

Residential & Nursing Care – 2021/22 Fee Proposals Consultation

The Council is consulting on proposals to uplift existing 2020/21 fee rates it pays for both locality and out-of-locality placements by the following factors:

1. **Banded Rates** payments to increase by an average of **3.6%**
2. **Additional Needs Allowances (ANA)** payments to increase by **2.2%**

Rationale and Assumptions:

Consideration	Rate (%) or (£)	Rationale	% of Overall Cost Base	% Total Impact
Direct Salary Inflation: Wage Inflation (Movement in NLW)	2.2%	Calculation methodology: a) This reflects the 2021/22 increase to the NLW (£8.72 to £8.91). b) NLW inflationary increase to be applied to all roles – i.e. no assumption that any staff are paid at the lower NMW rates (aged 22 and under).	68%	1.50%
Employer Staffing On-Costs: Class 1A NI NI Thresholds – Lower Earnings Limit Pension Thresholds – Lower Limit Band Pension auto enrolment – Employer rate SSP – weekly rate	13.8% £170.00 £6,240 pa 3% £96.35	Rates and thresholds for employers for 2021/22: No change from the 2020/21 rate. Increase from the 2020/21 weekly rate of £169.00 pw. No expected increase to the Lower limit qualifying earnings band of £6,240 per annum. No change from the 2020/21 minimum rate. SSP rate is increase from £95.85 to £96.35 per week.		0.16%
Running costs: CPI:	2.0%	The ONS National CPI (Consumer Price Inflation) 12 months inflation rate as at Dec 2020 was 0.6%. The Bank of England Target is 2.0%. This higher figure has been applied to all running costs.	32%	0.64%
Annual inflationary increase covering standard legislative and inflationary changes				2.30%
COVID-19 Insurance Premiums	20%	Additional Contribution within bandings over and above the CPI uplift of 2% to support with increases to insurance premiums.	0.6%	0.12%
COVID-19 Fixed Staffing Costs	4.53%	Contribution towards fixed staffing costs due to reduced occupancy as a result of COVID-19	26%	1.18%
Annual inflationary increase covering support with COVID-19 costs				1.30%
Banded Fee Increase – April 2021				3.60%