

ANNUAL RESIDENTIAL/NURSING, HOME CARE AND OTHER CARE MANAGEMENT SERVICES FEE SETTING 2022/2023

Report of the Director of Adult Services

Introduction and Purpose of the Report

- 1.1 This report outlines the 2022/23 fee setting recommendations for the most significant areas of externally commissioned services within Adult Social Care.

The following services are included within the scope of this report:

- Residential and Nursing Care Homes
- Homecare provision offered within an individual's home
- Day Care services
- Learning Disability Services
- Other Non-residential care management services

- 1.2 The continued impact of the COVID-19 pandemic has meant that the local adult social care sector in Stockport has experienced an extremely challenging year which has included unprecedented financial challenges in 2021/22. The requirement for increased Personal Protective Equipment (PPE), increased staffing levels and the introduction of mandatory vaccinations for care home staff has been mitigated to an extent by the provision and funding grants that have been available from Central Government but managed by local authorities. Occupancy levels in local care homes has increased from unprecedented low levels in 2020/21. Non-recurrent government grant allocations to local authorities have supported the Adult Social Care sector as a whole but there remains financial and practical pressure on providers. There remains no indication of whether COVID-19 related grants will continue beyond 31 March 2022, which creates some challenges for providers in financial forward planning.

- 1.3 The report is intended to be considered in the context of budget setting proposals and describes the recommended fee increase for 2022/23. This will allow for implementation at the start of the financial year or where relevant as close as possible to this date and will provide financial certainty to the market, supporting care providers with their cash flow, as well as supporting the process for assessment of client contributions. It will also avoid internal inefficiency caused by the need to make back payments as well as conforming to good commissioning, procurement practices and will meet both policy and legislative requirements. Finally, it will allow for acceleration for the Council to be a Real Living Wage commissioner.

2. Background

- 2.1 The Care Act requires local authorities to help develop a market that delivers a wide range of sustainable high-quality care and support services that will be available to their communities. It requires local authorities to pay a fair price for care for efficient and effective providers. Local authorities are required to pay a fee level that ensures providers are able to meet their statutory responsibilities; for example, national minimum wage. At the same time local authorities must ensure that the services commissioned are cost effective and offer value for money. When purchasing and arranging services, local authorities must consider how they might affect an individual's wellbeing. There are risks for the Council and its partners in failing to sustain an appropriate choice of provision at the required quality.
- 2.2 The external market for care and support is of fundamental importance to the local health and social care system for those that require care and support. This provision is key to supporting an individual to maintain their independence and quality of life in the most appropriate setting that suits their needs.

A key driver for supporting the external market is its ability to reduce the number of hospital admissions and respond appropriately to hospital discharges as well as meeting our statutory responsibilities. This has continued to be an area of focus for commissioners in the current financial year during the ongoing impact of the COVID-19 pandemic. The Council has continued to work together with the local Foundation Trust and Stockport CCG to ensure that the discharge to assess (D2A) process is able to support the very significant pressures across the health and social care system.

- 2.3 Stockport continues to work with colleagues and providers to understand the local care market; and to support and develop it accordingly. Stockport uses a risk and sustainability tool to understand and manage its care market with a particular focus on identifying risks associated with sustainability and provider failure.

There is good support to our provider market as needed, in order to secure continuity of care, including promoting the financial support available. The Council has ensured that the grant funding allocated from Central Government has been distributed promptly and equitably throughout the adult social care provider market in Stockport.

- 2.4 Following on from the significant investment made in uplifting fees across residential and nursing homes in 2019/20 and the changes in demand and occupancy in Stockport, progress is steady in ensuring there is sufficiency of provision that is of good quality. The table below illustrates the level of fee uplifts from 18/19 and highlights the increasing rates over this period. However, there continue to be challenges in securing affordable provision within the Borough.

Care Type	2018/19	2019/20	2020/21	2021/22
	£	£	£	£
Homecare Standard Rate	14.78	16.16	16.68	17.16
Homecare Ethical Rate	15.61	17.04	17.56	18.08
Standard Residential	470	508	530	551
Residential EMI	505	603	627	652
Standard Nursing	518	621	646	671
Nursing EMI	546	638	662	688

- 2.5 In 2019/20 as previously noted the Council's investment was made to reflect in both Home Care and Residential / Nursing care the recognition of the real living wage in its cost of care model. This meant for those services there was provision for providers to pay the real living wage to their staff. Adult Social Care Commissioners worked with the care sector to align pay rates to the real living wage for care staff. This has resulted in several providers in the Borough accredited as real living wage employers.
- 2.6 Providers have fed back to commissioners that a major issue continues to be the recruitment and retention of a suitable care workforce. The situation has been exacerbated for care home providers by the mandatory vaccination requirement for their staff. Staff shortages are particularly acute in registered managers and qualified nursing staff which has been exacerbated by increasing demand for nurses through the COVID-19 pandemic. Whilst this is a national challenge, providers have also consistently noted that recruitment difficulties are more acute in Stockport due to the demography of the area. The Council continues to support the sector with this recruitment challenge, having provided a number of virtual and in person recruitment events in the last year.
- 2.7 The Care Quality Commission (CQC) have needed to change and adapt their inspection regime in light of the challenges and restrictions in the COVID-19 pandemic. CQC have as a result adopted an intelligence led, risk based inspection regime, meaning that they are looking to inspect providers where there have been concerns raised or incidents reported to them. Therefore inspections over the last year have been more likely to result in ratings of "Requires Improvement" or "Inadequate" than "Good" or "Outstanding". Across England in 2021, Care Homes were 29% less likely to be rated as Good, 10.5% more likely to be rated as RI and 55% more likely to be rated as Inadequate as compared to 2020.

In this context, the reduction in CQC rated quality in the percentage of residential care beds in Stockport rated as good or outstanding; 86.8%, 4% down on the March 2021 figure of 90.8%, is disappointing but does reflect the good quality provision available in Stockport care homes. For care homes with nursing the percentage of beds in Stockport rated as good or outstanding is 59% which is a slight increase on April 2021. In terms of domiciliary support (often referred to as home care) the high level of quality in provision based in Stockport has largely been maintained with 91% of providers rated as good or outstanding, which is a reduction of 6% on the figure for March 2021.

The backing provided by commissioners through quality support and guidance alongside financial investment in the Stockport market for adult social care has continued to be welcomed by providers and impacts positively on the quality of provision available to residents.

- 2.8 The Council continues to work with providers with the Stockport's Ethical Framework and by investing in home support the Council has enabled more people to continue to live in their own communities. Stockport Council has continued to drive down the time taken for people to receive support in their own home following the decision that the support is needed. The continued impact of the COVID-19 pandemic has increased the demand for new packages of support for people living in their own homes over the last year. The numbers of hours provided has increased to more than 16,500 hours of planned provision per week in the Borough which was anticipated as part of the Council having implemented the 'Home First' approach.
- 2.9 Under the Care Act 2014, local authorities are required to facilitate a vibrant, diverse and sustainable market for high quality care. In line with these requirements and the Council's commissioning approach the Ethical Framework for Home Support now accounts for over 90% of the support provided in Stockport.
- 2.10 The Council provides support to over 850 people with learning disabilities. The Council supports 391 people in their own tenancies, ranging from individual apartments to large shared houses. There are also people who have their own places and receive domiciliary support akin to the support an older person might receive to help with personal care and daily living requirements. A small proportion of people receive specialist residential services to meet their needs.
- 2.11 Providers of learning disability services are facing very similar pressures to those experienced by other providers around recruitment and retention. The needs of people with learning disabilities coming through into adult services are continuing to increase in complexity, which leads to increasing challenges within commissioning and provision. The Council will continue to engage with providers in these care settings during 2022/23 to consider RLW as a basis for fee uplifts. The Council has stated its ambition to becoming a Real Living Wage (RLW) employer, and is bringing forward additional investment proposals as part of fee setting for 2022/23 and this will be embedded in supported living commissioning exercises planned for quarter 1 of 2022/23.
- 2.12 With respect to day services, the Council directly commissions services with eight providers on the day services framework and a smaller number of providers who offer specialist day services. The day service providers on the framework are mainly focused on delivering support to older people and people with a learning disability, of whom 426 currently receive a service. These providers offer a diverse

range of services, which are available on weekdays and evenings and some services operate at weekends. These services are community based, operating either from a centre or through a structured activity format at different venues across the borough.

- 2.13 Day services have continued to be impacted significantly by the COVID-19 pandemic, providers were limited in their capacity by COVID guidance up until June 2021. Financial and other support has been offered to day service providers through 2021/22 using the flexibility afforded to Councils in using the grants from Central Government that have been available. This has been successful in supporting providers to restart and build up to their previous level of provision as circumstances have allowed.

3. Financial Context

- 3.1 The local adult social care sector continued to experience significant financial challenges in 2021/22 due to Covid-19. This follows unprecedented financial pressures, risk and uncertainty in 2020/21 as Covid-19 became prevalent in local communities.
- 3.2 During the last two years the Council has responded to these financial challenges to support local adult social care providers through national grant funding and local schemes which focuses on financial support for the entirety of the local care market rather than just supporting providers with additional financial costs and/or reduced levels of income for clients who are in receipt of services from Adult Social Care.
- 3.3 The Council has funded the local care sector through mandatory and discretionary government grant funding over the last two years. These grants include:
- Infection Control Funding (May 2020 – March 2022)
 - Rapid Testing Fund (December 2020 – March 2022)
 - Vaccine Fund (October 2021 – March 2022)
 - Workforce Capacity Fund (January 2021 – March 2021)
 - Workforce Recruitment and Retention Fund - Round 1 (October 2021 – March 2022)
 - Workforce Recruitment and Retention Fund - Round 2 (December 2021 – March 2022)
 - Omicron Support Fund (January 2022 – March 2022)
- 3.4 In addition to this, further temporary financial support from the Council was established through:
- An offer of occupancy protection to support the continued financial viability of local care home providers who have been more significantly impacted by Covid-19.
 - Additional financial support to local bed based and community care providers for additional costs due to Covid-19, which could not be met through Infection Control Fund allocations.

- Supporting homecare providers up to planned levels of care where they were unable to attend a visit due to Covid-19.
- Supporting Day Care providers up to planned levels of care and from November 2020 through an attendance protection model. This was to ensure the financial sustainability of the local market where levels of attendance have been significantly impacted due to the national guidelines associated with Covid-19 and the subsequent ability for providers to accept clients back into provision.

The total indicative funding provided to the local external care market via the grant funding and local schemes is £11.8m for 2020/21 and £5.7m to date for 2021/22.

- 3.5 **Market Sustainability and Fair Cost of Care Fund** - In 2022/23 £162m is being provided to local authorities to enable them to prepare their markets for reform, with additional funding of £600 million being made available in both 2023 to 2024 and 2024 to 2025. Of the £162m Stockport will receive £0.866m in 2022/23. These proposals are funded by the new Health and Care Levy announced in September 2021, of which £5.4 billion is being invested into adult social care over the next 3 years. Beyond the next 3 years, an increasing share of funding raised by the levy will be spent on social care in England.
- 3.6 The 2022 to 2023 funding is designed to ensure local authorities can prepare their markets for reform and move towards paying providers a fair cost of care, as appropriate to local circumstances. This will involve the following:-
- conducting a cost of care exercise to determine the sustainable rates and identify how close they are to it;
 - engaging with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market (particularly the 65+ residential care market, but also additional pressures to domiciliary care)
 - strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions;
 - use this additional funding to genuinely increase fee rates, as appropriate to local circumstances
- 3.7 This will enable us not only to determine the sustainable rates and identify how close we are to it, but also quantify and understand the variation across the market and develop a strategy for how we equalise the rates across the market where we are purchasing the same kind of care. Members will be updated the progress and implications of this reform for the local authority.

4. National Context

- 4.1 Recent announcements from Central Government aligned to the National Living Wage and Real Living Wage / UK Living Wage are set out in the table below:

Description	21/22 (Per Hour)	22/23 (Per Hour)	Increase (£)	Increase (%)
National Living Wage	£8.91	£9.50	0.59	6.6
Real Living Wage	£9.50	£9.90	0.40	4.2

- 4.2 These uplifts form an important consideration aligned to fee setting, to continue to support the Adult Social Care market to deliver high-quality, cost-effective care. The initial cost of care modelling takes the September CPI 12-month rate as the basis, which for September 21 was 3.1%. It is noted however that the 12-month CPI rate for December 2021 was 5.4%.
- 4.3 These national rate increases continue to be in the context of additional funding into Adult Social Care being on a more non recurrent basis through for example Adult Social Care grants, which provides greater financial uncertainty to the Council when preparing recurrent fee setting increases. In addition, the planned three year funding settlement for Local Authorities has been reduced to a one year settlement, which creates further financial risks and challenges aligned to recurrent investment.

5. Residential and Nursing Care

- 5.1 Local providers have experienced significant financial challenges through additional costs and reduced levels of income due to Covid-19, which the Council has responded to as highlighted above.
- 5.2 Following engagement with the local care sector as part of the Councils fee setting process a range of financial pressures have been highlighted, including for example:
- Impact to providers of a 1.25% National Insurance increase
 - Impact of agency rates;
 - Potential increases to pay at RLW
 - Current staffing levels above those prior to Covid-19
 - Ensuring staff retention in local care market
 - Additional financial impact of food, utilities and insurance costs
 - Testing requirements for clients, staff and visitors
 - Impact of continued home closures from outbreaks of infection
- 5.3 To date no further specific Adult Social Care grants have been announced to provide financial support to the local care sector into 2022/23 to manage for example Infection Prevention Control and Workforce Retention.
- 5.4 Government has recently announced the extension of free PPE for Social Care providers into 2022/23 by up to one year to March 2023 and from the 31st January 2022 there will be no limit of visitations within Care Homes and outbreak management rules within care homes only need to be followed for 14 days rather than 28 days.

- 5.5 There continues to be a challenge due to local market conditions to secure beds at the Councils ceiling rate prices. The bed tracker analysis and daily vacancy information is shared with practitioners to ensure local, cost-effective care can be provided to meet clients required outcomes. Commissioning of care home provision has been challenging due to for example temporary home closures because of infection and the impact on patient flow from the Hospital Discharge Programme. This is to ensure, where it is medically appropriate to do so, clients are supported back into the community, through Discharge To Assess as timely as possible to maximise capacity within Acute provision to support hospital admissions in part due to Covid-19.
- 5.6 Benchmarking on 2021/22 ceiling rates within the North West region continues to place Stockport within the top two Authorities for current ceiling rates within more complex Residential Care provision and all Nursing provision.
- 5.7 Additional investment to support the local care home sector needs to be considered from within additional recurrent funding via ceiling rate increases due to inflation and more permanent financial impacts due to Covid-19 on care home settings.
- 5.8 A further consideration is the anticipated baseline level of activity in April 2022. As previously highlighted the Hospital Discharge programme has created a temporary increase in Social Care commissioned activity. Assessments are required to understand a client's ongoing care needs and an individual's financial circumstances. The outcomes of these assessments, alongside the acuity of current individuals in receipt of social care services provides an indicative baseline of clients in receipt of services to model the financial impact.
- 5.9 The indicative annual cost of the proposed uplift is **£1.337m**, which equates to on average **a 6.4%** increase to ceiling rate beds. This includes RLW as the basis for all staffing elements in the cost of care modelling. A 3.0% increase has been included to beds which already include an enhanced rate. The analysis underpinning the ceiling rate increases are set out below:
- Care staff hourly wages increased from £9.50 to £9.90, in line with recently announced RLW increases
 - Non care staff hourly rates initially increased from £8.91 to £9.50, in line with the recently announced NLW increases. A further separate uplift has been included to reflect non care hours at the RLW rate of £9.90.
 - An increase of 4% to the number of direct care hours included within the cost of care calculations
 - Inclusion of the proportionate uplift of the 1.25% National Insurance increase.
 - Non staffing costs increased by 3.2% on average, above the September 2021 12-month CPI rolling average.

The table below illustrates the proposed increase:

Service Type	Per Week						
	Current 21/22 (£)	Uplift (£)	Uplift (%)	Total 22/23 (£)	RLW Additional Uplift (£)	RLW Additional Uplift (%)	Proposed uplift 22/23 (£)
Standard Residential	551	33	6.0	584	3	0.5	587
Residential EMI	652	39	6.0	691	3	0.4	694
Standard Nursing	671	41	6.1	712	3	0.4	715
Nursing EMI	688	41	6.0	729	3	0.4	732

*No ensuite - £14 reduction, if also a shared room £64 reduction.

**In addition to the rates above Nursing Care providers also receive Funded Nursing Care (FNC), the current standard 2021/22 weekly rate is £187.60. Rates for 2022/23 are still to be confirmed.

6. Homecare

- 6.1 The impact of Covid-19 on Homecare services has also been significant. Initially this was predominantly due to the inability to carry out visits due to Covid-19 and staff and/or clients contracting the virus alongside those clients who were isolating. More recently staff retention has become a significant issue aligned to competing job markets. Accessibility and availability of homecare provision is vital to the local care market to support those residents whose outcomes can be met in their homes.
- 6.2 There are similar challenges as with Care Home provision in forecasting the financial impact of fee uplifts aligned to the baseline homecare provision in April 2022. This again has been impacted by the increased activity due to the Hospital Discharge Programme.
- 6.3 The proposed uplift of the Homecare hourly rate is fully aligned to the Real Living Wage increase; it also includes an adjustment for the 1.25% National Insurance increase. A further proportionate increase has been included for the additional non pay costs that homecare providers are experiencing, aligned to back-office functions and inflationary increases to other costs. The proposed uplift is 5.6% with an indicative annual cost of £0.790m.

The table below illustrates the proposed hourly rate increases:

Service Type	Per Hour			
	21/22 (£)	Uplift (£)	Uplift (%)	22/23 (£)
Homecare Standard Rate	17.16	0.96	5.6	18.12
Homecare Ethical Rate	18.08	1.00	5.6	19.08

7. Other Care Management Services

- 7.1 Services include: Learning Disabilities and Physical Disabilities Residential and Nursing Care, Individual Service Funds, Day Services, Learning Disabilities Outsourced Tenancies, Mental Health Residential and Nursing Care and Non-Residential Care services and Extra Care Housing, Direct Payments (Council commissioned services).
- 7.2 A blended approach has been applied as a partial basis for fee setting based on the proportionate contract rates aligned to pay and non-pay elements of service contracts.
- 7.3 The pay element was calculated using the 2022/23 NLW rate of £9.50 per hour, an increase of £0.59 from the £8.91 rate for 2021/22. Taking into consideration the impact on National Insurance and Superannuation the overall increase was 7.4% for the pay element. A non-pay uplift of 3.2% has been applied, marginally above the September 2021 12 month rolling average Consumer Price Index (CPI).
- 7.4 The blended percentage increase based on pay and non-pay increases from April 2022 is **6.0%**.
- 7.5 In addition to this at the 2022/23 Budget Council meeting held on the 24th February 2022 the Council accelerated its ambition to becoming a Real Living Wage (RLW) employer. This creates an opportunity to bring forward the additional investment proposals to as soon as is possible within the new financial year. A further increase to the RLW rate of £9.90 for the staffing element of contracts would require an indicative additional blended percentage increase of **3.3%**, taking the overall indicative increase to **9.3%**.
- 7.6 Adult Social Care commissioners will continue to engage with the local care market during Q1 of 2022/23 to discuss uplifts with individual providers aligned to their current fee rates and RLW ambitions. This is with the intention to ensure the Council can set it's ongoing fee rates inclusive of RLW with providers as early as is possible in the new financial year.
- 7.7 Following the conclusion of this process a further uplift would then be applied early in the new financial year aligned to the Councils accelerated RLW ambitions. Uplifts to individual providers and services will vary based on their individual circumstances and current contract arrangements. Initial indicative calculations for 2022/23 fee setting, would equate to an annual investment of **£3.909m**.

8. Personal Assistant (PA) rates

- 8.1 Baseline PA rates were increased to £11.23 including on costs in 2021/22 aligned to NLW increases. Given the increases announced in NLW, the proposed baseline rate for 2022/23 was £12.00 as set out in the table below. Since the Councils ambition to accelerate implementation to RLW a further increase has been applied to the baseline hourly rate from April 2022.

Service Type	Per Hour						
	Current 21/22 (£)	Uplift (£)	Uplift (%)	Total 22/23 (£)	RLW Additional Uplift (£)	RLW Additional Uplift (%)	Proposed uplift 22/23 (£)
Personal Assistant Rate	11.23	0.77	6.8	12.00	0.48	4.3	12.48

- 8.2 Indicative modelling based on RLW, using indicative analysis of the proportion of PA's impacted by the base rate increase equates to an additional cost of £0.287m.

9. Summary of Proposed Uplifts

- 9.1 A summary of the indicative proposed uplifts to care management services and recurrent investment by the Council of £6.323m is illustrated in the table below. This uses RLW as the basis for the cost of care modelling for all care settings. The additional recurrent RLW investment is contained within the Councils current Medium Term Financial Plan.

Service	Initial Uplift	Initial Investment (£m)	RLW Additional Uplift	RLW Additional Investment (£m)	Total Uplift	Total indicative Investment (£m)
Residential & Nursing Care	6%	1.272	0.4%	0.065	6.4%	1.337
Homecare	5.6%	0.790	0.0%	0	5.6%	0.790
Other Care Management Services	6%	2.529	3.3%	1.380	9.3%	3.909
PA Rates	6.8%	0.175	4.3%	0.112	11.1%	0.287
Total		4.766		1.557		6.323

- 9.2 In making this proposed investment above national indicators, the Council has included the funding it received for 2022/23 of £0.866m, to support Local Authorities in offering a fair cost of care to providers, to support market sustainability.

10. Legal Considerations

- 10.1 S5 (1) of the Care Act 2014 places a duty on the Council to promote a diverse and high quality market of care and support services (including prevention services) for people in their local area. In particular, the Council must act with a view to ensuring that there is a sufficient overall pool of efficient providers and a range of different services and providers to ensure that people are able to choose between a range of providers when care is required in a residential setting.

- 10.2 S5 (2) lists certain factors the LA must consider when exercising its duty. These include: the importance of ensuring the sustainability of the market and supporting continuous improvement in the quality of services; making available information about the services available to people in its area; the current and future demand for services in its area, and how this demand can be met by providers; the importance of carers and service users being able to undertake work, education and training; and the importance of fostering a suitable workforce.
- 10.3 S5 (3) requires the Council, when considering current and future local demand and how this might be met by providers, to consider the need for there to be sufficient services to meet the needs of people in their area. Local authorities should understand the business environment of the providers offering services in their area and seek to work with providers facing challenges and understand their risks.
- 10.4 S5 (4) requires the Council to consider, when making decisions about commissioning services, the importance of promoting the well-being of people with care and support needs and carers. S5 (5) requires the council to have regard to the duty when either providing or arranging services to meet the care and support needs of adults with care needs and carers. The Care Act accompanying guidance, statutory guidance which the council must have regard to, states the Council should have evidence that the fee levels they pay for care and support services enable the delivery of agreed care packages and support a sustainable market. When commissioning services, local authorities should assure themselves and have evidence that contract terms, conditions and fee levels for care and support services are appropriate to provide the delivery of the agreed care packages with agreed quality of care. This should support and promote the wellbeing of people who receive care and support, and allow for the service provider ability to meet statutory obligations to pay at least the national minimum wage and provide effective training and development of staff. It should also allow retention of staff commensurate with delivering services to the agreed quality, and encourage innovation and improvement.

11. Human Resources Impact

- 11.1 There is no direct HR impact for council other than officer time and resources.

12. Equalities Impact

- 12.1 There are not any identified negative impacts arising from the proposals contained in this report. A combination of positive and neutral impacts have been identified. The positive impacts relate to enabling providers to maintain the RLW or make provision to pay the RLW, and therefore being able to retain a more stable workforce, benefiting residents, and of course staff who are able to command a higher salary. In addition, a more stable market benefits both staff and residents as the risk of service closure from financial causes is reduced.
- 12.2 Other benefits will be increased choice for residents as more homes locally become more affordable, and a reduced financial burden for some families as their contribution to more expensive placements may reduce. Women would be key beneficiaries of the identified positive impacts as they make up the majority of the workforce and the majority of residents

13. Environmental Impact

- 13.1 By ensuring a range of good quality local provision in Stockport, local residents are enabled to remain living in their local area. Travel and associated fuel costs and usage for families are reduced along with related fuel emissions.

14. Risks

14.1 The key risks arising from the 2022/23 provider uplifts are:

- The residential / nursing market does not respond positively to the proposed increases and other interventions resulting in the value and number of enhancements increasing;
- The impact of the current COVID-19 pandemic develops, evolves or continues, despite the rollout of vaccines and the Central Government grant funding is not provided to local authorities and providers to address the associated challenges;
- People stay in care homes for a longer period than the Council's forecasts, resulting in the timescales and costs being greater than anticipated;
- Individual discussions and negotiations with providers are unsuccessful and cost reductions are not experienced when clients exit services and new placements are made;
- The level of fee uplift does not support the development and maintenance of quality across the provider sector
- Providers do not pass onto their employees the Real Living Wage pay;
- Non-recurrent funding to ASC ceases and restrictions continue or develop into 2022/23.

14.2 The risks highlighted above will continue to be mitigated through ongoing negotiations with providers through individual meetings and engagement through care home forums alongside health colleagues from Stockport CCG. The monitoring of the approach is through the Independence, Prevention Control Group and via business intelligence information. The commissioning team, alongside CCG colleagues, will continue to analyse, support and develop the provider market, seeking to drive improvement in terms of quality alongside maintaining value for money in provision across Stockport.

14.3 The COVID-19 funding panel continues to review the applications from providers in Stockport for additional expenditure directly resulting from the impact of the pandemic in line with Central Government guidance on the available grants. This ensures that funding provided is proportionate, transparent and consistent across the market. Both commissioners and accountancy staff meet regularly to review the submissions and returns that have been made by providers to the funding panel. The Council continues to be proactive in contacting providers who have not submitted applications for financial support to ensure that all providers benefit from this support.

15. Conclusion

- 15.1 Under the Care Act, the Local Authority has responsibility for facilitating the local care market and managing provider failure. The local care market needs to provide choice, supply and quality services for all people in the Borough and specifically the Council needs to be able to commission care and support services including care homes and home care. The market remains fragile and continues to be challenged by various pressures particularly as a result of the ongoing COVID-19 pandemic. The Council's overall aim is to enable these services to develop in a way that does not destabilise the market but still supports providers to evolve and develop, reinforced by contracting and procurement activities.
- 15.2 As previously noted, the Council's approach taken in 2019/20 was markedly different to previous years and went towards redressing imbalances between those providers that have a closer fee structure to that of the Councils. This year's proposal is intended to continue to consolidate and build on this approach cautiously as providers look to recover from the ongoing pandemic and achieve a stable, sustainable future as the direct impact of the COVID-19 pandemic diminishes.
- 15.3 In 2022/23 the Council will accelerate our ambition for services, which have National Living Wage (NLW) as a basis for cost of care modelling, to provide at the RLW. This brings forward the additional investment proposals as soon as is possible, to early within the new financial year. This will link closely to the work needed as detailed in section 2.5 on a Fair Cost of Care and Sustainable Markets.

16. Recommendations

- 16.1 Cabinet are asked to endorse and agree the approach set out in this paper; and recommend the approval of the proposed uplift at their meeting on 15 March 2022.

BACKGROUND PAPERS

There are none

Anyone wishing to inspect the above background papers or requiring further information should contact Vincent Fraga on Tel: 0161-474-4401 or by email on vincent.fraga@stockport.gov.uk