

**Private and Confidential**

Louise Bestwick  
Bradford Care Association Ltd

Via email to: [louise@bradfordcareassociation.org](mailto:louise@bradfordcareassociation.org)

**Department of Health and Wellbeing**

5<sup>th</sup> Floor Britannia House  
Hall Ings  
Bradford  
BD1 1HX

Email: [jane.wood@bradford.gov.uk](mailto:jane.wood@bradford.gov.uk)

Date: 10 March 2023

Dear Louise

**Re: Fee uplift proposals 2023- 2024**

Since I wrote to you last year to outline the Council's fee uplifts for the independent sector, I acknowledge that market conditions have continued to be very challenging with much higher inflationary pressures and on-going problems with recruitment and retention of care staff.

The Government have delayed the charging reforms from October 2023 to October 2025 and the National Insurance increase which was to fund Adult Social Care reform has been reversed.

Bradford Council, along with all other Local Authorities, have worked in good faith in undertaking 'cost of care exercises' as required by the DHSC. We are grateful for the collaboration and engagement provided by Bradford Care Association in this work. We have published our cost of care reports and have undertaken further revision of the data with our external partner ARCC and the BCA. There is still work to complete between us to agree our understanding of the baseline data and how that is used to inform Local Authority fee setting in the future.

As you know, we are required to publish a Market Sustainability Plan which describes our intentions for the next 3 years in relation to supporting a sustainable care market in Bradford. I will be sharing our revised draft plan with BCA for comment ahead of publication which is due by 27<sup>th</sup> March.

In the December Local Government Settlement, Bradford Council was allocated £5.4 million as a ring fenced Adult Social Care Market Sustainability and Improvement Grant. This is intended to 'enable tangible improvements to be made to adult social care'. To date the full guidance on the use and conditions of this grant has not been published.

It is within this context that we are therefore looking at inflationary uplifts for 2023/24, as well as making other changes to our fee structure, most notably in our residential and nursing care market.

**From January 2023 we applied a 2% early uplift to all care fees, for clarity the uplifts in this letter are expressed as the additional amount on top of the early 2% (the first figure) and the total uplift inclusive of the early 2% (in brackets). The rates will apply from Monday 3<sup>rd</sup> April 2023.**

As agreed, we will join the BCA and care providers at a forum in late March 2023 to discuss our approach in more detail.

**Proposals for residential & nursing care:**

We acknowledge the need to improve fee levels for nursing and residential care over the next three years and beyond, as section 18(3) of the Care Act is implemented.

From Q3 (October) 2023 we will phase in new 'enhanced needs rates' for both residential and nursing care. We will work with the BCA and operational colleagues to agree the criteria and process for determining what is considered 'enhanced needs' in the first half of 2023 and will implement for new packages from 1 October 2023.

**The basic uplift for older people's residential and respite care will be an additional 9% (11% in total) from 3 April 2023 and for Nursing Care it will be 8% (10% in total). The impact of bringing in the enhanced rate from October is**

**equivalent to a further 6% uplift for those residential residents with enhanced needs and 5.7% for nursing residents.**

For other residential and nursing rates we intend harmonising the rates to match the older people four rate model over the next 1-2 years. This will simplify the payments system and provides a more robust baseline from which to move forward, including for modelling other fee rates such as D2A.

**The learning disability residential and nursing rate will increase by just over 11% (13% in total) and mental health by just over 10% (12% in total) to bring them up to the older people's care home rates.**

For physical disabilities, we will not uplift to the same extent in this financial year. **The physical disabilities rate will uplift by 6% (8% in total).**

We will develop a more responsive approach to out of area placements including providing automatic uplift in line with Bradford uplift or the host LA uplift for base rate aligned services.

### **Home Support**

For Home Support we will seek to move to an improved cost of care over the next two years through above inflationary increases. Through the planned recommissioning of Home Support in October 2023, we will be working with the innovation sites to transform home support services, including by working more closely with NHS community teams and will be continuing to pursue improved pay and terms and conditions for staff.

**The Home Support Rate will be increased by 10% (12% in total) from 3 April 2023**

### **Other social care services**

The following services will all be uplifted by 6.78% from 3 April 2023, based on home support model minus % attributed to the travel time and cost:

**Supported Living – 4.78% (6.78% in total).** New supported living contracts will be in place by July 23. Within the new Supported Living Provider List, a single standard hourly rate has been specified. In 2023/24 the uplift for Supported Living will include an uplift for the sleep-in rate.

**Extra Care, Day care and VCS grants and contracts. 4.78% (6.78% in total)**

**Direct Payments, Individual Service Funds and residential and nursing 1-2-1 rates will be uplifted by 5.75% (7.75% in total) based on home support model of 80% staffing.**

### **Working in partnership with the NHS**

Bradford Council is the lead commissioner on behalf of the NHS for independent sector social care provision that is also funded by the NHS through Continuing Healthcare, Section 117 care packages and other joint funding arrangements.

Bradford Integrated Care Board has agreed to the fee uplifts proposed, in addition the **standard CHC rate will increase by 8.2% (10.2% in total)** to match the new enhanced nursing rate from 3<sup>rd</sup> April.

**The FNC rate will be increased nationally by 5% to £219.71**

**A table with the new rates is attached as an appendix to this letter.**

### **Other financial benefits to providers**

The reversal of the additional 1.25% on employer's NI payments which was factored into fee uplifts in 22/23 has a 0.49% positive impact on provider fee levels. The business energy bill relief scheme has provided some support with energy costs, but impact is difficult to predict due to the nature of variable tariffs in the market as well as fixed term contracts many providers will have secured over a period of time.

There are other benefits, in place and planned, that support the care market in Bradford, including access to free and reduced cost training, a move from net to gross payments for care homes and improvements to process delays such as timeliness of decisions and funding and contract paperwork.

In 2023/24 we also expect to recruit a workforce lead to support joint work to improve recruitment and retention of care staff across our district and we will maintain funding to the BCA to support you in the valuable leadership and representation role the organisation plays in the Bradford and West Yorkshire Health and Care System.

I look forward to continuing our collaborative approach in the coming year.

Yours sincerely

A handwritten signature in black ink that reads "J. Wood". The signature is written in a cursive, slightly slanted style.

Jane Wood, AD Commissioning and Integration  
and on behalf of Robert Maden, CFO ICB Bradford and District