

Response to Request for Information

Reference FOI 003601
Date 22 May 2019

Children and Young People

Request:

- 1) What specific provision is available in your area for children and young people diagnosed with conduct disorder and those with conduct difficulties? Please list individual services and tiers they fall under (e.g. Tier 2 or targeted; Tier 3 or community specialist or Tier 4 or inpatient).
[There are no specific provisions commissioned by the Local Authority.](#)

- 2) What mental health provision is available in your area for children and young people in contact with social services, including looked after children, children in need or children under child protection orders? Please list individual services and corresponding tiers as above.
[The following contracts are commissioned by the City of Wolverhampton Commissioning Unit to Support children and young people with regard to mental health:](#)
 - [Emotional Mental health and wellbeing service for children and young people. \(tier 2\) – delivered by The Children’s Society.](#)

 - [Intensive Family Support Service- for children and young people in care and the edge of care – delivered by Barnardo’s](#)

- 3) Is there specific provision in your area to support young people transitioning from child and adolescent mental health services to adult mental health services? Yes or no answer please. Please specify if CAMHS in your area covers individuals aged 18 and over and please specify the age range covered.
[No.](#)

- 4) Do you engage with any of the following to understand the mental health needs of children and young people in your area?
- a) Healthwatch
 - b) Children and young people and their families
 - c) Community and/or faith groups
 - d) Charities or other NGOs (if yes, please specify which ones)

The Commissioning unit engage with a range of stakeholders including, Children and young people and their families, Community and/or faith groups, Charities or other NGOs as part of the commissioning cycle when reviewing the contracts it holds (including those supporting children and young people with regard to mental health).

Please see attached Joint Mental Health & Wellbeing Strategy that covers provisions available across the City. You may also want to contact Wolverhampton Clinical Commissioning Group for further information.

https://www.wolverhampton.gov.uk/sites/default/files/2019-02/Joint_PMH_WB_Strategy_12.12.2018.pdf

CITY OF WOLVERHAMPTON COUNCIL	Cabinet (Resources) Panel 21 May 2019
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Report title	Care and Support Provider Fee Review 2019 - 2020	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Sandra Samuels OBE Adults	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	David Watts, Director for Adult Services	
Originating service	Commissioning	
Accountable employee(s)	Andrew Wolverson	Head of Service, people
	Tel	01902 555550
	Email	Andrew.Wolverson@wolverhampton.gov.uk

**Report to be considered
by**

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the following proposed increase in fee levels for 2019-2020 as recommended in the report to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage (NLW), pension contribution and where applicable increases to sustain the care market.

Type of provision	Recommendation	Current £	Proposed £
Domiciliary Care	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.	14.52 (hourly rate)	15.04 (hourly rate)

Home Based Respite	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.	13.80 (hourly rate)	14.32 (hourly rate)
Direct Payments Domiciliary Care Agency Rate	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.	13.72 (hourly rate)	14.10 (hourly rate)
Direct Payments for Personal Assistants	Do nothing do not increase fee levels	10.76 (hourly rate)	10.76 (hourly rate)
All Residential and Nursing Care Agreements for Older People	Uplift all agreements with a current rate of less than £433.30 to £433.30.	Less than £433.30 (weekly rate)	433.30 (weekly rate)
All Residential and Nursing Care Agreements for Older People	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the NLW.	More than £433.30 (weekly rate)	Current rate plus additional NLW related costs
Extra Care	Increase fees by 3%	N/A part of block contract	Increase to all contracts total £71,000
Supported Living	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the NLW.	13.80 (hourly rate)	14.32 (hourly rate)

2. Approve that any increase in fees are backdated to 1 April 2019 to reflect when the increase to NLW came into effect.

Recommendations for noting:

The Cabinet (Resources) Panel is asked to note:

1. That engagement has been undertaken with current care and support providers as part of the fee review to listen to feedback, however due to current financial restraints the recommendations are not solely based on provider requests.
2. That work will be undertaken over the next nine months to work with providers in developing the social care market to ensure a shared approach based on high quality demand management to address the ongoing financial challenge faced by all stakeholders in Adult Social Care.

1.0 Purpose

- 1.1 The purpose of this report is to set out the proposed increase for the following care and support service areas and Direct Payment cost rate, and to outline the methodology used to develop the new rates.

2.0 Background

- 2.1 Section 5 of the Care Act 2014 establishes a duty on local authorities and Directors of Social Services to ensure a sustainable market of care in their areas. This covers all care sectors and providers of care. The main areas of care provision and a growing sector of individual service users using personal budgets to employ Personal Assistants.

3.0 Domiciliary Care and Direct Payment Service

- 3.1 The Domiciliary Care and Direct Payment service delivers care and support to people in their own homes.
- 3.2 A snapshot taken as of January 2019, highlighted 12,500 planned hours of domiciliary care per week for 65+ and 7,850 direct payments planned hours per week for all age services.

4.0 Older Peoples Residential and Nursing placements

- 4.1 Residential Care services deliver personal care and accommodation to people within a Care Quality Commission (CQC) registered setting.
- 4.2 People in Nursing Care placements have the need for care and support in a CQC registered care home but in addition have a primary health care need, that requires the intervention or oversight of a registered nurse to support the safe delivery of their care plan. Nursing care placements attract a financial contribution from NHS England to pay for the nursing element of the care provided. This is paid directly from Wolverhampton Clinical Commissioning Group and is known as Funded Nursing Care (FNC) payment. The FNC for 2018-2019 was £158.16 per week. The FNC settlement for 2019-2020 is £165.56.
- 4.3 In January 2019 there were 556 individuals aged 65+ in receipt of a permanent residential placement, this compared to a figure of 578 in January 2018.
- 4.4 In January 2019 there were 327 individuals aged 65+ in nursing placements, this compared to a figure of 296 in January 2018.

5.0 Extra Care

- 5.1 Extra care housing is a nationally recognised model of extending the range of housing options available to older people with care and support needs and is commissioned by local authorities across the country.

5.2 Currently, the City of Wolverhampton Council has eight contracts in place with four extra care service providers for the provision of 265 funded places. The services are provided on a 'block' basis, which means that each provider is funded to accommodate and support a specified number of people with eligible care needs at any one time. In order to maintain growth at the required rate in the city and reduce reliance on residential care in the medium term, Cabinet Resources recently agreed to support the ambitious strategy to increase extra care units by an additional 579 by 2030.

6.0 Supported Living

6.1 The supported living accreditation framework delivers care and support to people with disabilities. These services support people to become as independent as possible and have a focus on reablement and enablement. These services provide 24/7 care where required for people who live in supported living schemes.

6.2 Accreditation to the supported living framework was awarded on 1 August 2016 for a one year with extension options of one plus one year. The table below confirms the current rates:

Band One	Substantial needs – up to £13.80 per hour
Band Two	High level needs – £13.80 per hour
Band Three	Intensive support for complex needs between £13.80 - £17.72 per hour

6.3 There are 28 accredited supported living providers on the supported living framework. There is no guaranteed amount of work for providers on the framework. Band One is no longer used as most people are assessed as requiring Band Two support. A framework was tendered in 2018 to increase the providers available who can meet specialist forensic needs. The process to tender for supported living care will take place from May 2019 and will be in place by September 2019.

6.4 A snapshot taken as of 5 March 2019, highlighted 16,000 hours of supported living per week.

7.0 Residential Provision for People under 65 years with complex needs

7.1 There are currently 150 placements in residential provision for people under 65 years with complex needs (113 Learning Disability, 16 Physical Disability and 21 Mental Health). This provision is not funded at a set rate with providers. The cohort accessing this provision have complex needs with disabilities and each package is based on the social care assessed needs and negotiated with the provider and as a result funding levels vary for each individual placement.

8.0 Overview of the Wolverhampton Market

- 8.1 The Care Act 2014 includes duties for Local Authorities to facilitate and shape a diverse, sustainable and quality market has implications for everyone involved, people with care and support needs, carers, providers and commissioners. The Act gives the local authority powers and duties in the case of provider failure to ensure that continuity of care is maintained for people that use care and support services.
- 8.2 The council is committed to supporting people to be independent for as long as possible and is working with the market to develop a range of services to support this. This has implications for existing service models and service providers as traditionally there was a higher demand for residential provision which is decreasing as home-based care and supported living increases.
- 8.3 National intelligence and local provider forums confirm that the main challenges the market is experiencing is in the recruitment and retention of staff into the care sector. There are several reasons for this, one of which is pay rates for care staff at, or just above National Living Wage (NLW). Recruitment in both the home care and care home sector is difficult for many providers.
- 8.4 From 1 April 2019 the hourly rate of the National Living Wage for those of 25 years and over, increases from £7.83 to £8.21, and will rise to £9.00 an hour by 2020. The Council has reviewed the fees, considering the NLW and seeking opportunities to secure future stability of the care and support market.
- 8.5 From April 2019 there is also a 1% increase to the employer contribution to staff pensions.
- 8.6 The payment for CQC registration fee has changed and increased the costs to providers.
- 8.7 In order to provide more effective use of commissioning and fee review cycles in the future work will be undertaken to align these processes going forward which will support stability of the market and remove uncertainty for providers between commissioning cycles.

9.0 Care and Support Provider Engagement

- 9.1 Providers have been engaged through provider forums to give them the opportunity to provide feedback about the approach. There was also an opportunity for domiciliary and older people nursing and residential care providers to share evidence of their costs where they differ from those included in the fee methodology, for benchmarking purposes only.
- 9.2 City of Wolverhampton Council has also received feedback from providers in the form of requests for fee review in 2019 -2020.

Key themes arising include:

- Increase in National Living Wage an increase of 4.9% with the national living wage increasing from £7.83 to £8.21 per hour.

- Shortage of care workers
- Requirement of auto enrolment of staff in pensions: Employer contribution has risen from 2% in 2018-2019 to 3% for 2019-2020
- Introduction of the apprentice levy
- Workforce pressures, including higher costs for recruitment, training and retention
- Increase in utility costs- a Consumer Price Index inflation of calculation of 2.2% was quoted as a good reflection of additional costs incurred by providers
- Annual CQC fee increase and increased costs of compliance
- Higher management and admin costs as contracts and service delivery become more complex
- Increase in dependency of people needing their support
- Equipment costs to meet increased need of clients

10.0 Methodology/evaluation of alternative options

10.1 The legislative National Living Wage (NLW) is intended to recognise the dignity of work and the importance for individuals, families and society of people being able to earn a living.

10.2 The Council is required to provide appropriate care and support services to meet the statutory requirement and the needs of individual service users.

10.3 Due to increases to the NLW and employer pension contributions from April 2019, the Council have undertaken a fee review exercise.

10.4 The review has been concluded and sets out options for each type of social care service areas as set out below:

Option One	Do nothing. Do not increase fee levels.
Option Two	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage and pensions.
Option Three	Where appropriate average range of provider costs based on open book accounting

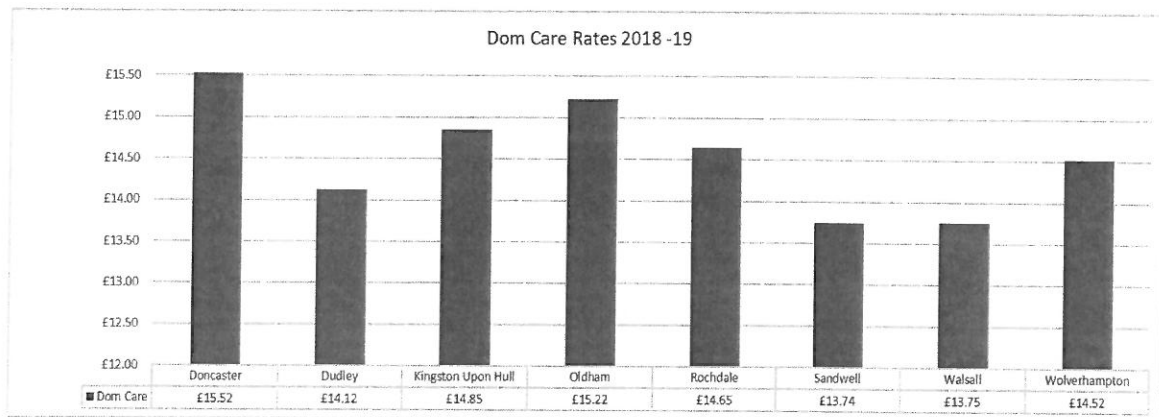
11.0 Benchmarking and Market Analysis

11.1 Benchmarking data has been reviewed against neighbouring and CIPFA (the Chartered Institute of Public Finance and Accountancy) nearest neighbour comparator authorities to support the process. The Council recognises that several potential cost pressures impact upon the care market both locally and nationally, this has been mitigated by the rates in comparison to other local authorities in the region.

12.0 Domiciliary Care

12.1 The table below outline the benchmarking data for domiciliary care 2018-2019. The regional benchmarking data highlights that Wolverhampton is paying a higher rate than the Black Country neighbouring local authorities. CIPFA nearest neighbour comparators confirm that Wolverhampton is paying lower hourly rates.

Table 1: Benchmarking data for domiciliary care hourly rates 2018-2019



12.2 Demand for domiciliary care is predicted to increase due to the strategic intention to increase independence and help people stay in their homes. Seven providers have exited the Wolverhampton market since the domiciliary care framework agreement started in 2016 (three during 2018 – 2019), citing financial instability and changes to their business model as the reason. The exit of providers has been managed and the care re-provided to alternative providers from the current framework. It is felt that there is current sufficiency to meet need and demand if further providers exited Wolverhampton, however, there is a risk to sufficiency and the market could become unstable and fragile if too many providers exit Wolverhampton due to the current rate.

12.3 There are a limited number of Wolverhampton providers operating in neighbouring Black Country councils therefore the benchmarked hourly rates which are lower than Wolverhampton's are not considered a viable benchmark and CIPFA comparators have been considered.

12.4 However, provider engagement has highlighted that our current providers are likely to operate within Staffordshire and Shropshire and that the rates at which these councils pay creates a potential deficit in the market.

12.5 Provider engagement confirmed continued cost pressure exist and providers have asked for increases to the hourly rate from £0.00 to £8.49.

12.6 Based on market analysis and considering budgetary pressures the recommended option for domiciliary care is option two in the table below which reflects a fee level to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage. This may create some instability in the market with

some providers possibly choosing to withdraw but it is anticipated that other providers will be able to absorb and provide these hours.

12.7 Table 2: Options for Domiciliary Care

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	14.52	-
Option 2	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.	0.52	15.04	354
Option 3	Increase fee levels based on average of calculated costs submitted by providers.	2.24	16.76	1,515

13.0 Home-Based Respite

13.1 Home based respite is provided to support carers and is provided in the home, the rates are based on supported living rates. The lower rate, in comparison to domiciliary care is reflective of the fact that individuals are based in one location and therefore do not have any associated travel costs.

13.2 The recommended option for home based respite is option two in the table below which is to increase fee levels to a rate of £14.32 to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.

13.3 Table 3: Options for the Home-Based Respite:

Option	Methodology for increase delivered over 25 hours	Cost increase per unit	Proposed Hourly Rate £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	13.80	-
Option 2	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.	0.52	14.32	14

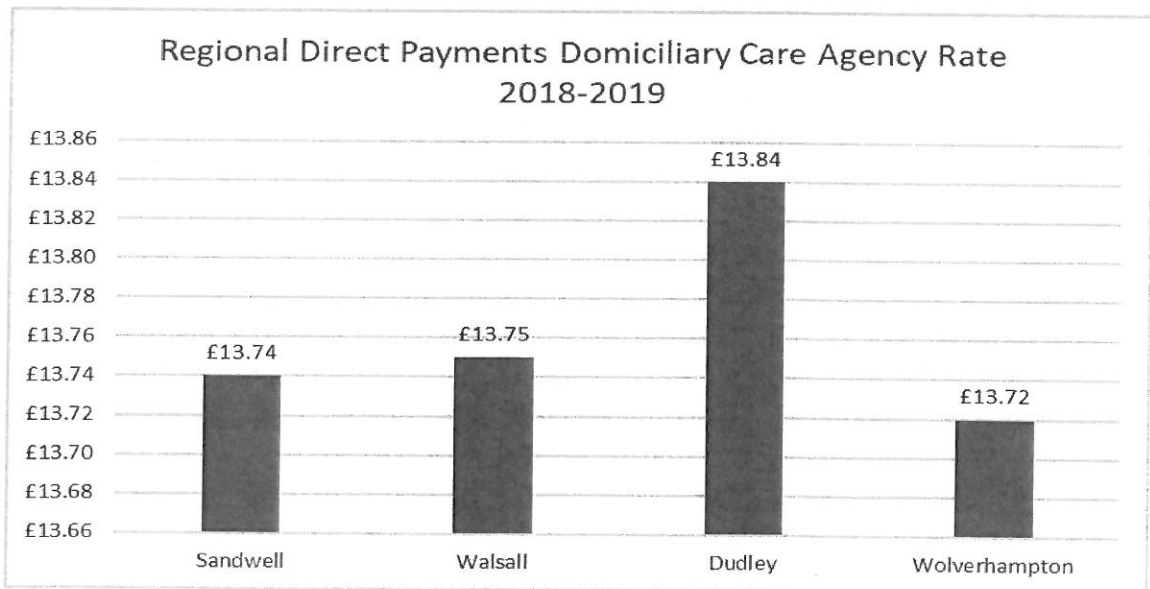
14.0 Direct Payments

14.1 Direct Payments are cash payments made to individuals who have been assessed as being eligible for funded care and support in line with the Care Act (2014) eligibility criteria; they are intended to give individuals greater choice in their care as they enable individuals to choose not to receive services purchased by the City Council instead choosing to receive a payment in lieu of these to arrange their own support.

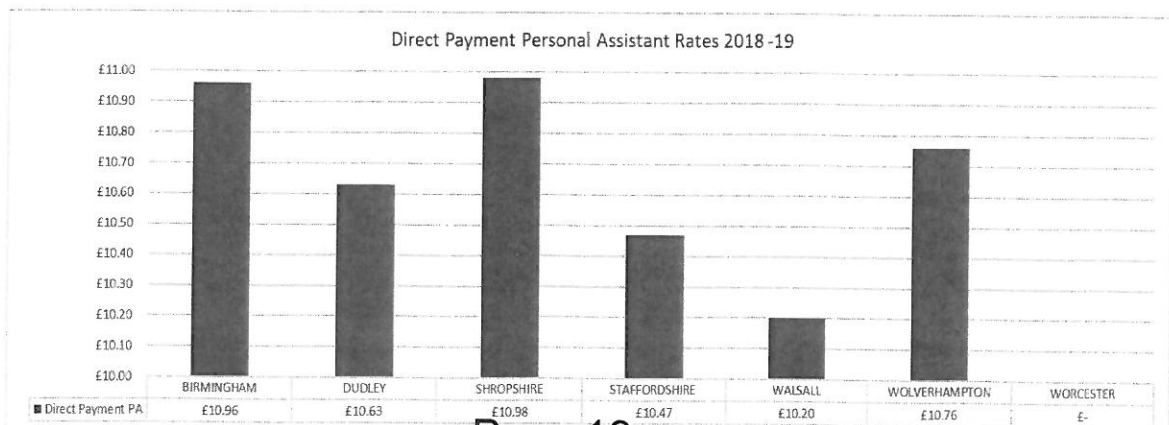
14.2 At present the Wolverhampton agency direct payment rate is £13.72 per hour and for the Personal Assistants is £10.76 per hour, which are in line with the current regional rates. The agency Direct Payment rate is higher as agencies are paid to administer the payroll for care workers, travel cost, national insurance, holiday and sick pay, and for a PA the care worker is employed directly by the individual and does not incur any administration costs.

14.3 A benchmarking exercise was carried out to understand the Direct Payment Domiciliary Care Rate for agencies and Personal Assistant rate.

14.4 Table 4: Direct Payments - Domiciliary Care Agency rate for 2018-2019:



14.5 Table 5: Direct Payment – Personal Assistant rate for 2018-2019:



14.6 The recommended options for direct payments domiciliary care is option two in the table below to increase fee levels to meet the additional costs (employee) resulting from the increases to the National Living Wage.

14.7 Table 6: Options for Direct Payments Domiciliary Care:

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate Direct Payments Domiciliary Care £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	13.72	-
Option 2	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.	0.38	14.10	26
Option 3	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage	n/a	n/a	-

14.8 The recommended option for Direct Payments Personal Assistants is option one in the table below, this is because from July 2019, Direct Payment recipients (as employers) will no longer be required to meet insurance costs from the hourly rate awarded. Instead the local authority will arrange the required insurance directly with the insurance company on behalf of the Direct Payment recipient. This has the effect of reducing some of the on-costs currently factored in the hourly rate allowing a real-terms increase which can be passed onto the worker.

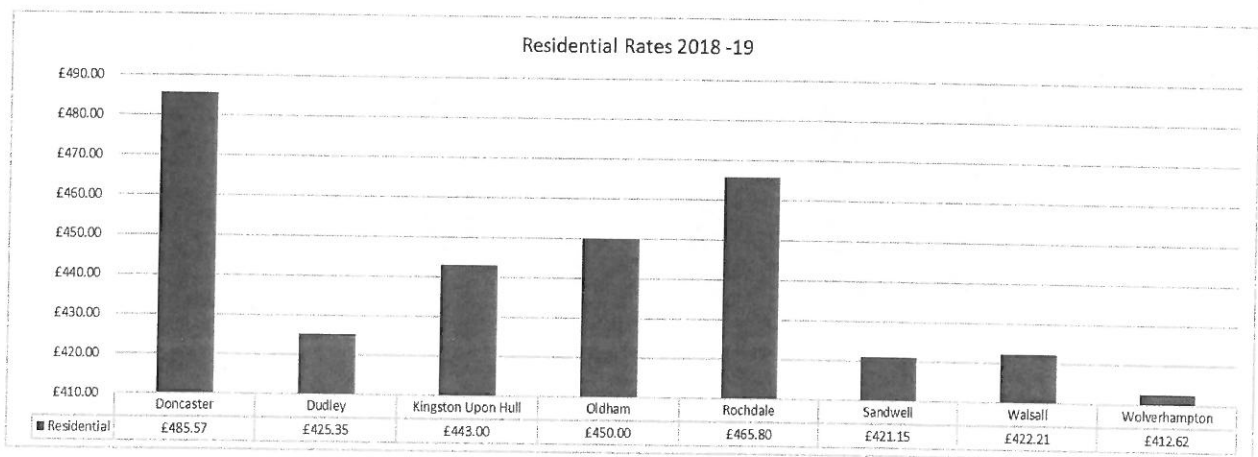
14.9 Table 7: Options for Direct Payments Personal Assistants

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate Direct Payments Personal Assistant £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	10.76	-
Option 2	Increase fee levels to meet the additional costs (employee only) resulting from the increases to the National Living Wage.	0.38	11.14	109
Option 3	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage	n/a	n/a	-

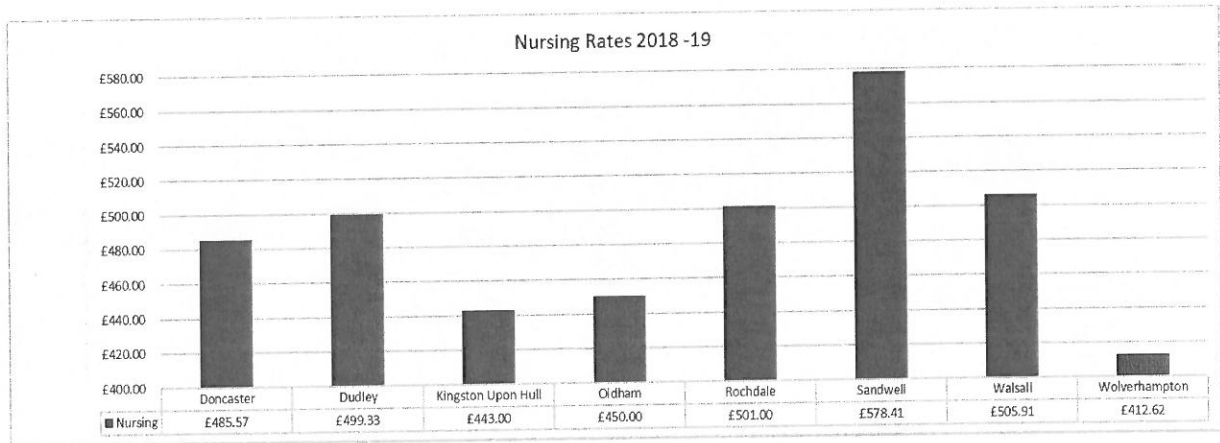
15.0 Residential and Nursing Care – 2018-2019

15.1 The following tables outline the regional benchmarking data for residential and nursing care 2018-2019 excluding Funded Nursing Care (FNC).

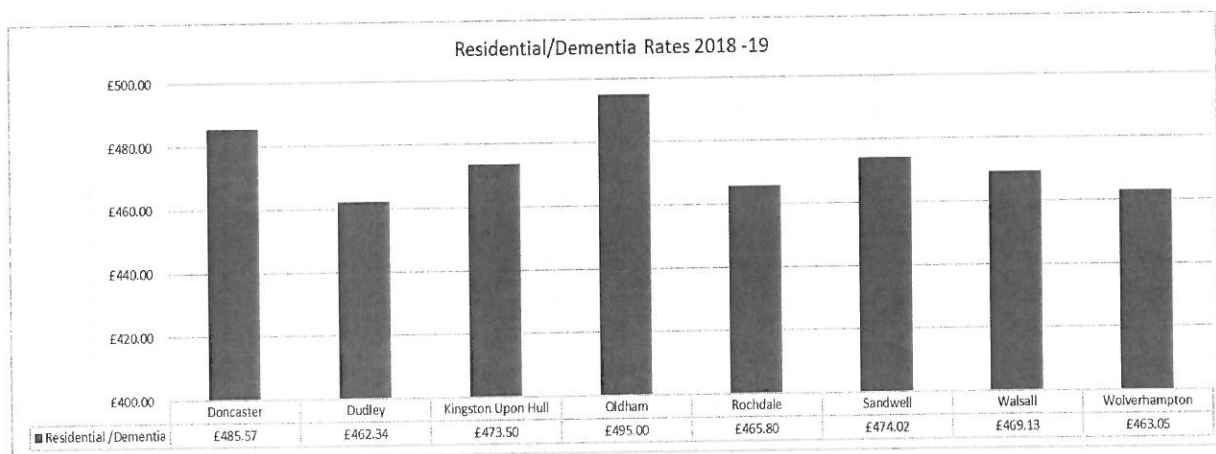
15.2 Table 7: Regional benchmarking data for Residential 2018-2019



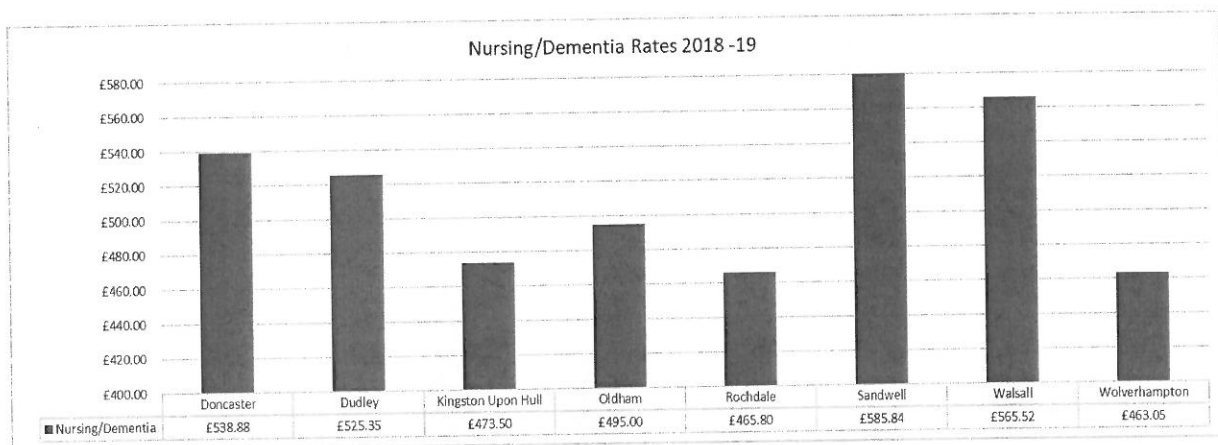
15.3 Table 8: Regional benchmarking data for Nursing 2018-2019



15.4 Table 9: Residential and EMI/Dementia



15.5 Table 10: Residential and EMI/Dementia Nursing



15.6 Legislation states that a placing authority must be able to be able to offer at least one appropriate care home placement at their advertised rate when a placement is being considered. City of Wolverhampton Council has a standard rate for nursing and residential placements and a standard rate for nursing and residential Elderly Mentally Infirm (EMI) or Dementia placements. Within Wolverhampton there are 36 Care Quality Commission registered residential care homes, as of March 2019, 16 were declaring that they accept placements at the current council rate. There are 15 nursing homes of which eight are also registered as being Nursing Emi or

Dementia homes. As of March 2019, there were two homes declaring they accept placements at the current council nursing rate, but none of the homes currently accept a nursing EMI or Dementia placement at the Council rate. Two residential care providers have withdrawn from the care market.

15.7 The recommended option for residential and nursing care is option three as detailed in the table below to increase the council standard rates by five percent. For providers whose rates are above this amount an increase to reflect the employee costs due to the increase in the national living wage will be given. This reflects that our nearest neighbours are currently paying higher fees and that there is a significant number of residential and nursing homes which don't accept placements at the council rates. Whilst we have an agreed rate, analysis shows that a significant number of placements are commissioned at a higher rate indicating the current agreed rate is unrealistic. In line with the council's intention to grow community based provision it is expected that placements within residential settings will reduce in the coming years, thereby reducing overall spend in this sector.

15.8 The uplift is to recognise ongoing pressures within the provider market and to bring about stability. Over the next nine months a process will be entered into to understand the cost of delivering good quality care whilst also ensuring equity in fees paid for individual packages of care with the intention to reward and support provider who work with the Council in managing costs.

15.9 Table 11: Options for Residential Care:

Option	Methodology for increase	Current weekly rate 2018-2019 £	Proposed weekly increase £	Proposed new weekly rate 2019- 2020 £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels	412.65	0.00	412.65	-
Option 2	National Living Wage to the employee and employer	412.65	11.13	423.78	93
Option 3	Provider model - increase rates less than £433.30 to £433.30 and NLW plus employee and employer costs for rates more £433.30	Variable	Variable	Variable	134

15.10 Table 12: Options Residential Care with Dementia:

Option	Methodology for increase	Current weekly rate 2018-2019 £	Proposed weekly increase £	Proposed new weekly rate 2019- 2020 £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels	463.05	0.00	463.05	-
Option 2	National Living Wage to the employee and employer	463.05	11.13	474.18	206
Option 3	Provider model - increase rates less than £433.30 to £433.30 and NLW plus employee and employer costs for rates more £433.30	Variable	Variable	Variable	206

15.11 Table 13: Older People Nursing Care

Option	Methodology for increase	Current weekly rate 2018-2019 £	Proposed weekly increase £	Proposed new weekly rate 2019- 2020 £	Impact to Budget £000
Option 1	Do nothing. Do not increase fee levels	412.65	0.00	412.65	-
Option 2	National Living Wage to the employee and employer	412.65	11.13	423.78	77
Option 3	Provider model - increase rates less than £433.30 to £433.30 and NLW plus employee and employer costs for rates more £433.30	Variable	Variable	Variable	105

15.12 Table 14: Nursing Care with Dementia/EMI

Option	Methodology for increase	Current weekly rate 2018-2019 £	Proposed weekly increase £	Proposed new weekly rate 2019- 2020 £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels	463.05	0.00	463.05	-
Option 2	National Living Wage to the employee and employer	463.05	11.13	474.18	97
Option 3	Provider model - increase rates less than £433.30 to £433.30 and NLW plus employee and employer costs for rates more £433.30	Variable	Variable	Variable	106

16.0 Extra Care

- 16.1 The eight extra care schemes across the city, all have a ten-year contract that runs from 2012 to 2022 with an option to extend until 2023. One provider is withdrawing from the market, due to a change in their preferred business model nationally and five of those schemes are being re-tendered within the same contract to commence January 2020.
- 16.2 Future demand for extra care in future has been analysed and in order to match the increase in numbers of the over seventy fives in the city an additional 322 extra care units will be required in the city by 2030. However, to support the strategy of reducing the reliance on residential care a more ambitious target, based on independent analysis, of achieving an additional 579 units by 2030 has been agreed by Cabinet Resources.
- 16.3 There has been one fee increase given since the contracts were awarded in 2012. This uplift was in 2018-2019 for 2%. Two providers have asked for increases, one at 5.89% the other for 10%.
- 16.4 The provider which is exiting the market has not asked for an uplift. The rates for those five schemes will be agreed as part of the tender process to re-procure the provision.
- 16.5 The risk of not considering an uplift is that providers may choose not to participate in the re-tendering for the block contract when the existing contracts end, thereby reducing the range of provision in the market.

16.6 In recognition that fee uplifts were not built into the ten year contract but that extra costs will have been borne by providers the recommended option for extra care is option four as detailed in the table below which is to give a percentage increase to the block contracts to ensure stability of the provider market.

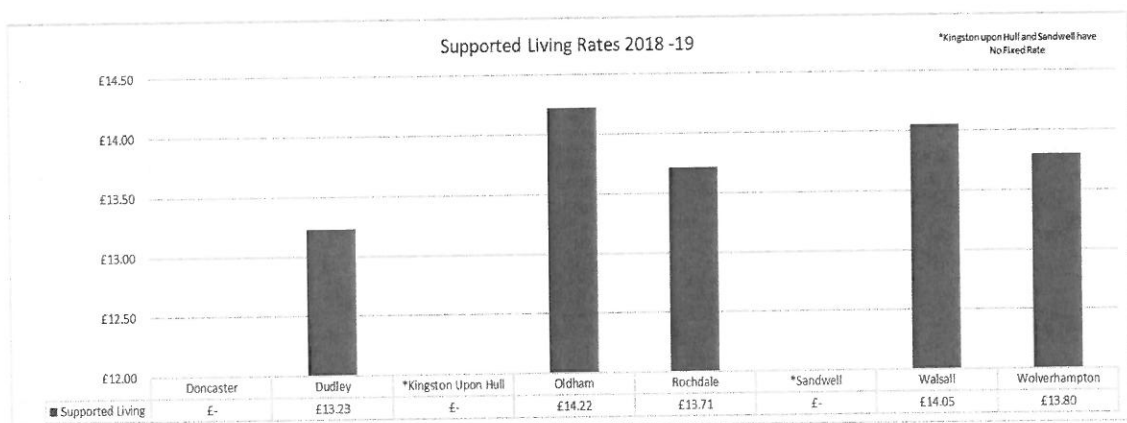
16.7 Table 15: Options for Extra Care:

Option	Methodology for increase	Estimated annual cost increase £000
Option 1	Do nothing. Do not increase fee levels.	-
Option 2	1% increase	24
Option 3	2% increase	48
Option 4	3% increase	71
Option 5	6% increase based on average of fee uplift requests from providers	143

17.0 Supported Living

17.1 The costing model for supported living across the region varies, some Local Authorities operate a fixed hourly rate and others a banding costing model. Most Local Authorities' rates are determined based on the level of support needs by individual customers; this is translated in number of hours (amount of care) required by each client and providers rates will be determined depending on tendered rates. The table below outlines the regional benchmarking data for supported living 2018-2019.

17.2 Table 16: Benchmarking data for Supported Living 2018-2019



17.3 The market is currently stable; however, some providers are refusing new packages at the existing band two rate (which is the usual level of support required) giving increases to national living wage and pensions as the reason.

17.4 The recommended option for supported living is option two in the following table which enables providers to pay the increase to the National Living Wage within the current fees. The lower rate, in comparison to domiciliary care is reflective of the fact that individuals are based in one location and therefore do not have any associated travel costs. The proposed increase is also reflective of the rate range which will be subject to re-tendering in June 2019.

17.5 Table 17: Options for Supported Living:

Option	Methodology for increase	Cost increase per unit	Proposed Hourly Rate Supported Living £	Impact to budget £000
Option 1	Do nothing. Do not increase fee levels.	0.00	13.80	-
Option 2	Increase fee levels to meet the additional costs (employee and employer) resulting from the increases to the National Living Wage.	0.52	14.32	455

18.0 Residential Provision for People under 65 years with complex needs

18.1 For the last six years this type of provision has not been subject to a set fee review. This is because each placement cost is agreed based on the individuals identifiable need. City of Wolverhampton Council have determined that during this time the fees paid enable the provider to meet the National Living Wage requirements.

18.2 The current forecast costs of under 65's residential placements for 2018- 2019 is £9.6 million.

18.3 Due to the range and variation of the funding arrangements for residential provision for people under 65 years with complex needs an automatic uplift of rates is not recommended. Instead requests for a fee increase for an individual placement will continue to be considered on a case by case basis based on open book accounting.

19.0 Community Activities for Older Adults

19.1 The framework for Community Activities was tendered in 2016 and ten providers were awarded places on the framework. The contract was for an initial two-year period, with the option to extend by up to a further two years. In July 2018 a further six providers were awarded places on the framework. A 12-month extension was approved, meaning the framework will be operational up to December 2019.

19.2 A review into the future models has begun which indicates that where providers are operating on a staff to client ratio of 1:5 or greater the current rate of £20.93 per day/activity is enough to ensure the national living wage can be paid. From the review carried out so far none of the contracted services have a working ratio of 1:4 or less therefore it is felt that this service should not be included in calculations for any fee uplift because of the review.

20.0 Reason for decision:

20.1 To ensure sufficiency with the external social care provider market to meet the social care needs of residents in Wolverhampton.

21.0 Financial Implications

21.1 The costs identified above are funded from Adults Services care purchasing which has a net controllable budget of £42.2 million in 2019-2020.

21.2 The recommendations being considered in this report represent a total estimated increase in costs of £1.5 million. These costs can be met from existing budgets within Adults Services.
[AJ/13052019/K]

22.0 Legal Implications

22.1 The increase would mean that care providers are supported to meet their legal obligations to pay the increase in the National Living Wage and pension contribution from 1 April 2019. The implementation of a cost rate increase supports local providers to meet the requirements of the National Living Wage and cost of living increases falls within the remit of the Care Act 2014. The Care Act 2014 has reiterated and strengthened this expectation with explicit requirements to maintain market sustainability and responsibilities for dealing with provide failure for both assisted and self-funding people.
[TC/090519/N]

23.0 Equalities Implications

23.1 The proposals impact on people with vulnerabilities with the intended outcome of sustaining the external market for provision social care services.

24.0 Environmental Implications

24.1 There are no environmental implications from this proposal.

25.0 Human resources Implications

25.1 There are no human resources implications from this proposal.

26.0 Corporate landlord Implications

26.1 There are no corporate landlord implications for the Council's property portfolio.

27.0 Health and Wellbeing Implications

27.1 A values-driven, quality workforce will enhance the experience of people requiring formal support through paid assistance and enhance health and wellbeing.

28.0 Schedule of background papers

28.1 None

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