



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

NEATH PORT TALBOT COUNCIL

SOCIAL SERVICES, HOUSING AND COMMUNITY SAFETY CABINET BOARD

10th November 2022

**Report of the Director of Social Care, Health and Housing – A.
Jarrett**

Matter for Decision

Wards Affected All wards

FEE UPLIFTS TO SUPPORT THE SUSTAINABILITY OF OLDER PEOPLE CARE HOME SERVICES IN NEATH PORT TALBOT

Purpose of the Report

For the Director of Social Services, Health and Housing to receive delegated authority to implement a £30 per person, per week uplift to the fees paid to providers contracted by Neath Port Talbot Council (“the Council”) for the delivery of spot purchased Older People Care Home services.

Executive Summary

The Older People Care Home market is currently experiencing unprecedented challenges in delivering services within the current fee levels agreed by the Council for spot purchased placements. The current instability of the social care market presents a significant risk to the Council’s ability to purchase suitable statutory services to meet peoples assessed needs.

In order to increase sustainability within Older People Care Home services, it is proposed that the Council implements a £30 per person, per week uplift for the 2022/23 financial year, backdated to April 1st 2022.

Background

The Council currently has contracts in place with 20 Older People Care Homes within the Neath Port Talbot area to spot purchase placements for people that are assessed as requiring a Care Home placement. Spot purchase means that there is no obligation on either the Council to make a placement, or for the Care Home to offer a placement to the Council. These contracts are separate to the contract with Pobl to block purchase 155 Care Home beds, in which the Council and Pobl have obligations to both fund and provide a set number of Care Home placements.

As at 04.10.22, the Council commission 288 placements in Older People Care Homes that are registered with Care Inspectorate Wales (“CIW”) to deliver both residential and nursing care. The Council also commissions 140 placements in Older People Care Homes that are registered with CIW to deliver only residential care.

The Older People Care Home market continues to face ongoing pressures and challenges, which is negatively impacting on the Council’s ability to offer timely and sustainable services to those assessed as requiring statutory services. On the 16th September 2021 (Background Paper 2), a restricted paper was presented to Cabinet setting out the many financial challenges Older People Care Homes were likely to face post-pandemic. This report also highlighted the historically low fees paid to Older People Care Homes in Neath Port Talbot by the Council in comparison to other Welsh Local Authorities.

A further paper was taken to Cabinet on the 11th September 2022 in order to seek approval of the Neath Port Talbot Market Position Statement (Background Paper 1). This document highlights the precarious situation of the local Older People Care Home Sector and

that the financial sustainability of some Older People Care Homes is fragile.

To support the sector, an 11% uplift to the 2021/22 Older People Care Home fees was agreed for the 2022/23 financial year, the implementation of which was brought forward to 1st October 2021. The calculations for this uplift was based on enabling homes to pay their staff the Real Living Wage and the anticipated inflation increases for the 2022/23 financial year, using the Consumer Price Index (CPI).

The current fees paid to Older People Care Homes by the Council under the spot contract are:

Home Type	Fee
Residential Care	£688.20
Nursing Care	£696.60
EMI Nursing Care	£732.90

Although an 11% increase was significant, the Council still pay less for Older People Care Home placements than many other Local Authorities in Wales:

Home Type	Highest	Lowest	Average	NPT Position
Residential Care	£813.16	£632.72	£699.43	13 LAs pay higher fees than NPT, 12 of which pay over £700
Nursing Care	£902.29	£664.95	£751.18	NPT pays the 2 nd lowest fee in Wales and NPT fees are £54.58 less than the Welsh average.
EMI Nursing Care	£944.83	£732.90	£806.10	NPT pays lowest fee in Wales for EMI nursing placements and NPT fees are £73.20 less than the Welsh average.

Since agreeing the current fees, there have been significant and well documented rises in the cost of living, all of which has directly impacted on the costs of delivering Older People Care Home services. These rises present a risk to market stability, as it is not possible for the Care Homes to continue absorbing these costs within the current fee levels.

Increasing costs of delivering Older People Care Home services have resulted in many Care Homes having to make difficult decisions around the operation of their homes. Some Care Homes have needed to reduce expenditure in areas that will have an impact on the experience of residents, such as reducing activity coordinator hours and only undertaking essential maintenance. Furthermore, some Care Homes are implementing charges for non-statutory elements of their provision, for example trips and activities outside of the Care Home and the provision of additional snacks.

There has also been an increase in both the number of Older People Care Homes implementing a Third Party Top-Up and the level of this payment since last year. A Third Party Top Up is an additional payment outside of the Councils contract price for Older People Care Home placements to meet the costs of an enhanced service from the Care Home, which is not part of meeting the residents identified care needs (for example a bigger room with a nicer view) and is paid directly to the Care Home by the resident or family member. In September 2021, Officers reported that 10 Older People Care Homes implemented a Third Party Top Up, the cost of which ranged from £35-£80 per week. As of October 2022, 11 Older People Care Homes have implemented a Third Party Top Up with costs of up to £170, the average cost of a Third Party Top Up is around £65 and 5 Care Homes that had a charge in September 2021 have increased their Third Party Top Up fees by 14%-100%.

The number of Older People Care Homes with a Third Party Top Up has resulted in a reduction of choice for those people that cannot afford to pay the difference between the Council fee rate and the fee rate that their Care Home of choice charge.

A further pressure that the Council is facing when securing Older People Care Home placements, is the purchasing of transition beds by Swansea Bay University Health Board ("SB UHB"). In order to support hospital flow, SB UHB have purchased a number of Older People Care Home beds at a cost of £860-£950 per person, per week. These beds

are for patients that are medically optimised and no longer require hospital care, but are unable to return home as they are waiting for the next stage in their care journey to be finalised. There are 29 people placed in Older People Care Homes under this pathway.

Standard 10 of Welsh Government's Guidance and Good Practice Commissioning Framework "Fulfilled Lives, Supportive Communities", states that commissioners of services need to have understood the costs of delivering care and act in a way that promotes service sustainability. The Guidance also highlights that the *"fees need to be adequate to enable providers to meet the specification set by the commissioners together with regulatory requirements"*.

Officers have undertaken significant work with Older People Care Homes to understand the impact of rising costs, so that they can identify what the shortfall is between the current fees paid by the Council and the costs of operating the Care Home. As well as increases in food and energy prices, Care Homes have also faced rises in areas such as insurance fees, lease agreements, maintenance and loan agreements.

It is the view of Officers that without intervention, the Older People Care Home sector could destabilise and that this destabilisation will present a significant risk to the Councils ability to continue meeting peoples statutory social care needs.

As such, it is proposed that the Council implements a £30 per person, per week uplift to the current contractual rate for services delivered by Older People Care Home providers operating in Neath Port Talbot under the spot contract. This would be backdated to 1st April 2022.

It should be noted that the recommendations within this report excludes the contract between the Council and Pobl for the block purchasing of Care Home beds and the fees paid to Older People Care Homes outside the Neath Port Talbot area. This is because there are separate contracts with different terms governing the fees for these services.

Financial Impacts

The total per annum cost of implementing a £30 per person, per week uplift for spot purchased Older People Care Home placements in Neath Port Talbot is £667,000.

Initially this will be funded from the Social Services equalisation reserves. This will be an ongoing additional cost; there is sufficient provision within the Social Services equalisation reserve to meet this additional cost in 2022/23, whilst discussions remain ongoing with Welsh Government regarding long term sustainable funding for the Social Care sector.

Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment, attached at Appendix 1, has indicated that a more in-depth assessment is not required. A summary is included below.

- This proposal will have a positive impact on service users that have a protected characteristic of age and/or disability by ensuring the sustainability of services they require to help them meet their identified outcomes.
- This proposal has no impact on service users due to other protected characteristics, as a person would not be in receipt of Older People Care Home services directly due to those protected characteristics. The decision to implement this uplift to services has no impact on the person centred assessment process or requirements for the service to deliver care in a person centred way, which takes into account a person's protected characteristics.

- This proposal has no impact on Welsh Language, as it does not change requirements for people to receive a service in their language of choice.
- The proposal embraces the sustainable development principles, as it will help to ensure more sustainable services that support service users that are assessed as requiring residential care.

Valleys Communities Impacts

There is no differential impact from this proposal between valley and non-valley communities, as the proposal is to implement an uplift to all Older People Care Homes within Neath Port Talbot that the Council has a contract to spot purchase placements. Appendix 2 sets out the geographical location of the 20 Care Homes in Neath Port Talbot that the Council has a spot contract with (i.e. excluding the Pobl Care Homes).

Workforce Impacts

No Impacts

Legal Impacts

The decision on fees to be offered to providers of Older People Care Homes must comply with the Council's duties under the Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015 and observe Welsh Government Guidance. The decision is subject to public law requirements and is therefore subject to challenge under judicial review.

The existing contracts allow the Council to implement uplifts to the contract price.

Risk Management Impacts

Risks of not implementing the proposal

The intention of the proposal is to ensure that Older People Care Home fees are sufficient, so that they remain financially viable. There will be a significant risk to the sustainability of the Older People Care Home market if approval for the proposed uplift is not granted.

Risks associated with an unstable Older People Care Home market presents a high risk to the Council's ability to meet its statutory duties to those that are assessed as requiring an Older Persons Care Home placement.

This proposal is to help mitigate the current risks to the Council in discharging its statutory duties to people with assessed care needs, through the provision of Older People Care Home services by ensuring that Care Homes are given sufficient funding to maintain their operational viability.

There is also a risk that the Council could be deemed as non-compliant with Standard 10 of the Welsh Government's Guidance and Good Practice Commissioning Framework.

Risks with implementing the proposal

Uplifting Older People Care Home fees will have an ongoing impact on the Directorate's budget and as such will require allocation within future budget agreements.

Consultation

There is no requirement for external consultation on this item. However, significant work has been undertaken with the relevant Older People Care Home providers in the development of this proposal.

Recommendations

Having had due regard to the Integrated Impact Assessment, it is recommended that the Director of Social Services, Health and Housing is granted delegated authority to:

- Implement an uplift of £30 per person, per week to the current contract price for spot purchased Older People Care Home services within the Neath Port Talbot area for the 2022/2023 financial year;
- That this uplift is backdated to commence from 1st April 2022.

Reasons for Proposed Decision

To ensure that the fees paid to Older People Care Homes sufficiently meet the rising costs of delivering services, thereby ensuring market stability and ensuring compliance with Standard 10 of the Welsh Government's Guidance and Good Practice Commissioning Framework.

Implementation of Decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1: First Stage Integrated Impact Assessment

Appendix 2: Older People Care Home Map

List of Background Papers

Background Paper 1: Neath Port Talbot Market Position Statement
11th September 2022 -

<http://modgov.npt.gov.uk/documents/s81631/Appendix%201%20NPT%20MSR.pdf>

Background Paper 2: Impact of COVID-19 on the Sustainability of
Older People Care Homes in Neath Port Talbot 16th September
(Restricted) -

<http://moderngov.npt.gov.uk/ieListDocuments.aspx?CId=322&MId=9998>

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