

Provider Fee Review - Consultation Stage 1

Frequently Asked Questions

1. Why is the Council making these changes?

The current arrangements for determining the fees for care homes in Leicestershire have not been reviewed since 2011, since when new statutory requirements have been placed on the Council by the Care Act 2014. Similarly, the core contract and specification for residential care have not been reviewed since 2012. , These documents need to be revised to reflect the Care Act changes as well as any changes which may be made following this consultation.

2. How does this relate to the annual uplift?

The Council has been increasing rates annually to ensure that the fees paid reflect the increase in staff costs that providers incur, mainly driven by the implementation of the National Living Wage (NLW), and inflation. As well as taking account of those cost pressures, this review provides an opportunity to examine the Council's fundamental approach in this area.

3. Is this a cost cutting exercise?

No, there is no budget reduction target associated with this review. The Council recognises that inflationary and demographic pressures are likely to increase expenditure in this area. Obtaining value for money is always critically important to the Council and it will seek to deliver services with this objective in mind throughout.

4. What say will the care home providers have in this?

Care home providers will be consulted in 2 stages. The first consultation stage will seek provider's views on the proposed changes to Banding Descriptions for Older Adult placements; the use of the Care Funding Calculator for Working Age Adults; revisions to the Standard Cost Model; the proposed removal of voluntary Quality Assurance Framework (QAF) premium payments and resultant contractual changes. The second stage of the consultation will seek views on the actual fees that the Council proposes to pay and the arrangement for reviewing fees annually. Providers will also be able to comment on any proposed changes to the core contract, specification and schedules.

5. How will the Council determine the cost of care in Leicestershire?

The Council has commissioned an independent consultancy, C.co, which is part of the Chartered Institute of Public Finance and Accountancy (CIPFA), to assess the cost of care in Leicestershire. As well as using national and regional benchmarks, C.co will seek information from providers locally to inform the process.

6. How can care homes stay in business if the Council is not paying enough to cover the cost of care?

The care and nursing home market is stable in Leicestershire with very few closures in recent years and new care homes opening. More information relating to the market can be found in the Competition and Markets Authority's Residential and Nursing care market study (www.gov.uk/cma-cases/care-homes-market-study) and the County Council Network's 2017 Update report (www.countycouncilsnetwork.org.uk/advocacy/publications-and-research/).

7. When will the fee review be completed?

It is intended that the whole review will be completed by June 2019 and that the revised fee payments will be backdated to April 2019.

8. How will the Council ensure that it treats everybody fairly in this exercise?

The Council has undertaken an Equality and Human Rights (EHRIA) screening assessment which can be found [here](#). A full impact assessment will be completed before any changes are agreed and implemented and the assessment will be kept under review as the consultation progresses.