

27 July 2021

Dear Colleague,

SUBJECT: ADULT SOCIAL CARE FEE PROPOSALS 2021/22

I am writing further to previous correspondence regarding Salford's proposal for fee rate uplifts applicable from April 2021.

Following agreement to a 3.4% mid-year fee uplift from October 2020 in support of a minimum pay rate of £9.00 per hour to your workforce, Salford proposed a further increase of 2.0% from April 2021 on condition of this minimum pay rate being increased to £9.25 per hour.

Following initial feedback from across the Salford Care Home market, a survey was undertaken with a view to evaluate the challenges reported with this latest offer. I would like to thank all who contributed by providing responses to this survey.

We have been able to gather a range of feedback, which has been considered alongside the existing market analysis and the overall Health & Social Care budget position. We acknowledge that some responses received presented a view of the initial proposal being insufficient to fully meet all cost pressures at the current time, including the financial impact of adopting this increased minimum pay rate.

It is evident that providers are experiencing and anticipating financial pressure in different ways, with factors such as occupancy levels and the proportion of total costs attributable to pay being dominant themes. There is also market-wide concern regarding the cost implications of a contracted care home insurance market and increased premiums/restricted cover resulting from the ongoing pandemic.

The amended proposal set out below is intended to address some of these factors, so that providers are supported to maintain sustainability while progressing improved remuneration for the workforce.

Revised Care Home Fee proposal from 5th April 2021

In view of the feedback received, the long-term proposal for fee uplifts is hereby amended to a 3% increase. This remains conditional on agreement to a contractual variation committing the provider to implement a minimum hourly pay rate of £9.25 from April 2021.

Please find appended a revised contract variation document. We would ask that you sign and return this to asc.procurement@srft.nhs.uk at your earliest convenience, no later than Friday 6th. Upon receipt, fee rates will be retrospectively adjusted in our systems and backdated uplifts will be issued on the next available payment run.

While the intention has always been to support all care staff with improved pay and conditions, we are aware that a minority of providers did not feel able to implement this in October. Similarly, we recognise the challenges faced in the 2021/22 financial year (please see 'Further Support' below). The table below sets out details of the revised uplift offer, which varies depending on how far your organisation is prepared to support and implement the localised minimum pay proposals.

		Minimum pay rates offered		
		NMW/NLW	£9.00 minimum	£9.25 minimum
Applicable date	6 th April 20	Standard: £484.46 Non-standard: variable	-	-
	1 st October 20	Standard: £484.46 Non-standard: +0%	Standard: £501.00 Non-standard: +3.4%	-
	5 th April 21	Standard: £491.00 Non-standard: +1.3%	Standard: £506.00 Non-standard: +4.4%	Standard: £516.00 Non-standard: +6.5%

*non-standard percentage uplifts are given in relation to rates agreed prior to October 2020 and apply to publicly funded elements above standard rates. For avoidance of doubt, this does not include privately funded contributions ("top-ups").

Extension to Infection Control & Rapid Testing Funds

Further funding has been announced by the government until September 2021. Details of this funding will be sent to you in a separate communication.

Further support

We recognise that the amended proposal above may not address the concerns of all providers in respect of projected inflationary impacts and continued challenges with underoccupancy/reduced revenue.

Unfortunately, we are not in a position to offer recurrent funding in excess of the offer outlined above but will provide a small sum of non-recurrent funding this year to support those providers who accept our offer and implement the minimum pay rate of £9.25 per hour. The non-recurrent funding will be allocated based on number of registered beds and will amount to approx. £200 per registered bed

If you feel that your care home(s) will benefit from this support, please confirm by responding to this letter to the asc.procurement@srft.nhs.uk inbox, requesting the non-recurrent funding allocation with confirmation of your acceptance of the uplift.

We would like to thank all providers for their continued commitment to supporting vulnerable people in Salford and acknowledge that all services remain under considerable pressure to adapt and respond to emerging demand and changes to guidance and legislation. We would like to reiterate our thanks to all providers and their dedicated staff for the work they continue to do in delivering quality care services.

Yours sincerely



Charlotte Ramsden OBE
Strategic Director, People
Salford City Council