



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

REPORT TO CABINET MEMBER FOR ADULT CARE

3 November 2022

Report of the Executive Director - Adult Social Care and Health

Interim Increase in Care Home Fees
(Cabinet Member for Adult Care)

1. Divisions Affected

Not applicable as this paper relates to grant payments to Provider Services

2. Key Decision

This is not a key decision

3. Purpose

- 3.1 Request approval from the Cabinet Member for distribution of the Market Sustainability and Fair Cost of Care Fund “the grant fund” to care homes as an interim fee increase from 1st October 2022 to 31st March 2023. Payments beyond this period will be subject to the Council’s annual fee setting exercise.

4. Information and Analysis

- 4.1 The Market Sustainability and Fair Cost of Care Fund “the grant fund” was announced on 16 December 2021 by central government; the primary purpose being to support local authorities to prepare their markets for reform of the adult social care system, including the further commencement of Section 18(3) of the Care Act 2014 in October 2023,

and to support local authorities to move towards paying providers a fair cost of care.

- 4.2 Local authorities should use the grant fund to support the sustainability of the 65+ care home market and the 18+ domiciliary care market (including those who operate in extra care settings). A minimum of seventy-five per cent of the funding in 2022 to 2023 must be used to increase fee rates to providers in scope (in respect of residential and nursing care for those aged 65 and over, and domiciliary care for those aged 18 and over), where necessary, and beyond pressures funded by other central government grant funding initiatives.. A separate paper will deal with proposals for increased payments for homecare using this fund.

5. Consultation

- 5.1 Not required

6. Alternative Options Considered

- 6.1 There are no alternatives available to the Council as the grant funding must be allocated as per the Grant Conditions.

7. Implications

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

8. Background Papers

None identified

9. Appendices

- 9.1 Appendix 1 – Implications

10. Recommendation(s)

That the Cabinet Member approves the distribution of the Market Sustainability and Fair Cost of Care Fund to care homes as an interim fee increase of 2.2% from 1st October 2022 to 31st March 2023.

11. Reasons for Recommendation(s)

11.1 The funds have to be allocated in line with prescribed Grant conditions or the funds have to be returned to Department of Health and Social Care at a time when there is anxiety in the health and social care system about sustainability of the Care Home market.

12. Is it necessary to waive the call in period?

12.1 No

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Implications

Financial

- 1.1 As described it is suggested that to assist with market sustainability the Council makes an interim fee increase of 2.2% to contracted provision listed below for the period 1st October 2022 to 31 March 2023.

Residential Homes £1,076m - applied to the standard weekly fee and dementia rate

Nursing Homes £0.440m - applied to the weekly fee and dementia

The costs will be met by the Market Sustainability and Fair Cost of Care Fund

Legal

- 2.1 s.5 Care Act 2014 places a duty on the Council to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring services are diverse, sustainable and high quality for the local population, including those who pay for their own care. In performing that duty, the Council must have regard to the importance of ensuring the sustainability of the market.

Section 4.31 of the Care and Support Statutory Guidance states the following:

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. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider's ability to meet statutory obligations to pay at least the minimum wage and provide effective training and development of staff.

It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement. Local authorities should have regard to guidance on minimum fee levels necessary to provide this assurance, taking account of the local economic environment. This assurance should understand that reasonable fee levels allow for a reasonable rate of return by

independent providers that is sufficient to allow the overall pool of efficient providers to remain sustainable in the long term.

Funding has been and will be paid as a Section 31 Local Government Act 2003 grant ring fenced exclusively for actions which are aimed at sustaining the care market.

The Government announced the Market Sustainability and Fair Cost of Care Fund and published its purpose and conditions on 16 December 2021 [Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-purpose-and-conditions-2022-to-2023)

Further updated Guidance was published on 7 October 2022, intended to support Local Authorities in administering the grant fund [Market sustainability and fair cost of care fund 2022 to 2023: guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/market-sustainability-and-fair-cost-of-care-fund-2022-to-2023-guidance)

The recommendations in this report are compliant with the requirements of the Guidance

3. Human Resources

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

4 Information Technology

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

5 Equalities Impact

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

6 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.

7 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.