

Professor Martin Green OBE  
Chief Executive  
Care England  
40 Artillery Lane  
London  
E1 7LS

Our Ref: RB/SAG  
Your Ref: CE\_MG\_111121\_358  
Matter being  
dealt with by: Rashpal Bishop  
Date: 12 November 2021

Dear Professor Green

**Re: Fair Price for Care**

Thank you for your letter dated 4 November 2021.

We understand that the Government is working on a Fair Price for Care, as part of the adult social care reforms announced by the Prime Minister on 7 September 2021. We do not as yet have any details from the Department of Health and Social Care about what this will entail, including the extent to which it will apply to prices/rates across all care settings.

We are familiar with the Laing and Buisson model, although we do not necessarily agree that the outputs represent a Fair Price for Care.

The fee rates that we pay to our care home providers are based on:

- Local 'bottom-up' modelling of the cost of care given prevailing labour market conditions;
- Competition and market dynamics: no care home is obliged to take residents on behalf of the Council. Individual care homes respond to tenders, either for single residents or for 'block booked beds' and offer a rate that allows them to cover their costs and make a reasonable profit;
- Affordability: the Council has a legal duty to set a balanced budget.

Sandwell Metropolitan Borough Council  
P.O. Box 2374, Sandwell Council House  
Oldbury, West Midlands, B69 3DE  
(Post Code for SAT NAV B69 3DB)

Email: [rashpal\\_bishop@sandwell.gov.uk](mailto:rashpal_bishop@sandwell.gov.uk)  
Web: [www.sandwell.gov.uk](http://www.sandwell.gov.uk)



Any fee rate increases we are able to make in 2022/2023 aim to offer the sector sufficient additional funding to enable care homes to meet cost pressures and pay a competitive wage, but must be affordable.

We recognise the pressures from workforce recruitment and retention, increasing agency costs due to workforce shortfalls, low occupancy, the financial impact on costs as a result of Brexit, the transport and fuel crisis, and rising utility costs. However, we have not yet had any additional funding confirmed from Government to meet these, and in fact it is possible that our overall funding from Government, as well as our ability to raise income locally, will be reduced in real-terms next year.

We expect that between now and the 31 March 2022 we will be in dialogue both with our care home providers, as well as Government, to try and understand the scale of the increase required and the funding available.

Yours sincerely.

A handwritten signature in blue ink, appearing to read 'Rashpal Bishop', is written over a light blue circular stamp.

Rashpal Bishop  
Director of Adult Social Care