

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

**Cabinet Member for
Adult Social Care and Public Health**

DECISION NO:

24/00112

For publication Yes

Key decision: YES

Title of Decision Fee Uplifts for Adult Social Care Providers for 2025/2026

Decision: As Cabinet Member for Adult Social Care and Public Health, I propose to:
a) **APPROVE** the fee uplifts for Adult Social Care Providers for 2025/2026; and
b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health, in consultation with the Cabinet Member for Adult Social Care and Public Health to take relevant actions within the overall budget allocation, including any changes to the percentage rates, as necessary to implement the decision.

Reason(s) for decision: We uplift our fees in line with our contract terms and in order to fulfil our duty to ensure a reasonable supply of good quality care. The Provisional Local Government Finance Settlement (PLGFS) was published on 18 December 2024. The settlement comprises of assumed council tax increases up to the referendum thresholds set by central government, and grants from Ministry of Housing, Communities and Local Government (MHCLG). The council tax referendum thresholds for 2025/2026 are the same as 2024/2025 and for Kent County Council (KCC) allow an increase up to but not equal to or exceeding 5%, comprising of 2% specifically for adult social care and 3% for all services.

In the provisional settlement the government has increased the amount provided to local authorities through the Social Care Grant from £680m, as set out in the policy statement published in November 2024, to £880m, KCC's share of this additional £880m is £20.1m, which is equivalent to circa 3% of spend on commissioned care services. The draft budget proposals include passporting in full the additional funding from Adult Social Care council levy and Social Care Grant, together with a pro rata share of other general funding. The Social Care Grant is un-ringfenced and councils have complete discretion how the funding is spent, the grant is notionally for both adults and children's social care, although due to the particular challenges in adult social care the budget is proposing to use all of the increase available for 2025/2026 on adult social care spending.

The overall increase in core spending power is £88.3m (6.2%) increase on 2024/2025. The core spending power needs to fund spending pressures across the whole range of council services. In adult social care these pressures are not just fee uplifts to contribute to increased employment costs but also include increased activity from demand/complexity and additional cost of placements for new people in receipt of care and support. In balancing the budget there will continue to be difficult choices to be made.

Even with the additional £880m made available for social care in the settlement, the sector as a whole is worse off than before the Autumn Budget because the additional funding councils are receiving is more than outweighed by additional costs imposed from increases in National Living Wage (NLW)/National Minimum Wage (NMW) and employer National Insurance contributions.

It is therefore proposed, based on a balance of the impact of the Autumn Budget changes on providers and the funding provided by Government to KCC, to make provision in the budget of £26.3 m for adult social care commissioned services and direct payments, this is £7.6m more than the £18.7m identified for price uplifts in the draft budget presented to this Committee on 13 November 2024. This excludes the uplift provision for 18-25 Strengthening Independence Services which are subject to a separate decision at this meeting to move responsibility to Adult Social Care and Health. If that proposal is agreed then the proposed uplift budget allocation will be £28.4m.

This equates to 4% on average, but we will continue to work with provider representatives to determine the optimal distribution of this sum across different care provisions, as the impact of the Autumn Budget changes will not be even across the sector.

The fee uplifts need to be finalised by 1 March 2025 to enable them to be applied to the Council's Adult Social Care case management system in time for providers to submit invoices for the revised rates from April 2025. The proposals are subject to approval of the budget by the County Council on 13 February 2025.

Financial Implications: The table below shows how the proposed uplift budget allocation is made up:

Price Uplift – Budget Impact 2025/2026

£000's	Off-Framework		Framework		Total
	Vulnerable Adults	Older People	Vulnerable Adults	Older People	
Homecare	258.9	955.4	277.9	1,269.3	2,761.5
Older Persons Residential	0.0	1,645.5	0.0	3,930.4	5,575.9
Older Persons Nursing	0.0	1,244.0	0.0	1,605.3	2,849.3
Learning Disability/Physical Disability/Mental Health Residential	1,516.8	0.0	4,211.0	0.0	5,727.9
Supporting Independence Service/Supported Living	1,386.4	16.8	4,574.7	26.8	6,004.7
Supported Accommodation	0.0	0.0	170.9	2.6	173.5
Direct Payments	0.0	0.0	1,592.4	488.9	2,081.3
Carers/Respite	0.0	0.0	85.9	83.4	169.3
Meals	0.0	0.0	0.0	0.1	0.1
Other	0.0	0.0	35.2	0.0	35.2
Daycare	0.0	0.0	507.6	28.5	536.1
Equipment	0.0	0.0	52.0	155.9	207.9
PFI	0.0	0.0	0.0	205.5	205.5
Total	3,162.1	3,861.7	11,507.6	7,796.7	26,328.1
18-25 Strengthening Independence Service					2,067.5

As at the end of quarter 2, the adult social care budget was showing an overspend of £32.5m. Although a large part of the net pressure is due to undelivered savings, there are also significant underlying pressures on demand and price. Price pressures are particularly acute in older persons residential and nursing care, where the average cost of new placements continues to rise.

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. Local authorities have a range of statutory duties including through the Care Act 2014 but also has a duty to set a balanced budget within the resources made available through the national funding settlement.

Equality Implications: An Equalities Impact Assessment (EQIA) 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.

Cabinet Committee recommendations and other consultation: The proposed decision will be discussed at the Adult Social Care Cabinet Committee on 15 January 2025 and the outcome included in the paperwork which the Cabinet Member will be asked to sign.

Any alternatives considered and rejected:

Apply no uplifts across all services: this was discarded, because although we cannot meet providers' expectations, we have to do what we can within our constrained resources to support providers with their increased costs.

Fully fund the increase in employment costs: There is insufficient headroom in the provisional settlement for KCC to meet providers uplift aspirations and meet its duty to set a balanced budget. There is also a policy consideration as to whether it is the Council's role within its statutory obligations to fully fund employment costs imposed on independent businesses by government policy. An uplift of 11% would cost in the region of £66m.

Allocate the sum available and work with provider representatives to determine the optimal allocation: Unless the Government responds to the concerns of the sector and provides a more realistic settlement, then the sector will be challenged in the coming year. It is important that we work together to face these challenges and therefore working with providers to determine the best use of limited resources is part of that.

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

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signed

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date