

## OFFICER DECISION RECORD 1 FORM

This form should be used to record Officer Decisions in Excess of £100k (but below the key decision threshold), or where required by Financial, Contract or other Procedure Rules or following formal delegation from Cabinet or a Cabinet Member or a Council Committee.

**Decision Reference No: AWC.006.2024 2024/2025 Provider Care Fee Increases**

**BOX 1****DIRECTORATE: AWC****DATE: 04/03/2024****Contact Name: Kathryn Anderson-  
Bratt and Paul Williams****Tel. No.: 737859 & 737014****Subject Matter: 2024/2025 Provider Care Fee Increases****BOX 2****DECISION TAKEN**

1. To increase the provider care fees as set out in the following table:

Category	Description	Current Fee 2023/2024 £	Proposed Inflationary Increase 2024/2025 %	Final proposed fee 2024/2025
Domiciliary care	Framework Day - hourly rate	24.60	9.43	26.92
Domiciliary care	Framework Day Premium - hourly rate	25.60	9.06	27.92
Residential Contracted (Allowable Rate)	Residential, Residential EMI, Respite – weekly rate	715.64	8.78	778.49
Residential Contracted (Allowable Rate)	Nursing– weekly rate	717.97	8.82	781.30
Residential Contracted (Allowable Rate)	Nursing EMI – weekly rate	790.58	8.89	860.83
Specialist Residential Negotiated	Residential - Specialist (mainly WAA) – weekly rate	Various	6.7	Various
Extra Care	Extra Care – hourly rate	19.46	9.43	21.30
Supported Living	Supported Living - Day & Night – hourly rate	Various	9.05-9.76	Various

These rates will then be used in the calculation of client contributions for their care, in line with current charging policy.

The charge rate for Standard Day Care is to increase by 6.7% from £35.80 per day in 2023/2024 to £38.20 for 2024/2025. This is in line with the Council's standard fees and charges rate and was approved as part of the Fees and Charges 2024/2025 Budget report.

This ODR approves the same 6.7% uplift to the charge rate for Complex Day Care from £86.11 in 2023/2024 to £91.88 per day in 2024/2025. This rate is only used (where appropriate) to recharge day care services to other local authorities or the Integrated Care Board (ICB).

All provider rate changes will be effective from Monday 1<sup>st</sup> April 2024.

### **BOX 3**

#### **REASON FOR THE DECISION**

Care fees are reviewed annually as part of the budget setting process (and in accordance with service specific contractual obligations as appropriate) to reflect inflationary pressures in line with the Care Act 2014 'Support Statutory Guidance' which specifically requires Local Authorities to:

- Reflect a fair cost of care in fee setting, and not to set arbitrary or unsustainable fees.
- Enable providers to pay at least the national minimum/living wage.
- Understand the business environment and risks faced by providers.

For 2024/2025, the key inflationary factors effecting care provider costs are –

- The National Living Wage (for adults 25 or over) increasing by 9.7% to £11.44 hour with effect from April 2024.
- The Consumer Price Index (CPI) 12-month rate was 6.7% in September 2023.

The Council has liaised with the ICB colleagues in considering the 2024/2025 fee proposals, considering that some care packages are jointly funded.

The proposals contained in this ODR enable the Council to fulfil its Care Act responsibilities in relation to market stability and ensure adequate and appropriate service provision.

Consultations have taken place with all providers on the proposed inflationary fee uplifts, engagement in the consultation has been low with only three providers submitting any response. None of the responses provided additional evidence on any costs not accounted for within the proposals. A summary of the responses received are attached as appendix A.

#### **Fee Uplifts 2023/2024 and Fair Cost of Care 2022**

During 2022/2023 all Councils were required to complete the Fair Cost of Care for 65+ residential care and 18+ domiciliary care. Councils were expected to utilise the results from the Fair Cost of Care along with the Market Sustainability and Improvement Fund to inform fee setting for 2023/2024.

The results from the Doncaster Fair Cost of Care are available to view [here](#)

Full Council considered the outcome of the Fair Cost of Care and the resulting proposals to fee rates for 2023/2024 and additional inflationary cost pressures including Consumer Price

Inflation (CPI) of 10.1% as at September 2022 and increases to National Minimum Wage to £10.42 from April 2023.

The results from the Fair Cost of Care were also utilised to inform the fee setting for Extra Care and Supported Living providing a benchmark from the 18+ domiciliary care results.

Providers were given significant uplifts to fee rates ranging from 15% to 26%.

### **Fee Setting 2024/2025**

The Council made proposals to providers during December 2023 on the fee uplifts for 2024/2025 taking into account the significant uplifts provided in 2023/2024. The proposals were to uplift fee rates by:

- Inflation of the non-staffing base costs by the nationally recognised metric CPI for September 2023 confirmed at 6.7%.
- Application of the National Living Wage increase to staffing costs as calculated within the 2023/2024 base fee to ensure providers are able pay staff the National Living Wage where appropriate and to continue to retain appropriate differentials between staff groups that reflect their seniority.

The Council has duly considered the responses received to the consultation and a summary of the responses received are attached as appendix A.

The Council proposes to uplift fee rates for the following services as outlined above and detailed in the summary table at Box 2 of this report:

- Residential Care
- Domiciliary Care
- Supported Living
- Extra Care

### **Specialist Residential Fees**

With regards to specialist residential fees the actual financial effect of inflationary pressures will be unique to each provider.

The Council will consider any fee uplift requests for specialist residential fees individually. All fee uplift requests will be subject to scrutiny including consideration of current fee levels and the fee uplift requested. The Council will work alongside the ICB for any joint funded services. Where the current fee levels are deemed to be high or the fee uplift requested is significant it is the Council's intention to undertake individual reviews of placement costs utilising CareCubed to ensure value for money from providers in recognition of the on going and challenging public sector budgetary situation.

**BOX 4****ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The option to not increase the fees was considered but was not recommended due to true unavoidable increasing provider costs being recognised.

Recommended option is to inflate the fees based on contracts, to take account of the National Living Wage and CPI inflation, and to continue to support our partners in delivering quality services.

**BOX 5****LEGAL IMPLICATIONS**

Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do.

Section 111 of the Local Government Act 1972 gives the Council the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Under the Care Act 2014, the Council is obligated to meet the eligible care and support needs of its population in accommodation in a care home or by providing care and support to those individuals in their home or in the community.

Section 2B of the National Health Service Act 2006 (as amended by Section 12 of the Health and Social Care Act 2012) places a duty on Councils in England to take appropriate steps to improve the health of the people who live in their area.

The fee uplifts awarded are based on the increase to National Living Wage (a statutory increase) and the Consumer Price Index (a transparent indices for calculating cost increases). Cost increases have been transparently calculated and consultation responses reviewed.

The Council should notify the eligible providers that their contracts for the provision of services will be varied from the relevant date for the specific service, to reflect the new rates set out in box 2. In the case of Specialist Residential Care the need to notify will only arise once any fee uplift has been agreed.

**Name: Phil Crawley Signature: By E-mail Date: 8 March 2024**

Signature of Assistant Director of Legal and Democratic Services (or representative)

**BOX 6****FINANCIAL IMPLICATIONS:**

The Council's budget for 2024/2025 was formally approved at the full Council meeting 26/02/2024. This included an allocation of £8.8m towards price inflation for the Adults, Welbeing and Culture directorate. This includes funding for fee increases relating to National Living Wage

at 9.7% and CPI at 6.7% and includes the costs of the provider fee increases outlined in this report.

The fees included above will be used in the financial assessment of how much clients contribute to the cost of their care, in line with the AHWB charging policy. Client contribution income budgets have been increased to reflect this.

**Name: Paul Williams**                      **Date: 8<sup>th</sup> March 2024**  
**Signature of Assistant Director of Finance & Performance**  
**(or representative)**

**BOX 7**

**OTHER RELEVANT IMPLICATIONS**

N/A

**Name:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Signature of Assistant Director (or representative)

**ANY IMPLICATIONS SENT TO DEPARTMENTS SHOULD GENERALLY BE SUBMITTED AT LEAST 5 WORKING DAYS IN ADVANCE TO ENSURE THESE CAN BE GIVEN THE RELEVANT CONSIDERATION.**

**BOX 8**

**EQUALITY IMPLICATIONS:** (To be completed by the author).

The Council must consider and have due regard to the three aims of the general equality duty when developing and implementing its budget and changes to care fees.

The Council will ensure it makes fair and informed financial decisions, demonstrating its commitment to improving outcomes for the most vulnerable groups of people living in Doncaster. The Council uses a simple due regard process to ensure due regard is considered and to support a transparent, effective process that is accountable to residents.

The care fee proposals therefore require a due regard assessment prior to implementation. The increases proposed in this report are being applied to all placements and are not inequitable to any protected groups. Client contributions are charged in accordance with the Council's 'Charging and Financial Assessment for Adult Care and Support' policy. The policy ensures that people are only required to pay what they can afford towards their care and support, and people are entitled to financial support based on a means-test.

**BOX 9**

**RISK IMPLICATIONS:** (To be completed by the author)

The risks relating to this ODR are:

- Potential market destabilisation and sustainability risks arising from not recognising and mitigating unavoidable provider inflationary costs pressures.

- Non-compliance with statutory legislation (Care Act 2014) requiring Councils to ensure that fee levels are appropriate to allow providers to deliver care with the agreed quality whilst allowing for them to meet statutory obligations to pay at least the national minimum wage and not undertaking any actions which may threaten the sustainability of the market.

## **BOX 10 CONSULTATION**

### Providers

Consultation on the inflationary increases have been completed with all providers in December 2023 giving ample opportunity for providers to respond to the proposals.

### Officers

Colleagues within the ICB continue to work with the Council to review and agree the residential care fees.

## **BOX 11 INFORMATION NOT FOR PUBLICATION**

In accordance with the Freedom of Information Act 2000, it is in the public's interests for this decision to be published in full, redacting only the signatures.

**Name: \_\_Marcia Rushton\_ Signature \_\_By Email\_\_ Date: \_\_11<sup>th</sup> March 2024\_\_**

Signature of FOI Lead Officer for service area where ODR originates

## **BOX 12 BACKGROUND PAPERS**

Please confirm if any Background Papers are included with this ODR NO

(If YES please list and submit these with this form)

Consultation Feedback from Providers

**BOX 13  
AUTHORISATION**

**Name: Phil Holmes Signature :** \_



**Date: 11/03/2024**

Director of Adults Wellbeing and Culture

**Does this decision require authorisation by the Chief Financial Officer or other Officer**

**YES/NO**

**If yes please authorise below:**

**Name: Faye Tyas Signature:**



**Date: 12/03/2024**

Assistant Director of Finance & Technology & Chief Financial Officer

**Consultation with Relevant Member(s)**

**Name:           Signature:   Date:**

**Designation**

**Declaration of Interest   YES/NO**

**If YES please give details below:**

**PLEASE NOTE THIS FORM WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE IN FULL UNLESS IT CONTAINS EXEMPT OR CONFIDENTIAL INFORMATION.**

**Once completed a PDF copy of this form and any relevant background papers should be forwarded to Governance Services at**

**[Democratic.Services@doncaster.gov.uk](mailto:Democratic.Services@doncaster.gov.uk) who will arrange publication.**

**It is the responsibility of the decision taker to clearly identify any information that is confidential or exempt and should be redacted before publication.**