

SCHEDULE 14 – FEE STRUCTURE [2023]

1. INTRODUCTION

- 1.1 The Care Act (2014), the Children Act 1989 and the Children and Young Persons Act 2008 set out duties for local authorities in England to facilitate and shape a diverse, sustainable market for quality care and support services in their local area.
- 1.2 This Schedule 14 sets out the Council's approach to discharging these duties through a fee structure for care and support that provides greater transparency and allows all parties to plan more effectively.

2. THE APPROACH

- 2.1 A fixed fee approach will operate for the following market sectors:
- 2.1.1 Home Support (all ages and sensory loss)
 - 2.1.2 Care Homes With and Without Nursing services for people over 65 years old
 - 2.1.3 Care and Support (Supported Living)
- 2.2 An approach based on a Guideline Fee Structure for various levels of need, and an 'open book' methodology which requires the Provider to submit a transparent breakdown of their costs, will operate for the following market sectors.
- 2.2.1 Care Homes With and Without Nursing services for people under 65 years old (including those aged over 65 but who were placed within the home prior to their 65th birthday)
- 2.3 For all provision included above in 2.1 and 2.2 which has been awarded either the Framework Agreement or Flexible Contracting Arrangement, the Council will increase fees on an annual basis.
- 2.4 Third Party Top Ups will only be required when the Service User or their family have specifically requested more expensive accommodation.
- 2.5 Providers may be required to justify any Third Party Additional Payment and demonstrate it is not being used to meet the costs of a Service User's eligible care and support needs as identified within their Support Plan.
- 2.6 All nursing related costs must be met through the Funded Nursing Care (FNC) or Continuing Health Care (CHC) contributions and shall not be payable by Birmingham City Council.
- 2.7 There will be situations where a care package, which has been funded through Funded Nursing Care (FNC) or Continuing Health Care (CHC), is reassessed by the NHS, and it is determined that FNC or CHC funding is no longer required and the Local Authority becomes responsible for funding the package of care. In such cases the FNC or CHC

funded service agreement will end, and the Council will put in place a new care package service agreement in line with this contract, following an assessment of the citizen's care and support needs. The Council's Standard Residential Fee (or in the case of a citizen under the age of 65, the fee determined through the process outlined in clauses 4.1 to 4.10 below of this Schedule 14) or Standard Home Support Fee (with Sensory loss premium applied where appropriate) shall apply. If the citizen wishes to remain in the same care home and the care home requests fees above the Council's Standard contractual fees, then a 'Third Party Top Up' may be used to meet the additional costs. The care home will be required to justify any top up arrangements and demonstrate that the top-up is not being used to meet the costs of a citizen's eligible care and support needs. In situations where it is not possible for the Council to enter into a new service agreement with the care provider, the Council shall support the citizen to move to alternative services.

3. Fees and arrangements for Home Support (all ages), Care and Support (Supported Living), and Care Homes With and Without Nursing for people over 65 years old.

3.1 The following arrangements will apply to Home Support care packages (with the exception of packages commissioned under the Quick Discharge Service (Schedule 5) and Sensory Loss Service (Schedule 6) specifications, as well as packages subject to Section 117 of the Mental Health Act 1983. Care packages subject to Section 117 may be determined outside these arrangements at the Council's discretion):

3.1.1 A fee of £17.79 per hour will apply. This shall be known as the Standard Home Support Fee.

3.1.2 For the avoidance of doubt, the Standard Home Support Fee shall apply to Home Support (all ages) and Care and Support (Supported Living) care packages.

3.1.3 Part hour care packages are paid for on a pro rata basis. For example, a 30 minute call will be calculated at 50% of the Standard Home Support Fee.

3.1.4 The Standard Home Support Fee is applicable to all new care packages commissioned from 3 April 2023.

3.1.5 The Standard Home Support Fee will automatically be applied to all existing care packages in place on 3 April 2023. This will result in the care packages being increased and decreased as appropriate.

3.1.6 The Standard Home Support Fee will be increased annually from 1 April 2024 onwards. The process for deciding the amount of the increase is described in paragraph 5 of this Schedule 14.

3.2 The following arrangements shall apply to home support packages commissioned under the service specification for the Quick Discharge Service (Schedule 5).

- 3.2.1 Where there is 1 full hour of care delivered in a single call there will be a payment of £1.00 per hour (the “QDS Premium”) in addition to the Standard Home Support Fee.
 - 3.2.2 Where there is 45 minutes of care delivered in a single call the fee will be equivalent to 90% of the total of the Standard Home Support Fee plus the QDS Premium.
 - 3.2.3 Where there is 30 minutes of care delivered in a single call the fee will be equivalent to 65% of the total of the Standard Home Support Fee plus the QDS Premium.
 - 3.2.4 For the avoidance of doubt, the QDS Premium will not increase annually.
- 3.3 The following arrangements shall apply to home support and Care and Support (Supported Living) packages commissioned under the service specification for Sensory Loss Service (Schedule 6).
- 3.3.1 A fee of £5.00 per hour (the “Congenital Sensory Loss Premium”) in addition to the Standard Home Support Fee shall apply to packages for congenital sight and hearing loss including Usher Syndrome and any specialist communication need.
 - 3.3.2 A fee of £5.00 per hour (the “Acquired Sensory Loss Premium”) in addition to the Standard Home Support Fee shall apply to packages for acquired sight and hearing loss.
 - 3.3.3 Care packages or individual calls which are less than 1 hour in duration are paid as follows. A 30 minute call will be calculated at 65% of the Standard Home Support Fee plus the Congenital Sensory Loss Premium or the Acquired Sensory Loss Premium. A 45 minute call will be calculated at 90% of the Standard Home Support Fee plus the Congenital Sensory Loss Premium or the Acquired Sensory Loss Premium.
 - 3.3.4 For the avoidance of doubt, the Congenital Sensory Loss Premium and the Acquired Sensory Loss Premium will not increase annually.
- 3.4 The following arrangements will apply to Care Homes Without Nursing Care placements for people over 65 years old (excluding placements where the Service User took up residence in the home prior to their 65th birthday):
- 3.4.1 A fee of £622.00 per week will apply (the “Standard Residential Fee”).
 - 3.4.2 The Standard Residential Fee is applicable to all new care packages commissioned from 3 April 2023.
 - 3.4.3 The Standard Residential Fee will be applied to all existing care packages in place on 3 April 2023. This will result in the care packages being increased and decreased as appropriate.

3.4.4 The Standard Residential Fee will be increased annually from 1 April 2024. The process for deciding the amount of the increase is described in section 5.

3.5 The following arrangements will apply to Care Homes With Nursing services placements for over 65's (excluding placements where the service user took up residence in the home prior to their 65th birthday):

3.5.1 A fee of £715.00 per week (the "Standard Nursing Fee") will apply.

3.5.2 Any Funded Nursing Care contribution must be claimed by the Services directly from the relevant Clinical Commissioning Group.

3.5.3 The Standard Nursing Fee will apply to all new care packages commissioned from 3 April 2023.

3.5.4 The Standard Nursing Fee will automatically be applied to all existing care packages in place on 3 April 2023. This will result in the care packages being increased and decreased as appropriate.

3.5.5 The Standard Nursing Fee will automatically increase annually from 1 April 2024. The process for deciding the amount of the increase is described in paragraph 5 of this Schedule 14.

4. Fees and arrangements for Care Homes With and Without Nursing services for people under 65 years old (including placements where the service user is over 65, but took up residence in the home prior to their 65th birthday).

4.1 The Council sets out in the table below a Guideline Fee Structure for a range of care needs for Service Users that are under 65 years old, or those who took up residence prior to their 65th birthday and/or are recorded by Birmingham City Council as a younger adult placement.

Band	Number of hours of care and support per week	Fee applicable 3 April 2023 (new care packages)
Band 1	0-27	£622.00 (£715.00 nursing)
Band 2	28-42	£870.74
Band 3	43-57	£1,181.71
Band 4	58-72	£1,430.50
Band 5	73-87	£1,679.27
Band 6	88-102	£1,928.06

- 4.2 The level of need quantified by the number of care hours required by the Service User shall be determined by the social worker's Assessment.
- 4.3 The Guideline Fee Structure shall apply to all new placements commissioned from 3 April 2023.
- 4.4 In situations where Providers make offers for placements at prices that are not aligned to the Guideline Fee Structure or are for care hours requirements in excess of 102 per week , the Provider shall be required to submit an Open Book Statement detailing a breakdown of the fee and information about their service costs. The Provider may be required to submit further evidence to substantiate these costs.
- 4.5 All existing placements (those commissioned prior to 3 April 2023) shall be novated to the 2023 contract at their 2 April 2023 fee. Fees will then be increased from 3 April (or the date of contract award, whichever is later) by the percentage which was applied to the Guideline Fee Structure to set 3 April 2023 rates (8.74% without nursing, 8.66% with nursing).
- 4.6 Annual increases to fees outlined in paragraph 4 above will be applied automatically from 1 April 2024. The process for deciding the amount of the increase is described in paragraph 5 of this Schedule 14

5. Annual price increase methodology

- 5.1 The Council shall increase the Standard Home Support Fee, Standard Residential Fee, Standard Nursing Fee and any fee determined in line with paragraph 4 of this Schedule 14 above on an annual basis from 1 April 2024. This increase shall apply to all existing packages in place on 1 April 2024 and annually thereafter and also to any new packages commissioned after this date. The amount of the increase shall be determined by the Council and shall be subject to consideration of the following principles:
- 5.1.1 Changes in the rate of inflation including consideration of the Consumer Price Index (CPI) and the Consumer Price Index Housing (CPIH)
 - 5.1.2 Changes in the minimum wage rates including the National Minimum Wage and National Living Wage.
 - 5.1.3 Other relevant price pressures likely to significantly impact on the care sector, for example changes to employer pension contributions and National Insurance.
 - 5.1.4 Regional price / fee comparison data.
 - 5.1.5 Open Book accounting returns submitted by Providers
 - 5.1.6 Views of the sustainability of the care sector including the scale of Providers in the local market.
 - 5.1.7 Affordability to the Council within the context of the overall annual budget settlement.

5.2 The Council shall set out the fee increase transparently and share this with Providers prior to 1 April each year.

6. Fees paid to 'Out of City' provision

6.1 Providers whose Care Quality Commission registered location is outside the Birmingham Council Tax Boundary are classed as Out of City Providers. The following fees will apply to Out of City Providers under this contract:

6.1.1 The Standard Home Support Fee shall apply to Out of City Providers delivering Home Support and Care and Support (Supported Living).

6.1.2 Out of City Providers delivering Care Homes With and Without Nursing services for people over 65 years old, the Council will pay the higher of a) the Usual Rate set by the host local authority in which the Provider is located, or b) Birmingham City Council's Standard Residential Fee or Standard Nursing Fee (whichever is applicable). In situations where the host local authority does not have a Usual Rate or that rate is not easily identifiable then the Standard Residential Fee and Standard Nursing Fee shall apply.

6.1.3 For Out of City Providers delivering Care Homes With and Without Nursing services for people under 65 years old, the Council will pay the Usual Rate set by the host local authority in which the Provider is located. In situations where the host local authority does not have a Usual Rate or that rate is not easily identifiable then the same fees and arrangements as detailed in paragraph 4 of this Schedule 14 shall apply.

6.1.4 There shall be no automatic annual increase in fees from 1 April 2024.

7. Arrangements for Providers which do not apply to join or which are unsuccessful in joining the Framework Agreement or Flexible Contracting Arrangement

7.1 For Providers with existing placements (those commissioned prior to 3 April 2023) that are unsuccessful in joining the Framework Agreement or Flexible Contracting Arrangement, fees shall remain at their 2 April 2023 rate and no further annual fee increase shall be applicable.

7.2 Existing placements will not move onto the Standard Home Support Fee, Standard Residential Fee or Standard Nursing Fee on 3 April 2023 and the fees shall remain at their 2 April 2023 rate while the Council works through the process of either supporting service users to move to alternative Providers on the relevant Framework Agreement or Flexible Contracting Arrangement or to take up a Direct Payment where applicable.

8 Open Book Accounting Principles

8.1 All Providers shall provide a breakdown of the costs of delivering their service at least annually based on the fundamental principles of accountability, transparency and openness to ensure;

- 8.1.1 Understanding of Provider's cost base;
 - 8.1.2 Understanding of cost implications of decisions taken/being considered including any changes in fees;
 - 8.1.3 Identify areas to improve efficiency and/or performance across the adult social care market including collaboration between the Parties and also between Providers;
- 8.2 The Council shall set out a template for completion, the content of which shall be reasonable, practicable and proportionate to the adult social care market.