

## **Consultation on fees uplift for community based care for adults and older people in North Yorkshire: April 2017 – March 2020**

### **Introduction**

Contractually the Council has a commitment to review fee levels on an annual basis. Over past years the Council has approached this in different ways ranging from a flat rate percentage increase, uplift subject to financial review and on occasion no uplift. The Council has always had an obligation to take account of the market pressures and to consult with providers on fee levels. From April 2015 the Council has new statutory responsibilities under the Care Act 2014 to shape and sustain its markets.

Organisations who have a contract following a procurement exercise are excluded from the consultation as their contract will have agreed expectations in respect of annual uplifts.

The position for 2017-18 is further complicated as the relevant Provider List is in the process of being renewed.

### **The Proposals**

The Council is proposing to increase rates as follows:

1. Community-based care providers for adults and older people in North Yorkshire: 3.21% increase on current rates, for those individual support packages commissioned prior to the introduction of the new Provider List and where the provider had not implemented new rates at a level at or above a 3.21% increase.
2. For individual support packages commissioned from the new Provider List, the new agreed rates set through that process will apply.
3. For services purchased via block contract arrangements there would be an increase of 3.21%, except where the contract terms dictate an alternative inflation mechanism.
4. The Council proposes to pay annual inflationary increases for community-based care for 2018-2020 based on the increases to living wage rates and general inflation rates.

For the purposes of this consultation, community based services are:

- Day care;
- Supported employment services;
- Supporting people services;
- Other non-regulated services.

5. *The proposed annual inflationary increase calculation for community based services for 2018-2020, taking into account increases in general inflation, would be based on the following formula:*

*Inflation for 18/19, 19/20, 20/21*

<i>Community Based Services</i>	<i>45%</i>	<i>of increase in Living Wage expressed as a percentage</i>
	<i>55%</i>	<i>of actual CPI as at the previous 31 December.</i>

The proposed fee uplift for domiciliary care is the subject of a separate consultation.

### **The Rationale for the Proposed Rates**

The Council's offer of 3.21% takes account of the increase in the Living Wage and general inflation levels. It is our judgement that this increase will help support market stability and sustainability, which we know is an issue nationally and locally.

As we do not pay an hourly rate for a number of these services we are unable to apply the same approach as domiciliary care.

Also, with the renewal of the Provider List, which continues to be advertised on YORtender, providers have been able to set rates at a level which they feel is reasonable. As a result a Cost of Care exercise for community based services has not been undertaken.

The Council is aware that any delay in implementing increases causes concern for providers. Therefore, the Council proposes to pay the increase of 3.21% as soon as practicable and the Council will not infer any full and final acceptance by providers of the revised rates by agreeing to receive payments on this basis.

NYCC has committed to work with the ICG in considering options for the use of the additional Central Government funding for social care, within any restrictions set nationally. Also, it may be necessary to request information from providers in order to evidence any use of this funding or to benchmark the market so that improvements can be measured. Further information will be shared as it becomes

available. Therefore, consideration of the use of this funding is not included in this consultation.

All community-based care providers for adults and older people in North Yorkshire are now invited to complete the attached consultation questionnaire so that their comments can be made available to the executive member for Health and Adult Services prior to making a final decision on fees.

Your help and assistance with this is appreciated.

**Closing date for responses: 20 June 2017**