## Appendix C

#### Notes from the consultation events held with Providers

# Residential & Nursing Care Homes - 5<sup>th</sup> April 2023

## 1. Fee Consultation 2023/24

Sefton thanks our Providers who have to date responded to the Consultation.

The context for this year's Fee Consultation is that of the National Driver of "People at the Heart of Care" and the local context of the increased demand and complexity of need in the Care Home Market. Locally Sefton is also preparing for a CQC Assurance exercise.

Off the back of the work done on the Market Sustainability Plan and Fair Cost of Care work, the Department for Health and Social Care (DHSC) have confirmed that Sefton have met their requirements for the national funding related to these workstreams.

On 13<sup>th</sup> June there will be a workshop to roll out Market Sustainability. Sefton is also progressing work to implement gross payments, which Sefton would like to engage some Providers to pilot.

In the Consultation, Sefton are proposing a 9.94% increase of rates. This figure has been calculated based on CPI, the funding available to the Council and in light of the increase to the National Living Wage. Funded Nursing Care will continue to be separate. The proposed fee increase of 9.94% will be applied from 1<sup>st</sup> April 2023 on a without prejudice basis; if the rates are amended as a result of the Consultation process and approved by Sefton's Cabinet members, the amended rate will be issued to Providers. The rates will be going to Cabinet for decision on 25<sup>th</sup> May 2023.

#### Provider Feedback

- 1. Market Sustainability Plan references building an efficient and effective market. This is an ambitious plan but a significant number are paying less than it costs Providers to care for residents, impacting the sustainability of the market. Sefton is falling behind neighbouring authorities with the proposed rate.
- 2. A number of Providers expressed their frustration with the Consultation process and stated that they would not be responding to the consultation.

3. Providers expressed they feel Sefton have not considered the findings of the ARCC Consultant report, or the Government survey. Some Providers of the opinion that the minimum increase should be £80.

Sefton encourages our Providers to engage with the Market Sustainability Plan, national and local exercises. We are looking at and reviewing the information available to inform our work on fee rates.

Example given of differences between Sefton's proposed rate and the rate Liverpool City Council. Sefton notes that Liverpool's base rate prior to their Consultation proposed rate was lower.

- 4. Providers expressed frustration and feeling that what impact their feedback could have if the ARCC report was not adhered to.
- 5. A number of Providers on the call made a formal declaration of a contemporaneous note A Provider requested details of all care homes in Sefton and was signposted to the CQC Care Directory. Providers also noted the challenges associated with collection of Net Payments and when they might be able to expect the implementation of Gross Payments by Sefton.
- 6. Providers asked why fees are already published on the portal but no dates?

  The information has been updated in light of the without prejudice payments process

  Sefton are taking forward; this will be checked but should not affect payments being issued.
- 7. Providers have noted that cost of Sefton refuse collections has increased 234%. Previous £6 has increased to £20. Providers were given 1 weeks' notice of changes to costs and then notified they could have collection for one further month at old rate with a 5% increase.
  - Details around this will be checked.

to the schemes.

- 8. Providers noted that they had already emailed contracts and commissioning their feedback. Providers feel that Sefton don't understand the costs to deliver care to residents. The shortfall in the cost of care is being passed to residents which Sefton shouldn't be relying on.
  Providers note that they are unable to pay their Residential Care staff what they would like to. Additionally, some Providers are unable to continue applying for grants as they impact the personal tax rates of the managers and owners who apply
- 9. A Provider made reference to a Judicial Review due to frustration of engaging in Consultation exercises that for Providers feel unproductive. The interim uplift is 8.3% whereas the National Minimum Wage is rising by 10%. Other local authorities have

proposed additional increase for the Real Living Wage, which Providers are having to pay to attract and recruit staff.

## Residential & Nursing Care Homes - 24th April 2023

## 2. Fee Consultation 2023/24

Sefton thanks our Providers who have responded to the Consultation. Sefton have to be mindful of the findings of the Fair Cost of Care now and in the longer-term Strategic planning.

Reviewed Financial Position and are looking at Financial Mitigation to meet the revised Fee proposals. We have amended our fee rate per the CPI rate, there are following slides that set out the rationale and reasons for these changes. Sefton are progressing with the iterative stage. The Cabinet report will include our Providers responses to the Consultation.

#### Provider Feedback

10. Providers reference the extension of the Consultation period and thanks for the follow up feedback session today. However, Providers feel that the new conditions and proposal rate are opportunist, not a genuine fee proposal, do not include the fee increase needed per the Fair Cost of Care. Providers note that Sefton have referenced a "move towards the Fair Cost of Care" and the reality that Sefton are a far way off the Fair Cost of Care. The Providers cannot agree to the stipulations relating to Top Ups and 1:1. Providers cannot operate without Top Ups and so cannot endorse the proposed rates. The fees, particularly the second rate does not seem to Providers, to have been considered.

Sefton discussed maintaining good ratings, particularly on well-led and caring criteria. We have included consideration of framework agreements as the next part of this work and work to continue to support maintaining standards.

In terms of Gross Payments, we are looking to commence a working group with input from Providers is planned to start no later than July, we had planned to bring this forward, but have been unable to progress as hoped due to workstreams required of us by DHSC. Sefton are looking to develop and co-design a Dementia Quality Mark with Providers. With regards to 1:1 we are keen to work with colleagues in Health to determine how we monitor, anything we can use as a template to support Providers with the 1:1 arrangements.

We have further work to do per the DHSC programme on the Fair Cost of Care.

- 11. Work progressing in respect of personal contributions. Elephant in the room are Top Ups, which is the most hurtful and damaging. Financially, Providers cannot accept the conditions. Most Providers have to charge a Top Up as a Business Decision and Requirement. This is causing ill-feeling, it feels disingenuous, engineered.
- 12. Providers feel Sefton have offered a pittance, and then an offer on par with neighbouring authorities with caveats. Are other authorities doing this? Providers feel Sefton are conducting a tick-box exercise, which doesn't sit well with Providers.

Sefton would have to confirm with other Commissioning colleagues in neighbouring authorities. It may be that other areas already have these conditions in their contracts and markets, but also these areas will have different market needs.

- 13. Providers feel that Sefton cannot dictate what fees should be. Feeling that Sefton do not understand the costs to Providers and their businesses. Providers cannot accept these conditions as it would be setting themselves up to fail to continue to maintain their quality and care standards-Sefton need to recognise the needs of the market. Providers feel that Sefton have ignored the National and Local surveys.
- 14. None of the other authorities in the North West have added conditions for fee rates, a few have mandated the Payment of Living Wage rather than Minimum Wage.
- 15. Providers note that Sefton have had other constraints, however Providers feel that this is a poor comment, Providers do not accept Gross Payments workstream starting by July. Providers reference CPI increase for "move to Fair Cost of Care" Providers feel it is wrong to reference this and then add caveats to the proposed fee rates on Providers. Providers reference the legal requirement for Sefton to pay the fee increase regardless of Council budgets. Wording "move to Fair Cost of Care" could be utilised by customers to take Sefton to Court. With the Proposed rates and the estimated occupancy rates will have Providers in a loss-making position. It will be impossible for Providers to maintain or improve their CQC ratings and standards of care with the rates Sefton propose, it is derisory and smacks of opportunism. Once again, it is Sefton who are unwilling to work with the Providers. Providers have said they will be charging their rates as are, not per the fee rates proposed.

Sefton will be progressing workstream to implement Gross Payments.

Sefton have noted that Providers are unhappy with the revised rate and its implementation. With regards to Top Ups, we will revert on this, the implementation of this was meant as a future work programme, rather than a caveat of the revised fee rates.

Sefton were attempting to present that we do know we need to bring about the Fair Cost of Care. It was never our intention

The Top Up Profile has to be linked to our longer term ambitions around the Fair Cost of Care. Sefton cannot enforce what Providers charge their customers, we have set out what we can afford per the resource envelope available in the Council. We acknowledge the significant rise of Top Ups, not just for individuals, their families but also for operational staff.

- 16. Providers requested last week about more information on Top Ups, Personal Contributions. When Providers have asked questions, we are now being told we have misunderstood- Providers are disappointed and more confused than before and feel Sefton are not engaging to work with Providers to get through this impasse.
- 17. The conditions in the proposal, if these were not being implemented imminently, why have they been included, Providers feel Sefton are backtracking. Third party are supporting the Council.

The revised proposal of 15.79%

The future vision on Fair Cost of Care and Top Ups are not included now, we wanted to be transparent about future workstreams. We are not proposing that with the implementation of 15.79% that these conditions or workstreams are coming online.

- 18. Providers are annoyed, they are busy with a high amount of work. The comment implied that Top Ups are linked to Fair Cost of Care has cost Providers time and capacity making notes and researching the documents and their business position. Providers need more consideration by the Council about meetings being changed or cancelled, Providers want more respect from Sefton.
- 19. Providers reference line from the Cabinet Report with the linked conditions of change- how else were the Providers meant to take this? It clearly indicates that the conditions are linked to the Fee Increase.
- 20. Can Sefton understand why Providers needed the clarification about the linked conditions prior to today's meeting. It calls into question Sefton's competency. Sefton could have pre-empted the debate today which has utilised much of today's time.
  - Sefton's position that the discussions we have had today have been helpful for all participants.
- 21. Providers feel it is only a small number that speak up at these meetings, however all Providers feel the same way. Homeowners worry about repercussions for speaking out. Providers feel that it has been disingenuous to include those linked conditions in the fee proposal, the letter sent prior to today should have been

responded to. 15.79% is not enough, doesn't cover Fair Cost of Care, Sefton have included the £8 from October in this rate. Providers need an around the table meeting promptly with Sefton.

## Comments from the Chat

"Please can we note the Gross Fee collection by the council and not ourselves?"

"If anything authorities put enhancements on fees for great quality"

"Most commercial contracts are guided by RPI rather than CPI also, so the 3% differential between the two indices needs to be addressed"

"Wholeheartedly agree with all comments made by (Provider colleagues) as do all other providers that I have spoken to."

"Peacehaven House is a charity run home and is a "not for profit" organisation and we cannot operate without charging a top up so we will be continuing with our fee structure that has been agreed with the Trustees."

"All comments thus far made by our colleagues are spot on. Working towards a fair cost of care is unacceptable. This clarifies that the current payment proposal is unfair."

"In the past two years only one single service users family have been able to afford any top up according to the social workers involved in the placement. It seems virtually every family is unable to help meet our required fees. Sefton need to agree to meet that top up for families unable to pay. i.e a fair cost of care!"

Sefton officers to reconvene and consider the comments made today.

Thank you to our Providers for attending today and the work our Providers have conducted offline for today's meeting and all our other meetings.

# Community Providers – 30<sup>th</sup> March 2023

Agenda No.	ITPM				
1.	Domiciliary Care & Community Support  Strategic Context of increasing demand and national policy drivers. Sefton have submitted its Mark Sustainability Plan and is in the process of preparing for its CQC Assurance. At the same time, Sefton is embarking in greater integration of commissioning with the introduction of Integrated Care Boal and the establishment of the Sefton Partnership.				
	Duration / Service Element	2023/24 Proposed Rate	2022/23 Originally Set Rates		
	1 Hour	£19.66	£17.89		
	45 Minutes	£14.75	£13.42		
	30 Minutes	£9.83	£8.95		
	15 Minutes	£4.92	£4.47		
	Sleep-in (8 Hour Night)	£95.86	£87.40		
	Waking Night (8 Hour Night)	£157.28	£143.12		
	<ul> <li>doesn't reflect what the care market pays their staff.</li> <li>We need greater analysis of Provider responses and will use this information and compare it wour models [based on information from last year]. Information and rates from Providers are making her than contracted rates.</li> <li>Figures of most interest are median half-hour-majority of business in Sefton commissioned for half hour.</li> <li>Median rate has been calculated by Provider's average visit time of 37.7 minutes. Further</li> </ul>				
	information is available in the cost of care report Sefton will re-group on this point and arrange Providers.		iciliary Care		
	3. Methodology for the amount allocated for National Insurance [5.6%] and pension contributions [2%] do not reflect what Providers see in sector.				
	Providers are able to submit any such information / calculations as part of their response to the consultation. The Council has not 'reverse -engineered' the National Insurance increase that wa applied last year based on the national increase that did not materialise				
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Agenda No.	ltem
	Housing Strategy. Increase of 9.84% for ECH aligned with Supported Living rate, which has included
	benchmarking rates with rest of the Sector.

Service Element	2023/24 Proposed Rate	2022/23 Rates
Hourly Rate	£18.41	£16.76
Sleep-in (9 Hours)	£107.85	£98.33
Sleep-in (10 Hours)	£119.83	£109.25
Waking Night (9 Hours)	£165.69	£150.84
Waking Night (10 Hours)	£184.10	£167.60

1. Rates are out of step for staffing and neighbouring authorities, consequently Providers are struggling to recruit and retain good staff and are having to utilise agency staff, increasing costs to the Sector and Local Authority. If better staff wages could be achieved, we would better retain and recruit staff and be less reliant on agency staff. Additionally, what is the Council's stance of the Real Living Wage?

Sefton's Cabinet want to be able to commit to the Real Living Wage, but we need to ensure we have the resources available to implement this. Additionally, implementation of the Real Living Wage would have to be wholesale across Sefton not just Adult Social Care. We will be looking to develop a workstream in respect of the Real Living Wage.

Supported Living is not included in Fair Cost of Care. To try and secure best outcomes, some
Providers would welcome the opportunity to work with the Council to develop a paper for
example.

Sefton too would welcome a co-design approach to obtain the best possible outcomes for clients and reducing cost, something that the sector is very good at doing when we receive our Transitions cases. Points raised today should be expanded upon at a future Supported Living Provider meeting.

3. Why is Domiciliary Care Worker rate £10.70 and ECH workers rate £10.56. A small difference in staff wages will make a huge difference to staff retention.

Models are aligned to Supported Living as both services are accommodation based, however we will look at our modelling. Additionally, ECH costs differ from Domiciliary Care Workers costs, such as travel and other metrics.

4. Sector faces challenge of care sector staff moving between Supported Living, Domiciliary Care or Extra Care Housing seeking better wages. Consistency of staff support for clients is critical.

Potential to explore a hub and spoke model, though this would not be final position but something for Sefton to build upon.

Agenda No.	Item		
	5. Rates are not sustainable to recruit and retain good quality staff. Under New Realities the Care Market were to have 3 months' consultation time and the National Living Wage is being implemented from April- Providers would benefit from more time for consultation process to aid their business continuity planning. Presently, Providers are trying to assess what changes to business practices are needed to accommodate rates at short notice. Sefton are implementing the proposed fee rates on its finance and payments system as an interim measure. These without prejudice payments are to be issued as soon as possible to try to mitigate against the financial pressures and impacts that Providers are facing.		
3.			
	Sefton are developing the specification for our Day Care services and will be hosting an online Provider event on Monday 3 <sup>rd</sup> April. Consultation proposes 9.84% uplift. We ask that Providers supplies much information as possible to engage in the consultation process.		
	Day Care		
	Council currently implementing future commissioning / procurement arrangements		
	Consultation letter outlined proposed 9.84% increase to rates		
	<ul> <li>As part of this consultation process the Council wishes to particularly receive and consider your feedback in relation to the following questions;</li> </ul>		
	<ol> <li>Whether the level of proposed fees set out will cover the cost of delivering Day Care services for the period from 1st April 2023 to 31st March 2024; and</li> </ol>		
	<ol> <li>If you do not agree with the above rates and in particular, if you consider that they will not cover the Care Act 2014, the cost of delivering Day Care services, please outline why and provide any supporting information that you feel may be pertinent.</li> </ol>		
	Providers cannot comment until they have seen the specification. Providers need to know impacts of changes to acuity to be able to comment.		
	Sefton would ask for Providers' comments on the proposed rates as they stand today.		
	<ol> <li>Day Care has had 3 increases in 13 years first of 4%, then 3% and then 4%, yet is still behind other areas. With staff wages increasing next month, Providers feel that they are playing catch up and will continue to struggle.</li> </ol>		
	Sefton have not reviewed Day Care for some years but is cognisant of changes to acuity in the		

Agenda No.	Item		
	service and intends to develop a	Target Operated Model.	
4.	Individual Service Funds		
	Sefton proposes an increase of 9.84%, per rates proposed for fellow elements of Sefton's Care Sector, rates proposed for ISFs are linked to SLS workstream. Sefton recognises there is a need for a back-office review for providers.		
	Duration / Service Element	2023/24 Pilot Project Rates	2022/23 Pilot Project Rates
	1 Hour	£19.31	£17.58
	Sleep-in (9 Hour Night)	£107.85	£98.33
	Waking Night (9 Hour Night)	£173.79	£158.22
5.	Closing Comments		
	Sefton will be seeking a Cabinet decision on proposed rates 25 <sup>th</sup> May; between now and then we will be conducting analysis which may require our timelines to be adjusted. Rates proposed today will be applied from 1 <sup>st</sup> April, with the expectation that should the rates be revised following the consultation, then they would be and then backdated to 1 <sup>st</sup> April. We apologise for the delay to the start of the fee consultation process this year, which has been impacted by other service pressures and work required on our Market Sustainability Plans to DHSC. We ask that our Providers engage with the Fee Consultation Process and note that the rates proposed today do not pre-empt the outcomes of the Consultation process.  On 13th June we will host another workshop with the Market, which will be linked to our CQC Assurance workstream. The invite for these workshops will follow. Additionally, per the feedback received today we will look to arrange follow up sessions with our Providers.		

# Community Providers – 25<sup>th</sup> April 2023

# 3. Fee Consultation 2023/24

Purpose of today's meeting to outline the feedback from Providers. Sefton have extended the Consultation to finish tomorrow and today we will outline the revised proposals and highlight the governance and approval process for the Fee Consultation.

Previously a 9.8% rate was proposed per National Living Wage and CPI. High level summary of Dom Care feedback. Per the feedback, the increases do not meet existing cost pressures or align with proposals from neighbouring authorities.

The revised proposal is to increase to £21.56 applicable to current and new PDPS. We have formulated the rate using CPI, National Living Wage and Median figure per the detailed Cost of Care (or Annex B) report. As part of £21.56, £10.90 accounts for National Living Wage, which is linked to wider Cost of Care. Rest of figure links to Direct

Payments, agency, and community support. The revised proposal for Extra Care amended to 11.99% or £18.77. There are other funds such as Supported Living, however at this time these rates are not being raised as the increase for Dom Care and Extra Care has been possible due to ringfenced national funding.

The revised proposals are subject to internal approval and then on to Cabinet for approval and then the call in period; however we have implemented an interim increase on our finance systems to avoid delays in an increase of fees to Providers. Any further comments arising from today's session can be sent directly to Neil Watson- ask that any responses to Neil detail which sector of the Care Market you operate within.

## Provider Feedback

1. Question about differential rates, why are Community Providers receiving different rates for staff wages and National Living Wage which are not offered to Care Homes? Cynically it seems that Sefton have a preference for Home-based Care and what impact this might have on the wider sector.

This is a point of value, there is the National Living Wage we have to comply with, but it is a point of focus for Sefton to aspire to implementing the Real Living Wage in our markets.

There is real merit in how residential and nursing care diversifies the offer in social care.

2. Providers have staff who provide support in the Community as well as residential and nursing based. Having different rates offered for National Living Wage put Providers in a difficult position. Additionally, Sefton's proposed rates are not aligned to rates proposed in areas like Liverpool and Knowsley. Communications not clear about stipulations for sleep-in support, or is there no guidance?

We should all be adopting the Real Living Wage. With regards to sleep-in support this will be referenced in the Cabinet Report, subject to internal approval. In last year's report, the calculated sleep in will be National Living Wage plus 15% with Providers paying that hourly rate.

Report clause from last year will be included in the latest Cabinet Report.

3. Thank you to Sefton for commitment to developing services together with Providers. However, there are concerns about viability of Tier 2 Providers; has Sefton calculated the impact of the revised fee schedule against the volume of Domiciliary Care that Sefton can accommodate. If the fee increases, does the volume Sefton can afford go down, Sefton seem to calculate 6000 hours per week per area, with 20% for all Tier 2 Providers, suggestion this would sustain 1 Tier 2 Providers and there are many more than that in each area, are there concerns about the operational viability of the Tier 2 Providers in Sefton?

Sefton's total ASC is £115m, of that Domiciliary Care accounts for £18m, Supported Living is £25m- our calculations are based on these budgets and a percentage increase.

Neil to revert on the question.

- 4. Sefton have omitted the feedback from Supported Living Providers, willt his be featured in the Cabinet report?
  Cabinet paper will feature a high-level summary of the Provider feedback and then there will also be published an appendix anonymising but including all of the feedback from our Providers.
- 5. There is no response to say about the feedback from Supported Living about the fee not being revised. It shows a response to other markets but not for Supported Living, is there a reason why it cannot be published to Supported Living? What is the rationale and reason why the rates are not being revised. On slide 7 it has a proposal of fee rates being monitored against an associated procurement exercise-will existing business rates not be increased but will be for new business on a procurement basis?

Offer made during the meeting to bring up the feedback on screen. The question about rates and a procurement exercise, the paragraph will be revised and some clarity on what the paragraph means in clear terms.

6. Concern about minimum living wage, we are behind in Day Care. Overall increase in 13 years is 20%. Feeling that Day Care are being left behind, hope that this will be discussed further at Cabinet level and news that there will be regular 12 monthly increases. In agreement with the rate proposed but want to raise the point of the importance of Day Care or other parts of the system not being left behind.

Sefton are working with their Providers to examine how we can work in a collaborative way and do things differently to achieve the best outcomes for the people using these services. Day Care is a key area of good community support, we will take your comments back, we need to understand where the service is going.

## **Closing Comments**

Thank you to Providers for their comments and feedback today. This is a collaborative and ongoing process and would welcome Consultation responses to Neil Watson.

#### Comments from the Chat

"I agree with (Anonymised) - it simply does not work for a whole number of reasons to pay staff in one LA RLW, but not in neighbouring areas!! That's not even between different service provision for us - it's all supported living"

"(A)ny news on the release of the day services tender?"

"(T)he tender is on hold while internal conversations take place at the moment. We will come back to you as soon as we can. "
"My concern is that we are being offered a fee level without a clear understanding about what we are being asked to provide."