

**REPORT TO:** Executive Board

**DATE:** 16 January 2025

**REPORTING OFFICER:** Executive Director, Adults Services

**PORTFOLIO:** Adult Social Care

**SUBJECT:** Fee setting Process and request to Consult Care Providers

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 To inform the Board of the proposed fee setting process and annual uplift for domiciliary care, direct payments, supported living and care home providers within Halton for 2025/26.

**2.0 RECOMMENDATION: That**

- 1) the Board note the contents of the report; and**
- 2) approval be given to actively enter into consultation with care providers in relation to the annual uplift for 2025/26**

**3.0 SUPPORTING INFORMATION**

3.1 Section 5 of the Care Act 2014 requires local authorities to ensure that the care market as a whole remains viable and sustainable. This covers all care sectors and providers of care which includes domiciliary care, supported living, residential and nursing providers. It also includes a growing sector of individual people who use services through personal budgets to employ a personal assistant.

3.2 When commissioning services, local authorities must have regard to the cost effectiveness and value for money that the services offer for public funds. However they must not undertake any actions which may threaten the sustainability of the market, and must ensure that remuneration for staff must be at least sufficient to comply with national minimum wage legislation, and that there is a 'fair price' paid for care.

3.3 The 2025/26 fee uplift is being considered at a time when the adult social care sector is facing major challenges. The Care Act requires Councils with responsibility for adult social care services to enable a sustainable market. This must also be considered in relation to value for money and affordability at a time when the Council is also facing significant financial pressures.

- 3.4 The approach to setting fees and agreeing to appropriate uplifts includes consulting with all stakeholders and reassuring them that arrangements for determining fees and uplifts are robust. The approach allows for uplifts to be considered on an annual basis with consideration given to changes, business costs and the conditions faced by providers.
- 3.5 There is significant concern regarding the impact of the 6.7% rise in the National Living Wage and the increase in employer national insurance contributions on the social care sector. Although there have been discussions with government in respect of the local government finance settlement no details are currently available.
- 3.6 The care sector remains difficult to recruit to with unfilled vacancies and providers having to absorb expensive agency costs. Supermarkets have increased wages within year to enable staff to face the cost of living crisis and is the preferred employment option for people in this sector.
- 3.7 It is fundamental, in this context that the providers are given the opportunity to contribute to the fee setting process via consultation.

#### 4.0 **POLICY IMPLICATIONS**

- 4.1 None identified

#### 5.0 **FINANCIAL IMPLICATIONS**

- 5.1 The financial pressures within this sector are well recognised both nationally and locally. Although providers recognise the risks the Local Authority are facing and the impact of the cost of living crisis, the ongoing burden of staff vacancies and reliance on higher cost agency staff is severely affecting the sector in addition to the implications of the recent budget.

#### 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### 6.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

None.

##### 6.2 **Building a Strong, Sustainable Local Economy**

Ensuring care home fees are set within an appropriate cost model will support providers to remain sustainable maintaining current provision and therefore giving the people of Halton greater choice and avoiding the necessity of having to look outside the borough for a care home that can meet their needs.

6.3 **Supporting Children, Young People and Families**

None.

6.4 **Tackling Inequality and Helping Those Who Are Most In Need**

Overall, the annual fee consultation will help secure sustainable and diverse adult social care support for people focusing on outcomes, wellbeing, quality, and choice, where service users will be safer and enjoy a better quality of life.

6.5 **Working Towards a Greener Future**

Adult Social Care will continue to work with providers to identify alternative approaches to support them with financial pressures e.g. training, procurement and alternative approaches to the delivery of care, including technology.

6.6 **Valuing and Appreciating Halton and Our Community**

None.

7.0 **RISK ANALYSIS**

7.1 The consultation will allow the sector to advise of any further risks in addition to those already identified..

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Agencies working under contract to the Council are expected to comply with the Council's policies relating to Ethnicity and Cultural Diversity as well as promoting social inclusion of some of the most disadvantaged people in the Borough.

9.0 **CLIMATE CHANGE IMPLICATIONS**

9.1 Adult Social Care will work continuously with providers to ensure services maximise the use of technology and exploit service innovations that support the Council's commitment for a greener environment.

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

10.1 'None under the meaning of the Act.'