



North Tyneside Council

People Based Commissioning Team  
Quadrant, The Silverlink North  
Cobalt Business Park  
North Tyneside, NE27 0BY  
Tel: 0191 643 7082

By Email To All Care Home Providers, Older People – North Tyneside

6 July 2021

Dear Care Home Provider

### **Inflationary Increases in Fees – 2019/2022**

I refer you to the above, to previous correspondence relating to fee increases since April 2019.

An interim fee increase was put in place from April 2019 subject to further work to be undertaken. This was then subject to an increase from April 2020 and then fed into an increase from April 2021.

There have been on-going discussions with Care North East (North Tyneside) regarding this and the Authority has now made a determination in relation to the increases in each respective year.

A schedule setting this out is appended to this letter. In summary this takes account of:

- There was a 4% increase applied in April 2019 from the 2018/19 rates, this has been further reviewed and the increase to be applied now equates to approx. 4.6%. Detail on these individual band rates are set out in the appendix to this letter;
- From April 2020, a 5% increase was applied. This percentage increase still stands, though the weekly rate will change due to a change in the previous year's rate. Again, this detail is set out in the appendix to this letter;
- From April 2021, a 2.16% increase is to be applied. This percentage increase is set out based on the following calculation, which the Authority has used in previous years and also across different care settings.

<b>Inflator</b>	<b>Proportion of cost</b>	<b>% increase</b>	<b>Total increase</b>
Living wage (November 2020)	0.70	2.18%	1.53%
Consumer price index (May 2021)	0.30	2.10%	0.63%
<b>Total</b>			<b>2.16%</b>

In considering the above percentage increase in 2021/22, the Authority is mindful of other additional support and resources coming into the social care market and provision to deal with COVID-19, specifically these are:

- Additional grant funding that is being made available to support providers with COVID-19 related cost pressures, particularly aligned to Infection Control and Testing arrangements across a range of service areas (currently available to 30 September 2021), and
- Continued access to free PPE through the National PPE Portal for CQC registered providers or via the Local Resilience Forum route for other providers. These are available until March 2022
- In addition to this, the Authority is more than willing to have a specific 1:1 conversation with any care home provider that is experiencing financial hardship

The increased rates as set out in the appendix will be applied to existing and new placements as well as to placements that were in place during the respective financial years. This will be implemented as quickly as possible through our standard weekly payment process, some historic ones may need to be processed outside of this but this will be looked at on a case by case basis.

The above increase relates to Local Authority funded placements as well as CCG continuing healthcare funded placements, where the Local Authority is commissioning packages of care on behalf of the CCG.

If you have any queries relating to this, please do not hesitate to contact me.

Yours sincerely



**Scott Woodhouse**  
**Strategic Commissioning Manager, Adults**

**Adult Social Care**

**Schedule of Rates – Care Home Provision – Older People**

<b>Residential Care - general</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
-----------------------------------	----------------	----------------	----------------

Band 1	£590.37	£619.89	£633.28
Band 2	£554.35	£582.07	£594.64
Band 3	£519.38	£545.35	£557.13
Band 4	£490.24	£514.75	£525.87

<b>Residential Care - dementia</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
------------------------------------	----------------	----------------	----------------

Band 1	£612.21	£642.82	£656.71
Band 2	£574.86	£603.60	£616.64
Band 3	£538.60	£565.53	£577.74
Band 4	£508.38	£533.80	£545.33

<b>Nursing and CHC</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
------------------------	----------------	----------------	----------------

Funded nursing care rate	£180.31	£183.92	£187.60
CHC top up	£80.00	£84.00	£85.81