

Date: 31 March 2022
My Ref: jonw/dm/22-51
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Contact: Dave Pruden
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Dear Care Home Provider

Residential and Nursing Care Fees – inflationary uplift 2022/23

I am writing to you to advise of Leicestershire County Council's residential and nursing care fee inflationary uplift for April 2022. It has been made in the context of the national [Market Sustainability and Fair Cost of Care](#) policy, which requires local authorities to:

- Conduct and publish a cost of care exercise to determine sustainable residential care rates.
- Develop a provisional market sustainability plan setting out the local strategy for the next 3 years (2022 to 2025) which will demonstrate the pace at which the local authority rates move towards a sustainable fee rate.
- Submit a spend report, which details how money has been allocated in line with DHSC expectations in order to achieve a more sustainable local market.

This work commenced with the recent issue of the cost of care questionnaire, which providers were asked to return by 28 February.

The band rate for 2022/23 will be increased by 6.3%, which is a blended rate that takes account of the increase in the Consumer Price Index (CPI) annual inflation rate, the increase in National Living Wage (NLW) and the increase in National Insurance.

Supplementary Needs Allowance (SNA) payments will be increased by 6.6% in line with the increase in NLW.

New fees for Leicestershire older adult care home placements

- Residential – increase from £615 to £654 per week.
- Residential Plus – increase from £679 to £722 per week.

Where there are additional needs not catered for in the band rates a SNA payment will be increased from £12.97 to £13.83 per hour.

New fees for Leicestershire working age adult care home placements

- Working Age Adult (Progression) – increase from £774 to £823 per week.

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For residents with more complex needs and therefore higher fees the CareCubed calculator, which estimates the cost of care, will continue to be used to negotiate the fee.

These increases will take effect from Monday 11 April 2022. This date is used to match increases in benefit payments for 2022/23.

Out of county placements

For residents that fall into the host (out of county) Local Authority rate structure, the council will continue with its current practice of paying fees at the host Local Authority rate.

For out of county residents with more complex needs and therefore higher fees, the council will increase fees in line with the host Local Authority rate provided the current fee is within the CareCubed cost of care range. If the current fee is in excess of the range, there will be no automatic inflationary uplift.

In circumstances where the host Local Authority backdates fee increases or payments, the Council will match those fees within the current financial year only.

Out of county providers must advise Leicestershire County Council of changes in host authority rates to ensure those fees are matched.

COVID-19

The impact of COVID-19 on care homes' costs, particularly in relation to insurance, but also in other areas is evident. Further long-term cost impacts, such as those relating to new staffing structures, will emerge. These, together with the impact on occupancy, will be considered in the cost of care analysis undertaken by Care Analytics, which will inform the market sustainability plan and fees for 2023 to 2025.

Leicestershire County Council's financial position

COVID-19 has impacted Leicestershire County Council's financial position adversely, and the council faces the need to reduce services as a result, as well as having to increase Council Tax significantly. These pressures experienced by the council will not inform the cost of care analysis but will be a factor in the development of the sustainability plan. However, our position remains that care homes facing severe financial pressures or a risk of insolvency should contact the council so that exceptional support can be considered.

If you need any further information, please email dave.pruden@leics.gov.uk.

I would like to take this opportunity to thank you for providing support to people in Leicestershire.

Yours sincerely



Jon Wilson
Director of Adults and Communities