

Provider Bulletin

Volume 2 Edition 67

December 2016

Social Care Fees

Any comments you have about these Bulletins (good or bad!) are welcome. Please contact: Q&M, Room 234, Health & Adult Services, North Yorkshire County Council, County Hall Racecourse Lane Northallerton, DL7 8DD socialservices.contractingunit@northyorks.gov.uk
Tel: 01609 532641 or 01609 532025

Social Care Fees

Thank you to those providers who responded to the recent consultations on fees and inflation for social care services. The response rate was relatively low, which was disappointing, and the majority of respondents were not in agreement with proposals.

All comments received were presented to HAS Executive Member on 28 October 2016. After full and careful consideration of the information presented the Executive Member agreed proposals which were ratified at NYCC Executive on 6 December 2016. Correspondence from the Independent Care Group regarding the providers invited to participate in the consultation was also circulated. The following recommendations were agreed:

Care Homes and Care Homes with Nursing for Older People in North Yorkshire

- All care homes in North Yorkshire **£499.73** per week
- All care homes with nursing in North Yorkshire **£490.28** per week (plus the appropriate level of Funded Nursing Care (FNC) which has been subject to a national review. The outcome of the review is that a new interim rate of £156.25 per week is payable from 1 April 2016. The rate had been £112 per week and the increase is 40%).
- For care homes and care homes with nursing for Older People in North Yorkshire where current fee levels have been agreed which are already above the new fee levels, these will be subject to an inflationary increase of 1% to contribute to general inflation and new costs such as pension enrolment. This will reflect that the current fee levels are already at a level that meet additional costs including living wage.
- Furthermore based on the analysis within the report the Council proposes to pay annual inflationary increases for care home placements for 2017 – 2020, based on the following formula. Actual figures will be confirmed on an annual basis:

Formula Proposal

Inflation for 17/18, 18/19, 19/20, 20/21

Residential	45%	of increase in Living Wage expressed as a percentage
	55%	of actual CPI as at the previous 31 December.
Nursing	53%	of increase in Living Wage expressed as a percentage
	47%	of actual CPI as at the previous 31 December.

Workplace pensions additional 1% added in 17/18 and 18/19 to living wage

The actual fee levels including the % increase to be applied for 2017/18 onwards will be announced in January in line with the approved indexation methodology, which takes into account the living wage, pension costs and general inflation.

- In respect of care home and care homes with nursing placements in North Yorkshire which have historically been paid at a level below that of placements for older people these will be uplifted to the new rates from 4 April 2016.

The increased rates will apply from 4 April 2016. For placements which were paid at the previous standard rates interim payments at the new rates have already been paid and these will continue. For providers where interim payments were not made the increase will now be applied and backdated to 4 April 2016. You will receive schedules in due course, from BACs teams, which will detail any amendments to payments.

For out of county care home and nursing home placements for older people NYCC will honour an uplift agreed by the host local authority where they have undertaken an actual Cost of Care exercise, and will consider individual business cases where there is no Actual Cost of Care exercise in place.

Specialist placements in care homes and care homes with nursing

- In respect of care home and care homes with nursing placements in North Yorkshire which have historically been paid at a level below that of placements for older people these will be uplifted to the new rates for older people from 4 April 2016.
- All care homes in North Yorkshire **£499.73** per week.
- All care homes with nursing in North Yorkshire **£490.28** per week (plus the appropriate level of Funded Nursing Care (FNC) which has been subject to a national review. The outcome of the review is that a new interim rate of £156.25 per week is payable from 1 April 2016. The rate had been £112 per week and the increase is 40%).
- For homes with specialist placements already paid above the fee levels for older people, within and outside North Yorkshire, an uplift of 3%, which will contribute to additional wage costs and other general inflation costs. This is higher than the inflationary uplift for care homes for older people whose fees are already above the new rates, to reflect higher staffing levels needed in most specialist homes.
- Annual inflationary increases for care home placements for 2017-2020, will be based on the formula above.

Domiciliary Care

- Domiciliary care providers for adults and older people in North Yorkshire: flat rate increase of 60p per hour on current rates, for those support packages commissioned before the introduction of the new Provider List and where the provider had not implemented new rates at a level at or above a 60p increase.
- For support packages commissioned after the introduction of the new Provider List, the new agreed rates set through that process will apply.
- Annual inflationary increases for domiciliary care for 2017-2020, taking into account increases in Living Wages and general inflation.
- The increase of 60p per hour will apply from 2 April 2016. For packages which were paid interim increases these rates will continue. For providers where interim payments were not made the increase will now be applied and backdated to 2 April 2016. You will receive amendments to ISCs from the Brokerage Team which will detail any amendments to payments.

CHC Packages – for packages and placements which have an element of Continuing Healthcare funding the increases detailed above relate to the social care element of the package/placement.

Community Based Services for Adults and Older People

- Community-based care providers for adults and older people in North Yorkshire: 3.3% increase on current rates, which were in place prior to 2 April 2016.
- For support packages commissioned after 2 April 2016 and where new rates have been set to apply after 2 April 2016, no further increase will be applied.
- Annual inflationary increases for community-based care for 2017-2020 based on the increases to living wage rates and general inflation rates.

For the purposes of these increases, community based services are:

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

The increase will apply from 2 April 2016. Any increase to be applied will be backdated to 2 April and amendments to contracts will be issued in due course.

The inflation formulae referred to above will be the basis for agreeing future inflation levels and will be the minimum inflation applied.

A letter has been sent to the ICG to follow up on the issues raised by them and providers during the consultation process. This includes an invitation to make representations to the Council's Cabinet, on a date to be agreed.

Also, initial discussions have been held with the Local Enterprise Partnership regarding business advice and economic development issues in the care market. These discussions will be ongoing and updates will be included in future provider bulletins.