

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 26<sup>th</sup> October 2020  
**Report for:** Decision  
**Report of:** Executive Member for Adult Social Care

### Report Title

Fair Price for Care for Older Peoples' Residential and Nursing Homes 2021-22

### Summary

Every year the Council sets a Fair Price for Care which determines the bed rate for the following financial year.

The pandemic has demonstrated the ability of all of our care providers, in particular nursing and residential care to respond flexibly to the changing needs of their residents and the demands of hospital discharge. COVID confirmed the position of good residential and nursing care for people with more complex and changing needs as a key element of our care market, both now and for the future. Despite this, the impact of COVID has increased the vacancy levels across the market. Moving from a position of a market with a waiting list for most beds to a market with high levels of vacancies which threaten the sustainability and stability of the market. Vacancy levels have fallen not just as a result of deaths, but also as a result of a loss of confidence in the self-funding market. Many market analysts predict that the market will take over 2 years to recover. The pandemic also prompted an acceleration of our ambition to move the point of decision making about long term care out of hospitals into the community, and in particular, deliver an enhanced model of care to people in their own homes as the hospitals focused on intensive support to seriously ill patients with COVID.

During the height of the pandemic the Council and the CCG supported the sector, utilising additional monies given to the Council to pay an enhanced rate for commissioned beds, subsidising the impact of vacancies, providing free PPE and refunding the difference in PPE costs. Unfortunately the Council and the CCG are not funded sufficiently to be able to support the market outside of the usual commissioning of beds to meet residents' needs. This is both because the number of beds in Trafford far exceeds the demand for social or health care funded beds and affordability. In order to promote a transparent approach, the Council, as lead commissioners for health and social care, will develop a dynamic procurement system which will be operational from April 2021. This will be co-designed with local providers within procurement flexibilities, and will give Trafford providers opportunities to bid to deliver services within lots which should support provider sustainability by diversifying or changing service models. Our quality requirements will be defined jointly with providers and clearly expressed during that process.

Underpinning the development of a dynamic purchasing system to secure provision to meet residents' needs will be the agreed bed rate for 2020/2021 - this year we will return to the % uplift formula used in previous years. In the absence of an announced uplift in the NLW, we continue to work towards the Ethical Care Charter, offering an increase of 2% for people on the National Living Wage. . This is based on the Low Pay Unit recommendation of a minimum of an increase of 15p an hour, and equates to an increase of 18p an hour. Providers will be expected to pass this increase onto their staff. The remainder of the uplift will be based on October's RPI, when that figure becomes available. The August figure was 0.50%.

Further consultation with the residential and nursing care home providers is required before a final proposal can be presented for formal approval.

**Recommendation(s)**

That the Executive approves the following for consultation, and further consideration in the light of consultation:

1. an inflationary uplift for existing purchased Residential and Nursing Home beds based on increases announced for the NLW or 2%, whichever is the higher and the RPI as at October 2020 for 2021/22.
2. an increased price of £560 for spot purchased residential beds plus the inflationary uplift and £626 for spot purchased nursing beds plus the inflationary uplift.

Contact person for access to background papers and further information:

Name: Karen Ahmed  
 Extension: 1890

Background Papers: None

<p>Relationship to Policy Framework/Corporate Priorities</p>	<p><b>Low Council Tax and Value for Money</b>  <b>Services focused on the most vulnerable people:</b> This is a targeted service provided to the most vulnerable people, following a social care assessment.  <b>Trafford Together Locality Plan :</b> We are working towards an integrated plan to align budgets for residential and nursing care to stabilise costs.</p>
<p>Relationship to GM Policy or Strategy Framework</p>	<p>The GM Living Well at Home Delivery Group is a joint programme which brings together a number of social care and health led work streams related to activities around home care and residential and nursing care homes into one coherent and co-ordinated programme. The Delivery Group is chaired by Diane Eaton and Mark Fitton (the DASS from Stockport).</p> <p>This new approach enables the development of clear care pathways designed to support people to live as independently in their own homes for as long as possible. The impact of this will be to prevent the disruption to people’s lives and relationships by reducing the need for a move to residential care for all but the most vulnerable and complex residents.</p> <p>Across GM, there are over 560 residential and nursing homes with over 19,000 beds. These homes make a significant contribution to the functioning of the health and care economy but there is significant variation in the level of quality, responsiveness, and adaptability. Last year GM established quality targets, based on CQC ratings, and these will be reviewed in line with the changing regulation framework. The ambition to have a high performing residential and nursing care sector remains.</p> <p>GM is currently focused on maintaining market stability, and a number of boroughs have already lost some of their care homes. As the intention is to move away from traditional nursing and residential care homes, this will involve some reshaping and diversification of the market.</p>

	<p><b>Commissioning Strategy and Market Position Principles:</b> Our vision for the market and our commitment to coproduction is articulated in “Trafford Together,” our locality plan. This is a jointly agreed document which sets out the system wide changes we need to make to achieve our ambition over the next 5 years. This plan will be consulted upon during the year of engagement. The plan states that “In Trafford under the banner of the ‘Living Well at Home Programme’ we will integrate service provision to ensure better outcomes for Trafford residents and the ‘system’ in which we operate. We will adopt the principles of the locality plan by delivering person centred care that preserves independence by supporting more people to remain at home. We will continue to reduce admissions to residential and nursing care.<sup>1</sup></p> <p><b>Housing Strategy and Ageing Well:</b> We are working very closely with our colleagues in housing strategy and in public health to look at a number of different options to support people living in the community with a wide range of needs so that people only enter residential care when they need that level of care and support, rather than because their living accommodation does not meet their needs or they are lonely. These approaches are articulated in our Ageing Well and new Older Peoples Strategies.</p>
Financial	The proposed uplift based on increases to the NLW or 2%, whichever may be higher, and RPI for other costs would be met from within the overall allocation for inflation and demography in the Medium Term Financial Plan (MTFP) that has been allocated to the Adult Social Care budget for 2021/22.
Legal Implications:	The legislative requirements are detailed in the report.
Equality/Diversity Implications	<p>Decision-makers are under a legal duty to have due regard to the need to eliminate discrimination against care home residents (as well as providers/staff), promote equality of opportunity between such persons and others and foster good relations between such persons and others. Therefore, it is important to take care that all the new rates are adequate to promote a diverse and high quality care home market, in particular because of the risk that otherwise there could be an adverse impact on the welfare of vulnerable residents and/or staff and their ability to enjoy a quality of life comparable with those less vulnerable.</p> <p>Vulnerable residents include in particular the elderly, women and disabled persons. Staff are largely female.</p> <p>Decision-makers need to be satisfied that both the lower and higher rates are adequate for the welfare of residents and staff.</p> <p>A fuller report on equality/diversity implications will be submitted together with the results of consultation.</p>
Sustainability Implications	Not applicable.
Resource Implications e.g. Staffing / ICT / Assets	Not applicable.
Risk Management Implications	The key risks for Trafford are around maintaining a sustainable care market within a nationally very fragile social care market. Nationally and local, the fragility of the market, particularly those relying on self-funders as a source of

<sup>1</sup> Trafford Together Locality Plan v.6.11.19, para 6.14, p.33

	income, has increased.as the public have lost confidence in care homes. In order to do this we must set an appropriate inflationary uplift which enables providers to meet all reasonable costs incurred in providing services.
Health & Wellbeing Implications	Our residents are assessed as requiring residential or nursing care home provision when they are no longer able to live safely at home. It is essential to have a sufficient supply of residential and nursing care homes to meet our residents' health and well-being needs.
Health and Safety Implications	Not applicable

## 1.0 Background

- 1.1 COVID has changed the social care landscape dramatically within Trafford and Greater Manchester. Through the necessity of moving complex care closer to where someone lives, whether that is in their family home, extra care or a care home, the health and social care system has developed a way of delivering services to enable people to remain in their own homes for as long as possible, only having to move to a bed based service such as a hospital or care home when it is absolutely necessary. This approach has been supported across Trafford for a number of years and by the wider social care market, with new homecare models which can provide an immediate response at the point of discharge and care home providers taking on more complex people and supporting them through the D2A process in an effective way – both enabling robust pathways to enable people to return home as soon as they are able with support packages where required.
- 1.2 During COVID, the Council and CCG have offered the social care market, especially the residential and care sector significant levels of support, keeping in contact with the sector on a daily basis and providing regular updates as the guidance changed. Financial support took the form of enhancing commissioned bed rates, compensating for vacancies, meeting any increased costs of Personal Protective Equipment (“PPE”) and the provision of PPE. The sector have had access to specialist Public Health advice, and advice and training from the Infection Prevention and Control team. The CCG reconfigured services and commissioned clinical support which was available 24/7 to support care homes through this difficult time. The sector responded positively to the challenge providing care and support to their residents during very difficult circumstances, implementing guidance and adapting the care they provided, often physically, to enable good infection prevention and control, and safe visiting.
- 1.3 Until recently, the biggest challenge nationally and locally to the care sector was recruiting and retaining staff, particularly trained and qualified nursing staff. With the level of redundancies and the uncertainty in the hospitality sector, employment in the care sector is more attractive, and our providers now report finding it much easier to recruit – and the hospitality sector has a significant number of transferrable skills related to customer care which have started to enhance the sector. The provision of nursing staff, however, still remains a challenge, but presents less of an issue than before.
- 1.4 The main challenge for our care homes now is the loss of public confidence in the sector. Despite the fantastic job that the sector has done during the height of the pandemic earlier this year, and the public celebration of the contribution of care sector, positive stories on the national and local news and the recognition of the way in which homes protected and maintained caring services in the most difficult of circumstances by families, care homes are no longer seen by the wider public as a desirable location in which to receive care. This has had a marked effect on our care homes which rely on self-funders purchasing over two-thirds of the beds in Trafford, often at significantly higher prices than the Council or the CCG can afford.
- 1.5 As a system, we are monitoring the level of vacancies that exist in general across the sector and in individual care homes. The Council has previously set out our strategy to develop block arrangements, both for Discharge to Assess (“D2A”) beds and for permanent placements, and that has been formalised through a formal procurement process. The Council and the CCG continue to support the homes through advice, information, training, speedy passporting of Government funding and ensuring adequate supplies of PPE.
- 1.6 We have noted on numerous occasions that the residential and nursing care market does not reflect the needs of all of our residents. Trafford’s JSNA highlights the wide disparity in Life Expectancy (LE), Healthy Living Expectancy (HLE) and Disability Free Life Expectancy (DFLE) across the borough. HLE

and DFLE are important measures of morbidity, including co-morbidity, and impairments which may affect the ability to carry out everyday activities – it is this proportion of the population who are most likely to require health and social care support, and it is these residents, who are some of our most vulnerable and needy, who are not catered for by much of the market. Many Trafford residents need more high level and complex nursing care – this results in the Council, and the CCG continually, having to source placements outside of Trafford, so that people with complex needs can receive the care they need. Unfortunately this situation remains.

- 1.7 We therefore propose to develop a Dynamic Purchasing System for Trafford, similar to the one that was developed across Greater Manchester for Learning Disabilities. This framework will enable us to commission beds within a framework of lots –each designed to meet the needs of local residents, such as complex care, D2A, innovation. Underpinning this will be the development of a model of care, co-produced with our local market which resets the offer in care homes, building on the potential to deliver care in a homely setting rather than an institutional way and embracing an enhanced model of individualised care. This approach will build on international models such as the Green House, national models such as My Care Home and local examples of best practice – all of which build on the assets of older people and enable our older residents to remain connected in various ways to the local community. As we enter the care market ourselves, Trafford Council will have the opportunity to test out some of these ways of working with local providers identified through a procurement process.
- 1.8 The Council has engaged annually with the market to agree a “Fair Price for Care”. The previous approach relied heavily on providers disclosing their make-up of their budgets in order to ascertain the costs pressures that the market was experiencing. However, year on year the number of respondents dropped considerably, rendering this approach unhelpful. So from 2018/2019 onwards, we used a different methodology to determine an inflationary uplift to set a new bed rate. Based on previous years’ submissions and CIPFA guidance, we estimated the impact of the National Living Wage on the staffing element of the budget, and the impact of the Retail Price Index on the remainder of the budget. This calculation was then used to inform the proposed inflationary uplift. The new bed rate was then used as a benchmark in making placements, but some providers in the market chose to set their own bed rates which were always in excess of the Council bed rate
- 1.9 Last year, providers requested that we apply a more detailed methodology in order to set a new bed rate. In line with this, we developed a new approach, as we recognised, through dialogue with providers and an analysis of budgets shared with us by providers during the year, that a more complex approach relevant to Trafford which reflected land and capital costs would enable us to reach a more accurate bed price. In order to determine an appropriate bed rate, we requested information from providers to ensure a more flexible approach. Whilst the response was low, the information garnered, when triangulated with an analysis of the cost of current bed rates, and an analysis of bed prices for both exitors and new entrants to placements, was sufficient to enable us to develop a different approach for a Fair Price for Care in 2020/21.
- 1.10 This year we are in a very different position because of the financial impact of COVID. Instead, of an Autumn Budget, the Chancellor announced a Winter Economy Plan announced on the 24 September 2020 focused on supporting the wider workforce where people were financially disadvantaged because of COVID. No mention was made of the NLW. The Council will return to offering an inflationary uplift for 2020/2021.
- 1.11 The Low Pay Unit have recommended a minimum of 15p increase an hour.
- 1.12 The Council have decided to offer an increase of 2% which equates to 18p per hour for those on the NLW. This demonstrates the Council’s commitment to the Ethical Care Charter. Providers will be expected to pass this increase directly on to their staff. Should an announcement be made on the NLW which is higher than the 2% proposed then this would be offered.
- 1.13 The Council based the inflationary uplift on the RPI rate for October. This has yet to be announced. The RPI for August was 0.5%
- 1.14 We are therefore proposing, subject to consultation, that the offer this year will be based on a calculation of an increase based on those figures. We will retain the rebased rate for new spot purchased beds. The detail is as follows:
  - 1.14.1 An inflationary uplift for existing purchased Residential and Nursing Home beds based on increases announced for the NLW or 2%, whichever is the higher and the RPI as at October for 2021/22.

- 1.14.2 An increased price of £560 for spot purchased residential beds and £626 for spot purchased nursing beds plus the inflationary uplift.
- 1.14.3 Our 1:1 rate will be aligned with the CCG 1:1 rate as we move to more of an integrated approach
- 1.14.4 Nursing beds will still attract the FNC payment which is funded by the CCG.

## 2.0 Legal Context

2.1 The Care Act 2014, from 1st April 2015, replaced the piecemeal legislation across the previous sixty years. The Care Act 2014 gives effect to, amongst other things, the following provisions:

- Requiring the Council to promote individual wellbeing and apply the wellbeing principle in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.
- Requires the Council to ensure the provision or arrangement of services, facilities or resources to help prevent, delay or reduce the development of needs for care and support or less restrictive options to meet needs.
- Requires that the Council must promote the efficient and effective operation of the local market in services for meeting care and support needs with a view to ensuring that people have a variety of providers to choose from, who between them provide a variety of services; have a variety of high quality services to choose from; and are given sufficient information to make an informed decision about how to meet the needs in question..
- The Act places new duties on local authorities to facilitate and shape their market for adult care and support as a whole, so that it meets the needs of all people in their area who need care and support, whether arranged or funded by the state, by the individual themselves, or in other ways.
- Specifies the requirements of a personal budget prepared for each adult needing care or support itemising the cost of meeting assessed need and individual financial assessment in terms of actual payment.
- Entitles an adult to express a preference for particular accommodation.

2.2 In addition to these provisions, the Council has a responsibility for market shaping as prescribed by the Act. Supplementing the Care Act 2014, there is further legislative provision and statutory guidance which has been issued by the Department of Health. The effect of the Act, regulations and guidance, is to require the Council to facilitate and shape their market for adult care and support as a whole.

2.3 The Care and Support Statutory Guidance issued under the Care Act 2014 states that local authorities must focus on outcomes when pursuing market shaping and commissioning. The relevant chapter of the guidance is set out in full at Appendix A of this report. In summary the principles which should underpin market-shaping and commissioning activity are:

- focusing on outcomes and wellbeing
- promoting quality services, including through workforce development and remuneration and ensuring appropriately resourced care and support
- supporting sustainability
- ensuring choice
- co-production with partners

The steps which local authorities should take to develop and implement local approaches to market-shaping and commissioning are:

- designing strategies that meet local needs
- engaging with providers and local communities
- understanding the market
- facilitating the development of the market
- integrating their approach with local partners
- securing supply in the market and assuring its quality through contracting

2.4 The above replaces the previous legal framework under the National Assistance Act 1948. Whilst under the National Assistance Act 1948 the Council was under a requirement to settle the usual cost with care providers, the Care Act 2014 and guidance does not require this. However, the Council is under very similar obligations under the Care Act to the National Assistance Act 1948 as it is required to consider

the cost of care and engage with the providers. Thus it remains lawful and is a useful tool in market shaping and complying with choice regulations.

The Care and Support Statutory Guidance also requires the Council to have regard to a number of matters including, in particular the Adult Social Care Outcomes Framework, Commissioning for Better Outcomes, the Think Local Act Personal partnership agreement/guidance on co-production, the Building Capacity and Partnership in Care Agreement, the Council's own JSNA (Joint Strategic Needs Assessment) and Market Position Statement, the Local Government Association's Adult Social Care Efficiency Programme and HM Treasury's guidance Managing Public Money, the NAO guidance, the Public Services (Social Value) Act 2012, the Developing Care Markets for Quality and Choice website and Supporting Local Authority and SME Care Provider Innovation and Collaboration. The officers who have drafted this Report have taken these matters into account.

Specifically, at paragraph 4.31, Chapter 4 of the Care and Support Statutory Guidance the Council's attention is brought to the UK Home Care Association Minimum Price for Homecare, the Laing and Buisson toolkit to understand the fair price for residential care and the Association of Directors of Adult Social Services Paying for cCare calculator (which is no longer available). So far as it remains available, officers have considered these and other toolkits, together with key non-statutory guidance, Working with care providers to understand costs. The latter states that, for commissioning sustainable care to be a practical reality, council officers and elected members need to be confident that each social care commissioning decision results in:

- effective, quality services delivered to people with care and support needs
- a fair deal for care providers
- good value for public money.

and is informed by considerations of:

- long-term sufficiency of supply
- affordability and efficiency

In order to achieve this, the IPC Cost of Residential care Toolkit – “Lets agree to agree”: A toolkit for commissioners and providers to agree the cost of residential and nursing care for older people, August 2018 was chosen as this toolkit reflects the contemporaneous pressures on the national market, and the Trafford market in particular.

### **3.0 Our Commissioning Approach**

3.1 The Fair Price for Care for 2021/22 is set within our recovery from wave one of the pandemic and in planning our reform for the future. It is also set at a time of rising infection rates.

3.2 Last year we set our intention to work collaboratively with Greater Manchester commissioners and local providers to develop a sustainable approach to managing the market and working towards a local bed price which is both equitable and sustainable. We proposed continuing to reduce our call on the permanent residential and nursing sector provision as we strengthen our reablement approach which includes of course, D2A beds. The impact of improved reablement approaches was seen during the pandemic and we have continued to see our figures of new placements drop from year to year. Alongside this, our care homes have lost residents due to the pandemic and other factors, and due to the public perception of the risks have failed to attract the number of new referrals that it had grown used to over the years.

3.3 We have continued to directly commission care through informally agreed block arrangements and we have purchased two care homes. We are now seeking to formalise the block arrangement approach through a number of procurement activities. We recognise that the care market in Trafford, composed of small and medium sector providers may never have bid for contracts before and so STAR Procurement will be offering training for our providers so that they can navigate CHEST and submit the best bid possible. This will describe our ability to shape the market to deliver the kind of care we want to see in Trafford – in terms of quality, complexity and diversity. The block arrangements will provide a guaranteed income for the life of the contract and will contribute to the financial stability of the market. However, because of the financial limits of the Council and CCG's budgets, there will be a financial limit to the bed rates paid, and we will use our Fair Price For Care bed rate as a benchmark.

3.4 The development of the Dynamic Purchasing System also enables us to enter into a dialogue with our residential and nursing care home market to think differently about the future, building on the flexibility and resilience they have demonstrated during the first wave response to Covid 19 , and utilising

the assets of their building and enhancing the skills of their staff team to deliver different models of care. This will enable us to change the view of care homes as a destination – a place where older people go to live out their final years when they have exhausted all other care opportunities – and to refocus the care home offer to develop such models as shared care, extra-care plus, inreach and outreach models of service delivery with the aim of:

- Developing the care home offer to better sit within an asset based neighbourhood commissioning approach
- Reconstructing the configuration of services to enhance a person centered approach where the design principles are focused on the person and their home not on slotting people into services.
- Offering alternatives which reduce the need for hospital admission and ensure timely discharge
- Reconfiguring care homes as a community resource and part of the care journey
- Increasing carer sustainability
- Increasing community connections and natural supports
- Improving service quality and residents' independence and well-being
- Reducing the call on primary care and mental health services

3.5 Where our providers choose not to bid for any of the lots and the Council is unable to meet the requirements of our residents, we will source the best options available through approaching other providers within close reach of Trafford, ensuring that family members are still able to visit once restrictions have eased.

3.6 Throughout COVID, providers have changed their approach to bed prices – with some providers initially requesting rates in excess of £1,000 per bed, per week for D2A beds. Because of the additional funding from the Government, and the urgency with which we needed to establish robust discharge routes, the Council could afford this. However, this is no longer the position, and any bed rates need to be affordable long term. Interestingly, in the past, established providers were able to charge lower rates as they did not have the capital and land charges of the newer, generally more expensive providers. This did change at the beginning of COVID with some established providers charging equivalent rates to the new providers – this, however, was not a shared position across the sector, and some homes continued to charge what they would normally charge the Council.

3.7 The disparity in beds rates between our new and our established providers continues, but may well narrow in the future as providers seek to recoup the losses experienced by the lack of self-funders. Unfortunately this will not be affordable, and so we will continue to maintain the Fair Price For Care approach established last year which attempts to bring a fair and equitable approach to the market, and ensure that the providers who currently charge a lower rate for new placements are not disadvantaged or financially destabilised by maintained our two pronged approach. In addition we will seek to work with the market to diversify to bridge any financial gap.

3.8 This year we are in a very different position because of the financial impact of COVID. The Chancellor of the Exchequer did not announce an Autumn Budget this year. Instead, the Winter Economy Plan announced on the 24 September 2020 focused on supporting the wider workforce where people were financially disadvantaged because of COVID.

3.9 The bed rate for new placements was significantly uplifted to reflect the costs of Trafford homes in 2020/21, in particular costs associated with land and capital. This rebased rate plus inflation will remain for all new placements.

3.9 The continuation of the two-pronged payment rates plus an inflationary uplift should contribute to the stabilisation of the market, together with the commissioning and planned procurement activity, and is considered to be a fair payment for the cost of care taking into account (i) the financial information provided by care home providers, at the council's request, specifically for the purpose of assessing fair standard rates for 2020/21; (ii) financial information provided in previous years; (iii) financial and other information provided by care home providers in 2019 in one-to-one discussions with the council; (iv) the council's historical payments and regional payments, and the extent to which providers have accepted them; (v) the strength of the market locally; (vi) CQC ratings locally; (vii) inflationary pressures, in particular the RPI; (viii) moving to a formally procured block approach and developing innovative and diversified ways of working; (ix) the differences between more established and newer providers, in particular in terms of their financial models; (x) the need for best value; (xi) the desirability of prudence at a time of financial austerity alongside the need and duty to promote a diverse, high-quality market; (xii) central government and local policies, referred to in the body of this Report; (xiii) the professional opinion of council officers..



#### **4.0 Market Factors**

- 4.1 The residential and nursing care home market in Trafford has been awarded a cumulative uplift of 18.67% over the previous five years (3.8% in 2016/7, 3.2% in 2017/18, 3.88% in 2018/19, 3.96% in 2019/20 and 3.83% in 2020/1 plus a rebased bed rate for new spot purchased beds).
- 4.2 Discussions have taken place across Greater Manchester to determine the likely inflationary uplift to be offered to providers and where available, these have been taken into account. Officers have also taken into account standard care home rates paid regionally, up to the present time.

#### **5.0 Recommendations for consultation and Rationale**

##### **5.1 Existing Residential and Nursing Beds**

The offer would take into account pressures due to the Retail Price Index (RPI) and either the increase to the NLW or 2%, whichever is the higher. This will form the basis of the inflationary uplift.

- 5.2 The current rates are as follows:

<b>Category</b>	<b>2020/2021 £</b>
Residential	483.72
Residential Dementia	521.61
Nursing	535.61
Nursing Dementia	602.09

##### **5.3 New Spot Purchases**

- 5.4 The increased price of £560 for Residential and £626 for nursing plus the inflationary uplift.
- 5.5 The impact on the budget of increases to revised rates would be met from within the overall allocation for inflation and demography in the Medium Term Financial Plan (MTFP) that has been allocated to the Adult Social Care budget for 2021/22.

#### **6.0 Options**

- 6.1 **Option 1** The Council and the Clinical Commissioning Group do nothing. This is not the recommended option. The social care market has been recognised nationally as being extremely fragile and the Council has a statutory duty to maintain market stability and sufficiency under the Care Act 2014. Not providing an inflationary uplift at a time when providers have a higher than usual number of vacancies would only destabilise the market further. In addition, people are living longer with very complex health care needs and Trafford requires a robust and skilled workforce to continue to provide high quality care to some of the most vulnerable people in our community.
- 6.2 **Option 2** The Council applies an inflationary uplift to all beds, and withdraws the offer of a rebased bed rate as established in 2020. Whilst this option is affordable, it means that the Trafford bed rate will have limited relevance to the Trafford market. Some beds can still be purchased at our bed rate, but these are less and less available as current placements end, and providers apply inflated rates to new placements. We would therefore be in the position of trying to source beds outside of Trafford because of price, rather than choice or need and asking residents to financially contribute the difference in price, which may be an unaffordable or excessive burden on our residents.
- 6.3 **Option 3 : Recommended Option**

The Council offers an inflationary uplift for both existing beds, and the 2020/21 rebased spot purchased bed rates..

This approach offers an affordable way of managing the increase in bed prices demanded by Trafford residential and nursing care homes for new beds and maintains financial stability. It offers a reasonable contribution to the land and capital costs incurred by providers. It will enable providers to continue to, meet the National Living Wage, work towards the Manchester Real Living Wage and the requirements of the Ethical Care Charter, positively impacting on recruitment and retention rates. In addition it will enable Trafford residents to continue to choose beds in Trafford which meet their needs, and indeed have a wider choice, and families will be asked to contribute amounts which are more affordable should they choose homes above the bed price. It is important to emphasise that the lower rates for existing placements are considered to represent a fair price, that also covers care providers' costs in such cases, taking into account all those matters set out above, at para 3.9.

This option is recommended as the Council's preferred option for consultation. As decision-makers will be aware, it will be necessary to carefully consider the responses to the consultation, and a fuller report on the equalities implications, before reaching a final decision on which option to pursue as part of the budget, and as to the detailed content of that option.

6.4 Officers recommend adopting Option 3. We are therefore proposing that for 2021/22, we develop an approach to market sustainability and sufficiency in Trafford which is based on a number of components:-

- enabling those people who require support to remain at home for as long as possible, strengthening our approach to reablement and discharge to assess to enable people to convalesce fully, regaining and improving their skills and confidence.
- providing residential and nursing care in Trafford for Trafford residents through our own services
- developing block arrangements with providers through a formal procurement process to maintain a guaranteed income through the life of the contract
- identifying opportunities for diversification, including offering local care for more complex residents and different and enhanced models for delivering care.

6.5 In the opinion of officers, subject to consideration of consultation responses and further consideration of equalities issues, but having already engaged to a considerable extent with local providers, approval of Option 3 will enable providers to meet the requirements of additional inflationary pressures, whilst still remaining within the approved budget. It will give Trafford a bed rate that is acceptable to providers and enables residents to have more choice. The Fair Price For Care approach together with all the other components, including block contract arrangements, will enable more choice locally for Trafford residents.

6.6 The proposals detailed in this report are the Council's preferred proposals and not its final decision. The Council is required to consult with the market on the proposals outlined in this report before a final decision can be made. A final decision will be taken in the light of a careful consideration of responses to consultation and a detailed consideration of equalities implications, in the light of the consultation.

## 7. Consultation

7.1 The Council is intends to consult as detailed in this report.

## 8. Reasons for the Recommendation

8.1 The Council is required to consult with the public on the proposals detailed in this report before a final proposal can be presented for formal approval.

**Key Decision** (as defined in the Constitution): No

**If Key Decision, has 28-day notice been given?** Not applicable

Finance Officer Clearance ...NB.....

Legal Officer Clearance DS .....

[CORPORATE] DIRECTOR'S SIGNATURE (electronic)

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.



A handwritten signature in black ink, appearing to read "D. J. Eaton", is enclosed within a thin black rectangular border.