

Report title	Care and Support Provider Fee Review 2020 - 2021	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Linda Leach Adults	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable director	David Watts Director of Adult Services	
Originating service	Commissioning	
Accountable employee(s)	Becky Wilkinson Tel: Email	Head of Service, People 01902 55 5318 Becky.wilkinson@wolverhampton.gov.uk
Report to be considered by		

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposed increase in fee levels for 2020-2021 as recommended in the report to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage (NLW and where applicable increases to sustain the care market.

Type of provision	Recommendation	Current £	Proposed £
Home Care	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage. *	15.04 (hourly rate)	15.56 (hourly rate)

Type of provision	Recommendation	Current £	Proposed £
Home Care – rapid response	Increase fee levels to meet the additional costs resulting from the increases to the National Living Wage. *	16.50 (hourly rate)	17.12 (hourly rate)
Home Based Respite	Increase fee levels to meet the additional costs resulting from the increases to the National Living Wage. *	14.32 (hourly rate)	14.84 (hourly rate)
Direct Payments Home Care Agency Rate	Increase fee levels to the proposed supported living	14.10 (hourly rate)	14.84 (hourly rate)
Direct Payments for Personal Assistants	No increase	10.76 (hourly rate)	10.76 (hourly rate)
Residential Care Older People	All Residential and Nursing Care Agreements for Older People Uplift all agreements with a current rate of less than £455. to £455.	433.30 (weekly rate)	455.00 (weekly rate)
Nursing care for older people		433.30 (weekly rate)	455.00 (weekly rate)
Residential care with dementia for older people	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the NLW.	474.18 (weekly rate)	489.16 (weekly rate)
Nursing care for older people with dementia		474.18 (weekly rate)	489.16 (weekly rate)
Extra Care	Increase by 1.7%	N/A part of block contract	Increase to all contract totals
Supported Living	Increase fee levels to meet the additional costs (employee and employer cost) resulting from the increases to the National Living Wage. *	14.32 (hourly rate)	14.84 (hourly rate)
Nursing and Residential for people under 65 years old	Continue with pilot of open book accounting and increase fees of placements made up to 2019-2020 by 1.7%	N/A no locally agreed rate in place	Increase to all contract totals
Community Opportunities Older People	5% increase	£24.15 sessional rate	£25.36 sessional rate

Type of provision	Recommendation	Current £	Proposed £
Community Opportunities for Adults with Complex Needs	Ensure that the rate is consistent with the supported living rate and proportionate to 1:1 1:2 1:3 staffing ratios	N/A 3 sessional rates in place	£14.84 per hour for 1:1 staffing £7.42 per hour for 1:2 staffing £4.94 per hour for 1:3 staffing

* except where the provider has tendered below the current rate, in this case it will be uplifted proportionately.

2. Approve that any increase in fees are in effect from start of financial year 6 April 2020 to reflect when the increase to NLW comes into effect.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note

1. That engagement has been undertaken with current care and support providers as part of the fee review to listen to feedback, however due to current financial restraints the recommendations are not solely based on provider requests.
2. That Adults Commissioning continuously works with providers in developing in developing the social care market to ensure a shared approach between the council and social care providers to meet residents needs

1.0 Purpose

- 1.1 The purpose of this report is to set out the proposed increase for the following care and support service areas and direct payment cost rate, and to outline the methodology used to develop the new rates.

2.0 Background

- 2.1 Section 5 of the Care Act establishes a duty on local authorities and Directors of Social Services to ensure a sustainable market of care in their areas. This covers all care sectors and providers of care. The main areas of care provision and a growing sector of individual service users using personal budgets to employ personal assistants.

3.0 Home Care and Direct Payment Service

- 3.1 The Home Care and Direct Payment service delivers care and support to people in their own homes.
- 3.2 As at the week ending 2 February 2020, there were 673,207 annual planned hours of domiciliary care with an average of 15,300 hours per week for people aged 65 years old and over and 7,706 direct payments planned hours per week for all age services. (These hours exclude rapid response, home based respite)
- 3.3 Rapid response is home care organised within hours to enable discharge or prevention of admission to hospital and the rate is based on the current home care rate plus 10%. As at week ending 2nd February 2020 there a total of 5,250 annual planned hours for rapid response.
- 3.4 Home based respite is home care to enable respite for carers. As at week ending 2nd February 2020 there were a total of 21,715 planned hours annually.

4.0 Older Peoples Residential and Nursing placements

- 4.1 Residential Care services deliver personal care and accommodation to people within a Care Quality Commission (CQC) registered setting.
- 4.2 People in Nursing Care placements have the need for care and support in a CQC registered care home but in addition have a primary health care need, that requires the intervention or oversight of a registered nurse to support the safe delivery of their care plan. Nursing care placements attract a financial contribution from NHS England to pay for the nursing element of the care provided. This is paid directly from Wolverhampton Clinical Commissioning Group and is known as Funded Nursing Care (FNC) payment. The FNC for 2019-2020 is £165.56. The FNC settlement for 2020- 2021 has not been published, Wolverhampton Clinical Commissioning Group has confirmed that an increase to the FNC is being considered.
- 4.3 In January 2020 there were 501 individuals aged 65 years old and over in receipt of a permanent residential placements, this compared to a figure of 556 in January 2019.
- 4.4 In January 2020 there were 291 individuals aged 65 years old and over in nursing placements, this compared to a figure of 327 in January 2019.

5.0 Extra Care

- 5.1 Extra care housing is a nationally recognised model of extending the range of housing options available to older people with care and support needs and is commissioned by local authorities across the country.
- 5.2 Currently, the City of Wolverhampton Council has eight contracts in place with four extra care service providers for the provision of 267 funded places. The services are provided on a 'block' basis, which means that each provider is funded to provide care and support a specified number of people with eligible care needs at any one time. The number of funded places in Wolverhampton is in line with that commissioned by peer local authorities.
- 5.3 There will be a review of the current model of extra care services to inform our future commissioning intentions including recommissioning of extra care and potential new developments.

6.0 Supported Living

- 6.1 The supported living accreditation framework delivers care and support to people with disabilities. These services support people to become as independent as possible and have a focus on reablement and enablement. These services provide 24/7 care where required for people who live in supported living schemes.
- 6.2 Accreditation to the supported living framework was awarded on 1 September 2019, for five years with extension options of one plus one year. There are currently 28 framework providers. The framework is flexible and enables the council to be responsive to the needs of the market as the framework can be opened for new providers to apply to annually (if required). The framework introduced a single rate for supported living set at £14.32 for 2019 – 2020. Existing supported living care packages continued to be paid at those agreed rates (including those which had rate above the new single rate). There is no guaranteed amount of work for providers on the framework.
- 6.3 To increase the supported living providers available who can meet specialist forensic need, a framework was tendered and awarded on 30 January 2019 for a duration of two years. There are six providers on the framework. Due to complexity of the cohort supported, the providers tendered hourly rates which range between £15.48 and £19.00. The tender also agreed and set hourly rates for the second year of the framework and does not need to be reviewed.
- 6.4 A snapshot taken as of 7 February 2020, highlighted 18,121 hours of supported living per week.

7.0 Residential Provision for People Under 65 Years with Complex Needs

- 7.1 There are currently 160 placements in residential provision for people aged under 65 years old and there are 76 placements in nursing provision for people aged under 65 years old. This provision is not funded at a set rate with providers. People accessing this provision have complex needs with disabilities and each package is based on the social care assessed needs and negotiated with the provider and as a result funding levels vary for each individual placement.

8.0 Community Opportunities for Older People

- 8.1 The current framework Community Activities for Older People was tendered for in 2016. The framework supports vulnerable adults who are at risk of isolation as well as supports carers of vulnerable adults to have a planned break from caring roles and allow them to partake in normal acts of daily living. The framework originally had 10 providers and then was increased to 16.
- 8.2 There are currently 109 people accessing community activities through the framework with 201 sessions accessed per week.
- 8.3 A new model for community activities support for older adults will be tendered for and operational by December 2021. The new model will be aimed at supporting adults to access their personal budgets whilst supporting those adults with the highest level of need to have access to good quality provision.

9.0 Community Opportunities for Adults with Complex Needs

- 9.1 The framework for community opportunities for adults with complex needs (for those with either a learning disability or physical disabilities) was awarded on 4 May 2019 for four years and includes eight providers.
- 9.2 There currently 69 people accessing community opportunities through the framework averaging at 215 sessions.

10.0 Overview of the Wolverhampton Market

- 10.1 The Care Act 2014 includes duties for Local Authorities to facilitate and shape a diverse, sustainable and quality market has implications for everyone involved, people with care and support needs, carers, providers and commissioners. The Act gives the local authority powers and duties in the case of provider failure to ensure that continuity of care is maintained for people that use care and support services.
- 10.2 Wolverhampton Council is committed to supporting people to be independent for as long as possible and is working with the market to develop a range of services to support this. This has implications for existing service models and service providers as traditionally there was a higher demand for residential provision which is decreasing as home-based care and supported living increases.
- 10.3 National intelligence and local provider forums confirm that the main challenges the market is experiencing is in the recruitment and retention of staff into the care sector. There are several reasons for this, one of which is pay rates for care staff at, or just above National Living Wage (NLW). Recruitment in both the home care and care home sector is difficult for many providers.
- 10.4 From 1 April 2020 the hourly rate of the National Living Wage for those of 25 years and over, increases from £8.21 to £8.72 The council has reviewed the fees, considering the NLW and seeking opportunities to secure future stability of the care and support market.

11.0 Care and Support Provider Engagement

11.1 Providers have been engaged through provider forums to give them the opportunity to provide feedback about the approach.

11.2 City of Wolverhampton Council has also received feedback from providers in the form of requests for fee review in 2019 -2020.

Key themes arising include:

- Increase in National Living Wage from £8.21 to £8.72 per hour.
- Shortage of care workers
- Increases due to Consumer Price Index inflation of 1.7%

11.3 The provider market will respond as the model of adult social care changes to a more community-based model with greater health and social care support being provided to help people maintain their independence to stay at home longer. Wolverhampton Council are actively engaging with care providers to support them with the challenges they face.

12.0 Methodology

12.1 The legislative National Living Wage (NLW) is intended to recognise the dignity of work and the importance for individuals, families and society of people being able to earn a living.

12.2 The Council is required to provide appropriate care and support services to meet the statutory requirement and the needs of individual service users.

12.3 Due to increases to the NLW and employer pension contributions from April 2020, the Council have undertaken a fee review exercise.

12.4 The review has been concluded and sets out options for each type of social care service areas.

13.0 Benchmarking and Market Analysis

13.1 Benchmarking data has been reviewed against neighbouring and CIPFA (the Chartered Institute of Public Finance and Accountancy) nearest neighbour comparator authorities to support the process.

14.0 Home Care

14.1 The table below outlines the benchmarking data for home care (also known as domiciliary care) 2019-2020. The regional benchmarking data highlights that Wolverhampton is paying a higher rate than the Black Country neighbouring local authorities. CIPFA nearest neighbour comparators confirm that Wolverhampton is paying lower hourly rates.

Table 1: Benchmarking data for home care hourly rates 2019-2020



- 14.2 External provision of home care (also known as domiciliary care) has been provided in Wolverhampton through the current framework agreement which has been in place for four years and expires on 16 May 2020. This framework agreement consists of a closed framework with allocated providers to six geographical areas in Wolverhampton (tier one providers), supported by providers who can respond to referrals citywide (tier two providers).
- 14.3 City of Wolverhampton Council originally appointed 12 tier one providers and a further 17 in tier two. A snapshot review in 2019 showed that over the last three years, seven providers exited the framework, and four providers have not had any business placed with them. A further five providers were sourced in 2019, as current providers have not been able to meet the demand.
- 14.4 The home care market nationally has been considered a fragile market, with providers citing issues around delivery costs, recruitment and retention.
- 14.5 A detailed review of the home care market has been undertaken to inform the future model for 2020 with a new approach to procure services that enables capacity, quality provision and promotion of a sustainable market.
- 14.6 The Home Care Framework will replace what is traditionally called domiciliary care to deliver personal care to adults with assessed needs in their own home. It is a market regulated by the Care Quality Commission. The framework consists of three elements; home care, rapid response services and home-based respite. These services support people to remain in their own home, promote independence and have a focus on reablement and enablement for adults who have been discharged from hospital. There is also an opportunity to use the framework for reablement, mini tenders and competitions when required.
- 14.7 The new framework is a nine-year flexible framework. This type of contracting arrangement enables the Council to be more responsive to the needs of the market as the framework can be opened annually (or more frequently), if required. The current framework does not allow this.

14.8 The framework seeks to deliver provision through three lead providers who will be aligned to each parliamentary ward and supported by citywide providers. This new model seeks to deliver person centred care, increase sustainability, enable partnership working and allow current providers to retain their core business (subject to meeting the criteria).

14.9 The frame work is divided in to three tiers:

- Tier one leads (three providers) – each responsible for one geographical area.
- Tier one (ten providers) – able to deliver all services defined by the specification and willing to accept care packages from anywhere in Wolverhampton.
- Tier two (all other providers accepted onto the framework) - the remaining providers who were successful and either chose to operate at only tier two, could only offer partial services, or did not have a combined price/quality score high enough to reach tier one.

14.10 There are significant challenges that are facing the home care (domiciliary) market, including recruitment and retention of care staff, travel costs and the increase in the national living wage.

14.11 The tender process for the framework included ceiling rates based on the estimated increase to the National Living Wage.

14.12 The recommended option for home care and rapid response is option two in the tables below which reflects a fee level to meet the additional costs (employee and employer) resulting from the confirmed increases to the National Living Wage (adjusting the estimated rate) and where providers tendered at a lower rate to the ceiling rate that this is adjusted proportionately.

Table 2: Options for Home Care

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	15.04	-
Option 2	Increase fee levels to meet the additional costs resulting from the increases to the National Living Wage.	0.52	15.56	403

Table 3: Options for Rapid Response

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	16.50	-
Option 2	Increase fee levels to meet the additional costs resulting from the increases to the National Living Wage.	0.12	17.12	8

15. Home Based Respite

15.1 Home based respite is provided to support carers and is provided in the home, the rates are based on supported living rates.

15.2 The recommended option for home-based respite is option two in the table below which is to increase fee levels to a rate to meet the additional costs (employee only) resulting from the increases to the National Living Wage and that where providers tendered below the current rate that this is adjusted proportionately.

Table 4: Options for the Home-Based Respite:

Option	Methodology for increase delivered over 25 hours	Cost increase per unit	Proposed Hourly Rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	14.32	-
Option 2	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.	0.52	14.84	14

16.0 Direct Payments

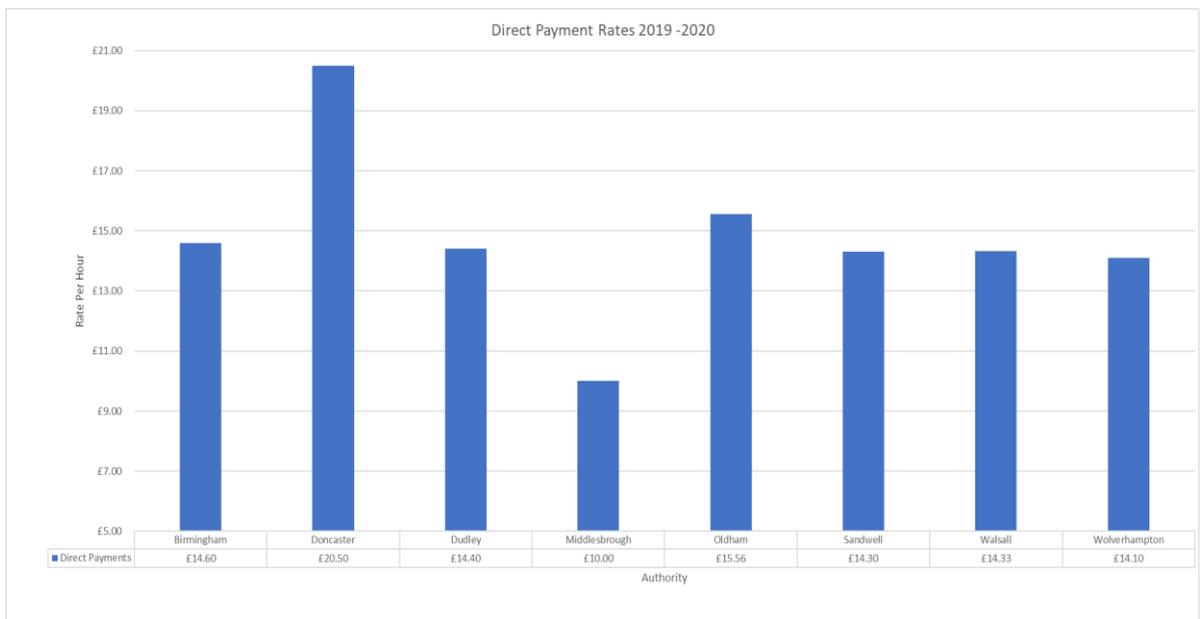
16.1 Direct Payments are cash payments made to individuals who have been assessed as being eligible for funded care and support in line with the Care Act (2014) eligibility criteria; they are intended to give individuals greater choice in their care as they enable individuals to choose not to receive services purchased by Wolverhampton Council instead choosing to receive a payment in lieu of these to arrange their own support.

16.2 At present the Wolverhampton agency direct payment rate is £14.10 per hour and for the Personal Assistants is £10.76 per hour, which are in line with the current regional rates. The agency direct payment rate is higher as agencies are paid to administer the payroll for care workers, travel cost, national insurance, holiday and sick pay, and for a personal assistant the care worker is employed directly by the individual and does not incur any administration costs.

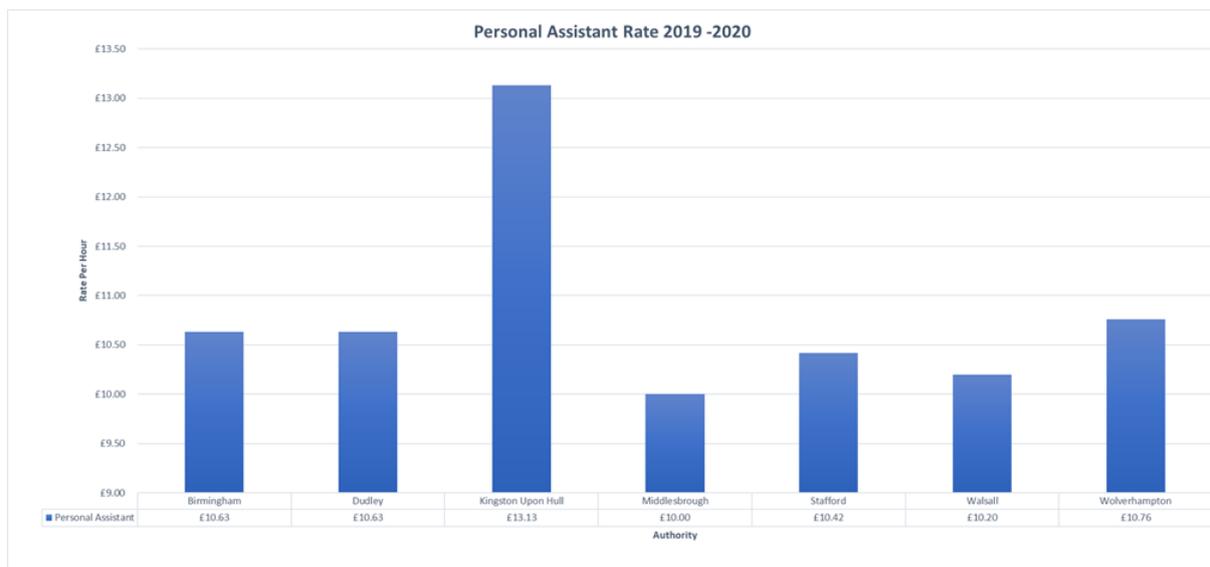
16.3 Consultation to review the Personal Assistant rate will take place during 2020 to introduce an approach based the rate starting with the 'Real Living Wage' (as set by the real living wage foundation) and then on an individual case by case basis determining any additional costs for the Personal Assistant to be employed by the client. This means the rate paid will vary. In view of the intended review, the Personal Assistant rate will not be uplifted for 2020-2021.

16.4 A benchmarking exercise was carried out to understand the Direct Payment Home Care Rate for agencies and Personal Assistant rate.

Table 5: Direct Payments - Home Care Agency rate for 2019-2020:



16.4 Table 6: Direct Payment – Personal Assistant rate for 2019 - 2020:



16.5 The recommended options for direct payments home care is option three to raise the rate to match the proposed supported living rate to encourage increased take up of direct payments at a rate that agencies will accept.

Table 7: Options for Direct Payments Home Care:

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate Direct Payments Domiciliary Care £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	14.10	-
Option 2	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.	0.54	14.64	45
Option 3	Increase fee levels to match the proposed supported living rate	0.74	14.84	61

17.0 Residential and Nursing Care – 2019-2020

17.1 The following table outlines the regional benchmarking data for residential and nursing care 2019-2020 excluding Funded Nursing Care (FNC).

Table 8: Regional benchmarking data for Residential 2019-2020

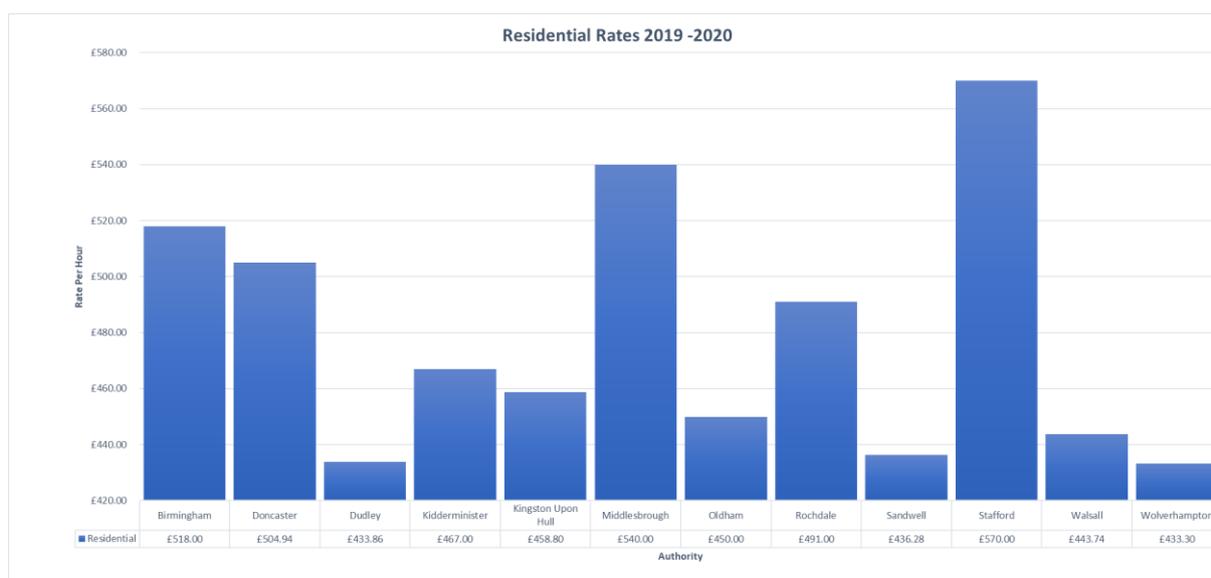


Table 9: Regional benchmarking data for Nursing 2019-2020

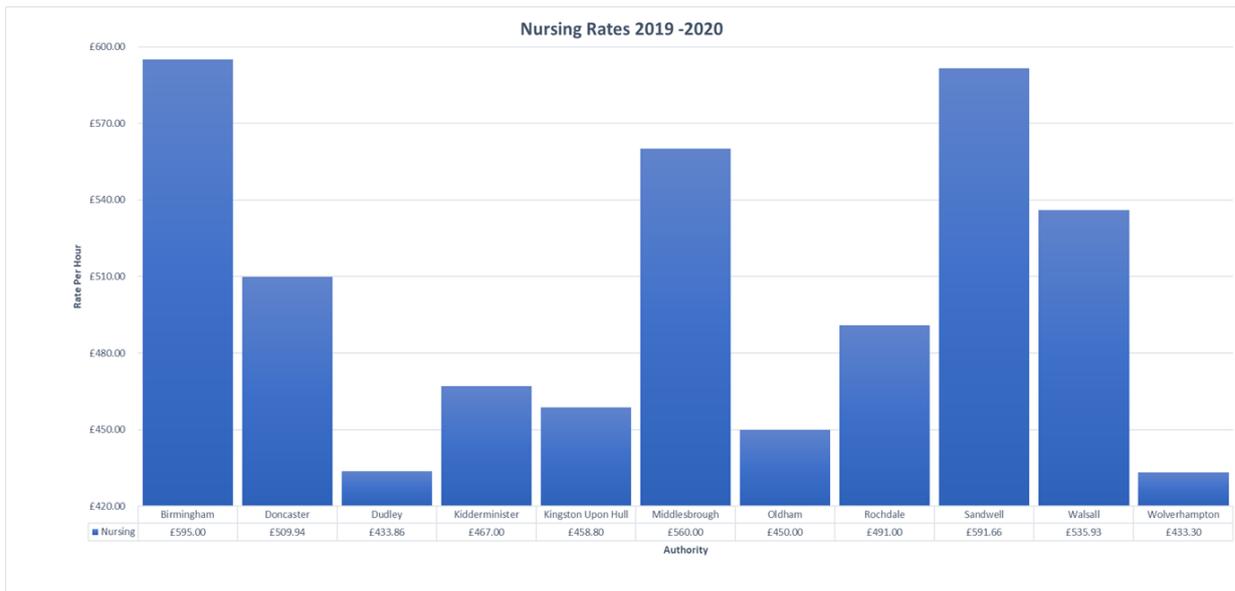


Table 10: Residential and Dementia (EMI)

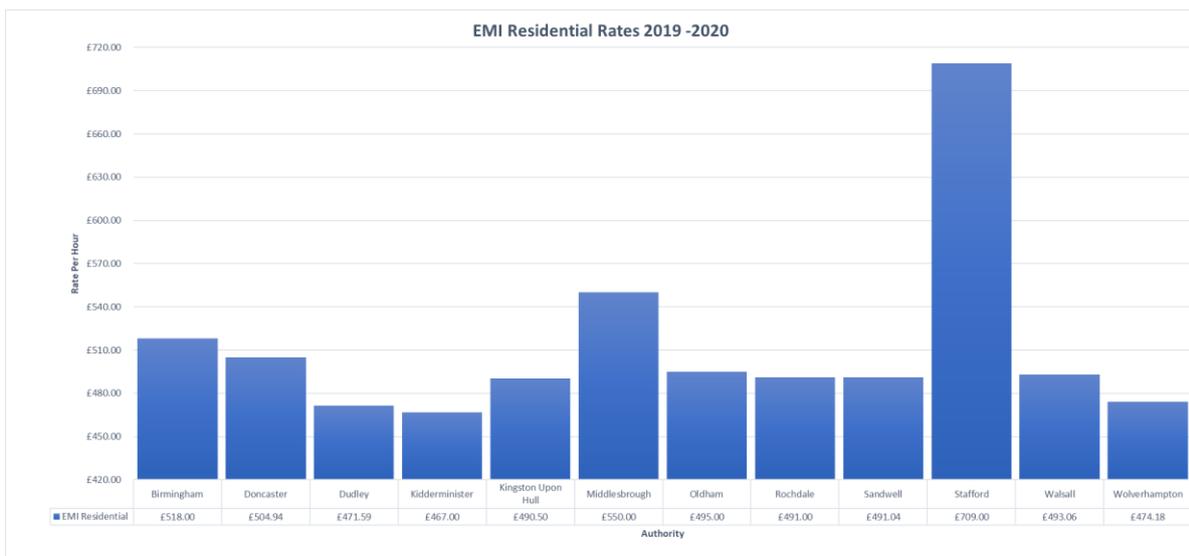
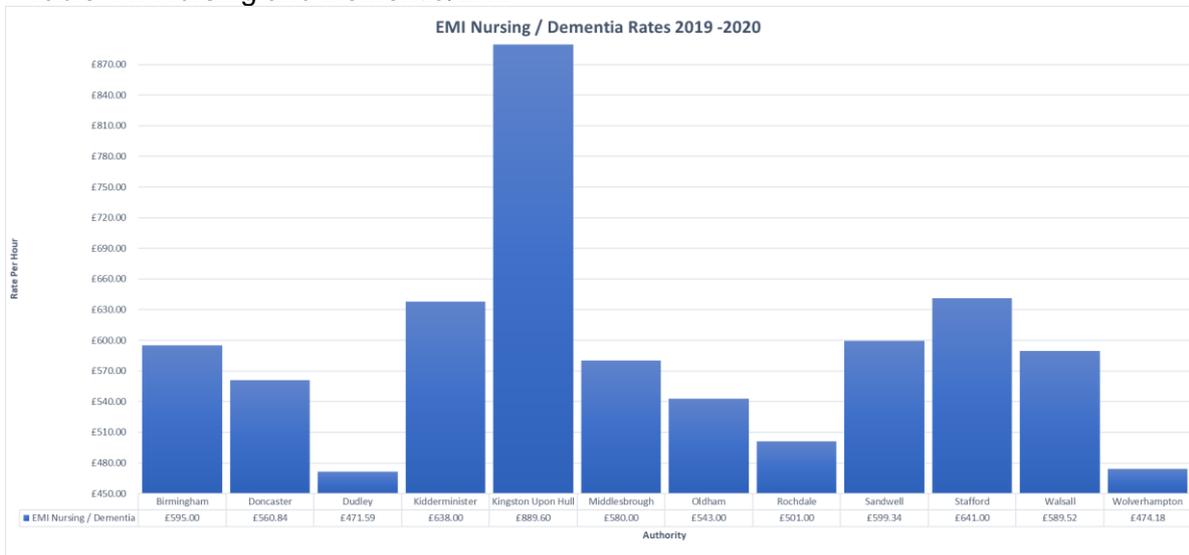


Table 11: Nursing and Dementia/EMI



- 17.2 The stability of the care home market in Wolverhampton closely mirrors those described in the ADASS report Care Homes: Future Models and Possibilities (July 2019).
- 17.3 The recommended option for residential and nursing care is option two to increase the current rate by 5% and for placements above the locally agreed rate to receive a payment per placement to meet the increased costs of national living wage, this is based on considering benchmarking and current availability.

Option	Methodology for increase	Current weekly rate £	Proposed weekly increase £	Proposed new weekly rate £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels	433.30	0.00	433.30	-
Option 2	Increase rates less than £455.00 to £455.00 and NLW plus employee and employer costs for rates more £455.00	433.30	21.7	455.00	171

Table 12: Options for Residential Care:

Table 13: Options Residential Care with Dementia

Option	Methodology for increase	Current weekly rate £	Proposed weekly increase £	Proposed new weekly rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels	474.18	0.00	474.18	-
Option 2	Increase rates less than £455.00 to £455.00 and NLW plus employee and employer costs for rates more £455.00	474.18	14.98	489.16	309

Table 14: Older People Nursing Care

Option	Methodology for increase	Current weekly rate £	Proposed weekly increase £	Proposed new weekly rate £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels	433.30	0.00	433.30	-
Option 2	Increase rates less than £455.00 to £455.00 and NLW plus employee and employer costs for rates more £455.00	433.30	21.7	455.00	143

Table 15: Nursing Care with Dementia/EMI

Option	Methodology for increase	Current weekly rate £	Proposed weekly increase £	Proposed new weekly rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels	474.18	0.00	474.18	-
Option 2	Increase rates less than £455.00 to £455.00 and NLW plus employee and employer costs for rates more £455.00	474.18	14.98	489.16	141

18.0 Extra Care

- 18.1 The eight extra care schemes across the city, all have a ten-year contract that runs from 2012 to 2022 with an option to extend until 2023. One provider is withdrawing from the market and five of those schemes are being novated within the same contract to commence March 2020. Another provider of one scheme has service notice citing profit losses as the reason.
- 18.2 Future demand for extra care has been analysed and it has been agreed that new schemes will be procured to meet the need for 322 additional council funded units by 2030.
- 18.3 There have been two fee increase given since the contracts were awarded in 2012. An uplift in 2018-2019 for 2% and in 2019 – 2020 of 3%.
- 18.4 City of Wolverhampton Council will review the extra care provision to inform future commissioning intentions including recommissioning of extra care and potential new developments.

18.5 The recommended option for extra care is option three as detailed in the table below which is to give a percentage increase based on inflationary rise of 1.7% to the block contracts to ensure stability of the provider market.

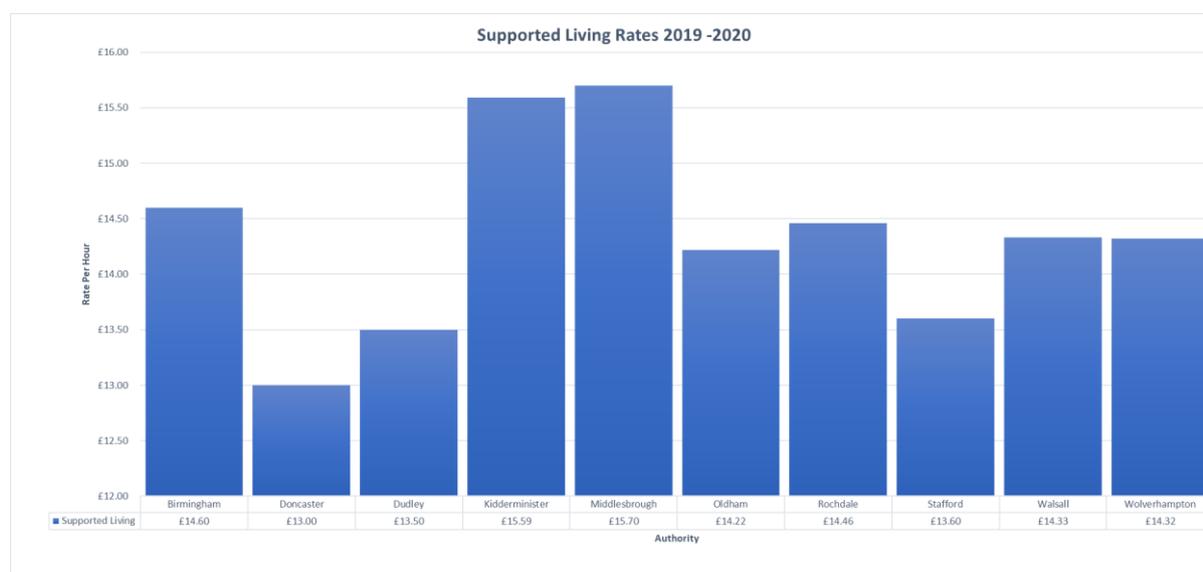
Table 16: Options for Extra Care:

Option	Methodology for increase	Estimated annual cost increase £000
Option 1	Do nothing. Do not increase fee levels.	-
Option 2	1.7%	45
Option 3	3% increase	79

19.0 Supported Living

19.1 The costing model for supported living across the region varies, some Local Authorities operate a fixed hourly rate and others a banding costing model. Most Local Authorities' rates are determined based on the level of support needs by individual customers; this is translated in number of hours (amount of care) required by each client and providers rates will be determined depending on tendered rates. The table below outlines the regional benchmarking data for supported living 2019-2020.

Table 17: Benchmarking data for Supported Living 2019-2020



19.2 Following the tender of the flexible accredited framework in 2019 the market is currently stable. However, provider feedback requests employer costs are also factored into the review (in 2019 the uplift funded employee cost only). The providers referred to the situation that they had accepted a new single rate for supported living (as tendered in the new framework in 2019), previously there were three rates with a higher rate for people with higher needs but who were not considered at a level of need requiring forensic support and the single rate introduced was based on the lower rate.

19.3 The recommended option for supported living is option two in the following table which enables providers to pay the increase to the National Living Wage within the current fees.

Table 18: Options for Supported Living:

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate Supported Living £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	14.32	-
Option 2	Increase fee levels to meet the additional costs (employee only costs) resulting from the increases to the National Living Wage.	0.52	14.84	618

20.0 Residential Provision for People under 65 years with complex needs

20.1 For the last seven years this type of provision has not been subject to a set fee review. This is because each placement cost is agreed based on the individuals identifiable need. Nationally there is limited data to enable comparative benchmarking against locally agreed rates due to the variance in placement costs. City of Wolverhampton Council have determined that during this time the fees paid enable the provider to meet the National Living Wage requirements.

20.2 Due to the range and variation of the funding arrangements for residential provision for people under 65 years with complex needs, requests for a fee increase for an individual placement will continue to be considered on a case by case basis based on open book accounting. An open book accounting tool is currently being piloted and work with providers will continue to develop the process. In addition to this, the recommendation is option two which is to uplift current placements by 1.7% to reflect inflationary rises. This will not be applicable to placement made within 2019-2020

Table 19: Options for Young Adults Nursing and Residential Care:

Option	Methodology for increase	Estimated annual cost increase £000
Option 1	Do nothing. Do not increase fee levels.	-
Option 2	1% increase	88
Option 3	1.7%	150
Option 4	3% increase	265

21.0 Community Activities for Older Adults

21.1 Feedback from providers shows that the current model has not delivered the range of choice and options for clients, or market stability. Monitoring reveals only five of the providers who were awarded places on the framework ever delivered services to the people of Wolverhampton, two providers have closed their services during the lifetime of the framework and a further nine didn't receive any referrals for funded placements.

- 21.3 Bench marking and engagement with regional colleagues shows that a wide variety of models and rates operate which are not comparable to the Wolverhampton model (most other local authorities have moved away from using framework providers to commission funded placements). The preferred model is to support people to access their personal budgets to take part in community activities. Specialist services tend to be commissioned for older people who have complex health (including dementia needs)
- 21.4 A new model will be consulted on and tendered for in 2020 to be in place by December 2020
- 21.5 In light of recent market withdrawals and to minimise the potential of further market instability Option 2 for an increase of 5% is recommended.

Table 20: Options for Community Activities for Older Adults:

Option	Methodology for increase	Current sessional rate £	Proposed sessional increase £	Proposed new Sessional rate £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels	24.15	0.00	24.15	-
Option 2	(5%)	24.15	1.21	25.36	10
Option 3	(10%)	24.15	2.41	26.56	20

22.0 Community Activities for Adults with Complex Needs

- 22.1 Bench marking and engagement with regional colleagues shows that a wide variety of models and rates operated which are not comparable to the Wolverhampton model (most other local authorities have moved away from using framework providers to commission funded placements). The preferred model is to support people to access their personal budgets to take part in community activities. Future review of community activities will be aimed at supporting adults to access their personal budgets whilst supporting those adults with the highest level of need to have access to good quality provision.
- 22.2 Currently there are three sessional rates are based on staffing ratios required of 1:1 at £95.46 per session, 1:2 at £50 per session and 1:3 at £31.82 per session. These services support people with complex needs and on this basis the proposed option 3 for the rate to be aligned to the hourly rate of supported living reflected proportionately dependant on staffing ratio and length of each session.

Table 21: Options for Community Activities for People with Complex Needs:

Option	Methodology for increase	Current spend 2019-2020 £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels		-
Option 2	(5%)		9
Option 3	Align rate to supported living rate proportionate to staffing ratio		18

23.0 Evaluation of alternative options

- 23.1 The recommendations have been proposed following consideration of options.
- 23.2 The option 'to do nothing' was only considered applicable where a full review of a service will be during 2020 and where the review is likely to result in a reduction in the current rate. For all other care sectors, the option 'to do nothing' and the impact of choosing that option was considered and determined to place the council at risk of not having sufficiency within the care market.
- 23.3 All other options were based on ensuring sufficiency within the market and where needed being responsive to either inflationary increases and/or increase to the national living wage.

24.0 Reason for decision:

- 24.1 The proposed recommendations are based on ensuring the Council meets its statutory duties in relation to Section 5 of the Care Act to ensure a sustainable market of care in Wolverhampton, which has including considering benchmarking information, provider feedback and local market trends and available budget to determine the final recommendation.

25.0 Financial Implications

- 25.1 The costs identified above are funded from Adults Services care purchasing which has a net controllable budget of £51.8 million in 2020-2021.
- 25.2 The recommendations being considered in this report represent a total estimated cost increase in of the region of £2.1 million.
- 25.3 The Council's 2020-2021 Final Budget and Medium Term Financial Strategy (MTFS) for 2020-2021 to 2023-2024 which was presented to Cabinet on 19 February 2020 and will be presented to Full Council on 4 March 2020 includes growth for Adult Services to support the fee uplift totalling £2 million for 2020-2021. The additional cost in the region of £100,000 will be met from efficiencies across existing Adult services budgets.
[JB/23022019/A]

26.0 Legal Implications

- 26.1 The increase would mean that care providers are supported to meet their legal obligations to pay the increase in the National Living Wage and pension contribution from 6 April 2020. The implementation of a cost rate increase supports local providers to meet the requirements of the National Living Wage and cost of living increases falls within the remit of the Care Act 2014. The Care Act 2014 has reiterated and strengthened this expectation with explicit requirements to maintain market sustainability and responsibilities for dealing with provide failure for both assisted and self-funding people.
[TC/24022020/B]

27.0 Equalities Implications

- 27.1 There are no equalities implications arising from this report.

28.0 Environmental Implications

- 28.1 There are no environmental implications from this proposal.

29.0 Human resources Implications

- 29.1 There are no human resources implications from this proposal.

30.0 Corporate landlord Implications

- 30.1 There are no corporate landlord implications for the Council's property portfolio.

31.0 Health and Wellbeing Implications

- 31.1 A values-driven, quality workforce will enhance the experience of people requiring formal support through paid assistance and enhance health and wellbeing.

32.0 Schedule of background papers

- 32.1 None