



Care Homes supporting adults over 65 yrs
Care Homes supporting adults aged 18-65 yrs with learning disabilities and mental health
Supported Living and Supported Accommodation Providers
Domiciliary Care Providers
Direct Payments
Shared Lives

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Your ref: Fee Uplift 2024/25

Dear Provider Colleagues

Adult Social Care Fees 2024/2025

This letter sets out the fee uplift and our consideration around this for 2024/2025. Before I go into the detail, I do want to express our sincere thanks for working closely again with us over the past 12 months and for the support and care you give to the most vulnerable people in our Borough, it is truly appreciated especially given the pressures that yourselves, like the Council are under at present.

It was good to meet so many of you in person on 16 January 2024 where we discussed the Council's financial position and the increased demand and key factors that have affected all of us last and this year. I found our discussions and you continued commitment very positive.

The Council's budget was confirmed at Full Council on the 29th February 2024 and as part of this the Council considered the investments that could be afforded to Adult Social Care (ASC) alongside other corporate priorities and responsibilities. The Council continues to need to make savings and for 2024/25 a savings package of circa £17.6m has been approved. Adult Social Care has a significant savings target in 2024/25. Despite this the Council has included a total net investment of £5.9m to support the increase in demand and complexity of care needs in Adult Social Care over the next 12 months. The strategy includes using the full 4.99% (£4.04m) Council Tax increase (including the Social Care precept of 2%) to fund investment of £13.5m in Adults and Children's Social Care

Forming part of a provider event back in January we shared that the Market Sustainability and Improvement/Workforce Fund allocated by Government which includes an element to address fee rates, was used in 2023/24 to fund increased care fees. In 2024/25 this Government funding has been increased however this has only given the Council an additional £400k. To put this into context a 1% increase across all care fees has been modelled to cost the authority around £800k in 24/25 and therefore the grant increase has limited impact.



Analysis of average fees in bed-based care in 2023/24 has revealed fee rates increasing well above the 3% awarded for contracts in operation at 1st April 2023. The current rates of fees being charged have increased significantly in recent years and the impact on the Council is a spiralling cost of beds as clients who have resided in a bed for a period of years pass away and more recent and much higher prices are applied. This means that revenue streams received by care homes from the Council have increased dramatically with the average fee rate paid by the Council for bed based care increasing by 12.4% between May 23 and January 24. What's more these increases are based on fees already containing the 3% uplift for the financial year. The result is several millions are being applied in fee uplifts to support the market however funding streams are not available to fund this rate of growth ongoing.

It is worth noting that in relation to fair cost of care each council has their own local challenges that impact on their market sufficiency and stability and in Telford & Wrekin, our fee rates reflect our own unique position. The intention over the next 3 years is to move towards a more consistent and equitable approach to pricing and rates paid for bed-based provision and reduce the level of variation. You will no doubt see reports of other Local Authorities giving higher percentage uplifts but it's worth noting the standard fee rate these apply to is, in many cases, lower than the rates we currently pay.

For 2024/25 the Council is awarding varied uplifts based on care type and market forces:

Residential and Nursing Older People (Bed Based) In and Out of Borough

In 2023/24 The Council gave all residential providers a 3% uplift. Due to in-year care provider fee rises in reality the Council have actually paid for fees increasing at a much faster rate as referred above.

The proposed rate increases to be applied for 2024/25 are set out in the table below:

| Care Type | 2024/25 |
|--|---------|
| 65 years and over Residential | 2.8% |
| 65 years and over Residential EMI | 4% |
| 65 years and over Nursing (Excl FNC) | 3.5% |
| 65 years and over Nursing EMI (Excl FNC) | 3.5% |

Residential and Nursing 18-64 years with Learning Disabilities and Mental Health (Bed Based) In and Out of Borough

| Care Type | 2024/25 |
|--------------------------------|---------|
| 18-64 years Residential | 2.8% |
| 18-64 years Nursing (Excl FNC) | 3.5% |

Supported Living and Supported Accommodation

A 3.27% uplift to those providers providing Supported Living and Supported Accommodation Care costs (excluding core costs or sleep ins) through the Flexible Contracting Arrangement.

Community Domiciliary Care (excluding reablement block) – anyone aged 18 years and over

The DPS rate will increase from £19.60 to £20.24. If you currently receive more than £20.24 per hour, then this will not change and no uplift will be applied.

Direct Payments

Direct Payments rate will increase from £10.50 to £11.44

Shared Lives

A 3% uplift will be applied to Shared Lives Payment

Summary

These uplift rates do not apply to contracts that are defined as 'Block' contracts, or those that have a specified fee review date or, are related to hospital discharge, admission avoidance and enablement.

There is no overarching uplift to day services or sleep in's.

The above rates reflect, as discussed at our meeting, our move to more person centred provision and the limited specialist support locally.

The Council will develop a 3 year plan to address quality and fee levels and will be engaging with providers accordingly.

We have informed Shropshire Telford & Wrekin ICS of our fee uplift rates so that they can consider our position when reviewing their fee rates for our jointly funded packages of care.

I close with thanking you again for your commitment to continue to work with us and the people you care for during difficult and challenging times.

Yours sincerely



Simon Froud
Director Adult Social Care
Telford & Wrekin Council