

Consultation about Fee rates for 2020/21 for Care Homes commissioned by Derby City Council

This paper sets out the proposed fee rates for care homes commissioned by Derby City Council from April 2020.

The Council would request that any feedback to the proposals is received no later **26th November 2019**, so that it can make final recommendations to the Council's Cabinet in time for the new financial year in April 2020.

Feedback can be provided by email to David Ash, Commissioning Activity Co-ordinator email: david.ash@derby.gov.uk. There will also be an opportunity to feedback at the Care Home Consultation meeting on 19th November 2019.

Standard Care Home Fee Rates - Each year the Council sets a fee rate for all new commissioned beds. The proposed cost model builds on that which was used for 2019/20.

It is proposed that for staffing, agency and recruitment costs, the Council should inflate all wage-related costs within the model to reflect an assumed increase of 5.6% in the National Living Wage from April 2020 for employees likely to be working in homes over the age of 25. This is assumed to see an increase of 0.46p per hour. It is assumed that there will already be a number of management and senior care posts operating well above the new minimum wage rates which will therefore see no change to the salaries.

Therefore a composite inflationary figure is proposed of 4.78% which is based on the new hourly rate affecting 75% of the workforce. It is proposed this is applied to all staffing-related expenditure lines within the model – staffing costs, agency costs, recruitment and training costs.

It is proposed that the Council applies a 0% inflationary uplift in most general cost areas within the model, and a 1% inflationary uplift for utilities.

When the factors above are applied, the proposed overall inflationary uplift is 3.74%.

The table below compares 2019/20 and proposed 2020/21 fee rates for standard residential and nursing home placements.

Classification: OFFICIAL

	19/20	inflation	20/21	Staff Costs	2019/20	Inflation	2019/20
<u>Care Costs</u>				0.75	294.71	5.6%	311.22
Staff costs	381.94	5%	400.19	0.25	87.47	2%	89.22
Agency	10.92	5%	11.44			4.78%	400.19
Motivator provision	0.26	0.00	0.26	NLW Assumed increase of 5.6%			
Staff clothing	0.52	0.00	0.52	2019/20	£8.21	2020/21	£8.67
Staff training and recruitment	0.18	0.00	0.18				
Food	30.32	0.00	30.32				
Consumables and equipment	0.17	0.00	0.17				
Medical expenses and care services	1.69	0.00	1.69				
Travelling expenses	0.10	0.00	0.10				
Entertainment	1.13	0.00	1.13				
<u>Establishment costs</u>							
Waste disposal	0.92	0.00	0.92				
Council tax, water and insurance	6.46	1%	6.52				
Fire equipment and environmental health	1.54	0.00	1.54				
Heat and light	20.86	1%	21.07				
Change of resident	0.09	0.00	0.09				
Cleaning and consumables	2.37	0.00	2.37				
Bedding and linen	4.36	0.00	4.36				
Crockery, cutlery and utensils	0.10	0.00	0.10				
Repairs and renewals	2.92	0.00	2.92				
Funding repairs	0.24	0.00	0.24				
Residents Xmas gifts	0.07	0.00	0.07				
Fixture and fitting replacement	3.96	0.00	3.96				
Funding from F&F Reserve	0.00	0.00	0.00				
Service contracts	7.23	0.00	7.23				
Electrical modifications	0.51	0.00	0.51				
Sundry expenses	4.98	0.00	4.98				
Gardening	0.09	0.00	0.09				
<u>Administrative overheads</u>							
Office stationery	0.95	0.00	0.95				
Contribution to Liversage Trust costs	10.32	0.00	10.32				
Sundry office expenses	0.46	0.00	0.46				
Telephone and communications	1.67	0.00	1.67				
Professional charges	0.36	0.00	0.36				
Registration fees	3.04	0.00	3.04				
Capital Cost	9.01		9.01				
	£		£				
Total Cost	509.73		528.78				
Composite Inflation (%)			3.74%				

Classification: OFFICIAL