

Tim Baverstock
Deputy Director, Adult Social Care
Somerset County Council

21 February 2022

Dear Tim

Re: 2022/23 Care Home Fees for Older Persons

Thank you for your letter in response to Professor Martin Green who has asked me to respond on his behalf.

Care England represents its members and the sector, to work for a more sustainable adult care sector. We have called for meaningful reform [We Care For England](#) and put Central Government on notice of concerns from the sector [How to Build Back Better](#). We have challenged the Governments Covid-19 response, engaged on both the Health and Social Care Bill and the ASC White Paper and we regularly communicate with Ministers and the DHSC on all matters of concern to members including funding, regulation, commissioning and the recently announced charging and fair cost of care reforms.

Care England also regularly engages with the LGA, ADASS, the CHIP team, CQC, UKHSA, Skills for Care, Age UK, Alzheimers UK, and NHSEI and is the largest and most diverse trade association and offers local authorities a way to quickly engage with all the largest providers to present evidence-based arguments for the cost and quality of the sector, standing up for providers, better funding, and commissioning, and advocating for the valuable workforce.

The Cost of Care

We understand that providers, like local authorities, are incredibly busy, and the last two years has seen a significant increase in administrative workload for all. Members have told us they find it challenging to keep up with the demands for data requested by Local and Central Government.

Given the requirement in 2022 to collect data to support local authorities to work toward the Fair Cost of Care and Market Sustainability Plans due in September 22, we wanted to offer support to ensure sufficient returns are received. Care England believes it is critical local authorities use the CHIP team joint LGA/ADASS data collection template to be completed at the end of March for older persons care home cost collection, to ensure a consistent national approach for cost of care data collection, which will allow provider Trade Associations, along with DHSC, Central, and Local Government to support providers consistently in providing critical data to maximise provider engagement. There is nothing to be gained from 150 different local authority approaches to a data collection exercise.

22/23 Fee Uplift and Communication Timeline

Providers and local authorities need to plan for the year ahead, delays in fee uplifts halt planning and have a significant negative impact on the workforce. Timely communication of the 2022/23 fee uplifts is needed as early as possible given the rising cost of care and living. Care England has widely reported the impact of rising utility and food costs on top of the impact

on pay (NLW and ENI) including agency, and recruitment and retention costs on top of low occupancy levels. Our members are reporting costs to have increased by over 9% hampering potential for innovation and investment. Any assurances you can offer in respect of timelines will aid provider financial planning and sustainability.

It would help to understand the approach taken regarding consulting on your fee uplift process and whether the cabinet signs off the rate proposal before or after consulting with providers. If providers are consulted after the cabinet, please confirm the process for providers to challenge decisions.

Understanding how your authority calculates the current cost of care will help providers to understand the approach being taken to inform their business models. We would ask if you could share the model basis used to calculate the cost of care along with the decision papers signed off by your cabinet endorsing that process. Lastly on this point, please outline the amount provisioned in the coming budget for annual fee uplifts for adult social care to cover the rising cost of inflation attributed to both pay and non-pay inflation.

Local Associations

We understand you currently engage with the RCPA locally. Please confirm if this is your only engagement route with the provider community and how those who are not members of the association are able to engage with the authority.

Bespoke Fees

Acknowledging that you may approach fees on a case-by-case basis, we would ask that you share the cost basis upon which those fees are calculated, how and when this was last updated and the process by which it was validated with providers as reflective of the cost of care. Please can you also specify the approach taken to determine a personal budget and the care home fee paid, to help providers having conversations about bespoke fees with your authority.

Council Tax Precept

For several years the council tax precept has afforded authorities the ability to raise council tax for adult social care. Please confirm the provision in place for your authority for the periods 2021/22 and 2022/23 to raise council tax for this purpose.

Average Care Home Fees

Care England has a membership portal which houses care home fees paid by local authorities referred to as MINT (Market Intelligence). MINT houses a plethora of support materials for providers to aid their day-to-day navigation of provision and funding. MINT also houses local authority base rates, annual uplift letters and communications. Care England feel that the average fees paid, is a more accurate reflection of the feed paid by local authorities, like the iBCF rate reported. We will be requesting average fees from your authority by way of a Freedom of Information Request in the next few weeks, for the financial year 2021/22 (year to date). If you can provide this information sooner, we will not request via the FOI process. We require the two average amounts paid for external care homes; one for care with nursing (traditionally referred to as Nursing) the other for care without nursing (traditionally referred to as Residential) much like the iBCF data format, for clients aged 65+ on a £ per client week basis, excluding third party top-ups and FNC contributions for the period 2021/22. We

appreciate this period has not yet closed however if you can provide average fee data for the last full calendar month for which you have records, we will not then follow up with a further FOI request.

Cost Factors

Our members have informed us that inflation this year is exceeding 9%. This is a direct result of the increase to the National living wage and the rise in employers' national insurance from April 2022 in addition to the impact of rising utility, food, and logistics costs, which passed on to providers. Providers have reduced occupancy (according to the Capacity Tracker for your authority, this is stated as 80%) and thus fixed costs are now spread over a smaller number of residents. We require assurance that these issues will be addressed in your fee uplift for 2022/23 and ask you to explain how these have been considered, and what data sources you have used in your inflation calculations for 2022/23.

Virtual Meeting

We would like to offer the opportunity to meet virtually to discuss your approach to annual uplifts. If you would be amenable to a virtual meeting via Zoom or Teams, please let me know and I will organise with you for the earliest possible opportunity

Yours sincerely, for and on behalf of:
Professor Martin Green



Richard Ayres
Social Care Advisor