

KENT COUNTY COUNCIL – URGENT RECORD OF DECISION

DECISION TAKEN BY:

Cabinet Member for Adult Social Care and Public Health

DECISION NO:

23/00029

For publication**Non-Key/Key decision****Key Decision**

Affects more than 2 Electoral Divisions and expenditure of more than £1 million.

Subject: Fee Uplifts for Adult Social Care Providers for 2023/2024

Decision: As Cabinet Member for Adult Social Care and Public Health, I **APPROVE** the fee uplifts for Adult Social Care Providers for 2023/2024; and **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take relevant actions, including any changes to the percentage uprates, as necessary to implement the decision.

Reason for the decision: In previous years, practice has been to increase provider fees across services at a standard, blanket, percentage rate, in accordance with stipulations in the contracts, either relating to average changes in the CPI (Consumer Price Index) or other review clauses. Constraints in available funding coupled with both the cost-of-living crisis and recent increasing inflationary pressures have had a material impact on the profitability and, in some cases, the viability of care providers in the light of current fees paid by local authorities.

The proposed allocations are those which are affordable in the Council's recently agreed budget.

Due to various market pressures facing the sector it is proposed that the percentage fee increase paid to framework providers, varies according to the service provision, in line with the budget availability and the Adult Social Care Making a Difference Every Day approach. Leads from Commissioning and Finance have scoped the impact of each service, applying the percentage award to fees based on market sustainability factors.

The Homecare sector has the greatest current issues with supply and cost control owing to market pressures specific to it. This has led to an increasing reliance on non-contractual spend, with 45% of homecare packages purchased off contract in January 2023 compared to 18% at the beginning of the 2021/22 financial year.

Conversely, failing to increase fees for framework providers sufficiently leads to a reduction in framework capacity and supply, an increasing reliance on non-framework provision, and significantly increased costs. To a lesser extent, there have been similar impacts on the Older Person's residential and nursing care market. It is therefore proposed to apply differing standard percentage rates to different services to ensure markets are managed appropriately.

Financial Implications: Table 1 below shows the proposed percentage fee uplift, as a proportion of the overall provision in the budget. The first section represents those services where a standard percentage uprate will be provided to all framework providers.

Providers within both these and other services, on individual (non-framework/INDI contracts) will receive no automatic uprate to their fees although, additional funding is available for individual price negotiations. Allocation of this funding will be governed by the development of a standard approval process based on the financial viability and benchmarking of the provision in question.

The exception to this is Equipment provision for which provision has been made based on 5% of the net equipment forecast and included as part of the Provision for Other Price Negotiations.

Table 1 – Price Uplift – Budget Impact 2023/2024

<u>Proposed Allocations to Framework Providers</u>	<u>%</u>	<u>KCC</u>	<u>Mkt Sus & Imp Fund</u>	<u>Total</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>
-		-	-	-
Homecare/Care and Support in the Home (CSiH)	10%	1,421.6	1,421.6	2,843.2
Older Persons (OP) Residential	7%	3,600.4	1,440.1	5,040.5
Older Persons (OP) Nursing	7%	1,558.8	623.5	2,182.3
Learning Disability, Physical Disability, Mental Health (LDPDMH) Residential	6%	5,618.8		5,618.8
** Supporting Independence Service (SIS) / Supported Living	6%	5,465.4		5,465.4
Supported Accommodation	6%	234.4		234.4
Total - Direct Allocation to Framework Providers		17,899.4	3,485.2	21,384.6
Provision for Other Price Negotiations		5,938.4		5,938.4
Direct Payments Provision	7%	2,365.8	946.2	3,312.1
Total		26,203.6	4,431.4	30,635.1

**The general uprate is 6% for framework provision across Supported Living (SL) and Supporting Independence Services (SIS), but within this, service elements relating to sleep night rates will be increased by 9.68% to maintain parity with the National Living Wage.

Legal implications: There have been no legal implications identified as it is for local authorities to set their own prices in the light of current market activity and status, and in accordance with stipulations in the relevant clauses within the contract. Given current economic circumstances, this is a significant price rise compared to previous years; however other Councils are enacting similar, or higher, increases, in recognition of the unprecedented pressures affecting the sector.

Equalities implications: An Equality Impact Assessment has been completed. This is a live document and will continue to be updated as required, but the EQIA outlines how certain client groups will be impacted by the decision, where the full cost of the care is paid, or where the assessed contribution is greater than the full cost. It also sets out the mitigating factors in these instances.

Data Protection implications: A Data Protection Impact Assessment is not required as there are no material changes to the way in which personal data is handled, nor the way in which it is used. Similarly, this work does not involve data profiling or changes to the way in which special category data is handled.

Reason for Urgency: The fee uplifts need to be finalised by 3 March 2023 to enable them to be applied to the Council's Adult Social Care system in time for providers to be able to submit invoices for the revised rates from April 2023. The decision cannot reasonably be deferred to the Adult Social Care Cabinet Committee which is on 15 March 2023. The decision will be reported in retrospect.

Member and other consultation:

No Cabinet Committee consultation possible due to urgency process.

The Chair of the Scrutiny Committee, in addition to agreeing that the decision could not be reasonably deferred provided the following comments:

In my capacity as Chairman of Kent County Council Scrutiny Committee I fully endorse and applaud the approval for the Urgent Key decision.

The Group Spokespeople of the Scrutiny Committee providing the following comments:

Dr Sullivan expressed concerns about the use of urgency and that she was not reassured by the justification set out in the decision, in addition Mr Lehman agreed that the decision was necessary and overall a positive move but raised concerns about the use of urgency.

The Chair and Group Spokespeople of the Adult Social Care Cabinet Committee provided the following comments:

No comments were received.

Any alternatives considered:

- **Apply standard percentage uplift across all service provisions:** this was discarded as it would not allow sufficient funding to be allocated to homecare provision to address the specific market pressures highlighted above, so that off-framework contract spend can be controlled in an effort to reduce overall costs.
- **Apply no uplifts across all services:** this was also discarded as market pressures and inflationary costs are already leading to placement officers having no choice but having to purchase more expensive packages of care outside of the framework contract.

Any interest declared when the decision was taken, and any dispensation granted by the Proper Officer:

N/A

Clair Bell

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signed

.....**6 March 2023**.....
date