

SCHEDULE 14 – FEE STRUCTURE

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)
- 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 within either the Framework Agreement or Flexible Contracting Arrangement, with the exception of 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) the Council will increase fees on an annual basis.

- 2.4 For 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) an annual price increase will only become applicable once the care package has been Reviewed and the revised fee is agreed under this Flexible Contracting Arrangement.

- 2.5 Third Party Top Ups will only be required when the Service User or their family have specifically requested more expensive accommodation or are receiving a genuine upgrade in the services they are receiving.

- 2.6 Providers will be required to justify any Third Party Top Up 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.

2.7 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.

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 £14.00 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 30 April 2018.

3.1.5 The Standard Home Support Fee will automatically be applied to all existing care packages in place on 30 April 2018. 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 2019 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 and 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 and 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 £4.00 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 £4.00 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 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 total of the Standard Home Support Fee and 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 £500.00 per week will apply (the “Standard Residential Fee”).
- 3.4.2 The Standard Residential Fee is applicable to all new care packages commissioned from 30 April 2018.
- 3.4.3 The Standard Residential Fee will be applied to all existing care packages in place on 30 April 2018. 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 2019. 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 £575.00 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 30 April 2018.

3.5.4 The Standard Nursing Fee will automatically be applied to all existing care packages in place on 30 April 2018. 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 2019. 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 shall publish a Guideline Fee Structure for a range of care needs for Service Users that are under 65 years old, who took up residence prior to their 65th birthday and/or are recorded by Birmingham City Council as a younger adult placement.

4.2 The level of need quantified by the number of care hours required by the Service User shall be determined by the Assessment.

4.3 The Guideline Fee Structure shall apply to all new placements commissioned from 30 April 2018.

4.4 In situations where Providers make offers for placements at prices that are not aligned to the Guideline Fee Structure, 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 30 April 2018) shall be increased to the Standard Residential Fee for Care Homes Without Nursing services placements and the Standard Nursing Fee for Care Homes With Nursing services placements, effective from 1 April 2018.

4.6 All existing placements (those commissioned prior to 30 April 2018) shall remain on the fee agreed at the time the placement was made until such time as the Service User's needs are reviewed. The Review shall make an assessment of the hours of care and support required and the Council shall use this to calculate the new fee based on the Guideline Fee Structure.

4.7 In situations where the Provider's price is not aligned to the Guideline Fee Structure then the Provider shall be required to submit an Open Book Statement.

4.8 Where the Council believes better value for money can be achieved by Micro-Tendering the placement, then it shall do so and shall support Service Users to move to better value accommodation where this is identified through this process.

4.9 Once the care package has been subject to the process described in 4.6 to 4.8 fees will automatically increase annually from 1 April 2019. The process for deciding the amount of the increase is described in paragraph 5 of this Schedule 14.

- 4.10 With the exception of the Standard Residential Fee and the Standard Nursing Fee there shall be no annual increase in fees until a Review has been conducted and a new price agreed in accordance with this paragraph 4 of 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 new fee determined in line with paragraph 4 of this Schedule 14 above on an annual basis from 1 April 2019. This increase shall apply to all existing packages in place on 1 April 2019 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 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 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 2019.

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 30 April 2018) that are unsuccessful in joining the Framework Agreement or Flexible Contracting Arrangement, all previous contractual terms and conditions shall remain in effect.

7.2 Existing placements will not move onto the Standard Home Support Fee, Standard Residential Fee or Standard Nursing Fee on 30 April 2018 and the fees shall remain at the levels under the previous contractual arrangements 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. Third Party Contributions (Top Ups)

8.1 Third Party Top Ups will only be required when the Service User or their family have specifically requested more expensive accommodation or are receiving a genuine upgrade in the services they are receiving.

9 Open Book Accounting Principles

9.1 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;

9.1.1 Understanding of Provider's cost base;

9.1.2 Understanding of cost implications of decisions taken/being considered including any changes in fees;

9.1.3 Identify areas to improve efficiency and/or performance across the adult social care market including collaboration between the Parties and also between Providers;

9.2 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.