

 <p>Sheffield City Council</p>	<p>Author/Lead Officer of Report: Joe Horobin – Head of Commissioning</p> <p>Tel: 0114 2735060</p>
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Report of:	John Macilwraith, Executive Director of People Services				
Report to:	Cabinet				
Date of Decision:	18 th March 2020				
Subject:	Maintaining a stable adult social care market in Sheffield				
Is this a Key Decision? If Yes, reason Key Decision:-					
	Yes	X	No		
- Expenditure and/or savings over £500,000		X			
- Affects 2 or more Wards		X			
Which Cabinet Member Portfolio does this relate to? <i>Health and Social Care and Children, Young People and Families</i>					
Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities and Adult Social Care Scrutiny and Policy Development Committee</i>					
Has an Equality Impact Assessment (EIA) been undertaken?					
	Yes	X	No		
If YES, what EIA reference number has it been given? <i>470</i>					
Does the report contain confidential or exempt information?					
	Yes		No	X	
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:- <i>NA</i>					

Purpose of Report:

The purpose of this report is to seek approval for the amended fair and sustainable fee rates for independent sector care home, home care, extra care and supported living providers in Sheffield for the financial year 2020-21. This report sets out the process that the Council has followed to propose the fair and sustainable fee rates.

Recommendations:**It is recommended that Cabinet:**

1. Approves an increase to the fee rate of **4.9%** for standard rate care homes
2. Approves an increase to the fee rates of **5.54%** for home care, extra care (care element only) and supported living providers on the Council's standard contracted and framework rate.
3. Approves an increase to fee rates of **3%** for non-standard residential care subject to contractual compliance.
4. Delegates authority to the Executive Director of People in consultation with the Director of Adult Services and the Cabinet Member for Children, Young People and Families and Cabinet member for Health and Social Care to agree any appropriate and proportionate fee increases requested by recipients of Direct Payments on a case-by-case basis.
5. Delegates authority to the Executive Director of People in consultation with the Director of Adult Services and the Cabinet Member for Children, Young People and Families and Cabinet member for Health and Social Care to agree any appropriate and proportionate fee increases requested by care homes outside Sheffield because cost pressures will vary from place to place.
6. Approves a comprehensive strategic review of the older adult care home sector in the city, to be sponsored by the Executive Director and Cabinet Member for Health and Social Care to commence in April 2020 with conclusions and recommendations to be reported to Cabinet in the Autumn of 2020 in alignment with the Council's budget planning process.
7. Delegates authority to the Executive Director of People in consultation with the Director of Adult Services and the Cabinet Member for Children, Young People and Families and Cabinet Member for Health and Social Care to take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this Report.

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Ann Hardy
		Legal: Steve Eccleston and Gemma Day.
		Equalities: Ed Sexton
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>John Macilwraith</i>
3	Cabinet Members consulted:	<i>Cllr George Lindars-Hammond</i> <i>Cllr Jackie Drayton</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Joe Horobin</i>	Job Title: <i>Head of Commissioning</i>
	Date: 6 th March 2020	

1.	PROPOSAL
1.1	It is proposed that the Council will: Provide a 4.9% increase in the fee rate for all standard rate placements in residential and nursing homes that reflects the National Living Wage increase and other inflationary indices.
1.2	Provide a 5.54% increase in the fee rate for home care, supported living and extra care (care hours element) that reflects the impact of the National Living Wage increase and other inflationary indices.
1.3	Provide a 3% increase to non-standard residential care providers subject to contractual compliance.
1.4	It is proposed that these rates take effect from 6 th April 2020
1.5	The following report ensures that the proposals:
1.5.1	Are informed by consultation with local social care providers
1.5.2	Are informed by analysis of local, regional and national evidence
1.5.3	Meet the Council's legal responsibilities by being sufficient to support assessed care needs and to provide residents with the level of care services that they could reasonably expect to receive if the possibility of resident and third party contributions did not exist.
1.6	Following approval of this report, the Council will then undertake a comprehensive strategic review of the older adult care home sector in the city, to be sponsored by the Executive Director and Cabinet Member for Health and Social Care to commence in April 2020 with conclusions and recommendations to be reported to Cabinet in the Autumn of 2020 in alignment with the Council's budget planning process.
2.	HOW DOES THIS DECISION CONTRIBUTE?
2.1	This decision seeks to ensure that funding arrangements for framework and standard rate fees are aligned with inflationary cost increases to mitigate the risk of market failure and to maintain and improve the care and support experience of care home residents and people receiving extra care, home care and supported living in Sheffield. The Council expects that ensuring the fee rates meet the cost of delivering care in Sheffield will enable providers to work with us to develop innovative and efficient ways to support people in the city.

2.2	<p>The proposals have been developed in consultation with social care providers. It seeks to balance the need to support providers in maintaining good quality care for people and acceptable working conditions for staff, alongside affordability for the Council in light of other pressures in Adult Social Care. Chief among these is the increased demand the Council is experiencing in relation to the requirement to support the NHS, for example to enable earlier discharges from hospital, along with greater support to GPs and community health colleagues to ensure that people can be supported at home for as long as possible.</p>
3.	<p>HAS THERE BEEN ANY CONSULTATION?</p>
3.1	<p>All affected Sheffield providers have been consulted on the proposed fee increase. Out of city providers of residential care have also been consulted with.</p>
3.2	<p>Consultation Stage 1: The first stage of the consultation was via focus groups and provider forums held with providers in September and October 2019 to generate feedback on the key concerns, costs and issues facing providers in the city. This feedback is described more fully in the consultation report attached at Appendix 1.</p>
3.3	<p>Consultation on Costs: Providers were also encouraged to provide any supporting information regarding costs and pressures during this first stage. This is also described more fully in the consultation report attached at Appendix 1.</p>
3.4	<p>Consultation Stage 2: The second stage of the consultation is a more formal process whereby the Council writes to providers with a proposed fee rate increase. The letter with proposed fee rate was sent to providers in December and January 2019 for them to consider and provide feedback on. Further consultation sessions were held during this formal consultation period with home care and care home providers in December and January to provide opportunities to feedback directly to officers.</p> <p>The proposed fee rate for care homes, home care and supported living that the Council consulted with providers on was calculated using the anticipated increase in the national minimum wage of 5.12%. On 31st December 2019 the Government announced a higher than expected increase of 6.2%. The Council wrote to providers to acknowledge this change and encourage them to feedback on the proposed rate to enable commissioners to assess the impact for providers of this increase. The response from providers has informed the final proposals set out above which reflect the actual increase of 6.2% in minimum wage in applying this level of increase to all staffing related costs.</p> <p>The summarised consultation feedback can be seen below and the more detailed consultation report and analysis is attached at Appendix 1.</p>

3.5	Overall summary of consultation feedback
	<p>There was a higher response rate from care homes and home care providers than in previous years' consultation on fee rates. The key issue raised by providers across all types of care provision was the higher than anticipated increase in the minimum wage and the increased salary oncosts (pension and national insurance costs) that result from this.</p> <p>Providers also told us about:</p> <ul style="list-style-type: none"> • Challenges they face of recruiting and retaining good quality care staff • Their ambition to move towards paying the foundation living wage • Some non-staffing costs increasing by more than the CPI rate of 1.7% used to model the fee rate e.g. energy, training and cleaning contracts • Ways we could make it easier for them to deliver care through improvements to our procurement and payments processes
3.6	<i>Older Adult and Standard Rate Care Homes Consultation Feedback Summary</i>
3.6.1	<p>The initial focus group session, attended by 10 providers, in October 2019 identified a range of issues and challenges facing the care home sector.</p> <p>9 providers (representing 20 homes in the city) submitted financial and costings information. These represented 20% of the nursing and dual registration bed base in the city and 17% of the residential care home bed base. The financial information provided illustrated the wide variation in business and cost models among providers.</p> <p>13 providers sent feedback via email or letter in response to the fee proposal sent out in December 2019 and 8 providers attended the January 2020 consultation sessions.</p>
3.6.2	<p>The Sheffield Care Association (SCA) was formed by a group of care homes in 2018 to represent the older adults care home sector in the city. The Council welcomes the opportunity to engage with a representative body with regards to development of the sector and the Council's relationship with care homes however no response to the consultation was received by the Council from the SCA and the SCA have not confirmed their membership to date.</p>
3.6.3	<p>Staffing related costs: Providers fed back that their view that the fee rate should be increased to cover the impact of the higher than anticipated increase in the National Living Wage. There are challenges for providers in recruiting and retaining staff, particularly nurses, which mean that many seek to offer staff slightly above the minimum wage in order to remain</p>

	<p>competitive employers. Providers also told us that maintaining wage differentials between front line and management staff is key to retaining good managers and sustaining care quality through strong leadership. Providers also described the impact that the increase in employer pension contributions has had over the last few years in eroding the profit and return on investment margin of their businesses.</p> <p>The Council recognises and values the role that social care staff play in supporting some of the most vulnerable people in our city and understands the impact of the wage increase for providers.</p> <p>The Council has taken on board the feedback from providers and is recommending that the increase in the rate should be adjusted to accommodate the <u>full 6.2% of the minimum wage increase across all staff costs (including oncosts) for all staff (frontline, support/admin staff and management)</u>. This will ensure that the rate covers the cost of the increase in salary as well as the increase that this equates to for national insurance and other on-costs.</p> <p>This increase (above the originally proposed rate that we consulted on in December and January) reflects the Council's commitment to taking on board the feedback of providers and ensuring a sustainable, quality and diverse adult social care market in the city.</p> <p>The Council believes that this increase in the fee rate for all standard rate and framework providers will enable them to respond to the increase in the minimum wage.</p>
3.6.4	<p>Non Staffing Costs: Some providers cited non staffing costs rising by more than the CPI rate (1.7%) used to calculate inflation on these costs. Providers indicated that they need to see an improved return on investment within the fee rate and for some, capital investment will be important to ensure that the physical infrastructure of their care homes remains fit for purpose longer term. Providers have also cited the challenges they face in collecting service user contributions and third party contributions to care home fees which places a risk of debt and an administrative burden on homes.</p> <p>The Council believes that the non-staffing costs associated with running a care home are covered by the Consumer Price Index (food, utilities etc.) and that this remains a reasonable index against which to model an increase to non-staffing costs. The Council acknowledges the importance of return on investment and capital as a component of the fee rate and these were modelled within the cost model in 2017 which has been subsequently increased each year.</p> <p>At present, Sheffield City Council pays care homes net of the residents' contributions and any third party contributions ('top ups'). This means that the care home needs to invoice the resident and collect their contribution. The Council is changing this payment method and will pay gross and invoice the person and their third party directly. This move will take place in Autumn</p>

	<p>2020 and providers have welcomed this change that they have confirmed with improve stability of cash flow and reduce the administrative and debt related costs of care homes in the medium term.</p>
<p>3.6.5</p>	<p>Strategic Review of Older Adult Care Homes: The Council undertook a review of care home costs in 2017 through a cost of care exercise that was agreed in collaboration with providers and Sheffield University using a template based on the model set out in CIPFA’s 2017 guide for commissioners and providers: “Working with care providers to understand the costs”.</p> <p>The Council recognises that the cost of delivering care varies between individual providers depending on scale, business model, and business practices particularly in the care home sector. The financial information submitted by providers during this year’s consultation on the fee rate has further evidenced the complexity of the market while providers have told us they would like to work with us towards a longer term plan for the care home sector including workforce development, capital investment, market signalling and funding strategy.</p> <p>This report therefore recommends a comprehensive strategic review of the older adult care home sector in the city. This would commence in April 2020 and report back to Cabinet in the Autumn of 2020 and be aligned with the Council’s business planning process. We will work with providers, partners in health and with people who use social care services to design the approach and inform the review. The outcome of the review will be reported with any recommendations to Cabinet in the Autumn of 2020.</p>
<p>3.6.6</p>	<p>Cost of Equipment: Providers told us that frailer residents require more specialist, expensive equipment that the provider needs to purchase and then store when not needed and asked whether the Council could explore options to loan or store equipment.</p> <p>The Care Home Equipment Loan Service Guidance has been in existence since August 2018 and was widely consulted on and agreed with Care Home managers. The guidance was recirculated to care home managers again in January 2019 and will be recirculated in response to this feedback.</p> <p>The guidance outlines the responsibilities of the Care Homes with regards to the provision of equipment and the circumstances in which the Community Equipment Service (CES) will loan standard and special equipment as well as how to return it to the equipment provider. All equipment (including profiling beds for end of life care) loaned to Care Homes has to be prescribed by a health care professional and the CES considers all requests on an individual basis. The CES has just been retendered and the Council will be working closely with the new provider to ensure that the loan service is working for providers and that equipment is tracked and returned when no longer required. This will reduce costs for homes, ensure appropriate use of prescribed equipment and avoid homes storing equipment that is no longer required.</p>

3.7	<i>Extra Care Consultation Feedback Summary</i>
3.7.1	There are now two providers of Council funded extra care who also deliver homecare in the city. The largest provider gave feedback on the extra care contract regarding the impact of pension contributions and the minimum wage increase which the Council acknowledges and proposes to address in the revised recommended rate. The service element of the contract is outside the scope of this fees consultation however the contract will be reviewed in preparation for re-procurement next year and in light of any changes regarding sleep in payments.
3.8	<i>Home Care Consultation Feedback Summary</i>
3.8.1	In autumn 2019 commissioners ran a Provider Forum Session on fee rates and wrote to home care providers inviting them to take part in an additional workshop looking at the key challenges and costs they are facing in delivering care in Sheffield. There were 18 providers represented across the two meetings. 12 responses were received from Home Care providers in response to the 37 providers contacted as part of the formal consultation on the proposed rate in December.
3.8.2	<p>The responses received from home care providers largely reflected the issues raised by care homes (staffing related costs, higher than CPI costs) as described in section 3.6 above.</p> <p>The Council acknowledges the impact of the minimum wage increase on staffing costs and is recommending an increase to the rate that we believe takes this into account. The Council believes that CPI is the most appropriate index against which to model an increase in non staffing costs as set out at section 3.6.4 above.</p> <p>Home care providers also raised concerns about changes to CQC registration costs and training requirements which have impacted some providers. Some providers fed back that the Council's current homecare payment model whereby providers are paid for the minutes of care delivered in someone's home (with a banding adjustment made) is overly complex which can lead to delays in them submitting financial returns and being paid. Finally, some providers told us that some packages of care where the travel time is substantial are not viable for them.</p> <p>CQC registration costs have risen over the last four years with the changes particularly marked in the community care sector. The costs are now based on the number of people supported and the CQC acknowledge that 'larger providers do pay much more than smaller providers in absolute terms, but the percentage is usually much lower than for smaller providers' while also stating that 'CQC fees are on average no more than 1.5% of a provider's income'. Further work will be required with providers and CQC to understand the implications for providers and identify an appropriate response to addressing any disproportionate impact for smaller providers.</p>

	<p>The Council requires providers to undertake the statutory training requirements and has not increased this burden on providers as suggested by some feedback. The Council is engaging with providers currently to review the training offer to the sector in response to ensure the offer is fit for purpose and accessible to the diverse provider market.</p> <p>The Council is underway with a range of improvements to the commissioning and payments process. This includes reviewing the current payment by minutes model in home care and speeding up financial assessments for service users so that they understand the financial implications of decisions they make about their care.</p> <p>The Council is also working with providers to implement a 'provider portal' over the next 6 months to deliver improvements to the payment process, remittances etc. Improvement work is also underway to further improve care purchasing practice and to allow greater flexibility for providers that reduces the transactional burden on them.</p> <p>The Council's brokerage team have introduced a range of measures including geo-mapping to improve travel time for providers. Incentives schemes have been developed to address the challenges facing providers during periods of peak demand and lower workforce capacity during holiday periods and further work is underway to review the specific challenges related to travel time for packages where this impacts on the viability of the individual package for the provider. This is not expected to impact on the overall fee rates as appropriate adjustments will be specific to individual packages.</p>
3.9	<i>Supported Living Consultation Feedback Summary</i>
3.9.1	<p>The response rate to the formal consultation on the proposed fee rate was 45% of the 20 active supported living framework providers. One of the responses appeared to be proactive correspondence requesting fee increases for 2020-21 rather than responses to the consultation. The feedback from supported living providers reflected that of other sectors e.g. the importance of the fee rate reflecting the full increase in minimum wage and related on-costs and the importance of improvements to the payments process to reduce the transactional burden on providers. These are described more fully in the care home and home care sections above and have informed the final recommended fee rate increase.</p>
3.10	Non-standard rate residential care for people with complex needs consultation feedback summary:
	<p>Non standard rate residential care providers were contacted with the proposal to offer a 3% increase to the rate paid by the Council. This covers providers both in Sheffield and beyond. This did not include an increase to the CCG funded element of any joint packages or CCG fully funded</p>

	<p>packages of care with these providers.</p> <p>11 responses were received. 4 respondents supported the 3% uplift proposal and one was neutral. Of the other six providers, four suggested higher alternatives ranging from 3.5% to 7%. One of the providers requested a more in depth review of their cost of care.</p> <p>Over the last 12 months the Council's commissioning officers, with support from finance and commercial services, have worked with a number of non-standard rate residential providers through a Value for Money and Quality project to review the individually negotiated fees in this sector. Where a provider believes that such a review is appropriate for placements with them, we will undertake this via this project over the next year and make adjustments as appropriate.</p>
3.11	Final proposals based on feedback:
3.11.1	Increase the original proposed fee rate for care homes, home care, extra care and supported living to reflect the full increase in the minimum wage. This means applying a 6.2% increase to the <u>staffing element</u> of each rate.
3.11.2	The Council to undertake a comprehensive strategic review of the older adult care home sector in the city, to be sponsored by the Executive Director and Cabinet Member for Health and Social Care to commence in April 2020 with conclusions and recommendations to be reported to Cabinet in the Autumn of 2020 in alignment with the Council's budget planning process.
3.11.3	Commissioners to lead on a capital task group for care homes as part of strategic long term planning for care homes over the next 6 months.
3.11.4	Commissioning to continue work to redesign the home care model for the city with engagement from people who use services, providers and other stakeholders, and drive improvements to the procurement and payment process as described in this report.
3.11.5	A review of the Council's training offer to providers to be completed over the next 4 months.
3.11.6	Commissioning to lead on a workforce development group with providers aligned to the wider aspirations and ambitions outlined by the Accountable Care Partnership in the city.
3.11.7	Commissioning to work with providers of non-standard rate residential care for people with complex needs who have requested a review of historically set fee rates via the Value for Money and Quality project.
3.11.8	Direct payment uplift requests to be managed on a case by case basis.
4.	RISK ANALYSIS AND IMPLICATIONS OF THE DECISION
4.1	<u>Equality of Opportunity Implications</u>

4.1.1	An Equality Impact Assessment has been completed for the proposed fee increase. A full list of the equality considerations, impacts and actions can be found in Equality Impact Assessment 470.												
4.1.2	<p>The proposal is supportive of the Public Sector Equality Duty (noted in the Legal Implications section below), under which public authorities, in the exercise of their functions, must have due regard to the need to:</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is connected to protected characteristics and prohibited by or under this Act; • advance equality of opportunity between those who share a relevant protected characteristic and those who do not; • foster good relations between those who share a relevant protected characteristic and those who do not. 												
4.1.3	<p>The EIA notes that the proposed fee increases are (on the basis of consultation feedback) expected to enable providers to maintain or improve staffing levels, so to benefit the quality and consistency of care for individuals supported – this includes people who share the key protected characteristics of Age and/or Disability.</p> <p>The Council’s EIA template requires consideration of the impact on providers themselves where they are deemed to be VCF/not-for-profit.</p> <p>A further impact area considered is poverty and financial inclusion. While the cost of higher fees will be passed onto people who pay contributions to the cost of their care, it is noted that the financial assessment process takes account of cost of living and disability related expenses, which offers some mitigation.</p>												
4.2	<u>Financial and Commercial Implications</u>												
4.2.1	<p>The impact of the recommended fee increases is as follows:</p> <table border="1" data-bbox="312 1529 900 2031"> <thead> <tr> <th data-bbox="312 1529 491 1711">Sector</th> <th data-bbox="491 1529 635 1711">Proposed % Increase</th> <th data-bbox="635 1529 775 1711">Agreed Budget Pressure Envelope (£'000)</th> <th data-bbox="775 1529 900 1711">Impact on Budget</th> </tr> </thead> <tbody> <tr> <td data-bbox="312 1711 491 1888">Care Homes (standard rate)</td> <td data-bbox="491 1711 635 1888">4.9%</td> <td data-bbox="635 1711 775 1888">1,821</td> <td data-bbox="775 1711 900 1888">2,325</td> </tr> <tr> <td data-bbox="312 1888 491 2031">Care Homes (non-standard)</td> <td data-bbox="491 1888 635 2031">3%</td> <td data-bbox="635 1888 775 2031">603</td> <td data-bbox="775 1888 900 2031">471</td> </tr> </tbody> </table>	Sector	Proposed % Increase	Agreed Budget Pressure Envelope (£'000)	Impact on Budget	Care Homes (standard rate)	4.9%	1,821	2,325	Care Homes (non-standard)	3%	603	471
Sector	Proposed % Increase	Agreed Budget Pressure Envelope (£'000)	Impact on Budget										
Care Homes (standard rate)	4.9%	1,821	2,325										
Care Homes (non-standard)	3%	603	471										

	rate)			
	Home Care	5.54%	1,003	1,285
	Supported Living	5.54%	1,161	1,488
	Extra Care – care hours	5.54%	(inc. in HC figure above)	(inc. in HC figure above)
	Total		4,588	5,569
4.2.2	<p>The financial risks will be mitigated as follows:</p> <ul style="list-style-type: none"> • Demand for care will be well-managed. As set out below, the vision for adult social care is to enable a shift into prevention which will mean proportionately fewer people need care. • The investment will create a more stable supply of care which will result in significant benefits to the NHS. Just as inconsistent adult social care creates the risk that more Sheffield people will wait longer in hospital beds before they can leave, so consistent care will mean fewer hospital beds are likely to be needed. This shift into prevention that will be delivered in Sheffield will take pressure off the usage of hospital beds and enable a shift of resources from acute care to community care to ensure future affordability 			
4.2.3	<p>Effective and efficient use of resources across the whole of health and social care is absolutely key to a sustainable financial plan in future years. The national initiatives to develop an Accountable Care Partnership (ACP) for Sheffield and an Integrated Care System (ICS) for South Yorkshire and Bassetlaw will support a system-wide move from bed-based and institutional care towards sustainable preventative support for people living in Sheffield's communities.</p>			
4.3	<p><u>Legal Implications</u></p> <p>Sections 7 and 7A of the Local Authority Social Services Act 1970 (LASSA 1970) require local authorities to act under the general guidance and directions of the Secretary of State in the exercise of their social services functions.</p> <p>Circular LAC (2004)20 (Circular) replaced the guidance that accompanied the Choice of Accommodation Directions 1992 and is issued under section 7 of the LASSA 1970. The Circular sets out what an individual should be able</p>			

to expect from the Council that is funding his/her care, subject to the individual's means, when arranging a care home place. The relevant parts of the Circular for the purposes of this report are:

"2.5.4....[The usual cost] should be set by Councils at the start of a financial or other planning period, or in response to significant changes in the cost of providing care, to be sufficient to meet the assessed care needs of supported residents in residential accommodation... In setting and reviewing their costs, Councils should have due regard to the actual costs of providing care and other local factors. Councils should also have due regard to Best Value requirements under the Local Government Act 1999.

3.3 When setting its usual cost(s) a Council should be able to demonstrate that this cost is sufficient to allow it to meet assessed care needs and to provide residents with the level of care services that they could reasonably expect to receive if the possibility of resident and third party contributions did not exist".

With regards to care provision, a Local Authority has a number of general responsibilities within the Care Act 2014, these are:

- Promoting individual well-being;
- Preventing needs for care and support;
- Promoting integration of care and support with health services etc;
- Providing information and advice;
- Promoting diversity and quality in provision of services;
- Co-operating generally;
- Co-operating in specific cases.

The Care Act came into force in April 2015. It sets out a range of measures, in order that local people can choose from a diverse range of high quality care services, to drive up the quality of care and put people's needs and outcomes centre-stage. The new legal framework reinforces the local authority's duty to promote a diverse, sustainable and high quality market of care and support services. Local authorities are required to ensure that there is a range of providers offering services that meet the needs of individuals, families and carers. The local authority must be satisfied that the service will support and promote the wellbeing of the individuals who will be in receipt of those services.

This duty requires local authorities to understand the level of risk and the quality of support for people receiving support in order to satisfy itself that the care and support:

- Meets the minimum standards as set out by the Care Quality Commission
- Is sustainable
- Has sound leadership and that all staff are appropriately trained
- Is focused on delivering quality care that is evidence based

The Council must evidence that it has properly consulted with providers

	<p>during its process of setting fee levels to take account of relevant factors in understanding the actual cost of care to them as well as engaging with individuals who use the service to take into account their needs. Setting a proper level of fee will evidence that the Council is delivering its obligations to support a sustainable market which is viable and enables people to have choice in meeting their accommodation needs. That then delivers obligations as to respecting private, home and family life under the Human Rights Act and the Public Sector Equality Duty under S149 the Equality Act 2010.</p> <p>Care must be taken to ensure that variations to existing contracts are not material in accordance with the Public Contracts Regulations 2015. In doing so regard must be had to previous variations as amendments have to be considered cumulatively. Where modifications have been provided for within the initial procurement documents then any variations must be made in accordance with the terms and conditions that have been agreed as part of the procurement exercise. The framework agreement variation procedure must be followed and if the changes are agreed by both parties a variation must be put in place.</p>
4.4	<u>Other implications</u> – None
5.	ALTERNATIVE OPTIONS CONSIDERED
5.1	<p>The Council originally consulted in December 2019 on a proposed fee increase based on a lower increase in minimum wage. Following the feedback from providers since the actual increase was announced by Government mid way through the consultation, the Council has reflected on the feedback and the risk to the market of not accommodating this increased pressure and is proposing a rate that is based on the application of this full increase to ALL staffing costs.</p> <p>This is more than in previous years and reflects further feedback from providers that maintaining wage differentials between front line and senior staff as well as keeping pace with minimum wage for admin and 'hotel' staff is key to attracting and retaining good management staff and sustaining quality provision.</p>
6.	REASONS FOR RECOMMENDATIONS
6.1	<p>In order to develop and maintain a stable adult social care market in Sheffield the Council need to ensure that the fees paid by the Council to providers for adult social care in the city of Sheffield are increased in line with the cost of delivering care in the city including inflationary pressures in 2020/21.</p>

Appendix 1: Market and Provider Consultation Analysis and Proposals for Older Adult Care Homes, Home Care and Extra Care, Supported Living and Non Standard Residential Care.