

Please ask for:
Direct Line:
E-mail: [@leicester.gov.uk](mailto:leicester@leicester.gov.uk)
Ref: LCC/Fees-2021/22
Date: 26th March 2021



Dear Provider,

2021/22 – Consultation of proposed increase in banded rates for Residential and Nursing Care

As part of the budget setting process for 2021/22, Leicester City Council has undertaken a review of existing fee rates in order to assess the level of future annual uplifts it proposes to apply to those rates from April 2021. I apologise we have not been able to confirm this position sooner, however, there has clearly been a need to look at the impact of the Covid-19 pandemic on the provision of Adult Social Care services.

All additional costs relating to the Covid-19 pandemic have to date been tackled through targeted grant allocations made available by government and which have been administered on its behalf by local authorities. In this regard, support with PPE has been extended to June 2021 and the government announced last week further additional resources of £341 million to support adult social care provision with the costs of infection prevention control and testing post March 2021. We will provide further information on how Leicester's share of this new funding will be allocated to care providers in the City once the Department of Health and Social Care publish the supporting details.

Therefore, for the purposes of calculating the proposed uplifts to be applied from April 2021 to existing fee rates, the calculation has primarily been based on usual standard legislative and inflationary changes pertaining to underlying cost assumptions. Whilst, for the most part, this excludes the funding of Covid-19 matters (as per the above paragraph), the Council has sought to include an element of additional funding in the proposed uplifts to support Providers with other associated cost pressures resulting from Covid-19.

The underlying factors taken into account in calculating the rate of proposed increases are set out in the attached Appendix 1 to this letter.

The Council now wishes to consult with you regarding the proposal to apply inflationary increases to the existing 2020/21 fee rates it pays for both locality and out-of-locality placements. Leicester City Council is proposing:

1. **Banded Rates** payments to increase by an average of **3.60%** and based on:
 - a. An annual inflationary increase of 2.30% covering standard legislative and inflationary changes;
Plus
 - b. A further 1.30% increase to support with other costs resulting from Covid-19. This element of the increase will be subject to review in setting future years fee rates in terms of any on-going cost impact. On this basis, this element of the increase will not automatically be embedded in future fee settlements.
2. **Additional Needs Allowances (ANA)** payments to increase by **2.2%** in line with the increase to NLW rates.

In accordance with Clause 7.7 of the Core Agreement you now have 4 weeks from the date of this letter (26th March 2021) in which to comment on the proposed fee increases. Comments are sought on the approach for 2021/22 in terms of the calculation of the proposed annual increase (as set out in the attached Appendix). The consultation will close on 23rd April 2021.

Should you wish to submit a comment regarding the proposal you may do so by sending an e-mail with your comments; to Fees.carehomes@leicester.gov.uk. Please add in the subject line; 2021/22 Fee Rate Review FOA Matt Cooper.

Should the Council not receive any comments that fundamentally change these proposals in terms of the calculation of the annual increase to be applied to existing fee rates, then the proposed increases will be automatically applied to existing fees, and backdated to be effective from Monday 5th April 2021.

Yours sincerely



Kate Galoppi
Acting Director – Adult Social Care and Commissioning
Social Care & Education

Encls.