

Cabinet (Resources) Panel

23 February 2022

Report title	Care and Support Provider Fee Review	
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	Emma Bennett, Executive Director of Families	
Originating service	Commissioning	
Accountable employee	Alicia Wood	Head of Adult Commissioning and Market Management
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Report to be/has been considered by	Adult Leadership Team	3 February 2022
	Adult Member Briefing	7 February 2022
	Strategic Executive Board	10 February 2022
	Adults and Safer City	15 February 2022
	Scrutiny Panel	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposed increase in fee levels for 2022-2023 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.
2. Approve that any increase in fees is with effect from 4 April 2022. (This date is aligned to charging processes and the capability of the current payment system and that due to current IT payment systems – rates for care homes need to be divisible by 7 and for hourly rates by 4).

Type of provision	Recommendation	% Increase	Current £	Proposed £
Home Care	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage and other costs *	6.3%	15.84 (Hourly rate)	16.84*
Home Care – rapid response /reablement	That the rate remains at the level funded in the mid-year increase. This rate is higher than the standard home care rate to incentivise providers to move people from hospital settings quickly.	3.2%	17.44 (Hourly rate)	18.00
Home Based Respite	Home base respite is aligned to the supported living rate. *	6.3%	15.12 (Hourly rate)	16.08
Direct Payments Agency rate	Direct payment agency rate is aligned to the supported living	6.3%	15.12 (Hourly rate)	16.08
Direct Payments for Personal Assistants – Employed	Direct payment PA employed rate to receive the % increase that Home Care and Supported Living receives with the note that each PA's costs are individually calculated to ensure the payment covers employment costs and the proposed rate is the maximum amount.	6.3%	10.76 (Hourly rate)	11.44
Direct Payments of Personal Assistants – Self-Employed	This is a new rate to be introduced in 2022 to enable self-employed personal assistants to support people	N/A	N/A	14.03
Residential Care for Older People	Increase to meet NLW increases, on costs and to maintain market sufficiency.	5%	468.65 (Weekly rate)	492.10

Residential Care for Older People with Dementia Support	Increase to meet NLW increases, on costs and to maintain market sufficiency.	5%	503.86 (Weekly rate)	529.06
Nursing Care for Older People	Increase to meet NLW increases, on costs and to maintain market sufficiency.	10%	468.65 (Weekly rate)	515.55
Nursing Care for Older People with Dementia	Increase to meet NLW increases, on costs and to maintain market sufficiency.	10%	503.86 (Weekly rate)	554.26
Extra Care	Increase each contract to reflect inflationary rise	3%	Increase to all contracts	N/A block amount
Supported Living	Increase fee levels to meet the additional costs (employee and employer cost) resulting from the increases to the National Living Wage. *	6.3%	15.12 (Hourly rate)	16.08
Nursing and Residential Care for people under 65 years old	Increase fees of placements to reflect inflationary rise	3%	Increase to all contract totals	
Community Activities for Older People	Increase fees to enable sufficiency, with intention to review the provision in 2022	10%	27.90 sessional rate	30.69
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	6.3%	15.12 per hour for 1:1 staffing 7.56 per hour for 1:2 staffing 5.04 per hour for 1:3 staffing	16.08 per hour for 1:1 staffing 8.04 per hour for 1:2 staffing 5.36 per hour for 1:3 staffing

*Except where the provider has tendered below the current rate, in this case it will be uplifted proportionately. Note that ISF's (Individual service funds) are aligned to the rate of the care type.

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 and inform the recommendations in this report, however due to current financial restraints the recommendations are not solely based on provider requests.
2. That during 2022 the activity to implement the requirements of the Health and Social Care Bill and the Government policy paper; Market Sustainability and Fair Cost of Care Fund: purpose and conditions 2022 to 2023; is undertaken and will inform the fee review for 2023-2024. Further details are in Appendix 1: Legislation and Government Policy which impacts on the 2023 - 2024 Fee Review.
3. That the impact of the COVID-19 pandemic has changed the usual demand and take up of care services. The long-term impact of COVID-19 cannot be predicted, and the Adults Commissioning Team will continuously review sufficiency within the market.
4. The Adults Commissioning Team continuously works with providers in developing the social care market to ensure a shared approach between the Council and social care providers to meet resident's needs.
5. This report was presented to Adults and Safer City Scrutiny Panel on 15 February 2022. The panel supported the details and recommendations within the report and agreed to receive an update at a future meeting.

1.0 Purpose

- 1.1 The purpose of this report is to set out the proposed fee increase for the following adults externally commissioned care and support service areas and direct payment cost 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.
- 2.2 This item was considered as pre-decision scrutiny on 15 February 2022 by Adults and Safer City Scrutiny Panel and will therefore not be available to call-in once a decision is made by Cabinet (Resources) Panel.

3.0 Overview of the Wolverhampton Market

- 3.1 The Care Act 2014 includes duties for Local Authorities to facilitate and shape a diverse, sustainable and quality market. This 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.
- 3.2 The City of 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.
- 3.3 The external care market in Wolverhampton has met the demand of care needs during 2021-2022. The impact of the COVID-19 pandemic has been mitigated. A range of support has been offered to care providers including:
- Continued Grant funding.
 - Access to personal protective equipment (PPE).
 - Advice and guidance from Wolverhampton Public Health, Public Health England, Wolverhampton Clinical Commissioning Group Quality Nurse team and Wolverhampton Council's Quality Assurance and Compliance and Adults Commissioning team.
 - Additional community services put in place provided through the NHS including an increased team to support infection prevention control (IPC), an enhanced primary care network (GP support) and a virtual ward approach for people who have left hospital. These complement the community support already in place through the existing district nursing team and the rapid intervention team.

- A daily provider survey implemented to inform all partners of any provider issues to trigger additional support.
 - Additional out of hours support at the peak of outbreak waves.
 - A process of outbreak management and support from all partners implemented.
 - Support to gain COVID-19 testing for staff and residents.
 - Support to gain COVID-19 vaccinations for staff and residents.
 - Regular communication via updates and information to providers either through a weekly bulletin, provider drop ins or targeted meetings.
- 3.4 There was a further wave of COVID-19 (the Omicron variant) during December 2021 and January 2022. Although the pandemic has not yet ended the Government announced that all Plan B Covid restrictions would end in England on the 26 January 2022 and compulsory self-isolation for people with COVID-19 would end on the 23 March 2022. This announcement confirmed that Care Home visiting guidance would also be reviewed.
- 3.5 Care homes are still required to complete regular testing for COVID-19 of staff and residents. At present care homes are required to be closed when positive cases are identified and are subject to outbreak management processes until the outbreak is over.
- 3.6 The impact of the COVID-19 pandemic is that the usual expected demand and take up of care services has changed, with some types of care providers having more demand and others less. This may also impact on the future demand during 2022-2023. The short-term impact of COVID-19 to care providers is different to each care type and the long-term impact is being identified.
- 3.7 National intelligence and local provider forums confirm that one of the main challenges the care market is experiencing is the recruitment and retention of staff into the care sector (especially during COVID-19). There are several reasons for this including:
- The impact has been the introduction of mandatory vaccinations for people who work in care homes.
 - The Government policy for all Health and Social Care staff to be vaccinated by April 2022 (may need to reword this as it's likely be revoked the impact has been felt by staff choosing to leave the sector).
 - Competing jobs markets such as hospitality, retail and supermarkets and pay rates for care staff at, or just above National Living Wage (NLW). From April 2022 the hourly rate of the NLW for those 23 years old and over, increases from £8.91 to £9.50 The Council has reviewed the fees, considering the NLW and is seeking opportunities to secure future stability of the care and support market.

3.8 Other factors to consider for the 2022/2023 fee review:

- Anticipated inflationary rises, rise to the cost of living and increases to fuel and energy costs.
- The introduction of an increase to National Insurance rates of 1.25% to fund future social care costs (when a cap of how much a person will contribute to care costs is introduced).

4.0 Wolverhampton Cares

4.1 [Wolverhampton Cares](#), is an initiative launched by the Council aiming to demonstrate the City's commitment to its vital care sector and family carers.

4.2 The Council and Partners are working together to promote care as a career in Wolverhampton and has identified actions to support the growth of this employment area.

5.0 Care and Support Provider Engagement

5.1 Providers have been engaged through virtual provider forums to give them the opportunity to provide feedback about the approach as well as being invited to respond to a survey.

5.2 The Council has also considered feedback received from providers in the form of requests for fee increases in 2022 - 2023

Key themes arising include:

- Increase in National Living Wage from £8.91 to £9.50 per hour (for those aged 23 years old and over).
- Shortage of care workers/impact of COVID-19 to staffing recruitment and retention.
- Increases due to Consumer Price Index inflation.
- Increases to cost of living.
- Increases to national insurance costs.
- Impact of COVID-19 to occupancy levels or cancelled packages.

6.0 Methodology

6.1 The Council is required to provide appropriate care and support services to meet the statutory requirement and the needs of its residents, this includes ensuring sufficiency within the local external care provision. To determine the recommended fees for 2022 to 2023, the following areas have been considered:

- Provider feedback.
- Increases to the NLW from April 2022.
- Anticipated inflation.
- Increased cost of living and fuel.

- Benchmarking data against neighbouring and CIPFA (the Chartered Institute of Public Finance and Accountancy) nearest neighbour comparator authorities 2021 (Appendix 2).
- The demand and use of care services during 2021 (Appendix 3).
- The potential impact of the COVID-19 pandemic on sufficiency with externally commissioned care provision.

To note: the fee review does not factor in short term costs associated with COVID-19 as these have been met by the IPC and workforce grant and provision of PPE via the national portal.

- 6.2 The review has been concluded and the recommendations are set out for each type of social care service areas.

7.0 Home Care

- 7.1 Home Care (also known as domiciliary care) delivers social care and support to people in their own homes and is regulated by the Care, Quality Commission (CQC).
- 7.2 External provision of home care, which includes home based respite and rapid response home care (currently known as Home First and is home care to prevent delays to discharge from hospital), is provided in Wolverhampton through the Home Care Framework agreement which was mobilised in 2020. Home care is a market area of growth. During 2021 there has been an increase in the number of hours of home care delivered in Wolverhampton which supports the national and local strategic visions for people to live as independently as possible in their own home.
- 7.3 In response to COVID-19, Home Care providers have continuously met care needs, which included managing challenges due to recruitment and retention of care staff, implementing required IPC measures and continued COVID-19 testing for staff.
- 7.4 In September 2021, the need to mitigate sufficiency within Home Care in Wolverhampton was identified. This aimed to prevent an increased waiting list of people waiting for home care and to continue to support the NHS local acute hospital to discharge people promptly from the hospital when medically fit to do so (and support the patient flow).
- 7.5 Action was required due to; manage the increased demand for Home Care and reports from providers of difficulties in maintaining and recruiting care staff. To mitigate this, further providers who met required quality standards, were invited to become spot purchase providers and these providers are asked deliver care only when the existing framework providers have been exhausted.
- 7.6 A further mitigation was to increase the Home Care rate temporarily until the next fee review is implemented. In November 2021, the Home Care rate was increased by 52p and the Rapid response/ Re-ablement Home Care rate increased by 56p.

- 7.7 With these measures applied the Council has ensured that Home Care needs are met including rapid response and re-ablement to support hospital discharge support and home-based respite. There is a monitoring and performance dashboard which confirms the hours planned and delivered and the capacity within the market and data of referrals awaiting home care are reviewed daily Monday to Friday.
- 7.8 There were no home care providers which exited the framework during April 2021 to date.
- 7.9 The fee review recommendation ensures that the Home Care rate is increased in line with benchmarking data from other local and has considered additional costs that providers will incur during 2022-2023.

8.0 Direct Payments

- 8.1 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.
- 8.2 At present the Wolverhampton Direct Payment Agency rate is aligned to the current supported living rates (£15.12) and for a person to employ a Personal Assistant (PA) the rate is £10.76 per hour. The Direct Payment rate to employ a carer via an Agency is higher as agencies have additional on costs compared to the costs when a PA is employed directly by the individual.
- 8.3 The Direct Payment PA Employed rate has not been increased for two years, it is our intention to consult and review Direct Payments to introduce an approach that ensures all PA's are paid at the NLW and then on an individual case by case basis, determining any additional costs for the PA to be employed by the client. This means the rate paid will vary. However, in view of the increases to the NLW, there is a recommendation to uplift the PA employed rate for 2022-2023 with the recognition that this activity will take place and rates will vary (below the rate proposed).
- 8.4 The fee review recommendation for Direct Payment Agency rates will continue to be based on the recommendation made for the Supported Living rate.
- 8.5 A new rate for Direct Payment's is being introduced in recognition that there are Direct Payment PA's who are self-employed with different costs to those employed and to encourage the growth of this to support Home Care sufficiency. A rate has been proposed and contained within the recommendations. The increase of this type of Direct Payment PA Self Employed should, in the long term, realise savings for people who would have otherwise accessed Home Care from the Council Framework or Direct Payment Agency rate.

9.0 Older Peoples Residential and Nursing placements

- 9.1 Residential Care services deliver personal care and accommodation to people within a CQC registered setting. 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 (CCG) and is known as Funded Nursing Care (FNC) payment. The FNC for 2020-2021 is £187.60 The FNC settlement for 2022- 2023 has not been published. The proposed rates for care home with nursing do not include the additional FNC.
- 9.2 The impact of COVID-19 to care homes has been significant. Care homes have responded to ensure they have appropriate IPC measures in place and have managed their staff resources which have been impacted by; staff sickness/shielding and/or isolation, increased requirement to test staff and residents and increased demand in the level of care needs for residents in the homes.
- 9.3 Care homes have implemented testing and vaccination of staff and residents and facilitated (within current guidance) visitors to residents from family members.
- 9.4 The City of Wolverhampton Council monitors the occupancy and vacancy levels in care homes daily Monday to Friday.
- 9.5 Care Home vacancy levels in Wolverhampton are between 10% to 15%. The main reason for vacancies at present is due to:
- People not wanting to move into care homes from the local community during COVID-19
 - Deaths of residents during 2020/21
 - Closure to new referrals when a home has an outbreak of COVID-19 (2 or more staff and/or residents testing positive for the virus)
 - Unable to accept referrals for people who have tested positive for COVID-19
- 9.6 Placements to care homes in Wolverhampton are on a spot purchase basis. There is a current locally agreed rate for residential and nursing placements and a locally agreed rate for residential and nursing placements for people with dementia. If a placement cannot be sourced to meet care needs at the cost of the locally agreed rate, the Personalised Support Team (PST) broker the next suitable placement. During 2021, the costs of placements has varied, as due to COVID-19 many homes were closed to new referrals due to outbreaks. However, during this time PST has been able to still agree most placements at the locally agreed rate.
- 9.7 Any Council or person who is required to self fund their care, can choose to fund a place in a Wolverhampton Care Home. Neighbouring Councils have block contracts in place in

some Wolverhampton based homes and pay a higher rate than the local rate, others have funded a Wolverhampton Care Home to provide their designated setting provision (placements for people who are COVID-19 positive). This impacts on the current ability to secure local placements at the locally agreed rate for care home with nursing and care homes with nursing and dementia support.

- 9.8 There is a risk that some homes may not continue to be financially viable, if they cannot increase their occupancy. Whilst the council has a duty to ensure care needs are met, this should not include subsidising an external provider to cover the cost of underoccupancy. To date the IPC grant has mitigated these costs. The Adults Commissioning Team continuously review care homes in Wolverhampton to identify ones that may be at future risk and to further understand how they can be supported and be aware of the potential for some providers withdrawing from the Wolverhampton market.
- 9.9 The current locally agreed rate is at the lower end of the rates when benchmarked against other local authorities. The fee review recommendation takes into account the current situation and anticipated costs for providers. The fee review recommends that the rates are changed from Residential and Nursing and Residential and Nursing with dementia, to four types of provision and rates, that of: Residential Care Homes, Residential Care Homes with Dementia Support, Nursing Care and Nursing Care and Dementia Support. The recommendations propose to offer a higher percentage fee increase to Nursing Care and Nursing Care with Dementia support proposed to mitigate in potential sufficiency concerns.

10.0 Extra Care

- 10.1 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.
- 10.2 Currently, the City of Wolverhampton Council has eight contracts in place with four extra care service providers for the provision of 267 funded places. all have a contract that runs until 2023. The services are provided on a 'block' basis, which means that each provider is funded to provide care and support to 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.
- 10.3 Extra care contracts are paid as a block amount and do not provide a detailed breakdown of the financial costs to provide extra care provision.
- 10.4 A review conducted of the current model of Extra Care schemes in Wolverhampton resulted in agreement for existing Extra Care Schemes to adopt Individual Service Funds (ISF's) for each resident. This enables flexibility and clarity about each individual

resident's care. The ISF rate proposed for these schemes will be set at the Supported Living rate and the proposal is cost neutral. This is in progress and except for one scheme, (for which the care contract was recently awarded and is unable to consider ISF at this point), all schemes will move to ISF arrangements.

10.5 During COVID-19 extra care providers have met care needs.

10.6 The fee review recommendation is an increase to the remaining block contracts based on anticipated inflationary rises.

11.0 Supported Living

11.1 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.

11.2 During COVID-19 supported living providers have met care needs.

11.3 The current supported living rates are comparable when benchmarked against other local authorities and providers entered the framework based on the rate offered. The fee review will consider additional costs that providers will incur during 2022-2023.

11.4 There is also an Enhanced Supported Living Framework in Wolverhampton supporting people with complex and forensic needs. This provision is about to be retendered and rates will be set as part of the tender process.

12.0 Residential Provision for People Under 65 Years with Complex Needs

12.1 The provision of residential and nursing care for people under the age of 65 years 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.

12.2 During COVID-19 care needs have been met.

12.3 An inflationary increase has been awarded to this provision for the last two years 2021–2021 and 2021 - 2022. Each placement cost is agreed based on the individual's identifiable need. Nationally there is limited data to enable comparative benchmarking against locally agreed rates due to the variance in placement costs.

12.4 Activity will take place during 2022 to determine the fair cost of care for Wolverhampton placements.

12.5 The fee review recommendation is based on maintaining sufficiency for this type of provision.

13.0 Community Activities for Older People

- 13.1 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.
- 13.2 Due to COVID-19 many older people community activities were suspended, as they take place in communal lounges of extra care schemes, and these are not available for use at present. To mitigate this the Council has funded commissioned planned sessions as opposed to those delivered. The Adult Commissioning team are working with these providers to safely reintroduce services.
- 13.3 A full review to introduce a new model for community activities support for older adults was delayed due to COVID-19 and this review will now be conducted during 2022. 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.
- 13.4 There is a risk to the future viability of some providers if people choose not to return to access such services.
- 13.5 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) and this will be considered in the review.
- 13.6 The fee review recommendation considers the current cost to providers and impact of COVID-19 to this provision and seeks to sustain market during the review.

14.0 Community Opportunities for Adults with Complex Needs

- 14.1 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.
- 14.2 To mitigate the impact of COVID-19, the Council has funded commissioned planned sessions as opposed to delivered. Most people are still able to access the services safely with these being delivered creatively or/in a virtual setting. The Adult Commissioning team are working with these providers to safely reintroduce these services fully.
- 14.3 The rates for community opportunities for adults with complex needs are aligned to the current supported living rate and funded proportionately according to staffing ratio.

14.4 The fee review will be based on the recommendation for the supported living rate.

15.0 Evaluation of alternative options

15.1 Consideration was given to different options..

15.2 Option 1: Doing nothing. This is not an option that could be considered as the Council would not be able to demonstrate supporting sufficiency within the external social care provider market in Wolverhampton.

15.3 For Home care, Supported Living, Home based Respite, Rapid Response/ Re-ablement Home Care, Direct Payments and Community Activities for Younger Adults, two further options were considered, Option 2 was an option based on applying the previous fee review methodology and Option 3 was an option based on information from the regional ADASS about potential costs to providers as well as considering benchmarking against the funding rates of other Councils within CIPFA comparators and neighbouring within the Black Country. For these sectors Option 3 has been recommended.

15.4 The locally agreed rates for older people's care home provision were previously based on a rate for general residential and nursing and a different rate for residential and nursing with dementia support. Monitoring of bed availability/capacity within Wolverhampton and considering benchmarking with other Councils within CIPFA comparators and neighbouring within the Black Country area rates has identified potential sufficiency issues with nursing provision and nursing with dementia support provision. To mitigate this there will now be four rates for: residential care, residential care with dementia, nursing care, nursing care with dementia support. Option 2 was an option based on applying the previous fee review methodology and Option 3 was based on also considering ongoing capacity in the market to secure placements within Wolverhampton. Option 3 has been recommended.

15.5 For Residential Provision for Young Adults, the options considered included, option 2 raise in line with home care rates and option 3 raise in line with anticipated inflation. These placement costs are negotiated on placement and vary, based on this the recommended proposal is option 3 to raise in line with anticipated inflation.

15.6 For Extra Care Provision, the options considered included, option 2 raise in line with home care rates and option 3 raise in line with anticipated inflation. The majority of Extra Care in Wolverhampton is being migrated to payment on an individual basis via Individual service Funds (ISF'S). One scheme will remain as a block contract and the contract value covers all costs and the staffing cost is not broken down and that there isn't an hourly rate identified based on this the proposal recommended is option 3 to raise in line with anticipated inflation.

16.0 Reasons for decision(s)

- 16.1 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.

17.0 Financial implications

- 17.1 The costs identified above are funded from Adults Services care purchasing which has a draft net controllable budget of £81.4 million in 2022-2023.
- 17.2 The recommendations being considered in this report represent a total estimated cost increase in of the region of £4.1 million.
- 17.3 The Council's Final Budget and Medium Term Financial Strategy (MTFS) for 2022-2023 to 2025-2026 which will be presented to Cabinet on 23 February and Full Council on 2 March 2022 includes growth for Adult Services totalling £9.2 million for 2022-2023. This is to fund forecast cost increases related to increased demand for services, the impact of any fee uplift, the impact of the Covid-19 pandemic, cost pressures associated with supporting additional reablement and discharges from hospital - which are currently funded by Health, managing demand across the current system and the delivery of the adult redesign.
- 17.4 In addition to this, as announced on the 7 September in the 'Build Back Better: Our Plan for Health and Social Care', local authorities have been provided with specific grant funding to support preparing their markets for adult social care reform and to help move towards paying a fair cost of care. Based on current financial modelling, we believe that this additional grant and growth already built into the budget is sufficient to cover the forecast cost pressures. However, pressures will continue to be monitored and reviewed in light of the ongoing Covid-19 pandemic, with updates provided to Councillors as part of the quarterly revenue budget monitoring reports
[JB/09022022/Y]

18.0 Legal implications

- 18.1 The relevant legislation is set out in the body of the report.
- 18.2 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 4 April 2022. 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/09022022/A]

19.0 Equalities implications

19.1 There are no equalities implications arising from this report.

20.0 All other implications

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

21.0 Schedule of background papers.

21.1 None

22.0 Appendices

22.1 Appendix 1: Legislation and Government Policy which impacts on the 2023 - 2024 Fee Review

22.2 Appendix 2: Benchmarking of Wolverhampton care provision costs for 2021-2022 comparing neighbouring local authorities and CIPFA (the Chartered Institute of Public Finance and Accountancy) comparators.

22.3 Appendix 3: Placement numbers and/or hours delivered or planned for each care sector in Wolverhampton