

Report to	Cabinet
Date of meeting	19 th March 2024
Lead Member / Officer	Elen Heaton, Lead Member for Health and Social Care / Ann Lloyd, Head of Adult Social Care and Homelessness
Report author	Katie Newe, Service Manager - Care and Support / Liz Thomas Head of Finance and Audit
Title	Residential and Nursing Care Home Fee Setting 2024/25

1. What is the report about?

- 1.1. The report is about the setting of Residential and Nursing Care Home Fees for financial year 2024/25.
- 1.2. The report excludes the specialist residential and nursing home placements for Complex Disabilities and Mental Health citizens.

2. What is the reason for making this report?

- 2.1. To provide an update on engagement with Older People's residential and nursing home providers in respect of care home fees for financial year 2024/25.
- 2.2. To seek Cabinet approval for the setting of care home fees for the financial year 2024/25.

3. What are the Recommendations?

- 3.1 That Cabinet approve the setting of baseline care home fees for financial year 2024/25 in accordance with Table 1 at paragraph 4.5 of this report representing an 8.8% uplift.

4. Report details

- 4.1. As of December 2023, Denbighshire County Council commissioned 364 placements in 82 homes to provide care and support for Older People in Residential, EMI Residential, Nursing and EMI nursing placements which in this

financial year is projected to cost an estimated £13 million, out of a total of £39 million spent on care packages across the whole of Adult Social Care. A large proportion of these are fully / part-funded by Denbighshire; however, it is of note that some placements may also be joint-funded by BCUHB, including Funded Nursing Care (FNC).

4.2. The Regional Leadership Group (Formal sub-group of the Regional Partnership Board) agreed in 2023 that the Regional Fees Group ('the Fees Group') would work towards a consistent and transparent regional approach with the view to fully implementing it in 2024 / 25. As part of that agreement there were three main objectives agreed:

- to establish the Care Fees Group as a standing committee, of which DCC is a member;
- to agree the priority issues currently affecting the cost of care;
- to develop the evidence gathering process, recommend uplift mechanisms and establish the median cost of care, based on revisions to the current North Wales methodology.

The latter two points are still being worked through by the Fees Group ahead of fully implementing a new regional methodology to inform future fee increases across the Region. Denbighshire is committed to working with and has been fully engaged in meetings with the Fees Group.

4.3. During October 2023, DCC officers undertook an engagement exercise and met with a sample of providers, the key themes from those meetings can be found in Appendix 1.

4.4. A number of fee increase options have been considered together with provider feedback. The options are attached in Appendix 2. This ranged from doing nothing and leaving the care fees at the same level as agreed for 2023 / 24 through to an 8.8% uplift which would enable providers to pay the Real Living Wage to their care staff.

4.5. For 2024/25 fees, the approach used largely mirrors the previous year's regional methodology and includes considerations such as the Consumer Price Index and the Real Living Wage. The preferred option is outlined in table 1 below.

Table 1

	23/24	24/25	Weekly Increase	
Standard Residential	£711.83	£774.47	£62.64	8.80%
EMI Residential	£743.18	£808.58	£65.40	8.80%
Standard Nursing*	£782.91	£851.81	£68.90	8.80%
EMI Nursing*	£845.63	£920.05	£74.42	8.80%

* Including LA-Funded FNC – 2023/24 is £8.37 per person per week

4.6. The fees offer (Table 1) was sent to Providers in early December 2023 and they were invited to engage in an open book exercise between 15th January and the 30th January 2024.

4.7. Since we wrote to providers in December, nine providers (representing eleven homes) have made contact via email or letter. Of these, three have met with us to discuss fees further. There has been no communication from the majority of providers, but the offer of an open book exercise remains, and we can enter into discussions with providers at any point.

4.8. Through these meetings, it has not been possible to draw a conclusion about the reasonableness of individual provider costs due to the limited engagement of providers we commission with, which would give us the 'bigger picture'. We remain optimistic that the regional fees groups will address this issue for future years as it continues to develop fee setting methodology that provides a consistent and transparent regional approach.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. The decisions around residential and nursing homes fees contributes to the following themes of the Corporate Plan;

5.1.1. A prosperous Denbighshire

Care Home fees are paid to individual providers in the private and third sector, thus supporting the growth of the local social economy and providing local jobs.

5.1.2. A well-run, high performing council

Fee levels are informed and set following engagement with providers, fostering a culture that welcomes fair and appropriate challenge. The process of fee setting ensures value for money is embedded within the organisational culture and decisions are balanced by considering service quality and social value.

5.2. This decision/information has a neutral contribution to the Council becoming Net Carbon Zero and Ecologically Positive by 2030.

6. What will it cost and how will it affect other services?

6.1. Costs of the various options are outlined within Appendix 2. The recommended 8.8% monetary uplift costing £1.023 million and is within the budget provision already made for 2024/25.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. N/A

8. What consultations have been carried out with Scrutiny and others?

8.1. Consultation with providers as detailed in section 4.3 & 4.7.

8.2. Denbighshire Social Work teams were consulted during this process and have confirmed that placements are regularly reviewed in accordance with the Social Services and Wellbeing Act. Consideration is given to choice and control, availability and price.

8.3. CET and Cabinet Briefing have both received regular fee setting updates.

8.4. Views have been sought from finance colleagues throughout the fee setting process.

8.5. A separate report was presented to Communities Scrutiny Committee in September 2023, detailing engagement with Care Forum Wales, who represent some of the care providers in Denbighshire.

9. Chief Finance Officer Statement

9.1. The estimated cost increase of the recommended fee has been factored into the overall budget pressure for 2024/25 Adult Social Care and homelessness;

however, this figure is subject to change as the option to engage in the open book exercise remains open to providers.

10. What risks are there and is there anything we can do to reduce them?

- 10.1. Due to the limited supply of affordable care homes we are restricted in terms of securing better value for money in the sector.
- 10.2. Not having sufficient care placements could result in an increase of delayed pathways of care from hospital, impacting on citizens and partnership working. We will continue to work with BCUHB colleagues to ensure the prevention of over prescribing care and facilitating preventative interventions wherever possible.
- 10.3. There is risk of a reduction in Denbighshire's Residential and Nursing Home capacity if providers withdraw or decide not to invest in the local care market. Longer term, we would hope we can mitigate against this with the continuing development of the rebalancing social care agenda in Denbighshire.
- 10.4. There is a risk that some providers will choose only to offer bed placements to self-funders or higher paying Local Authorities.

11. Power to make the decision

- Cabinet's powers with respect to this matter are set out in:
- Section 21 of the Local Government Act 2000
- Table 4 Section 13 Council Constitution
- Section 114 b Social Services and Well-Being Act 2014