

REPORT TO: Health Policy & Performance Board

DATE: 28 June, 2022

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Health & Wellbeing

SUBJECT: Fair Cost of Care

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To inform the Board of the new Government Policy requiring all councils with Social Services Responsibilities in England to complete a 'fair cost of care' exercise and produce a 'market sustainability plan'.

2.0 RECOMMENDATION: That:

The report be noted.

3.0 SUPPORTING INFORMATION

3.1 In the white paper 'People at the Heart of Care' (December 2021) the Government outlined a 10 year vision for adult social care (ASC) with the aim to ensuring that people:

- Have the choice, control and support they need to live independent lives
- Can access outstanding quality and tailored care and support
- Find adult social care fair and accessible

3.2 As part of this policy the Government announced a 'market sustainability and fair cost of care fund' to support local authorities to prepare for market reform and to support local authorities to move towards paying providers a fair cost of care'.

3.3 The DHSC has been working with key stakeholders since announcing the fund and produced detailed guidance on what a 'fair cost of care' exercise and a 'market sustainability plan' should contain.

3.4 The DHSC have determined which parts of the care and support provider sector these are aimed at, namely:

- Care homes for adults aged 65+
- Domiciliary care provision in people's own homes

The following are excluded:

- Care homes for adults under the age of 65
- Care and support provision that is in live-in, supported housing, extra care
- Rapid response and Reablement provision
- Services owned and operated by local authorities

3.5 National and regional work has been directed to the creation of 'fair cost of care' tolls – one for care homes and one for domiciliary care. Councils are at liberty to create their own mechanisms / tools to complete this exercise.

3.6 Councils are required to submit the completed fair cost of care table, report AND a provisional market sustainability plan by 14th October 2022 with a final market sustainability plan by February 2023. All of which need to be published on the council's website.

3.7 The cost of care table will detail information submitted by providers and aggregate median costs for each cost line AND lines on return on operations and capital (capital for care homes only).

3.8 The cost of care report will outline: how the exercises were carried out; how providers were engaged, lower and upper quartile and median costs; how the cost of care has been determined.

3.9 The provisional market sustainability plan will use the cost of care information as a key input for 3 key sections:

- Assessment of current fees and market sustainability
- Quantify expected market changes and future risk in next 3 years including due to charging reforms
- Plans to address any sustainability issues identified and move to a fair cost of care between 2022 and 2025

3.10 The final market sustainability plan will update 3.9 above to incorporate decisions made as part of the councils 23/24 budget setting process.

3.11 Halton Borough Council have appointed an external consultant to undertake the cost of care exercise with the relevant providers (using the nationally / regionally developed tools), prepare the cost of care table and report. The consultant will also support the completion of the provisional and final market sustainability plans.

4.0 **POLICY IMPLICATIONS**

4.1 The council's approach to the fair cost of care exercise and market sustainability plan will ensure compliance with the policy guidance outlined from the DHSC.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 It is unclear where any increases in financial resources that may be required to get fee rates to a 'fair cost of care' will come from. This poses a financial risk to the council whilst potentially raising expectations by care providers in relation to fee rates.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

None identified at present.

6.2 Employment, Learning & Skills in Halton

None identified at present.

6.3 A Healthy Halton

The provision of high quality, sustainable care for residents of care homes and for people in their own home is critical to maintaining the health and well-being of the most vulnerable residents in the borough.

6.4 A Safer Halton

None identified at present.

6.5 Halton's Urban Renewal

None identified at present.

7.0 RISK ANALYSIS

7.1 The determination of a 'fair cost' of care could pose a significant financial risk to the council in terms of affordability. The council risks a judicial review where such a determination is made and this is unaffordable.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 None identified as relevant at this stage.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.