged under 25 and that they do not want a two-level pay system, as this would be detrimental to recruitment and retention of under 25's to the industry. This increase in minimum wage is supported by Providers however they would want to pay more than this to be able to recruit and retain staff and maintain differentials between staff groups. Providers report that it is difficult to recruit and retain staff and the costs associated with this have increased and ask that the budget value associated with these costs are increased to reflect their concerns.

Providers also referenced the increase in employers National Insurance contributions due on the 1 April 2022 and hoped that the Council would acknowledge this as a new unforeseen cost that should be included in the fee calculation.

- Council response

For the increase of the National Living Wage, the Council has decided to use the 6.6% minimum wage increase for all staff costs including staff aged under 25 to assist with maintaining wage differentials. The Council's fee model is based on previous feedback from Providers of their own costs. Every home has different staffing levels reflecting the environment and client needs and legislation does not indicate what safe staffing levels are and there is no officially recognised tool for calculating appropriate staffing levels.

The Council notes and agreed to the Association's request for the fee model to be reviewed for future fee setting as part of Fair Price for Care exercise. This work will also address any outstanding concerns relating to agency staff costs.

The Government has made several grant contributions via the Council to Care Homes during 2021-22 to assist with temporary additional staffing costs associated with COVID 19, this has included the use of agency staff. This has included an increase in fees of 5% as an interim value for 10th December 2021 to 31st March 2022 using the Department of Health and Social Care Workforce Recruitment and Retention Grant to enable Providers to pay their staff an increased wage before the annual fee uplift.

In response to the workforce challenges described by the Association, Adult Care and the local NHS have established Joined Up Care Derbyshire (JuCD). JuCD is co-ordinating a range of activities designed to meet the three Programme themes:

- Attraction and Recruitment
- Traineeships and Apprenticeships
- Retention and Progression

The Council has recruited project staff to specifically work with social care providers with a focus on attraction and recruitment. The Council also continues to offer free places on its own in-house training courses.

- Nursing provision

The Association has requested that the Council respond in the fee setting exercise to concerns in respect of sustainability of Care Homes with Nursing. It has been highlighted that people are often very unwell when they attend a nursing home and their stay is short so there is greater movement of residents impacting on continuity of occupancy rates. The Association has highlighted that they experience extreme difficulties with recruitment and retention of nursing staff. They have also noted that a small number of homes have recently deregistered from providing nursing beds with the intention of only offering residential beds and that others are also considering the same action. Providers report the costs of using agency staff when they hold staff vacancies due to recruitment delays or sickness are greater than the funds received for nursing placements.

The Association have noted that the Council has previously signalled that there is likely to be an increased need for nursing beds in the next 10 years and have questioned how the Council is going to encourage investment. The Association have asserted that the current level of funding does not allow for any new investment into the County of Derbyshire and in their view any failure to increase the Council's contribution will contribute to further de-registration of nursing homes.

- Council Response

The sustainability of the Nursing Care Home market is of great importance to the Council as it assists with ensuring that there are suitable places for people to live following a period of admission in hospital.

NHS-funded nursing care was first introduced in England by the Health and Social Care Act 2001. Since its introduction, the NHS has funded a contribution towards the costs of nursing care, known as NHS-funded nursing care (NHS FNC) at nationally set standard rates for those individuals who are assessed as eligible for NHS FNC. The NHS at a national level determine the reasonable costs of providing the nursing element of care in a registered nursing home for FNC eligible residents. Reasonable costs are those which should allow care homes to provide sufficient numbers of suitably qualified, competent, skilled and experienced persons to provide NHS FNC. The NHS FNC rate for 2021-22 is £187.60. The Council contributes a further £43.33 per placement per week to assist with nursing costs, this value was originally identified (since inflated by the Council) following an independent review of NHS FNC on behalf of the NHS. This value was the shortfall between the eligible NHS FNC costs and the costs of nursing provision. It is proposed that this value of £43.33 per

week is increased by the standard rate of 6.1% inflation as suggested later in this paper.

The Council accepts that any new investment into increasing the availability of nursing beds will need to be part of a broader funding strategy with the local NHS. The planning for such investment will need to take account of the impact of COVID 19 on the market.

- Additional Cost Pressures

Providers have expressed concern about the rising inflationary pressures and have asked that the Council respond to these in the fee setting exercise. They particularly highlighted the uncertainty of inflationary increases associated with gas and electricity. One provider suggested cost increases of 28%.

Food costs have also been highlighted by providers with evidence from food suppliers showing an average 8% increase in costs. They also believe that the Council's budget line of £24.63 for food per week per client is too low with a suggestion that it should be nearer £29.00 per week.

The Association also highlighted that in their view the Council has undervalued a number of the costs in the fee model. They have particularly highlighted that due to COVID 19 obtaining/renewing care home insurance has been especially difficult with some insurance providers leaving the market and others increasing their premiums. This increase in premiums has been in response to perceived increased risk associated with additional claims associated with the impact of COVID 19 being made against individual homes. The Association have provided copies of documents from an Insurance Broker stating the weekly cost of new insurance is £7.55 against the Council's current value of £3.98.

They also asked that the costs for provision of agency staffing and recruitment costs are also reconsidered as some providers have needed to use agency staffing to cover for staff needing to self-isolate.

They have also highlighted the additional costs associated with maintaining infection prevention and control procedures in their homes and how this has required additional staff time and purchase of additional cleaning products.

Council Response

The Council notes the average insurance costs provided by an Insurance Broker and shared with the council by the Association. The Council has decided to use a standard inflationary value of 4.5% noting that we are not sighted on costs of all providers and they will all have different insurance values. The proposed new fair price for care analysis due to be undertaken later this year will canvass all providers and better understand the average market cost.

The Council notes the concerns about the additional agency staff costs some providers have experienced as a direct result of managing the impact of COVID 19. These costs were covered by the Infection Control grants distributed by the Council on behalf of the Government. The Council is prepared as previously stated to review these arrangements as part of next year's fair price for care analysis.

- Direct Care Provision

The Association has also expressed concern about the level of funding of the Council's own Care Home provision and especially the fees paid for the beds in the Community Care Centres. They have argued that the fee rates and capital costs paid for Direct Care provision are greater than the Council is prepared to pay for equivalent provision in the independent sector. The Association believes that the Independent Sector provides "Best Value" for the local taxpayer and that the Council spends more on its own Care Homes than it does on individual placements in the independent sector.

- Council Response:

The Council notes their concerns.

4.4 Fee Rate Methodology

The method for identifying the proposed fee rates builds on the work previously undertaken to identify a basic care home fee rate as detailed in the paper presented to Cabinet on the 9 September 2014. As part of this work the Council asked care home providers to complete a questionnaire to evidence their costs. The Council then used standard cost headings to analyse the returns before identifying values against each cost head - see Appendix 2.

To develop fee rate proposals for 2022-23, the amount paid under each cost heading has been increased based on a set of assumptions about inflationary pressures – see Appendix 2. These proposals have taken account of the feedback received from The Association and other Care Home providers. Based on this analysis, it is proposed to increase fee rates for basic care home provision by £37.94 per week which is equivalent to a 6.1% increase on the fee rate for 2021-22.

This methodology has been consistently challenged by the Association and a request has been made at meetings for the Council to commission an independent review of the actual costs of care. The Council is satisfied that its analysis and transparent methodology as shown in Appendix 2 is correct. However, as referenced earlier in this report the Government is requiring Local Authorities to undertake a new Fair Price for Care assessment of Care Home fees to take account of the impact of changes to how Self -Funders are treated as set out in the White Paper "People at the Heart of Care: adult social care reform".

4.5 Care Home Fees for other Client Groups and Specialist Placements

The proposals made in this report, and summarised in Appendix 2, focus on the basic Care Home fee rates for older people. It is proposed to also increase the base fee rates for Residential Care Home by 6.1% and Nursing Homes by 6.1% for other client group placements. This includes care home provision for people with a physical disability, people with learning disabilities and people with mental ill health- see Appendix 3.

The changes proposed to the basic fee rates for other client groups will not change the level of funding already paid against specialist care home placements where fee rates have been individually negotiated to ensure that the needs of people who require complex support/care arrangements are met. The fees for specialist placements are often substantially more than the standard care home fees.

The additional funding (top-up) paid for a specialist placement reflects the greater investment in staff and training to meet an individual's needs. It is proposed that up to 6% can be agreed with providers in receipt of specialist placements where they can evidence their increase in costs.

4.6 Dementia Fee Rate

An additional payment of £47.81 per week is currently paid towards supporting people with a diagnosis of dementia which is payable to homes that meet set criteria of dementia-friendly provision. It is proposed this payment is increased by 6.1 % to give a new value of £50.75 per week from 1 April 2022.

The Dementia fee was introduced to encourage homes to demonstrate that they have the skills, experience, environment and organisational culture in place to provide high quality dementia care. The Council presented this criterion as many providers describe their service as being able to meet the needs of people with dementia, but are unable to evidence that staff have adequate training, that the culture of the service is dementia friendly or that the environment has been adapted to be suitable for someone with a diagnosis of dementia. The importance of this award will continue to be promoted with care home providers to increase the take up.

4.7 Day Care Placements in Care Homes for Older People

Some people who are supported to live in their own homes can use day care places in care homes for older people. The care home is often situated close to where an individual resides and the homes frequently help with transport to and from the home, as well as providing meals. In some cases, homes will also provide a bathing service and are very flexible with places being made available at weekends and evenings, which can help Carers to get a break. This arrangement has been underutilised during the pandemic as Care Homes have been recommended to restrict visitors into their homes. The Council still wants this opportunity to be available once COVID 19 procedures allow.

The standard fee rate paid by the Council for day care placements in independent sector care homes is currently £42.78 per day. It is proposed for 2021-22 that this fee level to be paid to providers is increased by 6.1% to provide a new daily fee of £45.38 per day.

4.8 Block Contracts

Adult Care has a small number of block contracts with independent sector profit and not for profit organisations. A number of these agreements were established before the updated National Living Wage rate and National Insurance contributions due on the 1 April 2022. A number of these providers have requested an inflationary increase to assist them with meeting these and other additional unforeseen costs. It is proposed that payments of up to 3% can be agreed by the Executive Director of Adult Social Care and Health where Providers submit detailed evidence via open book accounting of their increase in costs. The decision making will include evidence showing that they are currently meeting their agreed targets for activity and performance and that they are unable to make efficiencies without impacting on the quality of provision.

4.9 Market Sustainability

The Council is required as part of Care Act 2014 duties to undertake a fee setting exercise each year to ensure that fees allow for a sustainable market.

The Council intends to undertake such an exercise as part of meeting a requirement of the Market Sustainability and Fair Cost of Care Fund allocated by the Department of Health and Social Care. It is intended that all Councils will undertake this exercise to prepare their markets for reform in line with the recent White Paper.

Councils will carry out activities and provide evidence to DCHS of the following to access future funds:

- conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it
- engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the over 65 Care Home market)
- use this additional funding to increase fee rates, as appropriate to local circumstances.

5. Alternative Options Considered

To offer no increase in fee levels from 1st April 2022. This would severely impact the market as providers would be unable to pay their staff the

national minimum wage increase. The Council has a responsibility of ensuring the sustainability of the market and ensuring that fees take account of inflationary increases to support a range of providers across the County to provide choice. Any failure to pay increased fees would destabilise what is already a fragile market that is struggling to recruit and retain staff.

Alternatively, the Council could increase the fees to match the requests being submitted by the Association and other Care Home Providers. The Council believes that the fee modelling described in this paper is fair and affordable. The new proposed fee modelling described in 4.9 above will assist in better understanding whether increasing rates further in the future will be good value.

6. Implications

Appendix 1 sets out the relevant implications considered in the preparation of the report.

7. Background Papers

None identified

8. Appendices

8.1 Appendix 1 – Implications

8.2 Appendix 2 – Fee Modelling

8.3 Appendix 3 – Usual Cost of Care Fee Rates – From 1 April 2022

9. Recommendation

That Cabinet agrees:

- increase the rate paid to independent sector residential care homes for the financial year 2022-23 by 6.1% per week;
- increase the rate paid to independent sector nursing homes for the financial year 2022-23 by 6.1% per week
- make an inflationary payment of up to 6.1% for specialist care home placements where evidence is provided of inflationary pressures;
- an updated fee rate of £45.38 per day (from £42.78 per day) for a day care placement in a care home;
- increase the rates for in-house day care and residential care by 6.1%;
- an updated dementia rate of £50.75 per week (from £47.81)

- make an inflationary payment of up to 3% for well-performing block contracts in specific circumstances.

10. Reasons for Recommendation

The recommendations to increase a range of fee levels by % will enable providers to pay their staff the equivalent of the National Minimum wage increase from the 1 April 2022.

The proposed increases are in line with the duty placed on the Council by the Care Act 2014 to promote a sustainable market.

Failure to increase fees in line with inflationary pressures will undermine the Council's ability to secure services for people with an assessed social care need.

11. Is it necessary to waive the call-in period?

No

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Implications

Financial

- 1.1 The estimated cost of this proposal to increase fee rates from 1 April 2022 is £8.696m per annum. This will be funded from the service pressure growth bid for Adult Care fee increases which was approved as part of the Revenue Budget Report 2022-23 by Full Council on 2nd February 2022.

Legal

- 2.1 Section 5 of the Care Act 2014 places a duty on the Council to promote an efficient and effective market, with a view to ensuring that any person in its area wishing to access services in the market:
- a) has a variety of providers to choose from who (taken together) provide a variety of services;
 - b) has a variety of high-quality services to choose from; and
 - c) has sufficient information to make an informed decision about how to meet the needs in question.

In performing that duty, the Council must have regard to the importance of ensuring the sustainability of the market. Sufficient inquiries should be undertaken, to ensure the Council is properly informed of the local market conditions.

The Care and Support Statutory Guidance further details the duties on local authorities to facilitate markets that offer a diverse range of high-quality and appropriate services. The Council must assure itself that the fee levels do not compromise the provider's ability to (1) support and promote the wellbeing of people receiving care and support; (2) meet the statutory obligations to pay at least the national minimum wage; and (3) provide effective training and development of staff.

Case law is clear that the Council should take steps to ensure that fee levels reflect the actual cost of care. The rates should also take into account the legitimate current and future costs, and the potential for improved performance and most cost-effective ways of working.

The Council is under a duty to promote diversity and quality in the market of care and support provision. The Association has put forward an argument that the Council is in breach of this statutory duty, as the current rates are below the actual cost of care. The Council is satisfied that the methodology used in calculating the proposed fee increase is

equitable and properly reflects the increased cost pressures highlighted by the providers.

Human Resources

- 3.1 There are no human resources considerations associated with this report.

Information Technology

- 4.1 There are no Information Technology considerations associated with this report.

Equalities Impact

- 5.1 Providers are required to adhere to Derbyshire County Council's Equal Opportunities policies.

Corporate objectives and priorities for change

- 6.1 This proposal will support local business to recruit and retain staff to provide support to people so that they may continue to live in their own homes to control their personal circumstances and aspirations.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 In preparing this report the relevance of the following factors has been considered: human resources, health, environmental, transport, and crime and disorder considerations.

Fee Modelling

Inflation Assumptions used by Derbyshire County Council to Identify Fee Rates for 2022-23

In considering the budget lines in the fee cost model below the Council utilised the Office of National Statistics' Consumer Price Inflation (CPI) report for December 2021 as a proxy for understanding the costs in the care industry.

Some of the budget lines used in Appendix 2 do not have a direct corresponding goods or services division in the CPI report in such cases individual judgements have been made about how inflation may contribute to the costs of running a care home. The CPI report noted that standard inflation for care home provision is 4.5% which is used as default in this fee modelling tool.

Staffing

From April 2022 Providers will be required to pay all staff over 25 at least the national living wage of £9.50 per hour which is equivalent to a 6.6% increase on the national living wage rate of £8.91 set in April 2021.

The Council has decided to use the 6.6% minimum wage increase for all staff costs including staff aged under 25. It is also proposed that any other costs linked to staffing eg pension are also increased by 6.6%.

From 1 April 2022 Employer National Insurance Contributions (NI) will increase by 1.25% with additional funds raised being used to fund the NHS and social care. A new budget line has been added to the model with a value identified for Employers National Insurance contribution which it is proposed will need to increase by up to 6.6% as contribution to additional NI costs.

Repairs and Maintenance

There are no direct comparisons with CPI available for these areas of cost except for service costs at 0.2% otherwise we have used inflationary costs of 4.5% for the other budget lines.

Other Non-Staff Costs

Food inflation in CPI report is identified at 4.5% the Council proposes to use value

For utilities the Council has used the average overall value of standard inflation value by 20% reflecting the current concerns about inflation.

There is no direct comparison for Insurance Costs in the CPI tables; the value used in the Council's fee model is £3.98 per person per week. The Care Association have shared information from a local insurance Broker that in their view the average price per bed is £7.55. Noting that all care homes are different sizes and undertake different activity and at different stages of renewal of their insurance it is proposed to use 4.5% standard inflationary value.

Registration Fees:

Neither the Care Quality Commission or Disclosure Barring Service have reported increases in fees for 2022-23 so this value will remain the same.

CARE HOMES

PERSONAL CARE ONLY FOR FRAIL OLDER PEOPLE	2021/20	2022/23 Inflation	2022/23
A) STAFF, INCLUDING EMPLOYERS' ON-COSTS			
TOTAL CARE ASSISTANTS (inc senior) STAFF	227.88	6.60%	242.92
Catering, cleaning and laundry staff cost per resident	51.36	6.60%	54.75
Other Staff Costs (excluding management and admin)	4.93	6.60%	5.26
Management, administration, reception staff cost per resident	70.99	6.60%	75.68
National Insurance	21.34	6.60%	22.75
Pension Cost	11.30	6.60%	12.05
TOTAL STAFF	<u>387.80</u>		<u>413.41</u>
B) REPAIRS AND MAINTENANCE			
Maintenance capital expenditure	18.14	4.50%	18.96
Repairs and maintenance (revenue costs)	10.24	4.50%	10.70
Contract maintenance of equipment	2.02	0.20%	2.02
TOTAL REPAIRS AND MAINTENANCE	<u>30.40</u>		<u>31.68</u>
C) OTHER NON-STAFF CURRENT COSTS AT HOME			
Food	24.63	4.50%	25.74
Utilities (gas, oil, electricity, water, telephone)	23.32	20.00%	27.98
Handyman and gardening (on contract)	9.51	4.50%	9.94
Insurance	3.98	4.50%	4.16
Total medical supplies and continence products	3.96	1.50%	4.02
Trade and clinical waste	2.67	4.50%	2.79
Registration fees (including DBS checks)	3.57	0.00%	3.57
Recruitment	0.78	4.50%	0.82
Direct training expenses (fees, facilities, travel and materials)	10.85	4.50%	11.34
Other non-staff current expenses	22.15	4.50%	23.15
Equipment Costs	3.86	1.50%	3.92
TOTAL NON-STAFF CURRENT EXPENSES	<u>109.28</u>		<u>117.43</u>

TOTAL EXCLUDING CAPITAL	527.48		562.52
Return on capital	50.44	0.50%	50.69
Summary Weekly Fee	<u>577.92</u>		<u>613.21</u>
Divisible by 7	577.92		613.20
% Increase		6.10%	

Appendix 3

Usual Cost of Care Fee Rates – From 1 April 2022

	Weekly Standard Rate	Quality Premium Rate (Additional £22.75 per week)
	£	£
INDEPENDENT SECTOR		
Residential Placement		
Older People/Mental Health/Drug & Alcohol	613.20	635.95
Physical Disability (>65)	700.07	722.82
Learning Disability	632.17	654.92
Nursing Placement		
Older People/Mental Health/Drug & Alcohol	659.12	681.87
Physical Disability (>65)	695.94	718.69
Learning Disability	627.69	650.44
Nursing fees exclude Funded Nursing Care contribution.		
Dementia Care Payment		
Residential & Nursing	50.75	
Day Care (per day)		
Residential & Nursing	45.38	
IN HOUSE PROVISION		
Residential Placement		
Homes for Older People	817.81	
Homes for Older People (Preserved Right Pre 01/10/20)	635.95	
Community Support Beds / Specialist Dementia	1,324.75	
Community Support Beds / Specialist Dementia (Preserved Rights 01/08/18 to 30/09/20)	1,177.89	
Community Support Beds / Specialist Dementia (Preserved Rights Pre 01/08/18)	635.95	
LD Residential	1,384.11	
Day Care (per day)		
Older People	44.40	
Learning Disability	58.28	