

Consultation on fees uplift for domiciliary 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 % 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.

The position for 2017-18 is further complicated as some services such as Domiciliary Care frameworks increases are governed by the contract terms and the relevant Provider Lists have been being renewed. The latter involves organisations submitting rates for any new business taken up after they have received confirmation that they are on the new lists.

The Proposals

The Council is proposing to increase rates as follows:

- Domiciliary care providers for adults and older people in North Yorkshire: flat rate increase of 64p per hour on current rates.
- For packages commissioned after Friday 31 March 2017 and where new rates have been set to apply after Friday 31 March 2017, no further increase will be applied, for example new applications to the provider list. This is on the basis that rates set to apply after 31 March 2017 include all relevant costs for the new financial year.
- *The Council also proposes to pay annual inflationary increases for domiciliary care for 2018-2020, taking into account increases in Living Wages and general inflation, based on the following formula:*

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

*Domiciliary Care 63.1% of increase in Living Wage expressed as a percentage
36.9% of actual CPI as at the previous 31 December.*

The Rationale for the Proposed Rates

The Council's offer of 64p followed the same approach, and is modelled on the UKHCA cost model, reflecting changes to the Living Wage, pension contributions and other staffing related costs. The offer is based on a national UKHCA rate of £16.70 as there is not a standard rate upon which to base calculation. It is our judgement that this increase will help support market stability and sustainability, which we know is an issue nationally and locally.

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

A proportion of the market in North Yorkshire is based and actively works within the boundaries of other local authorities. Therefore we need to be mindful that we do not negatively impact on another local authority area.

For other community-based care services please see the relevant consultation pack.

The Council is aware that any delay in implementing increases causes concern for providers. Therefore, the Council proposes to pay the increase of 64p per hour 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 domiciliary 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