

# **Care Fees 2024/2025**

## **Background**

In 2023/24 Bradford Council made above inflation uplifts for care homes and home care and made significant changes to care homes fees in the form of bringing in standard and enhanced rates and harmonising other care home base rates. This was possible because of additional funding received via the Market Sustainability and Improvement fund and followed on the back of the national cost of care exercises.

In September 2023 additional funding – the ‘Workforce Fund’ was announced, and this enabled an additional uplift to be made for Supported Living Services and Extra Care from the 4<sup>th</sup> quarter of the financial year.

General inflation is reducing and average inflation for 24/25 is forecast by the Office of Budgetary Responsibility to be in the region of 2.8%.

National Living Wage has gone up to £11.44 from £10.42 (9.79% increase).

The BCA suggest that the impact of NLW increase on employer pensions and NI contributions is a further 0.5%.

Along with many other Councils, Bradford Council now has a large structural budget deficit, having already exhausted its reserves, and must develop a plan to reduce expenditure and increase income by at least £120 million. Such a reduction is not possible in a single year, and it will require significant transformation of all the Council’s activities to bring down spend to this degree.

The Council’s 2024-25 Budget Proposals were published on 3<sup>rd</sup> January 2024 and includes a budget envelope to support National Living Wage increases for relevant externally contracted providers.

As in previous years, the fee uplift consideration process has involved discussions with the Bradford Care Association, who provided a detailed report outlining evidence of cost pressures facing the different sectors of the market, as well as involvement of the NHS (West Yorkshire Integrated Care Board - Bradford Place). Representations in the form of letters received from individual providers are also considered.

The following sections detail the considerations and proposals for fee uplift for each area of provision.

## **Home Support**

The new Home Support Contract commenced in Autumn 2023.

Whilst workforce recruitment and retention remain a challenge, the new contracts are expected to support improvements to terms and conditions and reduce operating costs by providing regular hours of work within tighter geographical areas.

The impact of tighter geographical locality boundaries, more managed levels of overall hours of delivery per provider, as well as better understanding of demand by providers, will reduce travel time and improve efficiency in the coming year.

**The rate for 24/25 will be based on 80% staffing increased by NLW = 7.83%  
The hourly rate will increase to £23.48**

### **Residential and Nursing Care Homes**

In 2023/24 the uplift harmonised the base rates for Learning Disability & Mental Health placements to be equal to the Older People rate. The intention is to complete the harmonisation in 24/25 by removing the separate Physical Disability rates.

The introduction of an enhanced rate in both residential and nursing care as well as an above inflation uplift (11%) provided in 2023/24 will improve fees for care homes further as the enhanced rate is phased in for new residents from Quarter 3 (October) in 2023/24. Early indications suggest that 30% of placements will attract the enhanced rates.

**The fee uplift for residential and nursing is 7.63%. Based on a staffing to non – staffing ratio of 67.75/ 32.25 split, with NLW increase applied to staffing and inflation of 3.1% applied to non-staffing.**

The fees proposed are as follows:

		23/24	24/25 (7.63% uplift)	
Residential	Standard	661.57	712.11	
	enhanced	701.54	755.09	
Nursing	standard	704.06	757.82	Plus FNC tbc
	enhanced	744.73	801.57	Plus FNC tbc

### **Extra Care**

From January 2024 an additional increase of 2.9% was made to the extra care rates.

A review ahead of recommissioning of Extra Care is underway, this will include a review of costing model/fee arrangements with benchmarking to look at the most economically advantageous costing model which also supports sustainable services.

In the meantime, the current fee structure will be maintained and **an increase of 6.85% will be applied.**

This is based on a 70/30 split of staff to non-staff costs and in recognition of the deduction of travel time and coordination required in Home Support.

In addition, there will be a harmonisation of rates which means historic 'non IPSAC' rates will be paid the same as those on 'IPSAC' rates.

### **Supported Living Services**

From January 2024 an additional increase of 2.9% was made to the Supported Living rates.

**The proposed uplift for 2024/25 is 6.85%**

This is based on a 70/30 split of staff to non- staff costs and in recognition of the deduction of travel time and coordination required in Home Support.

### **Other fee uplift areas**

**Residential and nursing 1 to 1 rates; Direct Payments; ISFs - 7.83%**

**Placement fees (e.g. Shared Lives and Time Out); Day Care; Support at Day Care; and other commissioned services 6.85%**

### **Negotiated rate/ specialist packages**

The Council will communicate separately and directly with Providers with Negotiated Rate packages in the next 2-3 weeks.

### **NHS funded care**

The ICB in Bradford work closely with the Council who is lead commissioner for services that are also purchased by the ICB. The ICB have confirmed that they support the proposed fee uplifts for the contracted services that they also fund.

Unfortunately, the ICB is not yet in a position to confirm the Full CHC rate uplift for 2024/25 because the revised FNC rate has not yet been announced by NHS England and is not expected to be until mid-March. A separate bulletin will be circulated once the FNC and CHC rate can be confirmed, and the payments system will be updated with the changes backdated to the beginning of April.

## **Request to all providers**

Adult Social Care and the ICB in Bradford values the work that all our external providers undertake on our behalf, and we also value the strong partnership approach between the Council, the Bradford Care Association, the Voluntary Sector Alliance and the NHS, that we have all worked hard to foster.

In these unprecedented times of financial challenge, the Council asks that all providers look at whether their own services could make cost improvements or efficiencies, be that in relation to running costs, delivery models, through the increased use of technology to support care, or by partnering with wider services in the community to support the prevention and community led support agenda, as well as by informing the Council of reductions in need that may warrant adjustments to care packages in a timely way.

If you have any questions or suggestions, please email the [CommissioningInbox@bradford.gov.uk](mailto:CommissioningInbox@bradford.gov.uk)