



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

13 May 2022

Dear Care Home Provider

### **Inflationary Increases in Fees – 2022/23**

I refer you to the above, to previous correspondence from some of you and to emails both myself and the Team has received over the last couple of months.

As in previous years, the Authority has been keen to support the market and the sector as a whole in dealing with cost changes. I am equally aware that this year in particular we have seen some dramatic changes in costs and these will no doubt continue through the remainder of the year.

Cost increases in particular in relation to:

- Changes to the national living wage
- Wider cost increases that we have seen through increased levels of CPI changes
- Changes to NI and impacts on employers
- Other specific cost changes relating to fuel, utility costs

At the same time there are continued pressures on Local Authority finances and budgets and these are reflected in budget growth the service has received to take account of some demand pressures alongside standstill pressures such as cost of living increases. The increase as set out below exceeds the budget provision and the service is reviewing how it will meet this cost pressure over the year ahead.

I can confirm an increase of 7.40% from 1 April 2022 and this is calculated as follows:

<b>Inflator</b>	<b>Proportion of cost</b>	<b>% increase</b>	<b>Total increase</b>
Living wage (November 2021) and NI increase from April 2022	0.70	6.62% NLW plus NI	5.30%
Consumer price index (March 2022)	0.30	7.00%	2.10%
<b>Total</b>			<b>7.40%</b>

A schedule setting this out for each type of care and the four quality bands is appended to this letter.

These increased rates will be effective from 1 April 2022 and we are currently updating our payment schedules, support plans etc to reflect increased payments for clients with you. This will start to come through on payments over the next couple of weeks and will be backdated to 1 April 2022

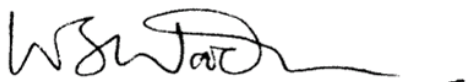
The above increase relates to Local Authority funded placements as well as CCG continuing healthcare funded placements, where the Local Authority is commissioning packages of care on behalf of the CCG. For nursing placements the FNC payment will be added (recent publication of new rate of £209.19 for 2022/23) and for continuing healthcare an update rate with 7.40% increase to £92.16 per week.

Alongside this we are required by the Department of Health and Social Care to undertake a fair cost of care exercise and submit details by 14 October 2022. We will be sending out more information on this and how we intend to engage with the market in the coming weeks.

We also need to submit a market sustainability plan that looks at the outcome of the fair cost of care exercise and also looks and how we deal with the mix of LA funded placements and private funded clients, especially where those people will have the right to come under the LA contract rates. This will clearly have an impact on homes in North Tyneside alongside care homes across the country. As information on this becomes clearer we will keep you updated.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Woodhouse', with a horizontal line extending to the right.

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

**Adult Social Care**

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

<b>Residential Care - general</b>	<b>2022/23</b>
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Band 1	£690.54
Band 2	£649.05
Band 3	£608.75
Band 4	£575.19

<b>Residential Care - dementia</b>	<b>2022/23</b>
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Band 1	£729.91
Band 2	£686.87
Band 3	£645.10
Band 4	£610.29

<b>Nursing and CHC</b>	<b>2022/23</b>
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Funded nursing care rate	£187.60
CHC top up	£85.81

The FNC rate will be paid, where applicable, in addition to the above fees, as determined by and on behalf of the CCG

- Standard weekly rate     £209.19 from 1 April 2022

CHC fees are negotiated and agreed locally with North Tyneside CCG, there is a top up cost to be added to the standard fees of an additional £92.16 per week – from 1 April 2022