

Appendix A

2022/23 Fee Increase consultation letters

Residential & Nursing Care Homes

Date: 28th February 2022

Dear Care Home Provider

RE: Sefton Council Annual Consultation on Care Home Fees

I am writing in order to commence formal Sefton Council consultation with you on our proposed fees for the 2022/23 financial year.

Firstly, it is important to outline how the proposals and approach outlined in this letter link to the current cost of care exercise that has been commissioned from ARCC-HR Ltd, which as you are aware is independent of Sefton Council and is being conducted as a joint exercise with Health.

The cost of care exercise is currently ongoing and, given feedback from the provider market and ARCC-HR Ltd, we opted to extend the engagement period as opposed to truncating the timescales for this engagement. As such, we are conscious the full findings will not be available by the end of the current financial year and anticipate the results of the exercise will be made available soon after the decision-making timescales outlined below, for subsequent consideration by Sefton Council and Health.

Please also note that our Health colleagues are currently working with other Clinical Commissioning Groups regarding their approach to fee increases, however they will also be working with the Council on this work during the course of the consultation timeline outlined below.

In the meantime, we do however recognise cost increases in the market are apparent as of now, and therefore, rather than delaying our formal consultation, we are following the typical fee setting and consultation processes in parallel with the engagement and analysis work gathered from the cost of care exercise.

With respect to the proposed Sefton Council 2022/23 fee rates specifically, it is firstly important to highlight that whilst the fee increase process will follow a similar approach to previous years, there has been a change to the formula used to calculate proposed increases in part recognition of market pressures.

This change has firstly been made following initial strategic feedback from the market as part of the cost of care exercise, regarding the percentage 'split' between Staff and other costs, and to also reflect the additional cost pressure of the increase to National Insurance. Previously, this split was calculated based on a 65/35 split. However, following the initial feedback it has been amended to a 70/30 split to reflect that staff costs are typically higher than 65% of total costs.

Whilst this would result in a calculation being made of 70% of the 6.62% National Living Wage increase (resulting in a 4.63% staffing element increase), this has been further amended to take into account the increase to National Insurance thresholds. It has been calculated that this will add an estimated 0.47% to pay bills and as a result a total increase of 7.09% has been applied to the 70% staffing element, resulting in a 4.96% increase to this element of the proposed fee increase (i.e. 70% of 7.09% = 4.96%).

This results in an increase to the percentage fee increases that would have been applied if using the previous 65/35 percentage split, as outlined in the following table;

Table detailing proposed 2022/23 care home fee increase calculations

	Previous Percentage Split Calculations		New Percentage Split Calculations Used for 2022/23 Fee Proposals	
	Staffing	Other Costs	Staffing	Other Costs
% of Total Costs	65	35	70	30
% Increase	7.09%	5.5%	7.09%	5.5%
Narrative	<i>To reflect both NLW and NI increases (70% of 6.62% NLW increase + 0.47% NI Increase)</i>	<i>CPI Rate – February 2022</i>	<i>To reflect both NLW and NI increases (70% of 6.62% NLW increase + 0.47% NI Increase)</i>	<i>CPI Rate – February 2022</i>
Deflated % Increase	4.61%	1.93%	4.96%	1.65%
Overall Proposed Fee Increase	6.54%		6.61%	

As a result of the above, the Council are proposing a **6.61%** increase to fees resulting in the following rates (with effect from 1st April 2022);

Table detailing proposed 2022/23 care home fee increases

	Residential Care	EMI Residential	Nursing	EMI Nursing
2022/23 Proposed Fee	£558.11	£631.47	£573.91	£637.85

<i>2021/22 Fee</i>	£523.51	£592.32	£538.33	£598.30
<i>Weekly Increase</i>	£34.60	£39.15	£35.58	£39.55
<i>% Increase</i>	6.61%	6.61%	6.61%	6.61%

Please note the following;

- Nursing figures do not include Funded Nursing Care
- Any existing placements which are costed based on an individual Service User assessment will be increased based on the same percentage uplifts detailed in the table above. However, please note that the Council are exploring the implementation of new mechanisms to calculate and formulate fee levels for individually assessed Service Users
- Fees will be applicable from 1st April 2022

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

1. Whether the level of proposed fees set out will cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1st April 2022 to 31st March 2023; and
2. If you do not agree with the above rates and in particular, if you consider that they will not cover the cost of meeting assessed care needs within an efficient residential/nursing home, please outline why and provide any supporting information that you feel may be pertinent.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Tuesday 8th March 2022 – 1pm to 2pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

Ref	Action	Target Date
1	Confirm Proposals and Process to All Providers (<i>Letter to all providers to confirm proposals and consultation process</i>)	28 th February 2022
2	Period for Consultation Responses from Providers (<i>Providers to supply comments, information and evidence on the matters consulted on</i>)	28 th February 2022 – 10 th April 2022
3	Consultation event with Providers	8 th March 2022

4	Assessment and Analysis of Responses (<i>Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority</i>)	11 th April 2022 – 22 nd April 2022
5	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 rd April 2022 – 8 th May 2022
6	Deadline for Cabinet report to be submitted	9 th May 2022
7	Letter to all Providers (<i>signposting them to Cabinet report - published the week in advance of the meeting</i>)	19 th May 2022
8	Cabinet Decision	26 th May 2022
9	2022/23 Fees Published (<i>Following expiry of “call-in” period for Decision</i>)	3 rd June 2022

The Consultation period will run until **Midnight on Sunday 10th April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to commissioningandcontracts@sefton.gov.uk

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours Faithfully



Deborah Butcher
Executive Director of Adult Social Care and Health

Domiciliary Care

Date: 28th February 2022

RE: Consultation on Sefton Domiciliary Care Rates (PDPS Lead & SPOT Contracts)

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **6.83%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

Table detailing proposed 2022/23 Domiciliary Care rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rate
1 Hour	£17.82	£16.68
45 Minutes	£13.37	£12.51
30 Minutes	£8.91	£8.34
15 Minutes	£4.46	£4.17
Sleep-in (8 Hour Night)	£87.40	£81.97
Waking Night (8 Hour Night)	£142.56	£133.44

In the spirit of openness and transparency the table below details how the **£17.82** has been arrived at. Please also note;

- Fees would be applicable from 1st April 2022
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs
- The Sleep-in rate above is based on the new National Living Wage of £9.50 plus 15% on costs (I.E. £9.50 + 15% x 8 hours)
- The above 'daytime' rates would also be applicable to Direct Payment recipients who utilise a CQC registered Agency.

Table detailing calculations for 2022/23 domiciliary care rates

Type of Cost	2021/22	2022/23 Proposed Rate	% Increase Applied	Notes
Carer Basic Rate	£9.15	£9.75	6.62%	

Travel Time	£0.92	£0.98	10% of £9.75	
Annual Leave	£1.07	£1.15	6.62%	
Training	£0.17	£0.18	6.62%	
Sickness	£0.19	£0.20	6.62%	
National Insurance	£0.44	£0.55	25.00%	28.7 average hours per week = salary of £14,591 (£9.75 x 28.7 / 7 x 365) - £14,591 - £9,100 NI threshold = £5,491. NI at 15.05% = £826. Therefore, 5.66% of basic pay
Pension	£0.17	£0.19	6.62%	
Mileage	£0.39	£0.41	6.62%	
Other costs	£3.69	£3.89	5.50% CPI	
Profit	£0.49	£0.52	3% on £17.30	
Hourly cost	£16.68	£17.82	6.83%	

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

- Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Domiciliary Care for the period from 1st April 2022 to 31st March 2023.
- If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Monday 7th March 2022 – 3pm to 4:30pm**. The link to this meeting is;

[Click here to join the meeting](#)

The following plan/timeline outlines the next steps of the Consultation and decision-making process;

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1	Confirm Proposals and Process to All Providers (<i>Letter to all providers to confirm proposals and consultation process</i>)	28 th February 2022

2	Period for Consultation Responses from Providers <i>(Providers to supply comments, information and evidence on the matters consulted on)</i>	28 th February 2022 – 10 th April 2022
3	Consultation event with Community Providers (Domiciliary Care, Supported Living, Community Support, Extra Care, Individual Service Funds)	7 th March 2022
4	Assessment and Analysis of Responses <i>(Assessment and analysis of comments, information and evidence supplied by Providers together with other information available to the Authority)</i>	11 th April 2022 – 22 nd April 2022
5	Work on proposals and Cabinet report (including draft Cabinet report internal review and FD/LD stages, and production of supporting documentation).	23 rd April 2022 – 8 th May 2022
6	Deadline for Cabinet report to be submitted	9 th May 2022
7	Letter to all Providers <i>(signposting them to Cabinet report - published the week in advance of the meeting)</i>	19 th May 2022
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9	2022/23 Fees Published <i>(Following expiry of “call-in” period for Decision)</i>	3 rd June 2022

The Consultation period will run until **Midnight on Sunday 10th April 2022** so please ensure that all responses are returned by this time in order for them to be taken account of in our decision-making process. Please advise me if you have any issues with this proposed timeline.

Please return your comments by e-mail to commissioningandcontracts@sefton.gov.uk

Once the consultation period has closed, we will give full consideration to any responses received before submitting a report to Cabinet for decision.

I would like to take the opportunity to thank you for taking the time to consider this matter and to respond to this consultation.

Yours Faithfully



Deborah Butcher
Executive Director of Adult Social Care and Health

Supported Living

Date: 28th February 2022

Re: Consultation on Sefton Supported Living Rates - 2022/23

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **7.46%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

Table detailing proposed 2022/23 Supported Living Rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	£16.72	£15.56
Sleep-in (9 Hours)	£98.33	£92.22
Sleep-in (10 Hours)	£109.25	£102.47
Waking Night (9 Hours)	£150.48	£140.04
Waking Night (10 Hours)	£167.20	£155.60

In the spirit of openness and transparency the table below details how the **£16.72** has been arrived at. Please also note;

- Fees would be applicable from 1st April 2022
- The Sleep-in rate above is based on the new National Living Wage of £9.50 plus 15% on costs (I.E. for a 9 hour sleep-in the rate is calculated based on £9.50 + 15% x 9 hours)
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs

Table detailing calculations for 2022/23 Supported Living Rates

Type of Cost	2021/22	2022/23 Proposed Rate	Rationale	Notes
Carer Basic Rate	£9.03	£9.63	6.62%	
Management	£0.63	£0.67	6.62%	

Administration	£0.46	£0.49	6.62%	
Annual Leave	£1.25	£1.33	6.62%	
Training	£0.29	£0.31	6.62%	
Sickness	£0.23	£0.24	6.62%	
NI	£0.52	£0.70	34.62%	Average hours per week of 35. Annual salary is therefore £17,575 (£9.63 x 35 / 7 x 365) £17,575 - £9,100 = £8,475. NI at 15.05% = £1,275. Therefore, 7.26% of basic pay
Pension	£0.35	£0.37	6.62%	
Other costs	£2.36	£2.49	5.50%	5.50% CPI
Profit	£0.45	£0.49	3.00%	3% on £16.23
Hourly Fee	£15.56	£16.72		7.46% Increase

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

- Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Supported Living services for the period from 1st April 2022 to 31st March 2023.
- If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

In addition, as part of the consultation we will also be holding a Microsoft Teams event with Providers on **Monday 7th March 2022 – 3pm to 4:30pm**. The link to this meeting is;

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Yours faithfully,



Deborah Butcher
Executive Director of Adult Social Care and Health

Extra Care

Date: 28th February 2022

Re: Consultation on Sefton Extra Care Rates - 2022/23

I am writing in order to commence formal consultation with you on our proposed rates for the 2022/23 financial year.

The Council are proposing that the fee increase process will follow the established approach in terms of taking into account National Living Wage (NLW) and Consumer Price Index (CPI) rates / increases, but will also take into account the impact of changes to National Insurance.

The Council are proposing a **7.46%** increase to fees resulting in the following rates being implemented (with effect from 1st April 2022);

Table detailing proposed 2022/23 Extra Care Rates

Duration / Service Element	2022/23 Proposed Rate	2021/22 Rates
Hourly Rate	£16.72	£15.56

In the spirit of openness and transparency the table below details how the **£16.72** has been arrived at. Please also note;

- Fees would be applicable from 1st April 2022
- The figures in the table below are not a definitive guide on expenditure on each specific element as it is acknowledged that Providers will have their own specific business models and operating costs

Table detailing calculations for 2022/23 Extra Care Rates

Type of Cost	2021/22	2022/23 Proposed Rate	% Increase Applied	Notes
Carer Basic Rate	£9.03	£9.63	6.62%	
Management	£0.63	£0.67	6.62%	
Administration	£0.46	£0.49	6.62%	
Annual Leave	£1.25	£1.33	6.62%	
Training	£0.29	£0.31	6.62%	
Sickness	£0.23	£0.24	6.62%	
National Insurance	£0.52	£0.70	34.62%	Average hours per week of 35. Annual salary is

Ref	Action	Target Date
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				therefore £17,575 ($£9.63 \times 35 / 7 \times 365$) £17,575 - £9,100 = £8,475. NI at 15.05% = £1,275. Therefore, 7.26% of basic pay
Pension	£0.35	£0.37	6.62%	
Other costs	£2.36	£2.49	5.50%	CPI Rate
Profit	£0.45	£0.49	3.00%	3% on £16.23
Hourly Cost	£15.56	£16.72		7.46% Increase

As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;

- Whether the level of proposed fees set out in the proposals and tables above will cover the cost of delivering Extra Care services for the period from 1st April 2022 to 31st March 2023.
- If you do not agree with the above rates, in particular if you consider that they will not cover the cost of delivering services, please provide budgeted costings, together with evidence of actual expenditure and a breakdown of your hourly rate, in support of your comments.

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Yours faithfully,



Deborah Butcher
Executive Director of Adult Social Care and Health