

Appendix B

Provider Responses to the Consultation

Residential & Nursing Care Homes

Responses of the North & South Sefton Care Home Group

Hope you are well. Many thanks for your recent letter regarding the proposed Sefton fees. We fully understand the council pressures however we remain dissatisfied with the suggested amount of 8.02%.

Please find attached the letter from the North and South Sefton Care Home Group. I have asked care homes to individually send their own letters and emails to you too. Let me know what I need to do to speak at the committee meeting on the 4th April.

Letter

Commissioner
Sefton Council
Balliol House
L20 3NJ



Dear [REDACTED]

28th February 2024

Sefton Social Care 2024/25 Fees Proposal - NSSCHG Response

Many thanks for your recent letter dated 23rd February detailing the proposed fee increase of 8.02% for 2024/25. The purpose of this letter is to express our collective disapproval over the suggested fee.

The True Cost of Care

We are all aware that all Local Authorities are required to work towards the 2022 'Government Market Sustainability and Fair Cost of Care'. Sefton is in contrast to Lancashire who acknowledges that they remain committed to working towards to the 'Fair Cost of Care'. This is something that Sefton has yet to acknowledge.

Increasing Costs on Providers

The proposed increase does not even match nor cover the substantial increase in the national minimum wage currently at 9.8%. This is before the additional cost pressures in care home operations including cost of operating insurance now currently over 225% of the 2021 rate, utilities and costs of food. The list goes on.

Gross Payments

Sefton is an outlier when it comes to the payment of gross fees. It is not for the care provider to recover personal contributions but for the local authority. A pilot study involving several Sefton care homes has had little progress with no update to those involved. After years of frustrated delay this important matter cannot be further postponed, and an implementation date of 1st October 2024 is requested to provide the sector with desperately required planning certainty.

National CQC Compliance

The national state of Provider CQC grading is deeply alarming. In a post COVID landscape with ongoing non-existent investment, lack of available staff and several high-profile care home failures, CQC compliance is a national catastrophe. January-February 2024, 40% graded Good, 36% graded Requires Improvement and a staggering 23% = Inadequate. The picture is getting worse not better. Funding has much to do with this and the social care sector requires more support not less at this precarious time.

Integrated Care Boards

Across Sefton we are yet to see any tangible benefit or impact. The central government ICB fanfare of a new way of working is yet to materialise. To many small Providers this exercise is nothing more than a huge resource consuming project with little impact on the quality of care within their homes. Commissioning care services still remains highly inconsistent, many small providers have long standing fees issues with Sefton that are seldom acknowledged nor rectified on the Sefton fees portal. Many have staggering 'Health' fees that remain unpaid and that their only resolution is now legal action. Before we rejoice the ICBs *'Emperor's new clothes'* Sefton should seek to get the basics right. Commission the correct care services, on time, pay care providers what was agreed and seek to effectively communicate with providers when they have a genuine issue or concern. We remain a long way from this.

Conclusion

On behalf of our North and South Sefton care homes please re-evaluate these proposed fees and present a more appropriate fee increase before irreversible damage is done to your Sefton Social Care sector.

Finally, I would hope that you and Sefton Council will genuinely recognise the ongoing social care challenge we face looking after societies' most vulnerable and make the ethical and moral right decision to value our people, their amazing contribution and sincerely support this fragile sector at this time.

Please note we seek to make verbal presentation at the Cabinet meeting on the 4th April. Please could you facilitate this request with your democratic department and avoid the immense bureaucratic challenge we faced last year to do the same.


I await your considered response.

[Redacted signature area]

Thank you for sending this letter on Friday afternoon from Deborah Butcher.

I do not agree with the proposed fee uplift and I wanted to make Sefton aware of that. It doesn't even cover the minimum wage increase?

Other providers are again not happy. We need a meeting urgently to discuss this "proposed fee". It is very worrying that the Council do not see the financial impact of their proposed fee will have on the Care Homes in Sefton.



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Gross Payments

I hope the Council will take some positive steps to help out with the recovery of personal contributions. My view is that the Council should pay the providers the gross payments and recover the fee from the residents.

Conclusion

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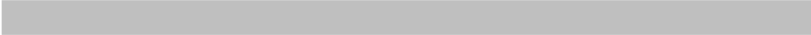
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Gross Payments

It is not for the care provider to recover personal contributions but for the local authority. After years of frustrated delay this important matter cannot be further postponed, and an implementation date of 1st October 2024 is requested to provide the sector with desperately required planning certainty. Please establish gross payments to social care providers.

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The proposed increase does not even match nor cover the substantial increase in the national minimum wage currently at 9.8%. This is before the additional cost pressures including a large increase in our Insurance policies, Food, Heating and Light just to mention a few.

Gross Payments

It is not for the care provider to recover personal contributions but for the local authority. After year's of frustrated delay this important matter cannot be further postponed, and an implementation date of 1st October 2024 is requested to provide the sector with desperately required planning certainty. Please establish gross payments to social care providers in line with other Local Authorities (Lancashire for example).

Conclusion

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[REDACTED]

I am reaching out to you as a CEO of a [REDACTED] who is extremely concerned about the pending national living wage uplift. Our organisation's model of care is to provide a service that is predominately funded by Local Authorities and the NHS. Sadly, with the cost-of-living crisis and securing a reliable workforce our costs have risen dramatically.

We will be increasing our self-funding fees so that they are fair and support residents to be self-funding for as long as possible without requiring state support.

Historically, some Local Authorities will notify us late in terms of what their annual uplift of fees will be. When this happens, it is not helpful as it is difficult to budget as an organisation as we have to uplift our staffing costs as of the 1st of April 2024.

Please can you factor in the 9.8% pending wage increase and what impact this [REDACTED] will have. We will where possible complete workbooks and engage in events as part of the continuation of the fair cost of care exercise. To be sustainable we require at least a 10.1% uplift in order that we can pay staff, cover costs, and invest in our care homes so that we may provide a wonderful experience for our residents.

May I kindly request as a matter of urgency that you inform us of what your intentions are in terms of the annual uplift of resident fees. We are a system partner and wish to be part of the solution to provide care outside of a hospital setting.

[REDACTED]

I am writing from [REDACTED] regarding the Sefton Social Care 2024/25 Fees Proposal, as outlined in your recent letter dated February 23rd, 2024.

Firstly, I would like to express my gratitude for your communication and the effort put forth in detailing the proposed fee increase of 8.02% for the upcoming year. However, it is with a sense of concern that I address our concerns over the suggested fee.



One primary issue we must address is that the proposed increase fails to adequately cover the substantial rise in the national minimum wage, currently standing at 9.8%. This is compounded by additional cost pressures within our care home operations, which must also be considered.

Care homes are an integral part of our local health and social care system here in Sefton. They provide essential support for the health and care needs of many individuals in our community, playing a crucial role in facilitating smooth hospital discharges and reducing unnecessary hospital admissions, which is particularly important for the NHS. It's always encouraging to see efforts to standardise fees for council-funded residents, but this must be done with the understanding that all care costs are fully covered, including fair profits.

This approach will enable our sector to adequately prepare for the significant growth of our ageing population in Sefton and to enhance the pay and career opportunities for our dedicated care staff.

Furthermore, the burden of recovering personal contributions should not fall upon care providers but rather on the local authority. It is imperative that this matter, which has been postponed for far too long, be addressed promptly. We are urging an implementation date of October 1st, 2024, to provide the sector with the necessary planning certainty. Establishing gross payments to social care providers is crucial in this regard.

In conclusion, I sincerely hope that Sefton Council will acknowledge the ongoing challenges faced by those of us entrusted with the care of society's most vulnerable individuals and I urge you to review the proposed fee increase and consider adjusting it to reflect the genuine needs of social care operations.


 – 2024/2025 fee proposal

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[REDACTED]

[REDACTED]

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Increasing Costs on Providers

We would like to be able to uplift our minimum wage earners to the RLW, and the proposed increase does not even match nor cover the substantial increase in the national minimum wage currently at 9.8%. This is before the additional cost pressures in our care home operations have been considered.

Gross Payments

We have the additional financial burden of being responsible for recovery of personal contributions for residents who are funded through the LA; this is not for the care provider to recover personal contributions but for the local authority.

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Hope you are well and receive this with enough time to factor in . There wasn't a lot of time to schedule into my busy work load and commitments hence the date and time sent .

Thank You for your letter and the proposed increased fee rates attached in Deborah's letter , which I believe you've asked providers to respond to yourself around the Sefton funding for 24/25 .

The fee levels proposed in the below remit do not cover the cost of care as I will detail further .

"1 Whether the level of PREPOSED FEE set out will cover the cost of meeting assessed care needs within an efficient residential/nursing home for the period from 1st April 2024 to 31st March 2025; and

2. If you do not agree with the above RATES and if you consider that they will not cover the Care Act 2014, the cost of meeting assessed care needs within an efficient residential/nursing home, please outline why and provide any supporting information. "

The fee rate is flawed, and the percentage increases should be higher. The care acts states councils should assure they have evidence the fee rates are appropriate

How have you done this ? The fair cost of care would have demonstrated Sefton paying inappropriate rates . These are also all very much outdated now and other costs and pressures needed reflected . Simply adding a percentage increase to a meaningless figure is not effective , fair commissioning or is it influencing, and driving a pace of change , consciously improving quality and choice and promoting wellbeing .

It is commissioning poor services by lack of funds for homes to invest in required support and needs of residents , staff and buildings , potentially causing neglect and harm , failings in regulatory requirements. However, these may take time to be fed into monitoring bodies and could be a ticking time bomb .

Domiciliary care are struggling with supporting the market and staffing is a huge issue in care support. Along with pressures on hospitals ,it should be remembered that care homes are a key service that should be supported as without a buoyant , viable care home market the pressures on the other services would be catastrophic .

At the preposed rates there is no reasonable profit afforded I imagine exits because of poor service -closures eventually, viability, lack of interest, retirement lor reduction in numbers in the medium and larger care homes to simply cater for private clients especially in residential where more capacity.

To much at once could leave a shortfall in beds and I wonder if the council and health has contingency plans in play .

Relying on current over capacity to drive down costs is not a great model given complexities of the above.

I hoped that working towards the Fair cost of Care would be something Sefton would embrace/ commit to , this would be a great accolade for Seftons commitment to some of its most vulnerable population.

Providers have been dangled a carrot for the last 10 years , Government's giving hope around fees being more fairly addressed, , I think its really crunch time for providers with fees. There is too much pressure around balancing the books , costs are too high , expectations , workload , resident needs , investment and staffing , agency are too great general running cost increases ,

I don't feel I need to detail or breakdown because you have all the information from the fair cost , although outdated , it is a higher rate than proposed .

I don't feel there has been a meaningful consultation in this time frame Figure given by Sefton , is not consultation , then letters required in 26 onwards before meeting on 4th . So only a few working days to process , not great for responses and you have a consultation back on that info ? , we've not had discussions with you around fee settings which might of raised feed into council in letter . Possibly I missed a meeting ? Just all appears to be giving a lip service a tick box exercise

Please note .

I agree with the points raised [REDACTED] representing the North and South Sefton Association .

We as a home strive to provide the best for our Residents and staff we are all dedicated and it is a lot of stress and hard work but rewarding , the caring home we provide to all our residents makes us proud , we reinvest , provide what's needed , We simply are just needing to be supported with the right funds to get on with the great job we're doing and to achieve a profit from those funds .

[REDACTED]

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Minimum wage and payroll

It is becoming increasingly difficult to find staff and retain them across the care sector. Often wages are having to be paid above the minimum wage level to retain the services of quality staff. The knock-on effect of this is that staff use the minimum wage increases as a minimum expectation and as such demand increases above this amount set by the government. Staff are leaving the sector as they demand the living wage or higher, rather than minimum wage, which in itself leaves the homes facing payroll increases way in excess of the 9.8% set when also including national insurance and pension. The calculation set by Sefton suggests that all staff are happy to receive only the minimum wage increase.

Operating expenditure plus refurb costs

Recent years have led to less and less surplus monies for homes to inject back into improvements and refurbishments to the properties. This side by side with CQC's expectations for homes to be in immaculate condition is putting pressure on the homes to keep on top of any larger maintenance works required. Again, the Sefton calculation method seems to be based on 70% wages and 30% other costs however probably does not include the larger balance sheet maintenance projects required that have been deferred as long as possible.

Individual Service Users

At two of our homes, Burgess Manor and Blair House, in the Sefton district, we take a large number of special complex case residents costed based on individual service user assessments as other homes are not suitable for their needs.

Historically we have spent considerable time chasing uplifts for these residents as they were not automatically uplifted in line with Sefton's proposals. Some were re-referred to social workers prior to any decisions, causing further delays to any uplifts.

I hope you're well. I'm emailing from my personal email as [redacted] email can be accessed by my staff, so please respond to me on this email.

I spoke to soon on Monday - after our zoom meeting I went into work that afternoon and one of my Key Seniors resigned. They work f/t 35-40 hours a week.

They are going to work in a call centre, Monday to Friday 8-5pm, weekends off, same money, no stress. No brainer really! This is what we are all trying to say, this is what we're dealing with, we cant compete with what other companies are paying. We're really struggling.

Currently I pay £11.60 for a Key Senior and I'm increasing this to £12.60 on the 1st April so its £1.16 above NMW and still I cant get staff.

From the 1st April, Carers will start at £11.90 per hour, we also have Senior Carers who will starting on £12.15 per hour and Key Seniors increasing up to £12.60 per hour. Plus my two managers are salaried so they will also have an uplift also plus myself, but I don't think I will be able to give myself a pay rise. I am on call as much as possible, usually 6 days a week sometimes 7 days to keep the wage bill down. I am on call when I'm on holiday aswell, to try and keep the costs down.

I will be honest with you all of the staff will be getting about a £1.00 or more pay rise, I have 24 staff and myself = 25.

[redacted] is a 20 bed home, we currently have 3 private and 12 Sefton Funded beds. Ive already increased the fees for the three private residents.

So if we had an increase of 17 Sefton beds £52.11 x 20 beds = £885.87 x 4 weeks = **£3543.48**

Currently we have 12 beds, so this would be 12 @ £52.11 x 4 weeks = **£2051.28**.

The last P32 was £7k, so approx 10% increase = £700.00

The last Pensions were (4weeks) £1832, so 10% = £180.00 approx

The last input on the capacity tracker was 2706 hours, this does not include holiday pay which was 338 hours (so at 10% £340.00) or maternity pay or the on call which I pay. This also does not include any staff training which I pay or Bonuses.

General/Typical 4 weeks example

Capacity tracker = approx 10% = £2700

P32 10% approx = £700.00

Pensions 10% = £180.00

Total = **£3580.00**

Holiday Pay (10% approx) = £340.00
= **£3920.00**

With Sefton increases on 17 beds this will not cover my example above.

Please note that I only have 12 beds funded by Sefton at present so the figures will be worse.

Social workers at the hospital are telling families that they cant choose what care home they go to, this has happened recently with the hospital. The family were told that the Social worker will choose where their relative goes. We advised the family that this should not be the case and tell the Social worker that you had chosen where you want your relative to go. They had chosen [REDACTED] as they had a previous relative stay with us so wanted their relative to come to us.

How can we compete with Social workers who are choosing beds for people and telling families they cant choose. I feel that this is very wrong, surely under the Health & Social Care Act they have a right to choose their care. I can only presume these are "cheaper beds".

- Social workers have to **STOP** trying to put residents in "cheaper" care homes and just tell families that they have the choice to choose where their relative wants to go and that each care home has different fees and explain this to them.
- Social workers need to **STOP** asking us to waive our "Top Up". Its our Fee we are running a Business
- Social workers need to **STOP** trying to place clients which are out of category.
- Sefton needs to **URGENTLY** review their proposed increase of **8.02%**, this does not even cover the NMW increase, not to mention any other costs of running a business which are all increasing. Care Homes will close, is this what Sefton wants as it does look like it?
- Sefton needs to **URGENTLY PAY Gross Fee**, I am tired and fed up of trying to sort the client contributions out when they change and constantly trying to sort this out. Sefton taking money off [REDACTED] when it should not be deducted. I should not have to "fight" to be paid what I am owed. I'm frustrated by this and it is causing me a lot of stress and taking up so much of my time. Is all of this worth it, my health should come first?

From yesterday I now have 5 beds available at [REDACTED] our capacity is 20 beds. I have three vacant staff posts.

I just don't think Sefton are listening to us. I have always been honest and expressed my thoughts.

I understand the Financial constraints Sefton are under but so are we. The way Social workers are handling the "top up" is incorrect, it is our Fee. Sefton cant set our fee, we are Independant businesses **not run by Sefton**. The dynamics of running a Care Home have changed so much and the demands from CQC are high.

There are lots of points which need looking at so I'm not sure what angle you wish to approach this but these matters need to be listened too.

[REDACTED]

Response to proposed 2024-25 fee increase for Residential Care services at

The well-documented inflationary pressures on care homes and the crisis in retention and recruitment are creating unprecedented pressures on us. These must be reflected in the fees you pay and in the fee uplifts due to take place from 1st April 2024.

The expected increases in demand for care services generally will necessitate continuing investment in our services if they are to remain sustainable and meet the needs of resident. This requires us to receive an appropriate rate of return on the capital we invest and from our operations, as envisaged by Fair Cost of Care exercise you have recently undertaken.

The Statutory Guidance issued in connection with the Care Act 2014 helpfully elaborates on the Council's obligation to ensure sustainability; to highlight just a few examples:

Paragraph 4.33

*"Local authorities **must** work to develop markets for care and support that – whilst recognising that individual providers may exit the market from time to time – ensure the overall provision of services remains healthy in terms of the sufficiency of adequate provision of high quality care and support needed to meet expected needs. This will ensure that there are a range of appropriate and high quality providers and services for people to choose from."*

Paragraph 4.35

*"Local authorities **must not** undertake any actions which may threaten the sustainability of the market as a whole, that is, the pool of providers able to deliver services of an appropriate quality – for example, by setting fee levels below an amount which is not sustainable for providers in the long-term."*

Paragraph 4.69

*"Local authorities **must** understand local markets and develop knowledge of current and future needs for care and support services, and, insofar, as they are willing to share and discuss, understand providers' business models and plans."*

Paragraph 4.101

"Local authorities should ensure that where they arrange services, the assessed needs of a person with eligible care and support needs are translated into effective, appropriate commissioned services that are adequately resourced and meet the wellbeing principle of the Act."

Paragraph 11 of Annex A

*"In all cases the local authority **must** have regard to the actual cost of good quality care in deciding the personal budget to ensure that the amount is one that reflects local market conditions. This should also reflect other factors such as the person's circumstances and the availability of provision. In addition, the local authority **should not** set arbitrary amounts or ceilings for particular types of accommodation that do not reflect a fair cost of care."*

Our Costs

The Council will be well aware of the challenges in recruitment and the self-evident risk that our employees and candidates have access to alternative jobs at Real Living Wage levels which take them out of the care sector. We need to pay at least RLW rates to attract care workers; this means an hourly rate of £12.00 (plus all on-costs) to secure and retain staff sufficient to deliver the services you commission. Because of the access to alternative jobs at a higher rate of pay we are having to use more agency staff at premiums of 66% to 87% on a shift by shift basis. Agency costs are currently 8% of total costs which is not sustainable.

The Council has also decided that for the second year running care provision within community services sector should be paid at the RLW rate whilst maintaining that care in residential should only be paid at the minimum wage rate. The acceptance of the need for a RLW to be paid in some care services shows the councils recognition that the labour market needs to be competitive, but failing to apply the same rate to all forms of care provision could be seen as managing the market to suit the councils preferred route for care provision. This goes against market sustainability as it ensures care home providers cannot provide the same quality of care as home care providers.

Our contract with you specifies that the council will consider an increase in the fees each year from 1st April. The council is obliged to act fairly when exercising this discretion, but it is apparent that it has not done so on successive occasions over previous years. This has meant a significant shortfall has developed between the actual costs of providing the service and the fees payable which is no longer sustainable. We consider that the council is obliged to decide on the fees it pays us by reference to the actual costs required to meet the principles set out above and that it is failing to do so.

Please treat this letter as a request for a variation to the fees payable under the contract with immediate effect. The variation is requested because both the level of services required to meet the needs of the people we support have increased significantly without any change in the fees structure and the fees payable have failed to keep pace with the inflationary pressure all care providers are subject to.

Fair Cost of Care (FCOC)

Please also provide details of how the council plans to meet its obligation to move its current fee rates, from 1st April 2024 onwards, to meet the FCOC. We expect those details to cover not just the current FCOC but the FCOC as that figure increased and will continue to increase, since it was first calculated.

As you are not currently meeting the FCOC rate it is necessary for us to charge a top up for the difference between the Local Authority rate and the actual cost of care for our services. Our fees are agreed with the service users at the point of admission. Our fees are set annually and are the same for all service users within the same service regardless of how they are funded. We do not differentiate fees for different funding arrangements as the same service is being provided for all.

The top up forms part of the agreed fee rate. If the local authority has agreed to fund the top up, this becomes part of the LA agreed rate for that individual to reside in our service. It is therefore liable for the same % increase that the council applied to all of their rates. Any agreement for the LA to pay the top up is with the service users family. This agreement is not with the provider. If the LA will not apply their % increase to the top up then this must be taken under discussion with the person that the agreement was made with. If neither the Local Authority or the family member can agree to pay the increased top up then social services must continue to pay the full top up until a bed is located elsewhere.

Urgent review

We request the Council reviews the proposed fee increase and agrees further steps to achieve significant movement towards paying our actual costs of care from April 2024.

I have been asked to respond on behalf of [REDACTED] on the proposed uplift on Care Home Fees as outlined in Sefton's letter dated 23/02/24 and subsequent online presentation. I have separately emailed your colleague on Supported Living and Community Support Fees but many of the points made there are also applicable here.

[REDACTED] currently offer residential placements in two locations [REDACTED] but have only a relatively small number of beds across both locations (totalling twelve). The Residential setting at [REDACTED] for people with complex health needs / learning disabilities and is paid via a Block Contract.

The residential places are currently operating at a loss to the Company and despite the proposed uplift (to include the Block Contract?) this position will not improve in the next twelve months.

The main cost in operating our residential facilities are staff costs and [REDACTED] are proud to pay in excess of the Foundation Living Wage. We are tied to the NJC pay-scale and our staffing costs in the past year are c80% of all costs compared to the matrix used of 70%. If the uplift was at this proportion, it would be closer to 8.6% but would still not address all of the ongoing deficit.

For the forthcoming financial year, we are budgeting for a 5% pay award but the Unions are requesting substantially more and anything in excess of this amount will only exacerbate losses and reduce reserves. To reiterate we do not negotiate locally as we are part of the NJC which is aligned to the Council and Local Government pay awards.

The recruitment challenges in the Adult Care Sector are well known and, in a market, where demand outstrips supply, we are struggling to recruit to vacancies. It has been well documented that potential staff have numerous options with many employers (for example, major retailers) offering above the foundation living wage.

Despite recruitment efforts and the proactive management of sickness and other absences the reality is we are having to turn to the goodwill of existing staff to fill gaps (via overtime at enhanced rates) and agency staff. Agency rates have increased in the past twelve months and are likely to increase again in the next financial year.

The organisation has so far resisted charging "top-up" fees but will need to consider this going forward. The scope of what that fee could be, however, means we are unlikely to be able to charge fees which cover all losses.

In conclusion we recognise [REDACTED] are in a unique position and its funding is majority via a block contract and other separate arrangements. To ensure stability these need re-negotiating and I know are due to be dealt with under the transformation programme.

We do, however, believe our costs, which have been previously submitted to Sefton, are competitive regionally and nationally (no local data held) but that the proposed uplift will not meet the full cost of operating the service at a sustainable level where we are able to reinvest in services for the benefit of the users of our service and residents of Sefton.

I hope this information is of use but please le me know if you have any queries.

Community Support

Could we have a meeting to discuss the shortfall at [REDACTED] and the funding going forward.

Day Care

this is my response to the proposed fee level increase for 2024 it is based on the reply I submitted last year and follows the virtual meeting we held on Monday the 4th of March.

The proposed increase of 8.57% I feel falls well short of what is needed to maintain standards for the following reasons.

The minimum working wage alone has increased by 10.50%.and while I take the point Neil Watson raised in our meeting that only a proportion of this is taken into consideration, there are still huge increases in all other costs energy, food, insurances .and other associated daily costs that I feel have not been addressed.

To look at the situation more clearly with daycare and to appreciate why we are so concerned you need to take a much wider view as in the 14 years that we have been operating [REDACTED] we have had only four increases in fees. Whilst during this same. period Nursing and Residential and Domiciliary Care have received annual increases.

To give you an indication of the true position we need to use are our own service as an example to show how far Day Care fee levels have fell behind inflation, if we use our original charge agreed with Sefton of £45 per day when we first opened and apply the 4 increases we have received since then this gives us are current fee of £61 per day. This is approximately a 31% increase in fees over this period while Inflation over the same period is 63% and inflation including minimum wage costs increased by 88%.

Therefore if you use these figures and adjust the rates by applying these increases to our original figure of £45 per day the minimum increase of 63% would put that figure at £73 per day for day care and if you applied the figure for the higher rate based on min working wage this would effectively put day care provision at £84 per day,

This would mean effectively that the proposed increase of 8.57% falls well short realistically we should be looking at a min increase of 20% overall or to match basic plus min wage would be 38% While we fully understand this type of increase is probably out of the question with all the constraints that are placed on you as a local authority and the pressures to work within your budgets.

However, we were hoping that this year's increase would consider the previous year's freeze on day care and would go some way to level things up.

Whilst on the subject of costs I know we have spoken on several occasions about my belief that day care has been overlooked and undervalued as its effectiveness is there for all to see at [REDACTED]

I'm Sure you agree that most people if given the choice want their loved ones to remain in their own homes or living with families for as long as possible to protect their Independence. In many cases this can only be achieved if they receive support from the local authority this enables them to adjust their own personal lives and work patterns to enable them to continue offering the care and support needed to protect this independence.

Daycare is an extremely cost-effective way of providing this as we currently receive £61.00 per day once personal allowances are considered this means we are providing this service to Sefton for as little as £5.50 per hour.

When you look at this figure against other services it is not only financially the most cost-effective but is most assured method of achieving that goal of independence for users that Sefton can offer.

Daycare promotes independence prevents social isolation encourages people to express themselves gives them an opportunity to contribute to society, build new friendships and enjoy hobbies long forgotten it helps them feel part of something and to quote their own words [REDACTED] is their Club.

A good service also gives confidence to families that their loved ones are in a safe environment well cared for and being fully engaged and enjoying their day and acknowledge that the support they are receiving is enabling them to continue with their own lives and support their loved ones.

If you take current domiciliary care rates approximately £22 per hour and nursing and EMI I al fees of approximately £1100-£1300 per week then the cost-effective element becomes even more apparent.

From our experience over the years, we have seen many times that a provision on average of three days per week does work in most situations extremely well and enables families to continue providing support to keep their loved one's independence as long as possible.

Both [REDACTED] and I would love the opportunity to discuss this further and would welcome a meeting with your self and the assistant director Eleanor ideally on a visit if possible to see the Centre.

[REDACTED]

Response to Uplift consultation letter 2024 from [REDACTED] (Day Service)

Response from: [REDACTED]

Background

[REDACTED] supports 68 adults with a learning disability, autism, physical disability, mental health issues and acquired brain injury per week.

We are open Monday – Friday from 8.30 – 5pm, Saturday from 10 am – 4pm and every Wednesday till 7pm (every other Tuesday till 7pm).

We provide free transport to and from [REDACTED] for over 90% of those who attend daily form all over the Sefton area. In addition, we provide a free lunch, drinks, and snacks for all those who want it with an over 80% take up for lunches.

We provide free transport to and from [REDACTED] for over 90% of those who attend daily form all over the Sefton area. In addition, we provide a free lunch, drinks, and snacks for all those who want it with an over 80% take up for lunches.

All activities are funded by [REDACTED] and include gym and swim memberships, hydrotherapy, bowling, golf, day trips, rambling, shopping etc.

We also have social enterprise project such as bimonthly pensioners lunch club at a local church that our service users put on, supporting the Rangers in Formby, supporting Friends of Bedford Park, and coming up Grounds and catering at a local tennis club.

[REDACTED] could be described as an adult youth club. Our aim is to provide meaningful activity / occupation, friendship, quality support and care in a safe setting with emphasis on accessing the local community for activity/occupation. We go the extra mile and are flexible when it comes to days and times to meet the needs of parents and carers. We also offer transition support when our service users are moving from home to supported living / respite. We also fundraise to take service users away on holidays with their friends etc.

Current Funding

We currently receive funding via a block grant 4 weekly from Sefton MBC, via Direct payments and a small number of privately funded places.

Of 68 service users supported per week....

Block Grant = 56%

Direct Payments = 30%

Private = 12%

Health = 2%

Current Funding Levels

49 service users - Low rate - £52.80 per day – this rate includes transport if required, lunch, drinks and snacks, all activities / occupation on personal care plan, any additional support around medication, personal care prompting etc.

13 service users - Middle rate - £82.13 per day – this rate includes 1:1 / 2:1 support for personal care, eating and drinking, PEG, hoisting, pushing wheelchairs on activities in the community, behaviour management etc.

6 service users - 1:1 rate - £120 - £140.80 per day - this rate includes transport if required, lunch, drinks and snacks, all activities / occupation on personal care plan. Always having a member of staff with the individual and where required 2:1 for personal care, and at times 2:1 for behaviour management / in some community activity.

I hope this information has set the scene and given you an overview of the service we provide and what we achieve on predominantly just over £50 per person per day. Whilst we accept that the local authority is struggling with demand and would accept the proposed uplift, so long as it is across the 3 rates at 8.57%.

Please find detailed below a small group of service users where an urgent review is required to look at their funding levels. This group who we currently provide a much higher level of support than we are funded for, have a disproportionate impact on the service and therefore the needs of the service users across the board.

Many thanks for your recent letter dated 23rd February detailing the proposed fee increase of 8.57% for 2024/25. The purpose of this email is to express disapproval over the suggested fee increase.

The proposed increase does not even match nor cover the substantial increase in the national minimum wage currently at 9.8% & this is before the additional cost pressures we are experiencing.

The rates currently paid by Sefton for Day services do not cover our costs and despite presenting our detailed cost information last year we are still not receiving full cost recovery, this level of uplift will make our financial position even worse.

We request that Sefton review this proposed increase in fees.

It was disappointing to hear some community providers are prepared to take an uplift based on paying the RLW but **not** prepared to pay this to their staff. As a RLW employer we are more than happy to accept an uplift based on this for all of our staff, not only those working in community settings.

Rewarding providers to pay differential rates does nothing for the workforce challenges faced by providers and will not lead to market sustainability.

Direct Payments

I find the info is a bit confusing tbh, or I am a bit thick? Are we to pay the PAs £15.84 p/hr as it seems that is to be the new nat min wage or are we to pay them £12.50 p/hr maximum as it seems to be that sum quoted in the letter as being advised by Sefton?

From an PA employer point of view, I just need to know which figure to pay the PA and trust that all the other info/charts n graphs contained in the letter is understood and dealt with by the organisation.

I/we employ a Personal Assistant, whose name is [REDACTED]

My response to the consultation, please consider the comments below:

I receive a higher rate, than the standard one, and I would like mine to be increased to, so I can also give a pay rise.

[REDACTED] should be entitled to an annual pay rise, and the appropriate funding should be provided accordingly.

The amount being proposed doesn't cover my/our situation, and that should be considered.

I look forward to a speedy, and hopefully favourable, reply.

Hi I received an email saying I can put [REDACTED] personal assistant 's wage to £12.50....
If so I would like it to go up on the 1st April for...

[REDACTED]
Please can you advise if I have read it right thank you.

Domiciliary Care

RE: Sefton Council Annual Consultation on Care at Home (Domiciliary Care) Fees 2024/25

██████████ welcomes the opportunity to engage with this formal consultation exercise.

We shall be grateful for the following points to be taken into consideration:

1. Encouraging progress was made last year by Sefton Council towards meeting the **actual costs of care provision** in Sefton in response to the DHSC Market Sustainability and Cost of Care Exercise 2022 and its own Market Sustainability Plan 2023. It is essential for this progress to be continued in order to ensure the availability of "**a variety of high quality services**" (Section 5 Care Act 2014). The proposed uplift in fees payable in 2024/25 is anticipated to be significantly less than the increase in the cost of service provision in the coming year and therefore falls short of this objective.
2. The sustainability of the services undertaken by ██████████ on behalf of Sefton Council is dependent on the number of hours commissioned by the Council.
3. The ability of ██████████ to recruit new staff is the sole determinant of our capacity to deliver services on behalf of Sefton Council. In order to compete in the local labour market with Providers who cater exclusively for self-funded clients it is necessary to be able to offer comparable wages. The 'indicative' £12ph proposed by Sefton falls well short of what is required.
4. According to the Home Care Association the **minimum** price for sustainable home care provision under current market conditions is £28.53. In the year 2022/23 the fees payable by Sefton were £1 below the national average and the indications are that these differentials will be maintained in 2024/25 to the disadvantage of domiciliary care provision in our Community.

5. Section 1 of the Care Act 2014 relates to the ‘Wellbeing’ Principle, which envisages much more than the basic identification of, and securing a response to, a person’s physical needs. We at [REDACTED] subscribe wholeheartedly to this concept and strive to ensure that our care staff have appropriate qualities and training, and that they have sufficient time, to meet the personal preferences, aims and ambitions of all those under our care. It is essential that Sefton Council fully recognises this important aspect of our role when setting the fees payable in the coming and future years, which they have failed to do in recent years.

By failing to keep pace with increased costs of service provision your proposal threatens our ability to meet all of the provisions of the Care Act 2014 on behalf of Sefton Council.

Yours faithfully,

Extra Care

It was disappointing to hear some community providers are prepared to take an uplift based on paying the RLW but **not** prepared to pay this to their staff. As a RLW employer we are more than happy to accept an uplift based on this for all of our staff, not only those working in community settings.

Rewarding providers to pay differential rates does nothing for the workforce challenges faced by providers and will not lead to market sustainability.

ISF

I am writing to response to your consultation letter regarding the supported living fees for 24/25 financial year. While we welcome the council uplifts of 10.09% on the elements outlined in your letter, we would like to lobby for a further increase in the rates due to the following:

Other Costs

The 2023/24 initial uplift offer included an uplift on this element based on the September 2022 CPI rate of 10.1%. This year this element has not received an uplift.

The element includes several items of expenditure/ investment that we are required to incur as part of the requirements of being a registered provider. These are but are not limited to:

- IT and digitalization running costs.
We have invested heavily over recent years in digitizing records and providing mobile solutions for care records to ensure, that support is offered in the least intrusive way within the person supported accommodation. The associated ongoing costs of maintaining these systems have been rising at higher rate than inflation at 8.1%.
- Insurance costs
Insurance cost have been rising since the end of the covid period with premiums seeing

on average a 55% increase in premiums over this time period – from the CPI data. This is a non-negotiable cost of business for all organisations but due to the sector we operate in we are often subject to a higher premium due to the higher risks; therefore, price rises have an increase impact on business sustainability.

- PPE

To provide safe support, we have maintained a high-quality level of PPE and held stocks to ensure we could also provide staff and people we support with the appropriate level of protection. This cost has seen a year on year above inflation increase in the cost of providing this in addition this is now a cost born by providers.

The above examples are not exhaustive but are illustrative of the increased costs that providers have had to absorb for the last 2-3 years. This has been part of a general increase in costs due to high inflation, driven by energy cost, supply chain issues and high demand for items such as PPE. The change in policy from last year to a nil uplift means that the pressure on providers to absorb further costs as for example CQC registration cost increases is providing challenges to the sustainability of levels of support.

A restoration of the uplift to the other cost at the Sept Cpi rate would create a more sustainable environment and offset some of the cost pressure we are facing.

Training

As part of the consultation the unit cost per hour given to training of 39p is not able to cover the level of training we are required to provide and also to maintain an excellent CQC status which we currently have. Our basic cost to train our support workers, team leader and development paper in order to delivery higher quality person centered care is 50p hour.

We would like explore any opportunities to reduce this element however as we are opening a training center in quarter 1 of the 24/25 and would be happy to offer out our training to other providers on a cost recovery basis to the council and other providers to help assist with the gain of a great economies of scale to reduce this cost per hour, however as it stands the level falls somewhere short of our target rate. The reason for this is that there is a greater no of courses required such as Oliver McGowan training for example, in addition to courses which are unable to take place via e learning and are subject to price increases due to the shortage of trainers and venues. An example of this is our statutory IOSH training cost have increase by 63% despite a best value procurement exercise.

The element also doesn't cover any training requirements above the mandatory training, so any person specific training such as British sign language or restraint training or any other training related to the individual who has significant needs as defined by CQC requirements are not cover by the current fee.

Recruitment and retention

Recruitment and retention remain an issue as the care sector is still competing for a limited pool of workers against other support providers and competing industries and or companies able to offer a variety of additional benefits and superior wages. Meaning recruitment and retaining high quality staff within the charity is still proving a challenge. This competition as outlined on the call by other provider is forcing care providers to offer above the real living wage (RLW) to compete for staff and retain our best staff. Currently we offer 10p above RLW as this is the biggest factor our staff voice group feedback to us in retention. This decision is also driven by market force and is only sustainable at higher hourly rate and or continue increases in line with RLW which is why we welcome the 24/25 uplift but a commitment to a long term pegging to the RLW annual increase would greatly assist provider with recruitment and retention.

Our recruitment is at a level where we have relatively low agency usage for the sector, but this is due to our investment in a recruitment and retention team. This team is an overhead as part of HR provision but the decision not to uplift other costs will put pressure on the levels of resourcing we can allocate to this area of the charity.

We are striving to eliminate agency use where possible so that not only can we provide best value for

commissioners but that we can provide the best quality support to the people and families who depend on us daily. This is best achieved by stable and well-trained staff teams which is something that agencies no matter how good consistency cannot provide.

Our final point we wish to raise as part of the consultation is that due to NHS support rates being low providing a jointly commissioned care package is currently unsustainable. These are often complex packages requiring specialist training or staff and often at larger ratios than a standard package. It is something we would like to tender for but currently the packages for ourselves are unsustainable due to the pricing of them. We would welcome an opportunity to discuss this further with yourself and or the ICB as it is an area where we feel we can make a difference for the people but under the currently commissioned pricing it is currently we are unable to progress.

Supported Living

Following up on my previous email, I wanted to provide clarification regarding our current rate for Sefton Council, which stands at £18.91 rather than £21.26.

Upon review, an uplift increase of 8.57% unfortunately falls short of meeting the necessary costs associated with our services. Despite our commitment to delivering high-quality, sustainable services, such an increase does not align with our objectives.

We reiterate our request for a more appropriate level of uplifts, as outlined in our previous correspondence regarding Supported Living and Residential services. Our request is driven by several factors, including:

- A 9.8% surge in NLW mandates commensurate adjustments in our fee rates.
- The fiscal drag resulting from frozen National Insurance thresholds further compounds our operational costs.
- CPI of 8.3% (2023).
- We acknowledge the financial constraints facing local authorities, but the recent allocation of additional central funding, coupled with a 5% council tax increase, emphasises the urgent need to adequately support vital social care services.

Given these considerations, we kindly request a meeting with our Head of Sustainable Funding, Regional Director, and Regional Business Support Manager to further discuss the proposed uplift and its implications.

Additionally, we eagerly anticipate Sefton Council's decision regarding the uplift for residential services in 24/25.

Thank you for your attention to this matter. We look forward to your response and the opportunity to discuss this further.

[Redacted signature block]

Thank you for the recent consultation event with Supported Living providers and for the further opportunity to formally respond to the proposed fees for the 2024/25 financial year.

We acknowledge the financial pressures and challenges that SBC, as well as other local authorities, are facing. We appreciate the proposed fee rate increase of 8.57% as a solid starting point in conjunction with the recognition of supporting payment of the RLW. [REDACTED] are already a Real Living Wage employer.

We would request that SBC increase fees in line with other comparable Local Authorities including those within LCR who are already paying higher provider fees (such as Wirral & Knowsley) that more robustly reflect the true costs of care and support. For example, within the cost calculator 0% increase to "Other costs" does not reflect the impact of other non-pay provider costs such as rising insurance costs – this year our premium increased by 15% and that was based upon no claims.

We would also request that an enhanced rate (flexible) for people with very complex support needs be added to the fee table.

With regards to Sleep-In payments, we appreciate the intent behind to financially benefit our staff by paying NMW, however, if there is an inconsistent approach across LCR local authorities this has the potential to create a 2 tier pay structure which can be very problematic and inadvertently have a negative impact.

We would request communication between and consistency across LCR local authorities in relation to all fee setting including the advising of fees in a timely manner to support our own budget planning processes.

The rising costs of provision and workforce challenges still remain acutely challenging for providers, both locally and nationally, particularly for disability charities like ourselves.

[REDACTED] In order to be competitive in the local market and attract and retain a qualified workforce need to be, and want to be, a RLW employer. However, without appropriate statutory funding that reflects the true cost of care and support as identified within fair cost of care exercises, financial pressures are placed upon our own reserves and resources which are not financially sustainable long term.

[REDACTED]

In line with the fee rate consultation request for feedback, we would like the following points considered.

- **Hourly pay** - The contractual position of Sefton in terms of pay to colleagues. Models are based on the RLW of £12 however your letter states 'figures in the table above 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.'
- **Sleep pay** - The contractual position of Sefton in terms of pay to colleagues. If Sefton are looking for providers to pay the NLW of £11.44 then 15% towards on costs does

not cover cost of delivery. Our modelling of this would require an income rate of £155.66 per sleep based on 9 hours.

	Per 9 hour sleep	Per hour
Basic Pay	£102.96	£11.44
A/L Extra Pay	£14.58	£1.62
Training	£1.78	£0.20
Ni	£14.21	£1.58
Pension & Levy	£3.67	£0.41
Management Fee	£18.46	£2.05
Sleep Night	£155.66	£17.30

- If Sefton require providers to pay RLW for waking hours and NLW as a minimum for sleep-ins a revision to contract will be required.
- **Sleep pay** – Sefton appears to be out of line with other local authority areas in seeking to maintain NLW for sleep-ins following the ruling which said that sleep-ins were not classified as working time. We would like providers to work in collaboration with Sefton to agree a set rate to be paid to colleagues for sleep-ins and income payment to providers with the surplus funds invested into an increase to the waking hourly rate to enable payment of RLW.
- **Sefton Models** – we would like to see explanation of how the models have been built as opposed to just the £ per category. This would allow providers to compare to their own models. For example, annual leave – how many days does this represent and a % as we calculate on working days only (261 days per year), sickness – how many days is allowed for within your model?
- **Supported Living** – your modelling has allowed no inflationary uplift for non-staff costs. This is un-sustainable, as you have allowed for a CPI 3.9% increase to all elements of non-staff costs within your Community Support rate. Explanation of inconsistencies in your modelling would be welcomed.
- **Provider Engagement** – it would be welcomed to have provider engagement on fee setting much earlier to allow for measured input and considered feedback. We work with other LAs from the November prior to uplifts taking effect in April to allow for time to do this before presentations need to be made to Cabinet for final sign off.



Type of Cost	Actual costs	Sefton offer	Details
Carer Basic Rate	£12.61	£12.00	Mix of support worker & seniors
Management	£0.84	£0.84	In line
Administration	£0.62	£0.62	In line
Annual Leave	£1.74	£1.66	
Training	£0.63	£0.39	
Sickness	£0.38	£0.30	
NI	£1.13	£0.87	
Pension	£0.48	£0.46	
Other costs	£3.08	£2.80	Includes increases for central support staff

Profit	£1.11	£0.60	5%
Hourly Fee	£22.62	£20.53	10%

Thanks for your time on the provider consultation meeting earlier in the week. This is the letter I was referring to that I have not received a response and as you will see I have chased a reply on 19th January. I feel none of the points we made have been taken in to account and it is clear that the financial modelling done by the authority falls short specifically suggesting no uplift of "other costs".

In relation to the proposed rate of £20.53 for 24/25, unfortunately this is not a rate that is acceptable to [REDACTED]. We have been writing to Sefton over a number of years about the shortfall in funding (£175k 23/24 shortfall included in the attached) and based on 24/25 proposed fee this only increases to £354k which is not sustainable for [REDACTED] as a charity.

[REDACTED] are now working with 13 North West Local Authorities and based on the 8 of these who have declared a rate (65% of [REDACTED] income) Sefton are now second to bottom in the fee they proposed to pay for supported living. The gap now between the highest rate we are to be paid by a Northwest Local Authority and what Sefton is proposing is 97p and for Liverpool City Region it is 83p.

The underfunding by Sefton Council is only increasing year on year putting pressure of the charities finances and this is contrary to your obligations under Care Act 2014. The lack of provider engagement throughout the year or any sense of partnership working is unlike anything we experience with any other authority.

We would like to request an individual meeting to discuss the future of this contract

I await to hear from you

Supported Living - Provider Rates for 2024/25

Dear Deborah

Thank you for another year of commissioning your Supported Living services from [REDACTED]

The last year has been yet another incredibly challenging year for all Supported Living providers dealing with continued workforce challenges, 10.1% Real Living Wage pay increases and significant inflationary pressures on running costs.

Looking ahead, 2024/25 does not appear to offer much respite as workforce pressures remain constant¹, both Real Living Wage has increased again by 10.1%², and inflation is unlikely to return to its 2% target until at least the end of 2025³.

On the back of these continuing cost pressures, we would like to set out our expectations for provider rates for forthcoming year, and the basis of those expectations.

The importance of Real Living Wage

Support Workers (and the amazing work they do) continues to be undervalued by both Central and Local Government in the funding provided to support appropriate levels of pay. Given the continued cost of living crisis and high inflation rate, payment of the Real Living Wage to hard working, front line colleagues is more critical than ever.

In 2022, we surveyed our Support Worker colleagues on their current financial wellbeing. We were shocked by the results, so much so, that we decided to subsidise the shortfall in many Local Authority fees in order to pay all our Support Workers the Real Living Wage.

We have recently repeated the financial wellbeing survey for 2023, and sadly not a lot has changed. Colleagues again reporting that the continued pressures of the cost of living crisis have eroded any financial gains that previous pay increases have provided.

Rank	Question	% Colleagues (n=1085)
1	<i>My money runs out before pay day</i>	72% (781)
2	<i>I am worried about my finances</i>	57% (619)
3	<i>I may be forced to leave my job to earn more</i>	40% (423)

Source: [REDACTED]

Workforce Pressures

We continue to face significant workforce challenges in social care.

One of our biggest barriers for recruitment remains low pay within the sector. We must be able to compete on workforce with other sectors (such as hospitality, retail, transport). We are aware of the Local Government Finance Policy statement that grant funding will be made available to support a range of workforce priorities including that of low fee rates and low pay.

The Real Living Wage has increased from £10.90 to £12.00 this year, a 10.1% increase. Our expected rate is based on RLW.

Our 2024/25 cost model rate

At [REDACTED] we remain committed to paying our colleagues at least the Real Living Wage – but we can only do this when Local Authority funding rates are sufficient to do so.

We have developed a detailed cost model (validated by CIPFA C Co) which we would be delighted to share and discuss with you. We are confident that our cost model is comprehensive, robust and identifies the true cost of supported living provision.

Our supported living rate, paying Real Living Wage for 2024/25 is £22.49 This represents an increase of 13% from our 2023/24 cost model rate of £19.88.

The additional increase (10.1% to 13%) include:

- Increase in the Real Living Wage from £10.90 to £12.00 adds circa. £1.54 to the cost of care.
- Increase in our assumed Surplus from 2% to 3%, bringing us closer to other provider surplus assumptions as indicated by the Fair Cost of Care exercise.
- Pay inflation of 5% for non-hourly paid staff, reflecting current sentiment re. likely pay settlements in 2024.
- The adoption of Oliver McGowan training requirements.
- Changes in pension legislation enabling the Pensions Regulator to reduce the de minimis limit currently in force that will potentially therefore require employer contributions on all earnings.

Your current rate for 2022/23 ranks 7th out of 10 against your comparator commissioners.
Your current rate for 2022/23 is £0.97 below our expected rate meaning [REDACTED] currently subsidise the shortfall in your service funding by £175,305.

[REDACTED]



Our request for a meeting

Our Board meet every February to consider Local Authority funding levels and whether our contracts are financially viable to continue. We politely request a meeting with you before 31 January 2024 to discuss your likely rates in comparison with our expectations. We would like to explore:

1. Your intentions around the Real Living Wage
2. Your consultation process with providers and your timescales for confirming rates
3. Whether you will be able to support a rate of £22.49
4. Your intentions around sleep-in payments

We understand you will be undertaking other provider consultation activity, however, it is important for us to understand your intentions and timeframes in order for us to plan.

We also politely remind you that provider costs increase on 1st April 2024. It is therefore imperative that any fee agreements and increased payments for service provision commence no later than this timeframe. Failure to achieve this results in further, unnecessary, financial distress on providers. Please may we ask you to kindly plan appropriately to avoid this.

I look forward to hearing from you to arrange a meeting date.

Yours sincerely

[Redacted signature area]

I am writing to response to your consultation letter regarding the supported living fees for 24/25 financial year. While we welcome the council uplifts of 10.09% on the elements outlined in your letter, we would like to lobby for a further increase in the rates due to the following:

Other Costs

The 2023/24 initial uplift offer included an uplift on this element based on the September 2022 CPI rate of 10.1%. This year this element has not received an uplift.

The element includes several items of expenditure/ investment that we are required to incur as part of the requirements of being a registered provider. These are but are not limited to:

- IT and digitalization running costs.
We have invested heavily over recent years in digitizing records and providing mobile

solutions for care records to ensure, that support is offered in the least intrusive way within the person supported accommodation. The associated ongoing costs of maintaining these systems have been rising at higher rate than inflation at 8.1%.

- Insurance costs
Insurance costs have been rising since the end of the covid period with premiums seeing on average a 55% increase in premiums over this time period – from the CPI data. This is a non-negotiable cost of business for all organisations but due to the sector we operate in we are often subject to a higher premium due to the higher risks; therefore, price rises have an increase impact on business sustainability.
- PPE
To provide safe support, we have maintained a high-quality level of PPE and held stocks to ensure we could also provide staff and people we support with the appropriate level of protection. This cost has seen a year on year above inflation increase in the cost of providing this in addition this is now a cost born by providers.

The above examples are not exhaustive but are illustrative of the increased costs that providers have had to absorb for the last 2-3 years. This has been part of a general increase in costs due to high inflation, driven by energy cost, supply chain issues and high demand for items such as PPE. The change in policy from last year to a nil uplift means that the pressure on providers to absorb further costs as for example CQC registration cost increases is providing challenges to the sustainability of levels of support.

A restoration of the uplift to the other cost at the Sept Cpi rate would create a more sustainable environment and offset some of the cost pressure we are facing.

Training

As part of the consultation the unit cost per hour given to training of 39p is not able to cover the level of training we are required to provide and also to maintain an excellent CQC status which we currently have. Our basic cost to train our support workers, team leader and development paper in order to delivery higher quality person centered care is 50p hour.

We would like explore any opportunities to reduce this element however as we are opening a training center in quarter 1 of the 24/25 and would be happy to offer out our training to other providers on a cost recovery basis to the council and other providers to help assist with the gain of a great economies of scale to reduce this cost per hour, however as it stands the level falls somewhere short of our target rate. The reason for this is that there is a greater no of courses required such as Oliver McGowan training for example, in addition to courses which are unable to take place via e learning and are subject to price increases due to the shortage of trainers and venues. An example of this is our statutory IOSH training cost have increase by 63% despite a best value procurement exercise.

The element also doesn't cover any training requirements above the mandatory training, so any person specific training such as British sign language or restraint training or any other training related to the individual who has significant needs as defined by CQC requirements are not cover by the current fee.

Recruitment and retention

Recruitment and retention remain an issue as the care sector is still competing for a limited pool of workers against other support providers and competing industries and or companies able to offer a variety of additional benefits and superior wages. Meaning recruitment and retaining high quality staff within the charity is still proving a challenge. This competition as outlined on the call by other provider is forcing care providers to offer above the real living wage (RLW) to compete for staff and retain our best staff. Currently we offer 10p above RLW as this is the biggest factor our staff voice group feedback to us in retention. This decision is also driven by market force and is only sustainable at higher hourly rate and or continue increases in line with RLW which is why we welcome the 24/25 uplift but a commitment to a long term pegging to the RLW annual increase would greatly assist provider with recruitment and retention.

Our recruitment is at a level where we have relatively low agency usage for the sector, but this is due to our investment in a recruitment and retention team. This team is an overhead as part of HR provision but the decision not to uplift other costs will put pressure on the levels of resourcing we can allocate to this area of the charity.

We are striving to eliminate agency use where possible so that not only can we provide best value for commissioners but that we can provide the best quality support to the people and families who depend on us daily. This is best achieved by stable and well-trained staff teams which is something that agencies no matter how good consistency cannot provide.

Our final point we wish to raise as part of the consultation is that due to NHS support rates being low providing a jointly commissioned care package is currently unsustainable. These are often complex packages requiring specialist training or staff and often at larger ratios than a standard package. It is something we would like to tender for but currently the packages for ourselves are unsustainable due to the pricing of them. We would welcome an opportunity to discuss this further with yourself and/or the ICB as it is an area where we feel we can make a difference for the people but under the currently commissioned pricing it is currently we are unable to progress.

Annual Consultation on Supported Living Fees

On behalf of [REDACTED] I write in response to the Council's fee uplift consultation for the upcoming financial year and we would appreciate that due consideration is given to the following:

National Living Wage

The increase in the National Living Wage is 9.8% and therefore Sefton's proposal of an uplift of 8.57% is not sufficient to cover the charity's costs and is undermining the viability of the organisation. Commissioners and Cabinet members will be well aware of the impact of year on year underfunding, which has led to an ever widening shortfall. Whilst the increase that Sefton eventually awarded last year was a step in the right direction it still fell short of the real cost of delivering care. This proposal then is a backward step that will place unsustainable pressure on adult care providers.

NI Costs

With regard to the costs detailed for NI we would welcome clarification as to the workings that arrived at the figure of 0.79 for the 2023/24 Fee Rate when the Carer Basic Rate is documented as £10.90. This appears to be incorrect and based on a Carer Basic Rate of £10.42. Employer NI is currently 13.8% and this is not a component that differs from provider to provider based on their own specific business models and operating costs.

Staff Recruitment and Retention

Care Providers continue to struggle to recruit staff into the sector because we simply cannot compete with the wages paid by supermarkets and other retail and hospitality providers. Consistent underfunding has led to us being unable to match the starting pay of a checkout assistant with significant lower levels of responsibility than our staff teams and demeans social value.

CPI

There is no element for this, currently at 4%, in the proposed supported living figure. With significant increases in utilities, PPE, IT and insurance, along with the need to keep up with new technology, we do not understand why this has not been factored into the Council's calculations.

Market Sustainability

If the proposed fee uplift goes ahead then many providers are going to struggle to keep afloat, which will inevitably result in a depleted market place at a time when we are seeing an ever increasing demand for services. This will have a negative impact on the vulnerable residents of the Borough.

Consultation period

The consultation period has not been of a reasonable enough timeframe for it to be meaningful. Providers have been given very little time to provide feedback and there is no provision in the timetable for you to re-consult with providers prior to taking the proposals to cabinet on 4th April.

Charity Sector Agreement

Sefton has an agreement with the charity sector that we will be given 3 months' notice of any changes to fees which has not been adhered to.

Further Comment

ARC England has carried out a review by local authority of the fee uplifts and is calling for a minimum uplift of 12% to cover additional costs associated with the 2023 autumn budget. Research carried out suggests a minimum fee of £21.93 to meet the requirements of the 24/25 national living wage. However, even if this rate were achieved it would not address the significant underfunding that has been received over the last 10 years.

We hope that this feedback will be acted upon and that you will reconsider the proposals taken to cabinet to ensure the longevity of the provision within the area.

Please find below our feedback:

Q1 : Whether the level of proposed fees set out will cover the cost of delivering Supported Living Services for the period from 1st April 2024 to 31st March 2025?

We are glad to see Sefton acknowledge the 10.09% increase both for direct support staff and the management team above.

This helps us to maintain the differential between different grades of staff.

Our comment would be that employers NI % appears to be low.

$£12.00 + £0.84 + £0.62 + £1.66 + £0.39 + £0.30 = £15.81$

Employers NI is set at $£0.87 = 5.5\%$

We are averaging at 8.95% in the year to date

You asked for our workings behind this :

For support workers:

In our supported living services, staff contracted hours average at 29.85 per week x £12.00 = £358.20

On average they do a sleep in every week = 9 hours x £11.44 = £102.96

Gross = £461.16

Minus ER NI threshold £175

= $£286.16 \times 13.8\% = £39.49 = 8.56\%$ of gross pay

There are staff who do extra hours to cover sickness / holidays / staff shortages etc.

There are staff who do more than one sleep in a week.

And the salaried staff.

These items serve to increase the average employer NI

No uplift has been applied to 'other costs'.

As we know, inflation appears to be levelling out but this is after a year where we have seen inflation at 10%.

As a company we have seen increases across the board for all other costs, without exception.
For us this includes gas / electric / subscriptions / business insurance and consumables.

A recruitment cost which has only become an expense to us in the last year are sponsorship costs to retain valued staff members. These staff members are integral to our support teams and who we have significantly invested in through training, support and supervision. This was before the availability of local grants but these are time limited.

We want to draw your attention to [REDACTED] commitment to digitalisation across our services. We have already upgraded and continue to invest in IT systems and equipment. There will be additional and significant costs as we upgrade software. Ellie said she may have some extra information on funding support for us.

We have also committed to standardised systems to improve and increase training for all staff in line with best practice in terms of Skills for Care Core and Mandatory Training, which is an increased cost to the organisation with effect from December 2023 going forwards.

Q2 : 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 Supported Living Services, please outline why and provide any supporting information that you feel may be pertinent.

We don't have any comment on this – other than what has been said above.

[REDACTED]

I have been asked to respond on behalf of Sefton [REDACTED] on the proposed uplift on Supported Living Fees as outlined in Sefton's letter dated 23/02/24 and subsequent online presentation. I have separately emailed your colleague regarding the Care Home Fees but many of the points made there are also applicable here.

[REDACTED] currently operate a number of Supported Living properties, and it is noted that the proposed fee uplift is 8.57% to £20.53 per hour with adjustments for sleep-in rates. The rate is based on the assumption that the Carer Basic Rate is £12.00 per hour and subsequent assumptions on other costs.

However, [REDACTED] is proud to be a Foundation Living Wage provider and already pays the majority of its workers in excess of this amount. Also, weekends and night staff enjoy enhanced rates of pay.

We are budgeting for a 5% pay award in the forthcoming year which will mean that, in Supported Living, the Carer Basic Rate will rise to between £13.30 and £14.15. This is up to 69% of the SMBC proposed rate (compared to (53%) before other employment on-costs such as NI, pension, and sickness, etc. The Unions, however, are requesting a substantially larger increase and anything in excess of 5% will only exacerbate losses and reduce reserves further. We do not negotiate locally as we are part of the NJC which is aligned to the Council and Local Government pay awards.

Employment is an average of around 85% of all our Supported Living costs so having a correct base point is important.

Despite efforts, the recruitment challenges in the Adult Care Sector are well known and, in a market, where demand outstrips supply, we are struggling to recruit to vacancies. It has been well documented that potential staff have numerous options with many employers (for example, major retailers) offering above the foundation living wage. We proactively manage sickness and other absences, but the reality is we are having to turn to the goodwill of existing staff to fill gaps (via overtime at enhanced rates) and agency staff. Agency rates have increased in the past twelve months and are likely to increase again in the next financial year.

We believe our costs, which have been previously submitted to Sefton, are competitive regionally and nationally (no local data held) but that the proposed uplift will not meet the full cost of operating the service at a sustainable level where we are able to reinvest in services for the benefit of the users of our service and residents of Sefton. We do recognise, however, [REDACTED] [REDACTED] are in a unique position and its funding is majority via a block contract and other separate arrangements. To ensure stability these need re-negotiating and I know are due to be dealt with under the [REDACTED]

I trust you find this information of use but please let me know should you have any questions.

[REDACTED]

Dear Sefton Adult Commissioning Team,

RE: Sefton Council Annual Consultation on Supported Living Fees

Thank you for the offered uplift of 8.57%. As requested, I am writing to you in response to the consultation on fee uplift proposals for the new financial year 2024/25.

Historically, ████████ Sefton services have performed poorly from a financial perspective, largely due to the low hourly rate. For the past 4 years these services have performed below the 14% target we work towards to maintain good financial health as an organisation, whilst this improved significantly in year 2023/24, they were still below target.



It is worth noting that there are currently no housemate vacancies (voids) with a financial impact in Sefton. The proposed rates are below what is needed to secure the financial stability of these services as shown below.

To attract, retain and demonstrate how much we value high quality support workers, we aspire to pay people as close as possible to the Real Living Wage (RLW). For the 2024/25 year we are not able to achieve this but have set support worker pay at a minimum of £11.44, the National Living Wage.

Where a local authority wants, and funds its providers to be RLW employers, ██████ is happy to be able to pass that on. The table below shows the shortfall between Sefton's offer, the required rate to pay £11.44 and the funding gap to RLW.

	██████ NLW rate	Sefton Proposed rate	Shortfall	██████ RLW rate	Shortfall to RLW
Carer basic rate	£11.44	£12.00	£0.56	£12.00	£-
Management	£2.20	£0.84	-£1.36	£2.20	-£1.36
Administration	£0.08	£0.62	£0.54	£0.08	£0.54
Annual Leave	£1.21	£1.66	£0.45	£1.27	£0.39
Training	£0.35	£0.39	£0.04	£0.37	£0.02
Sickness	£0.40	£0.30	-£0.10	£0.42	-£0.12
NI	£1.01	£0.87	-£0.14	£1.09	-£0.22
Pension	£0.35	£0.46	£0.11	£0.36	£0.10
Other costs	£3.98	£2.80	-£1.18	£4.16	-£1.36
Profit	£0.65	£0.60	-£0.05	£0.68	-£0.08
	£21.67	£20.54	-£1.13	£22.63	-£2.09

Total annual hours	63714.56		
Total annual funding shortfall		-£71,905.61	-£133,268.40

We periodically review management spans and believe the current levels are as efficient as possible while maintaining the support and oversight necessary to ensure we deliver high quality, people centred services which are a great place both for the people we support to live and the people we employ to work.

As an organisation, we are reviewing financially unsustainable services and may reluctantly need to hand back services where sufficient uplifts are not provided and after all options have been exhausted to save on costs. I am concerned that

our Sefton services may require this level of scrutiny and attention should we receive anything less than £21.67 p/h for NLW or £22.63 p/h for RLW. Any support you can offer in supporting us to overcome these challenges would be greatly appreciated and welcome.

Yours Sincerely,

A thick, solid grey horizontal bar used to redact the signature of the sender.