

Members Local Authority Fee Survey – January 2021

Report

1. Introduction

1.1 In January 2021 Shropshire Partners in Care surveyed our local care providers Members to explore the impact of current local authority fee rates on their businesses and gain their feedback and insights to support fee negotiations and discussions with both Shropshire Council and Telford and Wrekin Council. Our aim in carrying out this survey was to gather evidence direct from providers to demonstrate the effect of current fee levels on local capacity of the sector currently and over the next twelve months. Shropshire Partners in Care has always taken its role in fee negotiations seriously but given the impact of COVID-19 and the circumstances of the past 12 months, we recognise that it is more important than ever that we are able to support the sector to be stable, agile, and appropriately resourced. This was an attitude type survey and was not in any way intended to identify the cost of care.

1.2 73 providers completed the survey in total, details of service type and areas covered can be seen in the table below.

	Shropshire	Telford & Wrekin	Both LA areas
Care Homes	15	1	10
Domiciliary Care	34	4	6
Supported Living	1	0	0

2. Summary of findings

- 72 providers completed the survey, 16 working across both council areas, 5 working only with Telford & Wrekin Council fees and 50 working only with Shropshire Council fees. 26 respondents were from care homes, 44 were from domiciliary care and 1 was from supported living.
- Most respondents (71% care homes, 67% domiciliary care) across both local authority areas are unhappy with the current fee rates and feel they do not cover their actual costs to provide the service.
- Most respondents (57% care home, 80% domiciliary care) already cross subsidise council fee rate income from other business provision such as from private funded care.

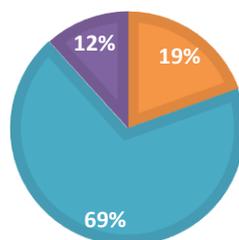
- Care home occupancy has decreased due to Covid-19 and 85% of respondents felt that that standard fee rates are not sustainable at the current occupancy levels.
- The top three cost pressures for care homes are identified as:
 - Increasing wage bill
 - Increasing insurance costs
 - Increased PPE costs
- The top four (2-4 were all tied second place) cost pressures for domiciliary care providers are identified as:
 - Increasing wage bill
 - Increasing insurance costs
 - Increased PPE costs
 - Increase in the cost of travel expenses and non-contract time.
- The care provider comments made throughout the survey highlight the negative impact of the current fee levels on staffing and wages, ability to grow the business, and deliver high quality services.
- There is a clear sense from the comments throughout the survey that unless fee rates are increased for both care home and domiciliary care providers that a significant number will review their business model and plan to reduce or decline local authority placements/packages.

3. Operating Costs and Placements

3.1 Overall, only 19% of those asked felt that the current local authority fees cover their actual costs of delivering their services.

DO FEES COVER YOUR ACTUAL WEEKLY OPERATING COSTS?

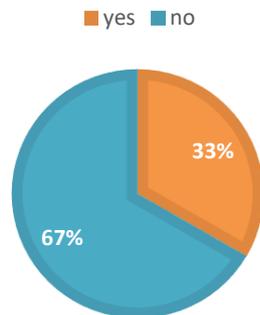
Yes No Sometimes



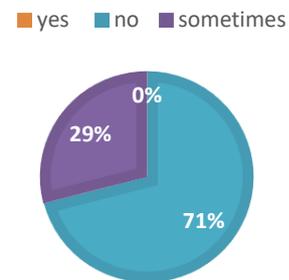
However, when broken down we see some variation between types of service, with 33% of domiciliary care providers reporting that fees do cover actual costs.

No care homes providers responded to say that, yes, fees cover costs and only 29% state they sometimes cover costs. The remainder 71% stated that current weekly fees do not cover the costs of providing the care.

DOM CARE - DO FEES COVER ACTUAL COSTS?



CARE HOMES - DO FEES COVER ACTUAL WEEKLY COSTS?

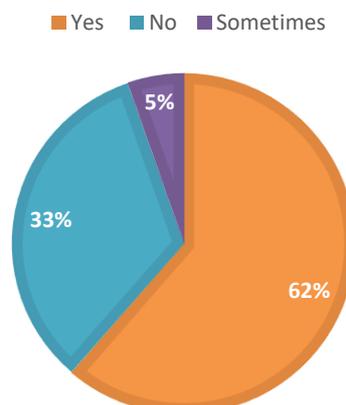


The table below shows the figures broken down further by local authority area.

	Shropshire			Telford & Wrekin		
	Yes	No	Sometimes	Yes	No	Sometimes
Care Homes	0	16	6	0	6	3
Domiciliary Care	12	24	0	3	6	0
Supported Living	0	1	0	-	-	-

3.2 Interestingly despite the responses above saying that current fee rates do not cover costs, or only do sometimes, we found that 62% of providers do still accept placements and care packages at these rates.

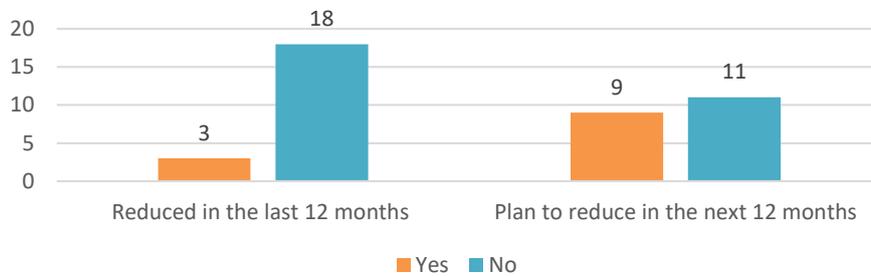
DO YOU ACCEPT PLACEMENTS/PACKAGES AT THESE RATES?



	Shropshire			Telford & Wrekin		
	Yes	No	Sometimes	Yes	No	Sometimes
Care Homes	6	12	3	1	6	1
Domiciliary Care	29	5	0	7	2	0

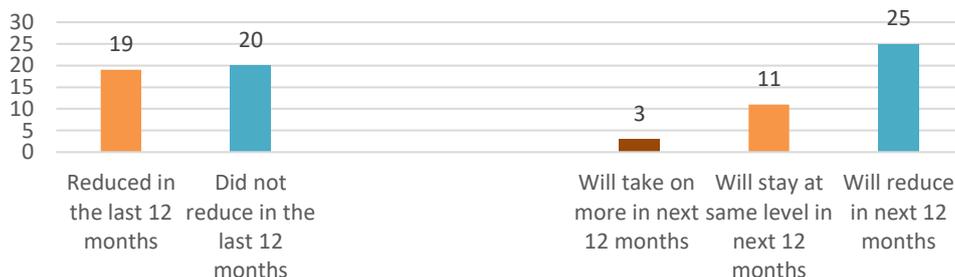
3.3 Providers were asked if they have reduced the amount of local authority funded placements/packages they accept in the past 12 months or if they plan to do so in the next 12 months. A majority of care home providers responded to say they have not reduced the amount of council funded care they accepted in the past 12 months however going forward more reported that they plan to reduce the number of council funded places they accept.

Care Homes - reduce the amount of council funded care due to these rates



Domiciliary care providers however responded to say that they have been reducing the number of packages taken on over the past twelve months and look set to continue this over the coming year.

Dom Care - reduce the amount of council funded care due to these rates



Domiciliary Care respondent Comments:

Most of the time, we are only selected on a last-minute basis where no other providers are taking the package. This is because most of our cost is already on the highest side of the framework.

We couldn't really tell whether we are given more or less, we have more capacity to offer but this

depends on whether our costing is accepted.

We would not be able to develop the business any further due to the growing costs and expectations.

We can't support clients if we have to ask carers to drive to them, so anyone in walking distance we can cover travel costs but not out of town.

It is not sustainable considering travel time associated costs in rural areas.

We will try and look at new strategies in order to focus on the private sector.

This would be depending on where the package is and if it is viable to take on but not at the 16.50 rate.

Financially, given Shropshire rates are significantly lower than both our private rates for 2020/21 and those of [neighbouring] council, we unfortunately have had to make a decision to prioritise both these sources ahead of Shropshire council.

We are already looking to take on care from other sources to supplement the company's total portfolio.

Both our private service users and the Clinical Commissioning Group pay at much higher rates consistent with our desire to provide the highest possible quality of care.

We will need to source more private funded care packages.

We will need to seek more private packages as these rates are not workable.

Unless we get more staff I expect us to take on the same amount of packages.

We will need to boost self-funders to provide a cashflow margin to keep us afloat and covering our overheads.

The hourly rate is not enough to pay the staff and other bills.

Owing to Covid-19 and all the unexpected activities we have reduced care hours by approximately 200 hours per week.

We would not seek to take on more work if there is no incentive to do so.

Private clients cannot afford to pay for large packages of care so our larger packages of care come through the council.

We will only be able to provide care for clients in built up and urban areas. this will be the same for many providers so less poc available to pick up more. we will have to focus our support on Complex care needs and private clients only.

This is a numbers game and the rates do not work for our company at 800 hours per week however they [would] work at 1500 hours per week. The same amount of office staff are required for both.

We plan to expand. We will not take on any work at less than £19.20 though and will be looking to

more privately funded work too.

We currently are paid £20.00 per hour for private clients - this is due to increase to £21 shortly - just slightly delayed due to pandemic.

It is not economically viable to provide care below what it costs to deliver.

We cannot afford to increase our provision to the council without an uplift as each year our costs go up and it has a big impact on our margins.

We will need to pursue more private clients - as the costs are going up by a lot every year and we need to be able to sustain the business.

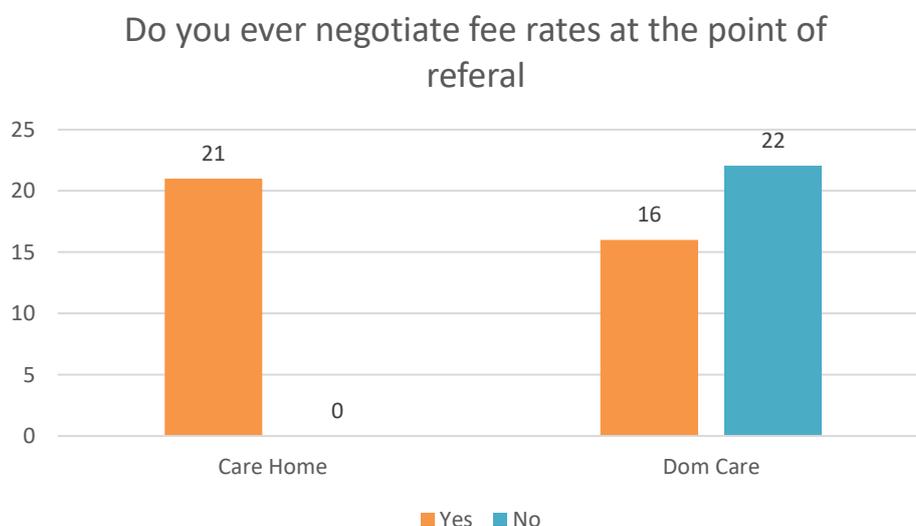
There is already very little incentive to fulfil Council packages. Costs continue to rise in terms of staff costs and also regulatory requirements.

Employment Law is set to change in the near future to make us pay staff for late cancelled calls and after 26 weeks of employment we will soon have to regularise the "normal" hours an individual works in their contract, effectively guaranteeing them their normal hours. These two measures alone will fundamentally change the care model, increase costs and make Council packages even more unworkable.

We will not be able to afford it with another fee rise. We pay our staff 11.75 -12.00 p/h and we would like this to rise in April.

I will have to take on more privately funded packages which actually cover the costs. I cannot expect the business to carry the burden of propping up packages for the council.

3.4 We asked respondents if they ever negotiate a higher fee rate with Council's at the point of referral, all care home respondents said they did whereas slightly less than half of domiciliary care providers do.



Care Home Provider comments;

In some cases, we are able to agree additional funding to reflect referrals with higher acuity and higher dependencies.

Top ups negotiated when taking into consideration dependency of resident.

We negotiate a top up either from the council or relatives.

Assessment on needs usually and prices 950 minimum.

We sometime ask for a top up, depending on resident needs and room type.

Where at all possible, now far less routine, most homes have sold less rooms this year and all but two have failed to reach budgeted room rates for sales to the councils.

Our standard fee is higher than the council rate. It is commonplace for the social worker contacting us to ask us to lower our fees. We feel pressured to do so for fear of not being considered for future placements of their clients.

Residents self-funding - when their funds run low negotiation with Council commences and agreed with all.

We used to be able to do this to cover the realistic cost of care fees, but they currently refuse to negotiate due to cuts in funding.

Depending on the level of support needs of the person.

All our placement funding has been negotiated based on our evidence of costs. However, the Council do not appear to have any model of care costs that they can use to justify funding rates.

I have told the Council that this is my plan moving forward - at the end of 2019 I didn't get a single referral ... I guess the consequence of my action.

We look after young adults with severe Learning and Physical difficulties

We negotiate but the person will be placed at "the most cost-effective placement".

Yes, when more complex needs.

Yes, Shropshire have in the past paid £600 a week and Shropshire council are declining to pay the new uplift for some of our residents who have been here a while and the lowest weekly cost paid by Shropshire council is [just over £400] and this is for some residents who require two staff.

Domiciliary care providers comments:

We usually just give costing, if we get approved then we get the job with the costing we submitted. We normally haven't got room to negotiate on the lower side of the frame because of the figures explained on point 5.

Where possible we have submitted higher rates which sometimes are accepted and at others are not.

The area an individual lives in can dictate costs to a large extent due to difficulties with staffing costs and availability. Urban areas aren't such a worry i.e. Telford, relative to the area but still more difficult and costly to recruit in comparison with urban towns in the Black Country for instance. Also, a consideration is the difficulty a care package may bring which would require enhanced supervision and extra rotation of staff for example. This occurs with care packages that have been passed between providers and new packages of care where a person has behaviours that challenge or specialist training needs.

The care packages always need additional management support and direct care with community professionals in order to meet the needs of the service user. Care planning needs change and need to be documented.

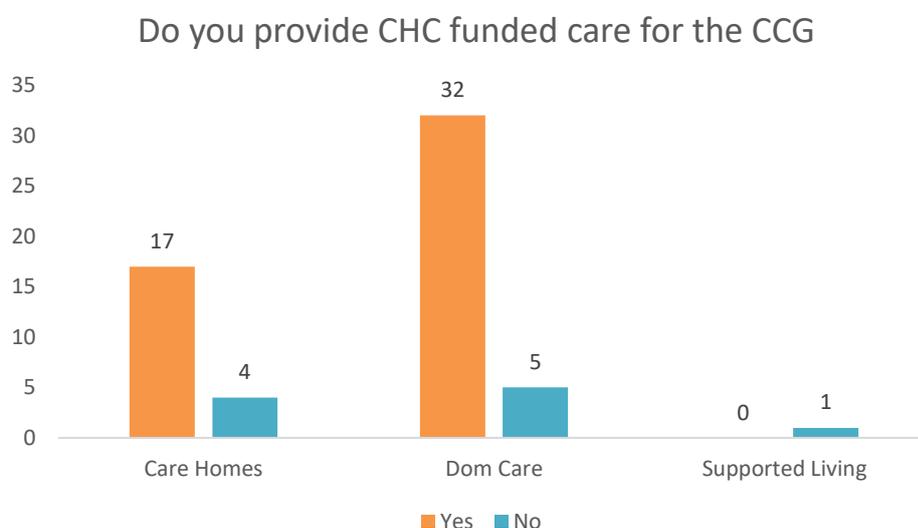
Yes, on occasions in the past, we have been approached by brokerage if they have been struggling to source a package in a remote area and after explaining our position have been advised to submit a quote based on what hourly rate would cover our expenses. invariably this has been agreed on a short-term basis.

This would go through to our clinical team for them to put a quote in for specific clinical needs, other than that its 17.30 per hour which is considerably low, even for our existing packages. We have only done this when sourcing a package that is further away to cover costs.

We review the case and enter a price appropriate to the level of support required.

We consider a large range of factors when deciding whether we can respond to requests for care and this reflects our hourly rate. We do charge them a higher hourly rate than ISF.

3.5 The survey found that a majority of respondents also provide CHC funded care for CCGs



Some domiciliary care providers shared the following thoughts:

The CCG have always paid a higher amount for care - I think that this is due to the higher complexities with CCG clients - all CCG contracts are quoted using our private rate which is substantially higher, compared to the council rates.

CCG pay private rate plus mileage, and increased rates on a Bank Holiday.

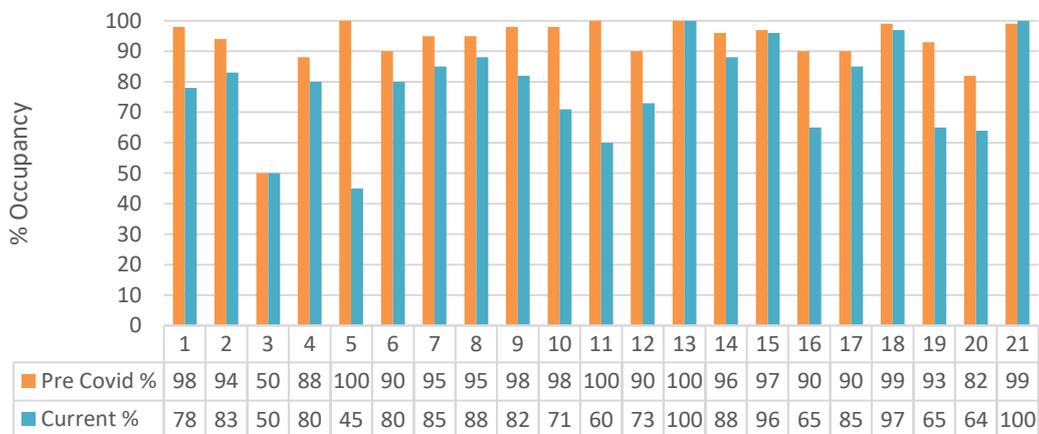
CCG pays a minimum £18.95 per hour.

We charge £20 per hour for CHC funded clients.

4. Care Home Occupancy and cost pressures

4.1 21 care home providers informed us of their bed occupancy as a percentage pre COVID-19 and now, in all but two homes occupancy has declined, in some cases quite considerably.

Comparison of care home occupancy percentage pre Covid and currently



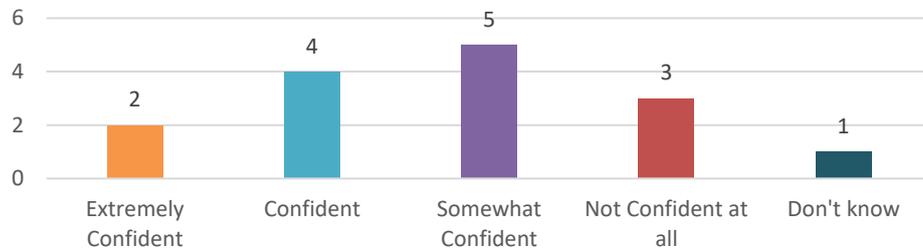
Given this sudden and significant decrease in occupancy it is unsurprising to note that a 85% of respondents feel that standard fee rates are not sustainable at the current occupancy levels.

Are standard fee rates sustainable at your current occupancy levels?



4.2 Unfortunately from the responses received it is evident that financial confidence is not high amongst care home providers.

How confident are you in your financial situation and financial sustainability for the next 12-24 months?



A few respondents included very candid comments to this question, giving an insight into the situation some are facing.

Care Home comments.

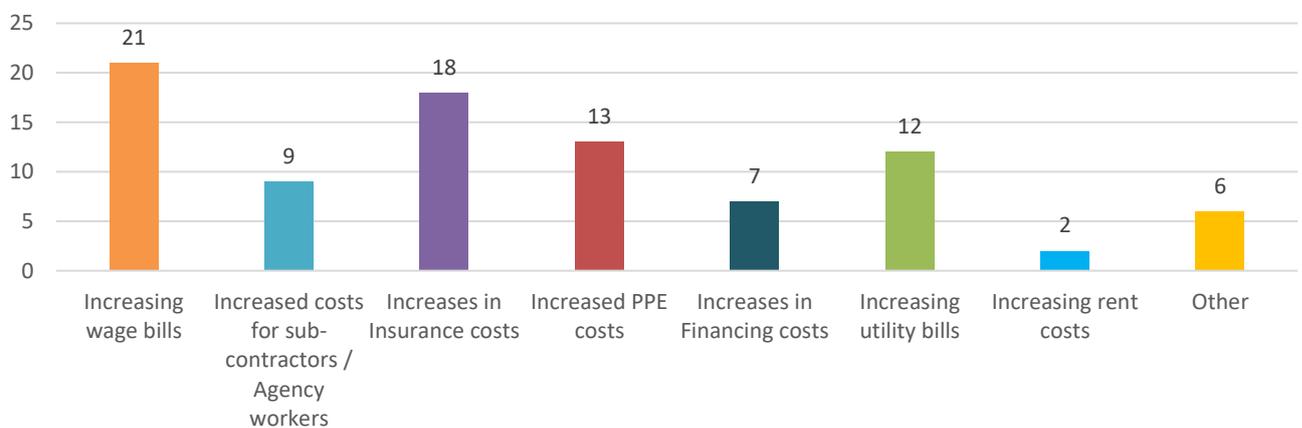
New fees for a New Reality are needed to reflect that post COVID costs are the same or higher than was the case before COVID. Lower occupancy and less referrals threaten the sustainability of all providers.

After [many] years of trading, we have built up savings that should allow us to financially survive for around 12 months if nothing were to change.

Seriously considering exiting the sector

4.3 Increasing wage bills was the most frequently stated cost pressure, closely followed by increases in insurance costs.

What are the main cost pressures facing your business at present?



Other comments included:

The rate of inflation on general costs which care homes are subject to is materially more than the rate of CPI/RPI.

In the absence of a more substantive fee increase then steps may need to be taken to address and mitigate these higher costs which could give rise adverse/worse outcomes for current/future service users (plus the Council/CCG) since we risk not being able to retain skills and expertise for the future.

Increased staff levels to meet the unrealistic expectation of LPHE. Cost pressures associated with Brexit are yet to appear.

The increase in insurance costs is huge this time at renewal as a lot of companies are getting out as we have become very high risk. The increase in the minimum wage due in April this year is going to add another crippling blow to our turnover. Why is the government not suspending this increase?

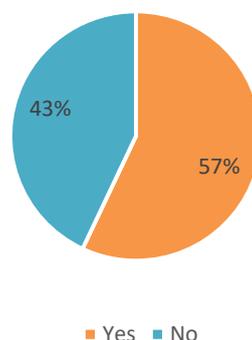
Additional PPE is currently free (Thank goodness). The grants have been a welcome lifeline this year. The testing is costly, but grants are going some way to covering the costs

Additional staff to handle all the extra work required e.g. testing, capacity tracker, supervising visits etc.

Lack of public confidence, mostly due to media bias

4.4 Just over half of those who responded stated that they cross subsidise their council fee rate income with other business such as private funded care.

Are you cross subsidising council fee rate income from other business provision? (e.g. Private funded care)



Comments for this question included:

ABSOLUTELY with T&W / Shropshire County funded clients I calculated a year ago that my private client subsidy was close to an extra £50/week!

Private funded fees exceed Council funded rates, so of course there is cross subsidy.

We have had to increase private fees

YES of course and this is well documented

This is not new, what is new is the behaviour of SaTH and the media induced "fear" of private funded clients

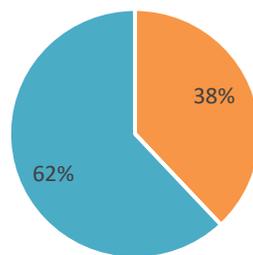
More than 50% of our residents are private BUT fees for them are now in our view at top end and cannot be increased - therefore we cannot get any more 'subsidy' from private funders.

My homes out of County subsidise some of my Shropshire homes.

Only two care home providers responded to say they have handed back any care due to financial reasons in the past 12 months and only three feel they may have to do this on the next 12 months. However, comments under this question suggest that although very few state that they will need to hand back at least five providers may have to consider this in the future if there are no changes to fees, costs or occupancy.

4.5 38% of Care Home respondents have experienced residents being removed by the local authority to alternative and cheaper placements.

Has the council removed any residents moved from your care to an alternative and 'cheaper' placement in the last 12 months?



■ Yes ■ No

Comments provided to this question;

Yes, against the residents will, having privately funded his care they insisted that we was moved - very upsetting

Several examples of this have occurred during the pandemic.

Sometimes for £5 per week!

No but they have advised they would do this. We had one 99-year-old resident who was due to

become council funded from being self-funded. The council were prepared to move her to another home during the pandemic. We therefore agreed to look after a resident at a lower cost. Her weekly fee was £695 which we were "forced" to reduce to £570 per week, even though we were offering more care. This has occurred on two separate occasions for residents.

Sent someone home during COVID - our position was that she was ill equipped to cope and strongly put forward this argument (as did family members). She ended up in hospital and then we believe sent somewhere else (we were accepting no admissions due to COVID)

On a couple of occasions residents have been moved for that reason. also, very frequently prospective residents who want and need to come to us (we care for people with advanced dementia) go to cheaper homes who subsequently are unable to meet those people's needs.

Council has moved 2 residents to a "more cost-effective placement".

Yes, from a spot purchase to a contracted bed.

5. Comments from Care Home providers on the effect fee rates have on the care and service they provide.

5.1 We asked people to give us details of the effect of the current fee rates on the care and service they provide. The feedback provided includes:

To meet CQC regulations and ensure good quality care is provided within Shropshire, then the fee rates need to be increased to enable providers to meet their expectations to provide innovative services and good outcomes for residents. This includes training and the ability to recruit appropriately experienced staff, in particular nurses. It is very challenging to recruit at all levels within Shropshire. Fee rates also facilitate long term investment and an inability to invest in the environment would be to the detriment of service users.

Not being competitive with staff rates

Simply not financially viable to accept people at those rates.

We are in a very difficult place in that we all have capacity in most homes but the rates do not cover the cost of care

Because we are a nursing home, our cash flow is very tight as we employ good quality nurses on a 24 hours rota. This can be quite costly to the business.

The service cannot be sustained unless there is a substantial increase in the fees to maintain good quality of care.

We experience staffing problems at times as we are not able to be competitive with other care homes.

Constantly lowering our fees impacts on our income which in turn impacts on our ability to improve the service in the way we have planned.

The Home could not run on Council rates. Staff wages training, providing quality care and all general increases etc

The fee rates are wholly unrealistic and not viable if we are to survive and implement improvements.

Issues we have come across is the additional 1-1 hours that a person may need.

Our negotiated fees are therefore adequate as long as they rise properly in terms of inflation for goods and services and wages.

We cannot staff and run our home on rates that low, it would only cover staff fees and nothing else, this will impact on the standard of care being offered.

Making a PROFIT is essential in the private sector in order to reinvest in the business - people / infrastructure / equipment / decoration / luxuries etc. We have for years bumped along the bottom with our Councils and had to be really creative with how we spend company money. ~More importantly we cannot afford to pay our heroic care staff even the rates that the Council advertises for its 'school assistant cleaners' (@ £9.30/hr ...) Same public money - we cannot compete! On a more global scale the effect has been a totally underfunded service - difficulty in quality recruitment / retention (lost someone last year to the NHS) - demoralised sector that is propped up by the private clients who have saved all their lives and we have to charge a premium as part of the subsidy ... where do I stop?!

Simple 80% of our costs are staff costs, the remaining 20% cannot be changed and are going up a lot (food & insurance) - quality of care relates to quality (quality staff cost more) and numbers of staff, so to ensure we do not run at a loss we have to reduce both.

We will not compromise staffing levels or care, hence do not accept councils' low rates.

If care homes are funded via lending institutions operators will have to meet lending covenants and unfortunately this dictates what we have to charge Operators look at Occupancy, Wage % Weekly average fee. These are the 3 keys financial indicators used.

6. Domiciliary Care cost pressures

6.1 Financial confidence appears to be relatively low amongst domiciliary care respondents.



Comments from domiciliary care providers for this question included:

We have been wise in saving funds which we are now dipping into on a bi-monthly basis to keep the business afloat.

With the COVID 19 having a dramatic effect on the sector I think it's fair to say we are very uncertain of the future and the increased measures needed for the safety of both the team and service users. It comes at a very increased cost that without review will see providers close.

We have diversified heavily and looked to multiple sources of business because we have had to offset the risk of continuing low funding from the Council.

Our financial position is strong at the moment only because of the rates paid by our privately funded service users and the NHS. We have adjusted our balance of work as a result to around 50% council and 50% private, etc, where our balance used to be around 75% council and 25% private and NHS. This means that our privately funded and NHS service users are subsidising the council and this cannot be right.

We are managing at present by both Directors working without a salary. This cannot be sustained over the long term.

We will protect the service we have and look to take business at rates that are preferable, i.e. privately funded care or CHC work.

Plans to increase private client base but very difficult to predict in these uncertain times.

We are reliant on TWC as we deliver so much care for them. It would be a medium to long term task

to disengage or significantly reduce (and replace) council work with private work or to relocate staff to work for other Councils who pay more but we will start to do this if we have to.

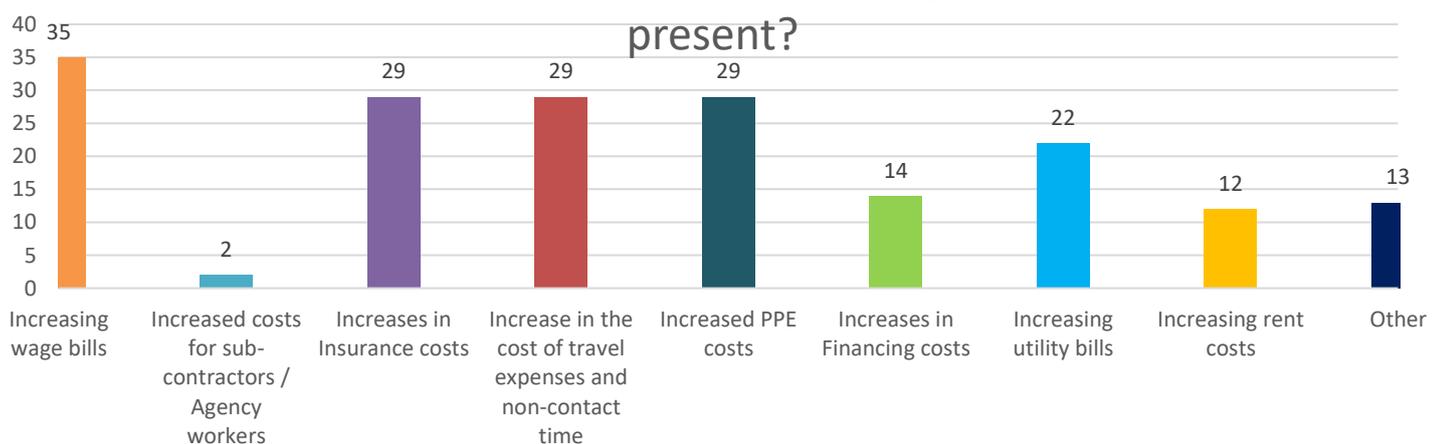
COVID has had a huge hit on us as a company, the packages have been less often on the system, and with so many of our staff being parents, the closure of classroom due to Covid outbreaks, and people isolating means that we struggle to keep a consistent amount of staff. Staff wages increase each year, as do overheads and the council rates of pay are pushing us at operating at a loss. It is a very scary and challenging time for anyone in care - especially with costs of PPE and again especially for those costs for clients that are AGP. Also I think that the time that we used to get with clients is being reduced, and not realistic to cover all the task that the council want in that time. If current trends continue then there is no future for Domiciliary Care funded by Councils. It just makes no commercial sense.

UKHCA have for the second year identified that a true operating fee should be in excess of £20/hour. If councils continue to under pay then these will be dropped first and we will have no choice but to look at privately funded packages.

We are a committed team, who will make cuts if we need to. The first thing that would have to go is our mental health specialist training, and suicide prevention which has saved lives this year. Its £800 for 6-8 people to do it. And we have a staff team of over 80.

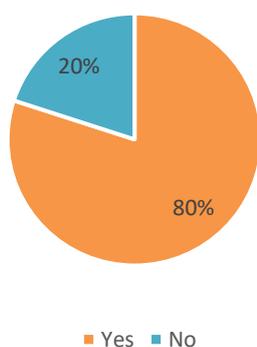
6.2 The main cost pressure facing domiciliary care providers is increasing wage bills closely followed by increasing insurance costs, increase in the cost of travel expenses and non-contact time and the increased cost of PPE.

What are the main cost pressures facing your business at present?



6.3 80% of respondents said that they cross subsidise council fee rates with other business such as private funded care.

Are you cross subsidising council fee rate income from other business provision? (e.g. Private funded care)



Respondents comments included:

We charge private clients a sustainable rate, that is probably 10% higher than it need be if the council paid a sustainable rate for rural communities.

Our rates are higher for privately funded service users and added costs for mileage and bank holidays.

Our private clients are basically keeping us operating as a business at the moment. Moving forward, if an uplift is not agreed that reflects our operating costs and increased overheads, we will need to focus and prioritise our private clients above council funded packages in the future.

We pay higher than just Council care would allow us to do. We are therefore cross subsidising the business to cover the shortfall from council funding.

ISF payments are lower than any others and does not reflect the true cost of high-quality care.

Always have done this the rates have always been to low but now they are getting that much lower its no longer fair to put up the private client's fees enough to cover the difference.

We need a significant amount of private work to subsidise council income and each year this proportion of private work needs to increase in relation to council funded care.

We have to do private clients too - to help with the shortfall in bank holiday costs too - as we don't get anymore money on those dates and actually lose money on some packages over that time which is the most difficult time of the year to staff.

The rates paid by the Council are not enough to cover the costs needed to run the business to a decent standard and to meet CQC, Legal and contractual requirements. To make the books balance we must therefore look to our private funded customers to pay more.

CCG and private funded packages are propping up our Shropshire Council packages.

6.4 10 domiciliary care providers stated that they have handed back a package due to financial reasons in the last 12 months for the following reasons:

Notice was given on [a] packages as a consequence of us struggling to retain existing staff and recruit new staff given, we could not afford to compete with other companies outside the sphere of domiciliary care. The 2-year freeze in uplift fees played a part in this.

Local authorities wouldn't pay for parking to visit client in the middle of town, also not giving mileage for clients for shopping calls expecting our company to pay for mileage to take clients out. We cannot support a care package at a loss.

We do not take these kinds of hand back decisions lightly and they are pretty rare. However, with fees so low we have to look constructively at every care package to make sure it is economic. This can happen for example where we have a run of care in a rural area made uneconomic by the death or hospitalisation of the majority of service users in that run.

One client in an area on their own travel time and costs meant its costs to deliver where a lot higher than the income and it was not our zone area.

Due to rural locations and distance from other clients as if there are not clients close together the cost and time of travelling to clients set at on their own is not viable

Service user's demands/time far exceed the reward.

Approximately 5 packages have been handed back, where calls in a package were just 30 min calls and also where there was more than say 3 miles of travel to the customers location.

6.5 11 providers feel that they may have to hand back care packages in the next twelve months for financial reasons. Comments about these include:

If we do not get repeat business in the rural communities to cover the cost of travel time and mileage we will have to 'hand back' packages that stand alone and that are causing us to run at a loss.

This will be kept under continuous review.

If the care requirements change and the financial support is not flexible to change with the circumstances we would be forced to hand back.

We cannot predict where this will happen, and as I say, it is rare, but low fee levels will always lead to these kinds of decisions having to be made.

We have a couple of clients on the edge of areas and just that bit to far out from other clients these packages we are watching closely.

Would prefer not to take this action as the lower funded have been with us for the longest period and we care about their welfare, however if may come to that if increases are not forthcoming for 21/22.

If we have to, we will but we are more likely to just not take on replacement packages as domiciliary care packages finish.

Hopefully not - we wouldn't want to do that.

This will depend on individual cases.

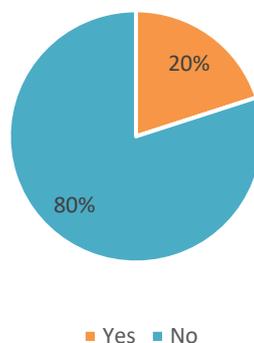
Once Covid is behind us we will be reviewing the Council packages and handing back any with a majority of 30 min calls plus anymore that involve travel or excessive supervisor time.

If a package of care is not viable then yes. We are a business not a charity.

If the rates do not increase on the next pay review, then I will seriously need to consider our packages which incur large travel time/mileage costs and maybe concentrate more on town packages. We cover a large rural area.

6.6 20% of respondents had experience of a local authority moving individual out of their care to cheaper alternative packages.

Has the council moved from your care any individual care packages to a 'cheaper' alternative in the last 12 months?



Comments:

We had LH an ad hoc weekend package from Shropshire Council. We also had another one from Telford Council taken to go to another provider.

A client went into hospital and when they came back out went to the cheapest tender.

They have reduced hours on many LD packages following clients self-isolating with COVID 19.

Not directly, but we have lost out on care packages purely on price before, and then the package comes back onto brokerage quickly as the cheaper care teams cannot cope, and we have then picked them up at our higher rate.

We have had one client put into a care home as cheaper.

We do get undercut and the council send new packages we put in for to the cheaper provider which is one reason why we are watching the clients we are going to hand back as if we do not find clients in the area close to existing clients the packages we have will have to be returned as we can't afford to stay in the area.

Not that we are aware of - but we have had packages that we have "won" on brokerage that have then been taken off us before we start to go to another cheaper provider. After we have done the work in setting up the client ready to start care with us.

7. Comments from Domiciliary Care providers on the effect fee rates have on the care and service they provide.

7.1 Domiciliary care providers were asked to provide details on the impact that the fee rates have on staffing levels, and any other aspects of their business with a direct impact on the care and services they provide. Their comments included the following:

With the lower fee rates, our allowance for clinical supervision will be limited even more. As per our experience, a package with a close supervision usually stabilises compared to packages left without supervision for longer periods. This is the reason why; we cannot afford to go even lower. Our clinical supervision comprises of highly qualified Nurses who don't come cheap as they are very scarce. Their rates have to be competitive enough for them to stay and therefore this comprises the big spend on our overhead. Without these clinician's, the clients aren't seen pro-actively before they get to their worst clinical stage. Without these supervisions, the team more or less collapses too ending I breakdown of packages.

We are constantly offering work, but can't compete with other companies, in turn we don't employ, which stops the business in its development.

If we took on more council business, we would have to radically reduce our office support and would then not have a viable business.

Lower fees result in lower staff retention. Increased expectations and standards from LA/CCG/CQC are welcomed however this requires more office hours. I would say that we would like to increase face-to-face interactions with carers and service users however this isn't possible given the compliance expected for registered managers (pre-COVID).

The whole of the care sector struggles with recruitment because of the poor pay and unrecognised skills the carers need. The cost of training a skilled worker and the difficulty in retaining staff is challenging as they try to look for a better salary which is understandable. There are so many competitors now that carers also know that they can work from one to another but the cost of employment to the provider is high with DBS checks & induction training as some new starters after induction do not commence work. This is happening a lot. For a month's advert with indeed it costs on average £300. We need to be able to pay carers a skilled wage in order to retain staff and maintain stability.

As a company, we pay above the minimum wage. We do this not only because we know how

challenging care work and feel our staff deserve this but because given our geographical location, we do struggle to recruit staff. Over the past 2 years we have met huge increases in our financial overheads and while the ICF has helped, this is not a long-term solution. Financially, the freeze of the uplift for the past 2 years has had a detrimental effect on our ability to operate and as a consequence we had to withdraw from [some parts of South Shropshire] and give notice on all our Shropshire funded packages last January which linked to our inability to retain existing staff who could earn more working in other sectors and an inability to recruit new staff within our operating costs. We are currently experiencing similar problems and a further freeze in the council fee uplift for 2021/22 may be the tipping point.

It affects the hourly rate of pay for staff members which in the current situation is very trying times in recruitment with all the added pressures.

It has an effect on what we can afford to pay our care workers, as we have the hourly rate, travel time and mileage to pay.

We would wish to pay our care staff more than we do, and they deserve it. The current pandemic has required so much more of them and they have always delivered.

It ultimately means the staff are having to work for minimum wage, we are unable to increase salary with the uncertainty surrounding increased payments from the council.

We are currently only able to afford to pay minimum wage. We feel they are worth more. An increase in hourly rate from the council would help to pass this on to our staff.

If we get an increase, then we can pass this onto carers

A high effect on staffing levels, I believe we would be able to employ more staff if we offered a better hourly rate, this is however directly linked to what we can charge the council.

If the hourly rate is too low it's difficult to pay the staff and balance other bills.

We do find it difficult to recruit, as we are unable to offer the hourly rate care staff are worth, due to the low hourly rate Shropshire Council pay, however this does not have any impact on the actual service of care we provide.

We pay all staff the living wage and some are above. we know from experience that it is only possible to train & develop staff to achieve high standards if the fees are sufficient to enable us to do this.

Recruitment has stalled as pay rates are not keeping pace with other sectors. Our staffing level has remained the same when we have seen year on year growth previously.

We have dramatically reduced the hours we do in dom care and increased the amount of support hours we do in the community with 24-hour packages and waking nights.

If the fee was at a higher rate staff would be able to spend more quality time with the patient instead of just having to do what support is needed and go. We try and work at their pace not ours and sometimes the times they get accessed for is not sufficient. Staff do go over their times which the business has to incur their extra time. When a problem arises such as a patient having a fall you don't get time to ring the social worker to ask for extra pay.

Carers want a living wage and will not accept lower rates of pay they will simply go and work for another care company. We struggle to recruit high calibre carers and increased pay rates to try and resolve this.

Staff training reduces and they feel underappreciated with moral low as other issues arise due to where clients will be located and other perks they may get currently reduces staff morale, also wages will not increase so staff leave to work elsewhere often leaving the sector completely or to the NHS and LA teams as they can offer higher rates of pay to private providers whose fees are capped.

We want to be able to pay our carers a minimum of £10.50 per hour which is what they deserve and to retain them in this industry. To do this we require an uplift to at least £20.50 as a higher rate.

We are having to pay staff more and as a result some months we don't make any profit, which we need to continue to run the business efficiently and effectively.

We are only able to pay NMW or a few pence higher. We know we are not competitive and rely on staff joining/staying for non-monetary reasons. our domiciliary care is significantly subsidised by the specialist contracts that we have. These cover the deficit and help us afford safe (not excessive) levels of management overhead.

As a small business our overheads are significantly higher than much larger companies and we have to compete for staff on higher hourly rate as they can afford to pay more. without an uplift this makes us less viable each year that goes by and only inclined to take on private work as this pays more. Smaller agencies provide value for money when communication with staff and clients is considered and this in turn leads to a lower rate of safeguarding concerns and less input from local authority social workers.

It means our margins are much lower - and are getting lower year on year.

We did raise the staff hourly rate at the beginning of the finance year 2020 to the highest level we could manage. However, we will run into enormous difficulty with another increase this year if the rates from the council are not increased!

Unable to compete in the recruitment market, downsizing of the value of our offering. The whole care business model is dependent on the income rates achieved. If the rates are too low as is the case with Council packages, then that keeps down pay rates and other staff benefits which allow s us to provide a decent and meaningful job or career for people. We are unable to compete in the marketplace for staff and inevitably staff numbers will fall. The sector is already notorious for staff churn and it is becoming harder and harder to recruit people.

Every area is affected. Especially training as we need to prioritise what allows us to continue delivering care.

We have to prop up the council packages and therefore do not have the extra funding to increase the carers wages to what we would like to pay and what they are indeed worth. Therefore, new staff can be hard to find.

8. Points that providers would like raised with councils on their behalf.

8.1 Respondents have provided the following details of the points they would like to have raised by SPIC with the councils:

- Please can they look into costing frames according to category of cases – this way we are able to justify the category of case we are putting forward for and equally they can also understand that this category of case will have a higher fee or that category is expected to have a lower fee, etc. For example – simple cases (£16-£17), Medium cases (xxxx), complex cases (xxxx), highly complex cases (xxxx).
- Factually, the industry as a whole was already in a low tier from a finance perspective and care workers always at the lower scale of hourly rate. Today the increases in all aspects for care providers. Living Wage, Pensions, PPE, Insurance and home working, all significantly increased in price as well as the costs to support those who are isolating/self-isolating, testing. even with the vaccine, care workers are putting themselves at risk, literally. what price do you put on that?
- On-going increased training costs - £2,000 to bring on a brand new carer who has life span of 6 to 24 months. Travel costs, minimum wage increases - Government Voluntary NMW. Our carers are front-line workers who deserve to be paid above average for the work they do. If we want to attract and keep carers we need to be able to pay above minimum wage, else why not work in a supermarket.
- The council needs to look at all of the costs that providers have to meet and not cherry pick those they think should/shouldn't be included in their 'formula'.
- The providers have the additional burdens of unknown and unplanned costs which we have to manage without foresight, e.g. staff absence - mat leave, compassionate leave, suspensions pending investigation etc. all require full or partial funding, which affects the bottom line, morally it is the right thing to do and we will continue to do it, but these areas also need funding.
- This year we have had additional Covid funding, which has masked the real impact, we face the forthcoming year with trepidation.
- I am not aware of what the assumed rate of occupancy was when setting fees for 2020-21. There can be no doubt that actual occupancy for 2021-22 will be less, and the modelling needs to take account of the lower rate of occupancy which will cause fees to need to rise accordingly.
- If the Council wants a market which is sustainable/vibrant for the longer term, then at some point it has to start increasing fees at a higher rate than NLW/CPI etc.
- Not only do they need to factor for NMW increases but also on-costs described in this form (not related to COVID). Registered managers are under huge amounts of compliance pressures which can make it difficult to focus on other operations in branch, hence extra office hours are required. I don't believe this gets enough recognition.
- [Domiciliary Care] Rates still do not factor for sufficient travel time and non-contact costs to operate at a reasonable surplus.
- Many providers need to grow in order to be sustainable or are searching for buyers.
- The impact the Covid 19 has had on the sector. The increased costs as a result of this. Addition staff that we have had to employ and the ever increasing cost of care and additional PPE purchases.
- I feel if an uplift is not agreed for this year 2021/22, then more and more providers will begin to move towards private packages as their main focus which will in turn cause the council huge problems in sourcing care providers for those who meet their financial criteria.

- A complete review of the CCG rate needs urgent attention, LA rate could potentially be increased.
- Pay a fair and proper wage to help us mitigate NMW and travelling time costs. To be realistic, we should have had 4% last year [in Shropshire] to at least go towards NMW uplift - That would have been £0.77 onto £19.20 = £19.97 We need the same again this year.. For staff to want to come into the industry, train, enjoy and commit, they need to be paid to match the crucial work they do. To pay at these levels - £12 to £15 per hour, the providers need another 4% compound this year or the problems will continue and in fact deepen. I would therefore suggest £20.77 top end is needed. Chances of the this being implemented to protect the industry and help improve the service.... Zero. Here's hoping that central government take the lead and release the funding to let the Council do the right thing.
- We feel that we can't pay our care workers enough for their hard work, working all hours in all weather conditions and now Covid, because the rates are low. They deserve more.
- The government keeps increasing the national living wage (rightly) but councils fail to set fees at levels that will support it. The pandemic has proved the value of domiciliary care workers and they need to be rewarded accordingly. The skills they demonstrate in their daily work are similar to those needed in hospitals. We need to get away from the view that our care workers are simply domestic staff used to tidying round and making soup. This is not so now and has not been the case for a number of years. The council only fund critical and (very) substantial care nowadays, so rates paid to providers should reflect the skills their care workers need to supply it.
- We would like the council to consider the increase to PPE, staff working from home, isolation costs, recruitment costs, with no increase to us since April 19. facing the most challenging time we have ever faced.
- Take into consideration that while the cost of the current pandemic has had a financial impact on our business the [Shropshire] rate of £19:20 has not increased since April 2019.
- Troubling times... need all the help we can get. I also need to cover Covid wages I pay my staff when that grant runs out. staff will need a pay rise April; they have done a fantastic job and need rewarding. it all costs. the rate is too low, isn't it [UKHCA] £20.64. I know it's hard all round.
- They need to appreciate the fees they are suggesting are not sustainable.
- Increased rates to enable us to employ more staff.
- The hourly rate should increase please so that we can manage the costs.
- Increase of National living, meaning increases on Pension Contribution, increase of PPE costs (now VAT on PPE) Council requested invoices on a PDF format and had to source new Call monitoring system at extra cost, no contribution of assistance from Shropshire Council. Possibility of another infection control grant that doesn't only assist to pay wages, for example, to assist with PPE purchase, online E-learning portal etc.
- The demand and need for social care will increase. We have already noticed that some people are not feeling as confident to receive care in care homes. The numbers of elderly & health compromised people will rise & there will be a greater need for health & social carers. Salaries must be robust enough to encourage a wide range of people to apply for this work. Some of these may have be changing career pathways & we need to offer attractive careers. As we are at the frontline of preventing people needing hospital admission we need our businesses to be robust & capable of attracting more staff. We are unsure what the effect of Brexit & immigration may have on the potential workforce, being aware that some companies rely heavily on staff recruited from abroad.
- Your [Council] rates do not cover the cost of care, Significant costs incurred over the last year, Private fee payers are subsidising your placements.
- That the running costs etc are increasing each year but never in line with the council fee rates.
- Financial viability due to increased staff costs, Covid impact on staffing (forced to use agency

staff at 2.5 times the cost), increased costs from all suppliers.

- Good care requires quality organisations with competent and committed staff. If there is insufficient funds to invest in staff and manager and the future of our businesses, quality will reduce. This then increases the workload of the council due to more interventions needed with each individual. Long term is not cost effective for the commissioner, nor a good experience for the individual.
- Staff wages are increasing along with associated costs i.e.. pension, employers NI, travel time increase etc. we would be looking for about £0.50 pence per hour to keep everything afloat.
- The void levels presented to them through the tracker vastly understates the actual. Sadly as we may have cried wolf in the past they may not believe us, they may even want to use Covid as tool to radically restructure the care sector however as things stand at the moment we and they have no idea where market failures will occur but one can be reasonably confident that the many (often small/er) communities that we collectively serve will be denied a service or affordable choice in to the future. Note the arrival of very much profit (VC owned) larger group of national providers.
- Recognition on the councils' part of the true cost of providing high quality care.
- Councils to cease the practice of "race to the bottom" mentality with an apparent disregard of anything remotely approaching person centred care by placing individuals in our Home and using it effectively as a Discharge to Access facility, too often resulting in a client being taken out again after a short period of time, presumably because a cheaper option has been secured. This process shows little or no regard for the individuals (or loved ones) feelings/preferences/opinions/ needs or respect for the hard work carried out by the Home in assessing and meeting the individuals care needs.
- Try and agree more realistic fee for care.
- Bank Holidays, as staff still have to be paid for working these days. Travel allowance because of no car sharing permitted to rural locations.
- The fees they offer to us must be realistic, we have received no uplift on resident this year, some of our fees are below the [Shropshire] set amounts of £520 and £570. We find it extremely unnerving that social workers are prepared to move residents to "cheaper" homes without even asking the residents what their choice would be and whether they would like to move from their homes.
- Older care packages have greater uplift than previously feels like being a valued long-term provider you are penalised for doing a good job. To recruit and retain good carers they must be paid a competitive wage.
- Care wages (and hence fees) must increase to reflect the increased workload, stress, training and responsibility as a result of Covid-19 guidelines and restrictions and to compensate for the debilitating effects of wearing continuous PPE. Carer's roles have increased way beyond the typical wage level usually expected for the sector and should be remunerated accordingly. The Council should develop a more transparent fee calculation process, similar to that already in use with other Council authorities. Wages for full-time employees must be increased to make it more attractive to recruit and retain employees compared to the benefits to the employee of joining an agency service. This will promote better care for residents with less churn of staff and increase the level of committed care staff in the sector.
- Increase in number of staff required, wage increases, costs of constantly looking for new staff (competition pushing up starting wages), significant shortfall in funding of PPE last year.
- 10 years + of underfunding with cumulative effects, despite protestations - no willingness to negotiate. Fee increases NEVER cover Govt living wage increases and NEVER take into consideration the associated costs ... NI / Pensions @ 3% / Holiday Pay at around 12% / Bank Holidays uplifts etc etc. The costs associated with maintenance of care homes are not factored in. We have seen many homes close for financial reasons - this is devastating to the PEOPLE (not numbers) that have lived there and I predict there will be more to follow. Then

there is the disparity between pay groups - Social Care to NHS and Social Care to unskilled Govt positions.

- Society expects a better deal for carers (they clapped them for many weeks) and central Govt needs to fund LA appropriately and... I would suggest creating a minimum payment (as they do a minimum wage) that Councils have to adhere to. This would probably require ring fencing LA funds from Central, but it would take away the ridiculous disparity between authorities. I would like the LA negotiators to see things from our side of the fence - meet our staff - spend a couple of weeks in care homes - understand the business pressures and then apply a level of compassion and understanding rather than trying to pay the absolute minimum. They (LA's) are custodians of public money and I believe that the public now expects a better deal for those in Health and Social Care - they (the LA) represent this public and should be mindful of its views. Sure they can't 'print money' and so this is a much bigger central issue but they also have discretion on where and how Govt money is allocated locally and they could gain masses of local support by being very public with their wishes to boost Health and Social Care in the region. I would also like to remind them that the carers in the region are also rate payers / voters / live in the region and spend their earnings locally etc.
- We are finding it difficult to operate within the funding at present and really need a substantial increase in order to continue a successful working relationship with the LA.
- I do hope this survey will give us evidence and ammunition to tell the Council that their domiciliary care fee rate is unsustainable and doesn't cover the cost of delivering safe care.
- Whilst we say the same thing every year, now we are at a real cross roads - years of underfunding have to be addressed.
- The Government has told LA's to raise Council tax by up to 5% and that a 3% increase on overall taxes can be used to fund care (Social Care precept) - there should be no debate or hesitation about that and ALL of that money should be passed to the front line.
- The uplift needs to be realistic and take into account last year's NLW increase plus this years, we cannot keep absorbing the increases. Increase Residential and EMI residential in line with the nursing and EMI nursing fee residential £620-670, EMI residential £720. With the nursing fee we get the FNC payment to cover the nursing costs. Staffing levels for residential tend to be ratio 1:8 on average but nursing and all dementia beds are 1:5.
- We would like to have a bigger uplift for calls under 1 hour to include more provision for travel time and mileage.
- During the Covid pandemic, domiciliary staff have worked incredibly hard. They have almost been the forgotten staff. We have been last in getting tests for staff, and vaccinations.
- All staff deserve a pay rise for their continued hard work and dedication, but if the fees are not uplifted, then we will not be able to do this.
- The UKHCA have priced that we should be charging a minimum of £21.43 per hour - this is way off the £19.20 maximum bid we are allowed to charge - we also do not get paid any mileage or any bank holiday rates - yet we have to pay them to keep the staff.
- Social workers making decision on behalf of the service user and the provider without consulting either party!
- Continued financial and operating pressures are seeing office staff moving away from care.
- The current fee levels are unsustainable and at some point, the Camel's back will break.
- Upcoming employment law legislation and the ever-increasing CQC /legal requirement on us will significantly increase costs.
- At current pay rates we are not able to attract people into the sector to maintain Care Levels. We need to pay more and do more to attract people into the care sector and unless we get more form the Council this cannot be achieved.
- Increasingly providers will back away from Council packages and focus on Private Funded care packages. The council will be left with inadequate care capacity, a lack of care to rural

areas and a care service operating at the lowest level by Care Providers who pay lip service to the quality of care delivered. Sadly, in this scenario the big losers will be those vulnerable and elderly people we look after who cannot afford private care.

- For Shropshire Council to uplift resident fees to the standard rate as in 2019.
- That they appreciate that care providers HAD to absorb the increase in MLW of 51 pence last year. Please also remind them that everything else is going up. Whilst the grants have helped it has all, and more, been spent on PPE. As an CQC rated Outstanding provider we are determined to continue delivering a first-class standard but we receive the same fee as providers rated below Good.
- ISF claw backs. Social workers don't shut packages down so we are constantly overpaid. We would just like to produce 4 weekly invoices like we do to CHC and private clients.
- I did feel that we were not getting packages from brokerage and this was due to agencies charging less to get the packages I spoke to brokerage they said they were spreading them evenly which I don't believe that they were.
- The rural areas need to be considered for more funding, maybe the cheaper agencies will then consider going out of town. Not just us old stagers.
- Clear definition between dom care and independent living. We support people in their own homes over a 24-hour period. It's not supported living and it's not dom care. Clarity would be good as this is an area we deliver well at and are looking to expand.
- Recognition of the true cost of providing care.

End of Full Report