PARTNERS
in CARE

Members Local Authority Fee Survey Report
November 2024

1. Introduction

1.1 Each financial year local authorities with a responsibility for adult social care review their local authority fee rates which they will pay to care providers for care.

1.2 For the 2024/25 financial year, Shropshire Council agreed a 6% uplift to its standard rates for care homes and domiciliary care[1]. Telford & Wrekin Council agreed a 3.3% uplift for domiciliary care and an uplift of between 2.8%-4% for care homes.

1.3 In October 2024 Partners in Care surveyed our local care provider members to explore the impact of current local authority fee rates on their businesses and gain their feedback and insights to support discussions with Shropshire Council and Telford & Wrekin Council regarding fee rate uplifts for the 2025/26 financial year.

1.4 Our aim in conducting this survey was to gather evidence direct from care providers to demonstrate the effect of current fee levels on the sustainability of the sector currently and over the next 12 months.

1.5 Partners in Care has always taken its role in fee rate discussions with the local authorities seriously but, given the financial impact for adult social care providers of the Government's Autumn Budget 2024, presented to Parliament by the Chancellor of the Exchequer on 30 October 2024, it is more important than ever that we are able to support the sector to be stable, agile and appropriately resourced. The sector faces a significant challenge due to the Budget's mandated increases in wage costs starting in April 2025:

- National Living Wage (NLW) for those aged 21 and over will rise by 6.7% to £12.21 per hour from 1 April 2025, with rates for those aged 18-20 increasing 16.3% to £10 per hour and rates for those aged 16-17 and apprentices increasing by 18% to £7.55 per hour.
- Employer National Insurance contributions (NIC) will increase by 1.2% from 6 April 2025, with a lowered threshold of £5,000 (equivalent to eight hours at the new NLW rate). This change will add approximately £615 per annum per employee who works more than eight hours per week, impacting part-time workers significantly.

[1] Any provider receiving a rate higher than the Council's published 2024/25 standard rates did not receive an uplift. Providers who were at the 2024/25 rates received the % increase or an increase that took them to the new capped rate

1.6 As the majority of responses to the survey (60 out of 64) were received before the Budget announcements on 30 October 2024, we have undertaken a further survey of our members specifically to gather their feedback on the financial implications of the Budget and will again share the results with our local authority partners as soon as these are available.

1.7 This survey was designed to gather providers' views and was not in any way intended to identify the cost of care. The local authorities conducted their own Cost of Care Exercises in 2022 in respect of care homes for the over 65's and domiciliary care for the over 18's as required by central Government.

1.8 Throughout this report, percentages used are of responses received to the specific question. Not all respondents to the survey responded to every question.

2. Summary of findings

2.1 A total of 64 responses were received to the survey representing 91 care services across Shropshire, Telford & Wrekin. This compares to 88 responses (representing 137 services) received to a previous fee survey undertaken by Partners in Care in October 2023. Of the 64 responses, one respondent does not deliver any local authority-funded care services. 17 of the 64 respondents only part-completed the survey.

2.2 The table below provides a breakdown of service type and areas covered (NB: figures in the table differ from the total number of responses received because providers were asked to state all the services they deliver, and some providers deliver more than one type of service).

	Shropshire	**Telford & Wrekin**
Care Homes	27	15
Domiciliary Care	31	7
Supported Living	8	4
Shared Lives	2	1
Day services	3	1

2.3 Of the services across Shropshire, Telford & Wrekin, 71 services deliver care funded by Shropshire Council and 28 services deliver care funded by Telford & Wrekin Council.

2.4 Only 14% of respondents across both local authority areas feel that the current local authority fee rates cover their actual weekly operating costs, a significant decrease from 19% in the previous survey undertaken in October 2023.

2.5 72% of those respondents for whom the question was applicable cross subsidise council fee rate income with other business provision, e.g. self-funders, other private funded care through charities/other organisations, etc, a significant decrease from 77% in October 2023.

2.6 The highest impact cost pressures across all care providers are as follows. These were also the five highest impact cost pressures in the previous survey undertaken in October 2023.

- Increasing wage bills.
- The National Living Wage.
- Increasing energy/utility costs.

- Increasing staff recruitment costs.
- Increasing mileage/travel costs for staff.

2.7 Whilst there is evidence of some improvement in the financial situation/sustainability of care providers who responded to our survey over the past year, there remains an underlying theme of increasing cost pressures impacting on care providers, particularly in respect of wage bills/the National Living Wage, increasing energy/utility costs and increasing staff recruitment costs.

2.8 Whilst the reported average turnover rate has reduced slightly from 19% to 17%, the confidence levels of care providers who responded to our survey for the next 12 months are significantly lower than they were a year ago, with 71% of all respondents expecting to further reduce the amount of council funded care they provide in the next 12 months if fee rates remain the same in 2025/26.

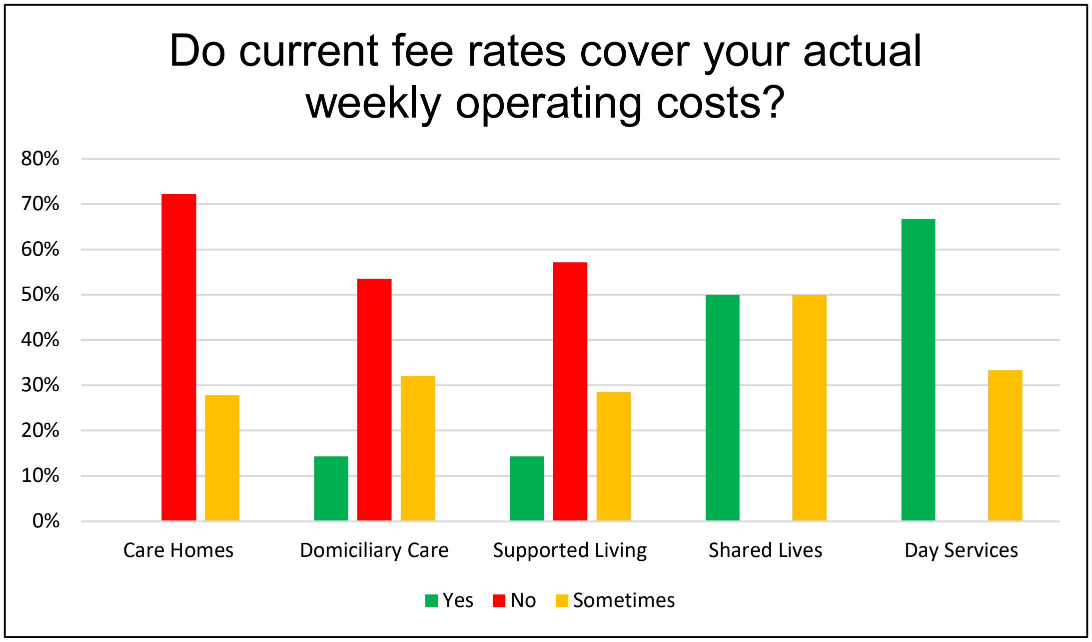
2.9 The detailed comments made by care providers throughout the survey highlight the critical position the sector continues to face in Shropshire, Telford & Wrekin, and in particular the negative impact of the current local authority fee rates on staff recruitment and retention and providers' ability to grow their businesses and continue to deliver high quality services.

2.10 Even before taking into account the financial impact of the Autumn Budget 2024, the survey responses set out a clear case for support for local authority fee rates to increase for care home, domiciliary care and supported living providers, without which it is inevitable that care providers in Shropshire, Telford & Wrekin will continue to withdraw from local authority placements/packages/contracts.

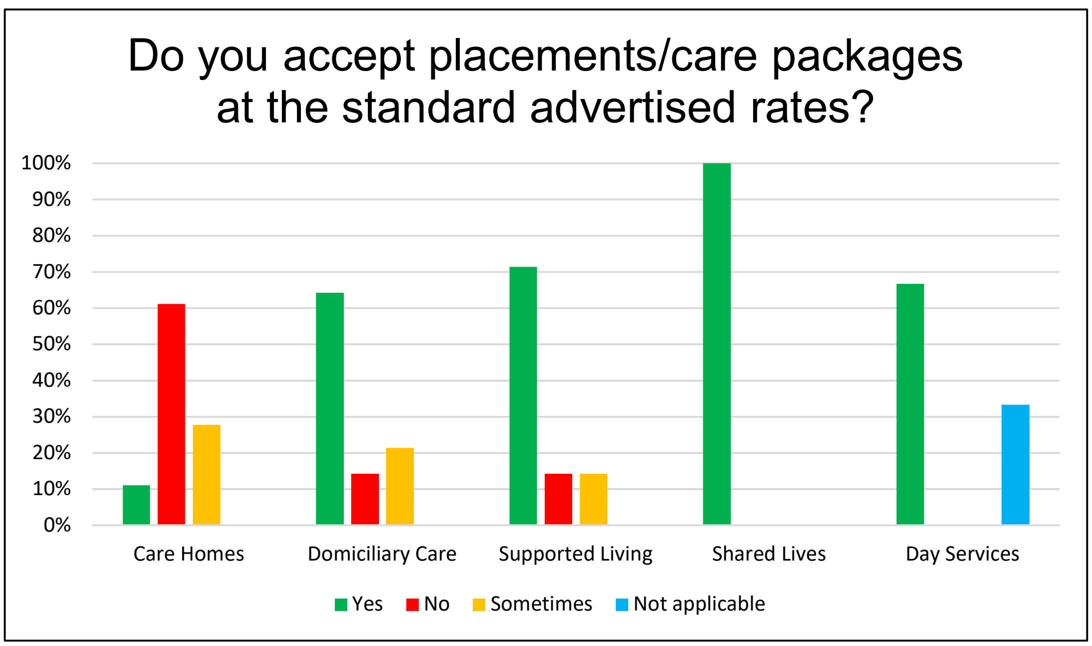
3. Operating Costs and Placements

3.1 Overall, only 14% of those asked felt that the current local authority fee rates cover their actual weekly operating costs, a significant decrease from 19% in the previous survey undertaken in October 2023.

3.2 72% of care home respondents, 54% of domiciliary care providers and 57% of supported living providers stated the current weekly fees do not cover the costs of providing care, all significant increases compared to the previous survey undertaken in October 2023 when the responses were 46%, 50% and 11% respectively.

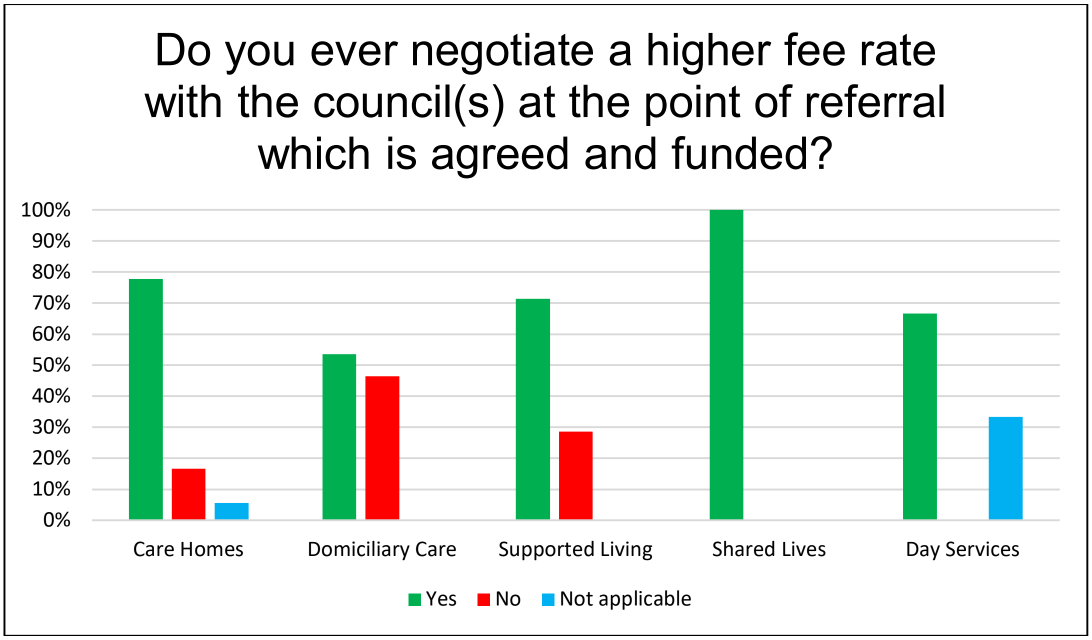


3.3 Despite the majority of respondents stating that current fee rates do not cover costs, or only do sometimes, we found that 71% of providers always or sometimes accept placements and care packages at these rates, an increase from 66% in the previous survey conducted in October 2023. Care homes are significantly less likely to accept placements and care packages at the current fee rates than other providers including domiciliary care providers and supported living providers.

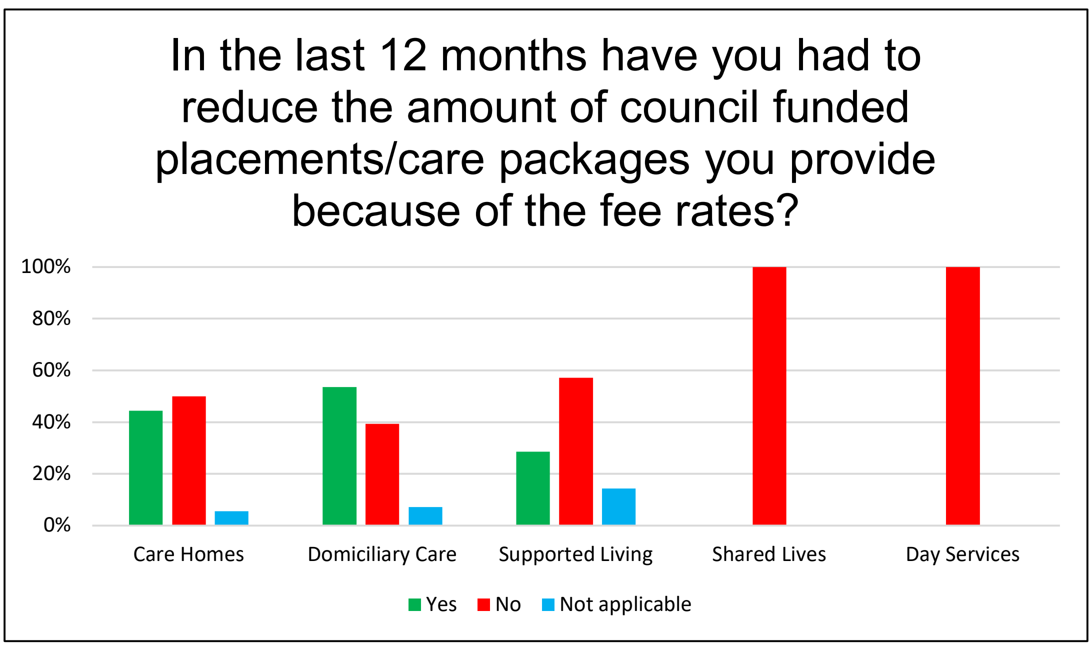


3.4 We asked providers if they ever negotiate a higher fee rate with councils at the point of referral. 78% of care home providers and 54% of domiciliary care providers said they did, both significant decreases compared to the previous survey in October 2023 (92% and 64%

respectively). Conversely, 71% of supported living providers said they now negotiate a higher fee rate, a significant increase from 56% in October 2023.

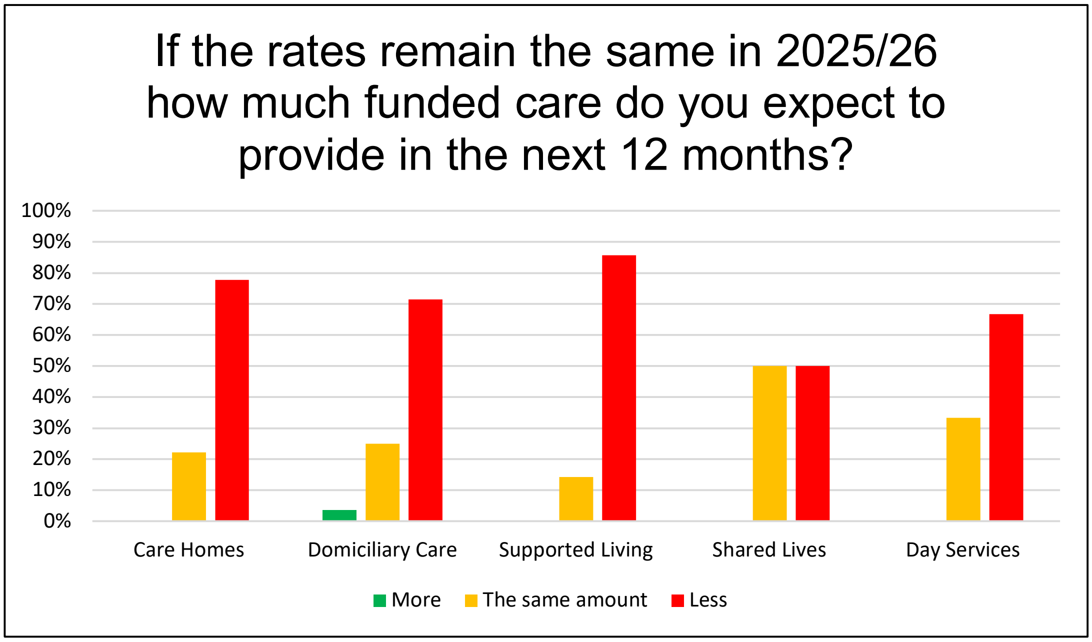


3.5 Providers were asked if they have reduced the amount of local authority funded placements/ packages they accept in the past 12 months because of fee rates. 47% of all providers who responded confirmed that they have reduced the amount of local authority funded placements/packages they accept in the past 12 months, an increase from 42% in the previous survey in October 2023.



3.6 54% of domiciliary care providers confirmed that they have reduced the amount of local authority funded placements they have accepted in the past 12 months, a significant increase from 39% in October 2023. However, there has been a decrease in the number of care home providers choosing to reduce the amount of council funded work they accepted in the past 12 months, from 54% in October 2023 to 45% now.

3.7 71% of all respondents also expect to further reduce the amount of council funded care they provide in the next 12 months if fee rates remain the same in 2025/26, a significant increase from 56% in the previous survey in October 2023. Only 2% expect to increase the amount of council funded care they provide compared to 6% in October 2023.



Care Home Provider Comments

In the last 12 months have you had to reduce the amount of council funded placements/care packages you provide because of the fee rates?

Am actively trying to avoid doing so but provision of care at the lowest cost goes against the grain with regards providing quality care and remunerating the team a decent wage in order to provide decent standards of care.

This is something I may have to do in the future.

I will not accept new clients under £900 (which is partly why I have 5 empty beds).

We just do not accept them. However with the increase use of brokerage we are not getting the placements and the placements are going to homes that are accepting nearer, lower or at the level of the council/NHS rate.

We have had to source placements elsewhere.

We've had to reduce.

If the rates remain the same in 2025/26 how much funded care do you expect to provide in the next 12 months?

It is not sustainable for the business. We want to invest in staff and lower rates make it impossible. It won't be viable to run the home on same fees going into next year considering wages and other over heads.

It is currently financially unsustainable and therefore we would have to look at our care model and make changes to ensure the charity can continue.

If fees do not meet Hft's expectation then care packages will be 'handed back' to local authorities.

I anticipate Providers will leave the market place, those that enter will face high fixed costs and thus high weekly fees for residents. If so, we may end up supplying more funded care.

I would work on private beds instead, if prices do not go up.

Income must exceed expenditure. I will not evict anyone but I will not accept any new clients under a rate that I will determine when I have the figures for staff wages, utilities, Corp Tax, Emp NI, food, rates etc etc.

We would not provide placements at fees below our operating costs.

The constant drive to the bottom with fees does not enable financial stability to enable planning and investment in new technologies and equipment to the benefit of the residents.

Can't run at the low fee.

It is simply not sustainable for the business.

Not willing to accept LA rates.

We believe that the demand for our more complex services will remain high and this will allow us to push for higher fees beyond those offered by LA.

Domiciliary Care Provider Comments

In the last 12 months have you had to reduce the amount of council funded placements/care packages you provide because of the fee rates?

We now actively prioritise looking to take on privately funded packages of care.

But only because I wouldn't hand back any clients, but if I had 2 possibles, 1 SF [self-funder] and the other council I would take the SF [self-funder] first.

We try to avoid 4 x 30 minute PoC [packages of care].

We just do not accept them. However with the increase use of brokerage we are not getting the placements and the placements are going to homes that are accepting nearer, lower or at the level of the council/NHS rate.

Our focus is always private clients or CHC funded.

THERE IS A LIMIT TO HOW MUCH WE CAN CHARGE PRIVATE CLIENTS YEAR ON YEAR AND WE ARE NEARING THE CEILING LIMIT. THIS WILL MEAN THAT THE OFFSET FROM PRIVATE FEES WILL NARROW AND THAT IN ORDER TO MAINTAIN OUR BUSINESS LOCAL AUTHORITIES MUST BE REALISTIC IN WHAT THEY PAY PROVIDERS.

We have had to make the decision to merge the dom care service into our complex division in order to optimize operational efficiencies.

If the rates remain the same in 2025/26 how much funded care do you expect to provide in the next 12 months?

We will not be in business. Because of the recent rise in employers NI and NLW in the budget we are looking at dissolving the company.

Due to the fees not covering the actual support required. increase in NMW fuel costs and increase in national insurance.

If rates remain the same and with the planned increases to employee wages and employer NI contributions, we would have no choice but to review current socially funded packages as some may not be financially viable. Example for the 2024/2025 fee uplift, no increase was received for resting nights, therefore we continue to provide this portion of care at a loss.

It is currently financially unsustainable and therefore we would have to look at our care model and make changes to ensure the charity can continue.

Not feasible with extra costs.

It is only with the volumes that we would continue to break even depending on pay increases.

As before, I am concentrating on building the SF [self-funder] base.

Because we will not be able to afford to replace and train staff. Cheaper care agencies from out of area have infiltrated and diluted what was a healthy mix of care agencies within the Shropshire area.

Low rates.

Other costs are increasing and we now have additional costs of sponsorship so would have to look at handing back non profit PoC [packages of care].

We will have to source other income streams to keep inline with minimum/living wage.

I will be running at a major loss if I do this. What would be the point.

Our operational costs are tightly controlled any increase in packages attracts additional operating costs which need to be paid. If the rate does not change in 2025/26 this will put pressure on the service being financially stable.

Care costs increase year on year, so if income remains the same, council business becomes unviable. Our target this year is to reduce council clients from 80% to 60% or less.

We would obviously have to provide an uplift in wages - meaning we would have to reduce our workforce.

WE ARE ALREADY JUST SURVIVING AND NO BUSINESS CAN AFFORD TO OPERATE AT BREAK EVEN. THIS WILL RESULT IN MORE PROVIDERS CLOSING THEIR DOORS WHICH IN TURN PUTS MORE PRESSURE ONTO THE NHS. GOVERNMENT NEEDS TO RECOGNISE THAT IF INVESTMENT IS MADE IN SOCIAL CARE, WE CAN PAY A WAGE BETTER THAN TESCO/ALDI/ETC WHICH IN TURN WILL ALLOW CARE PROVIDERS TO TAKE ON MORE PACKAGES OF CARE BECAUSE WE ARE ATTRACTING MORE PEOPLE TO SOCIAL CARE. RESULT IS MORE HOSPITAL BEDS, MORE EFFECTIVE USE OF THE NHS AND REDUCED WAITING TIMES.

If fees don't increase we won't be able to pay staff the increased NLW rates and we will lose staff and consequently have to hand back services.

If costs rise and income remains static then I doubt we will look to provide a great deal more care until we can assess the financial impact.

We cannot operate a sustainable business on the current fees.

I cannot accept packages out of town centre as running costs are prohibitive. Mileage is expensive, travel time etc. It is not viable.

We cannot continue to subsidise council funded care - it has to be paid at its true value.

Supported Living Provider Comments

In the last 12 months have you had to reduce the amount of council funded placements/care packages you provide because of the fee rates?

We try to avoid 4 x 30 minute PoC [packages of care].

If the rates remain the same in 2025/26 how much funded care do you expect to provide in the next 12 months?

Although it will be increasingly difficult with the proposed minimum wage increase of 5.7% and Employers Nic increasing by 1 or 2 percentage points.

It is currently financially unsustainable and therefore we would have to look at our care model and make changes to ensure the charity can continue.

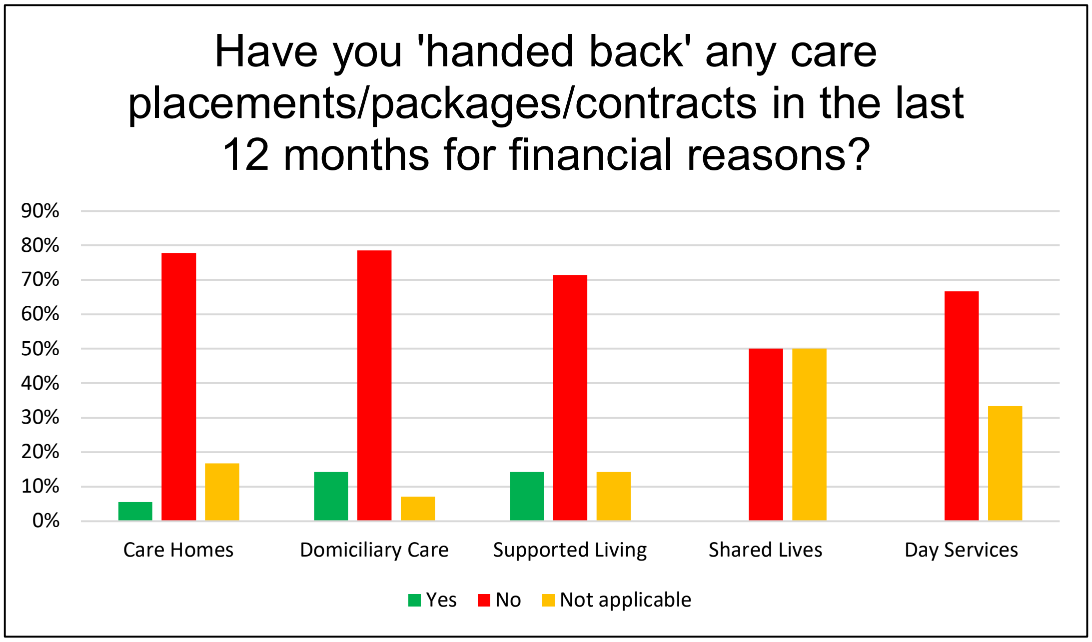
'Rightsizing' is in some cases leading to people being put at risk in our view, so these packages will be handed back.

Other costs are increasing and we now have additional costs of sponsorship so would have to look at handing back non profit PoC [packages of care].

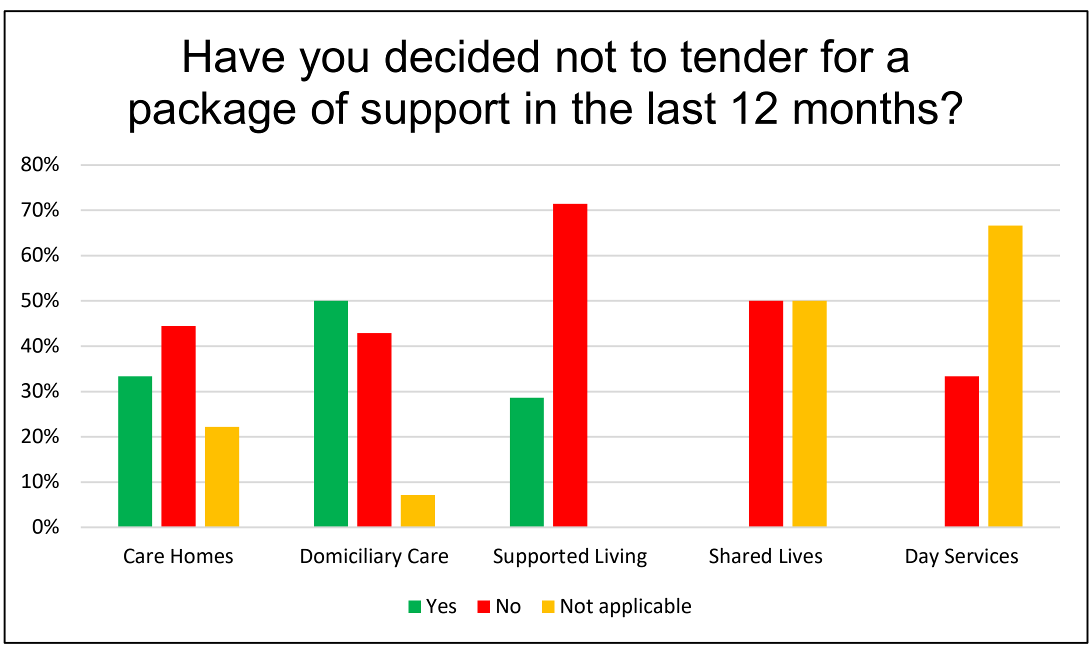
If fees don't increase we won't be able to pay staff the increased NLW rates and we will lose staff and consequently have to hand back services.

We may need to withdraw from the area totally.

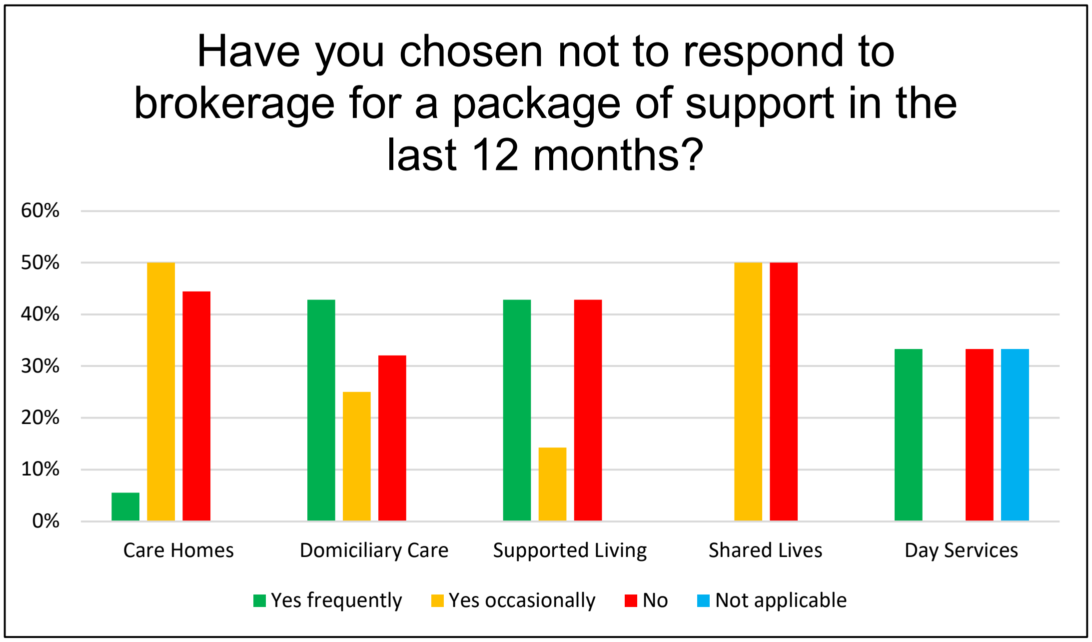
3.8 10% of respondents told us that they have 'handed back' care placements/packages/contracts in the last 12 months for financial reasons, a significant reduction from 15% in the 12 months to October 2023. A higher proportion of domiciliary care providers and supported living providers have handed placements/packages/contracts back than care home providers.



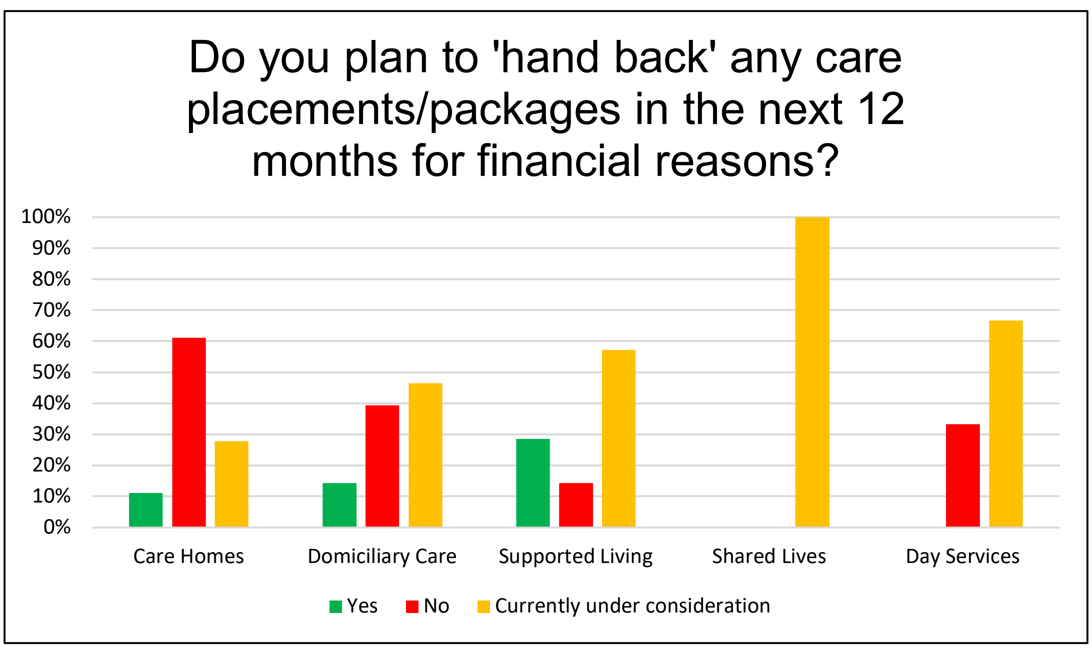
3.9 However, nearly half (42%) of respondents have decided not to tender for a package of support in the last 12 months, although this was again a decrease from 48% in the 12 months to October 2023. One in two domiciliary care providers who responded had decided not to tender for a package of support in the last 12 months.



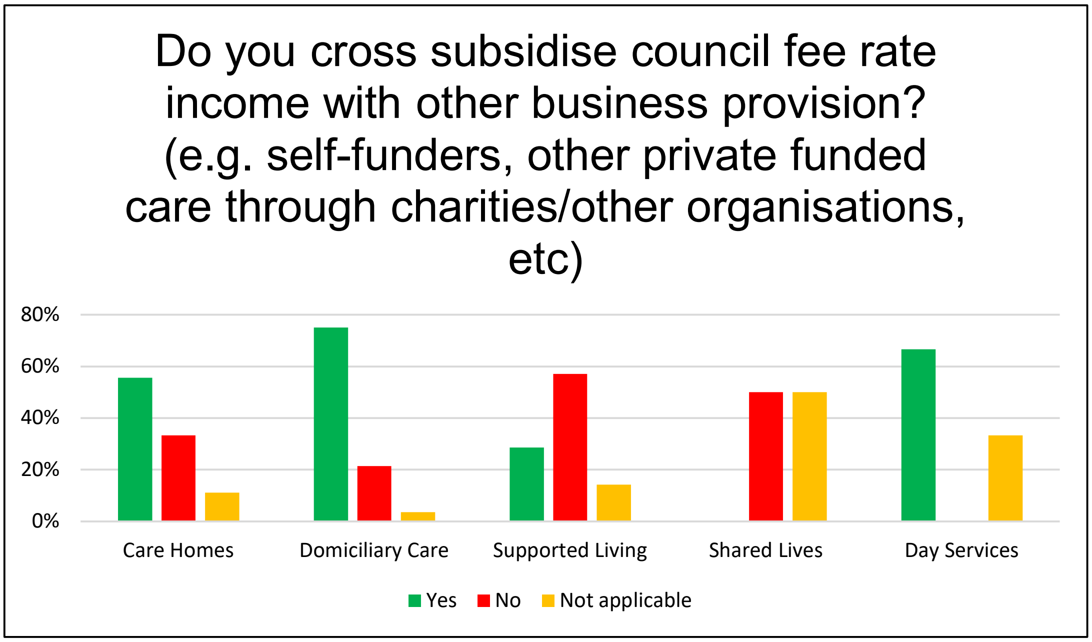
3.10 Nearly two-thirds (65%) of those respondents for whom the question was applicable have chosen not to respond to brokerage (frequently/occasionally) for a package of support in the last 12 months, a decrease from 76% in October 2023. Over two-thirds (68%) of domiciliary care providers had chosen not to respond to brokerage (frequently/occasionally) for a package of support in the last 12 months.



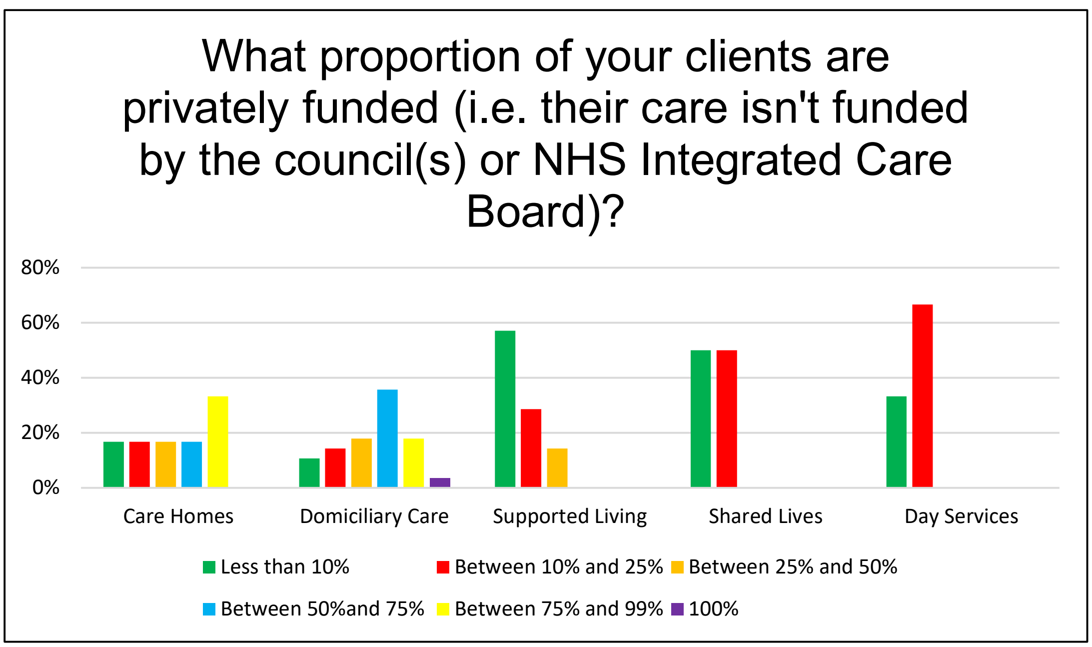
3.11 14% of respondents are currently planning to 'hand back' further care placements/packages in the next 12 months for financial reasons, a significant increase from just 3% in the previous survey in October 2023, and a further 38% are currently considering this – again an increase from 31% in October 2023 – including nearly half (46%) of all domiciliary care providers and over half (57%) of supported living providers who responded.



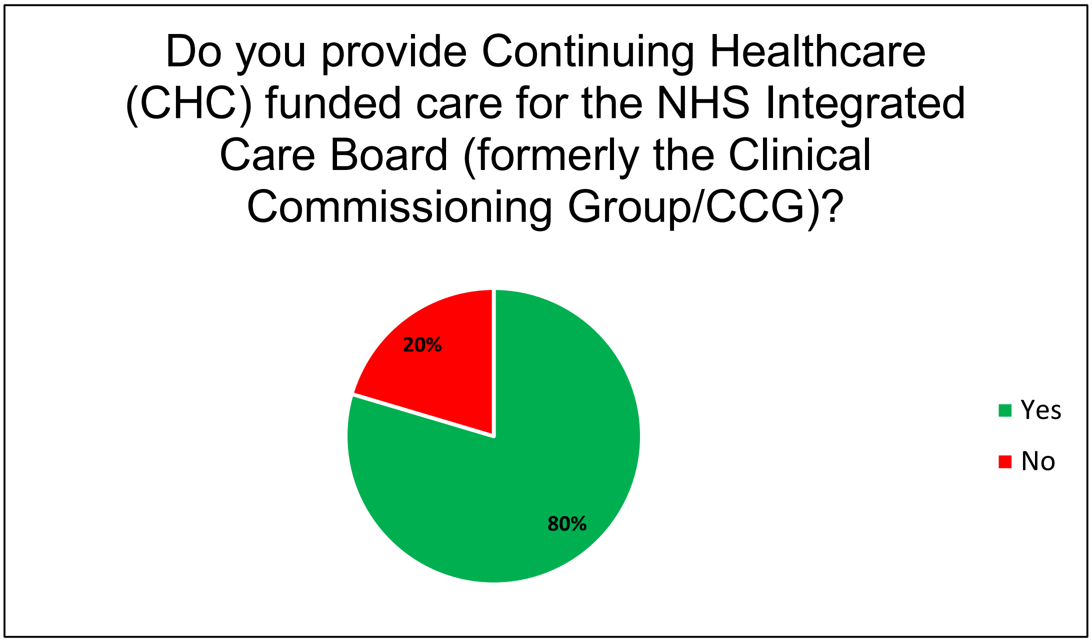
3.12 We also asked providers if they cross-subsidise council fee rate income with other business provision, e.g. self-funders, other private funded care through charities/other organisations, etc. Nearly three-quarters (72%) of those respondents for whom the question was applicable cross subsidise, a decrease from 77% in October 2023.



3.13 Nearly half of all respondents (49%) currently have more than 25% self-funding clients, the same percentage as in October 2023.



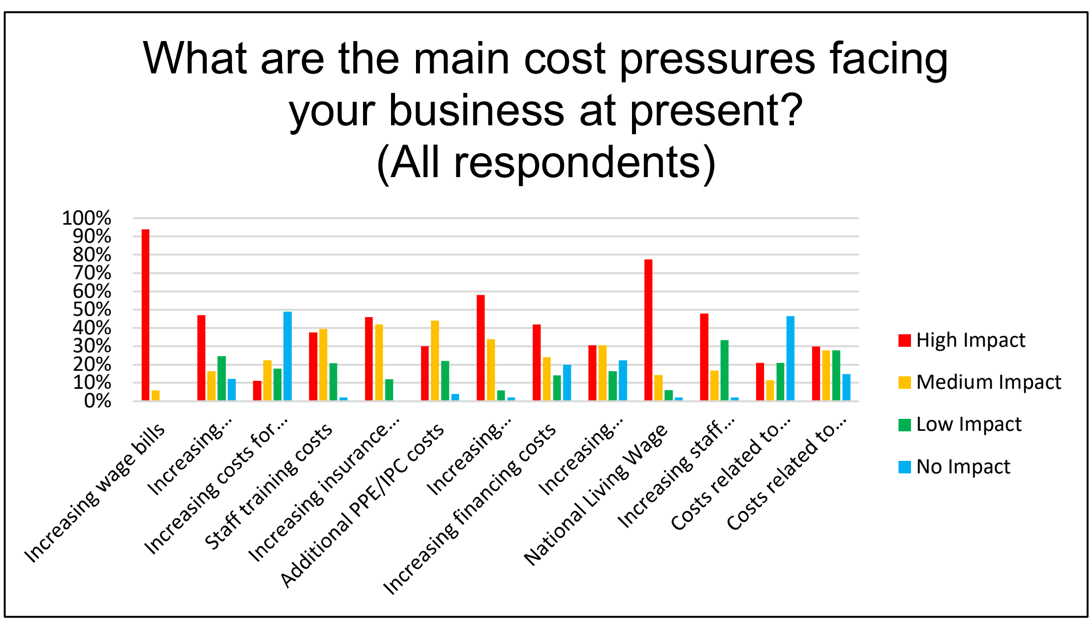
3.14 The survey found that a majority of those who responded to the question (80%) provide Continuing Healthcare (CHC) funded care for the ICB, compared to 77% in October 2023. 17 respondents didn't answer this question.



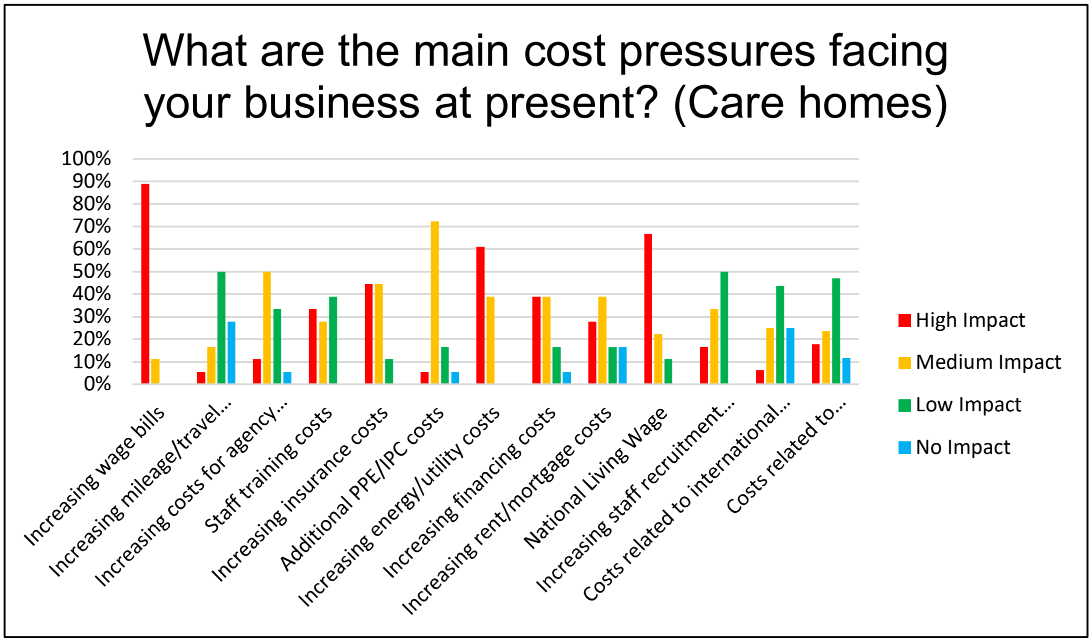
4. Cost pressures for care providers

4.1 We asked providers to tell us the main cost pressures facing their business at present, and whether these are high, medium or low impact. The highest impact cost pressures across all providers were as follows – these were also the five highest impact cost pressures in the previous survey undertaken in October 2023.

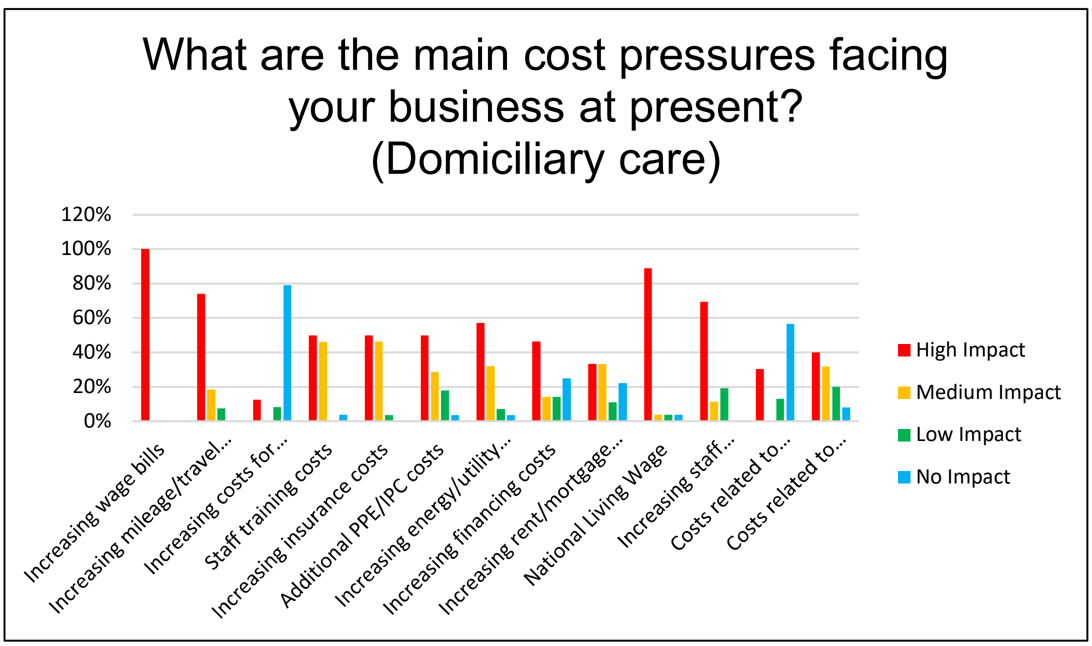
- Increasing wage bills.
- The National Living Wage.
- Increasing energy/utility costs.
- Increasing staff recruitment costs.
- Increasing mileage/travel costs for staff.



4.2 For care home providers, increasing wage bills, the National Living Wage, increasing energy/utility costs and increasing insurance costs are also the most significant cost pressures.



4.3 For domiciliary care providers, increasing wage bills, the National Living Wage, increasing mileage/travel costs and increasing staff recruitment costs are the most significant cost pressures.

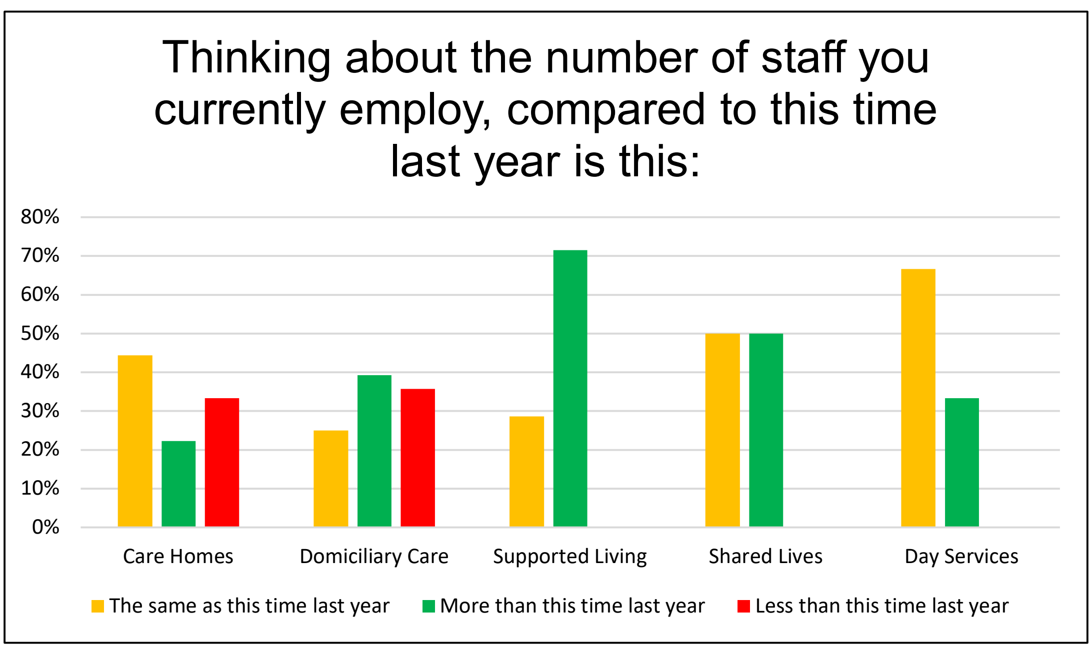


4.4 We asked providers what additional costs they have incurred in the last 12 months, e.g. increased recruitment costs, agency costs etc. Below is a word cloud showing the most popular words used in responses from providers. Excluding "costs" and "increased", the most popular words used were "staff", "recruitment", "energy", "utility" and "insurance". This was very similar to the results of the previous survey in October 2023.

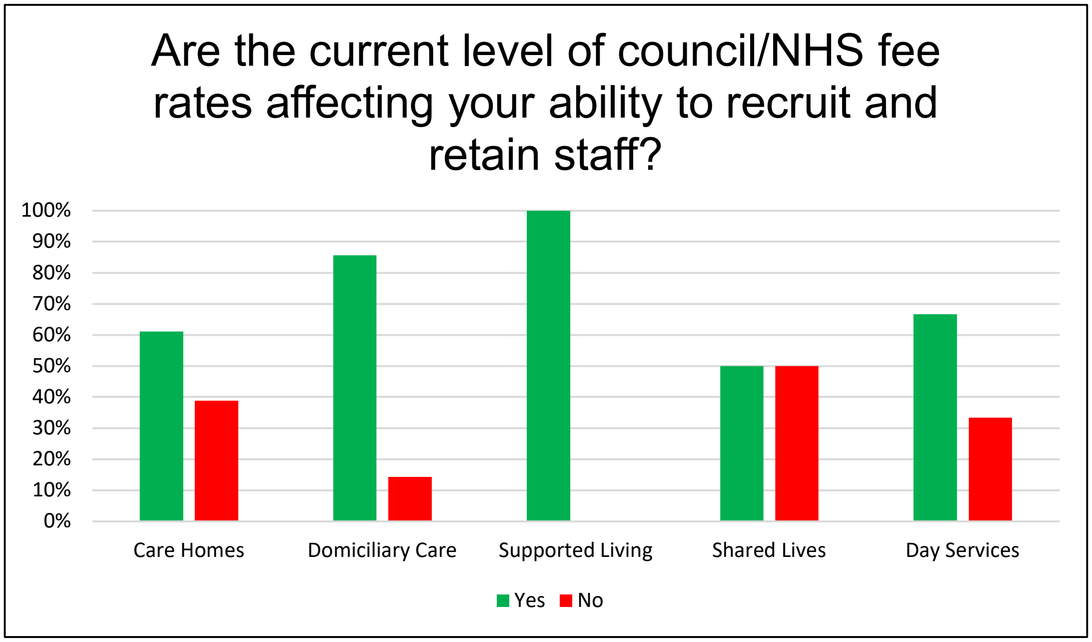
Question 22 – What additional costs have you incurred in the last 12 months? e.g. increased recruitment costs, agency costs, costs related to international staff recruitment, increased energy/utility costs etc.

4.5 We asked care providers what percentage of their total staff workforce has turned over in the last 12 months (i.e. how many staff have left their organisation as a percentage of their current total workforce). 47 respondents answered this question and the average staff turnover rate was 17%, a slight decrease from 19% in October 2023.

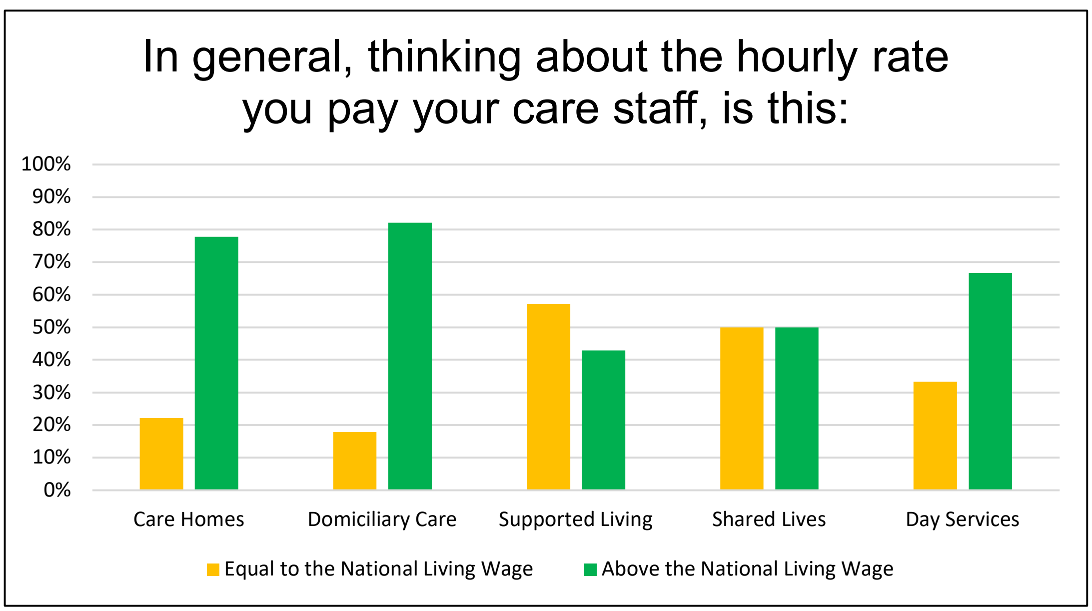
4.6 We asked "Thinking about the number of staff you currently employ, compared to this time last year is this the same as this time last year, more than this time last year or less than this time last year?". Nearly a third (32%) of respondents stated that they are employing less staff than this time last year, a significant increase from 23% in the previous survey in October 2023, with 36% of domiciliary care providers and a third (33%) of care home providers stating that they now employ less staff than a year ago.



4.7 We asked if the current level of council/NHS fee rates are affecting providers' ability to recruit and retain staff. Nearly three-quarters (74%) of respondents stated that the current level of council/NHS fee rates are affecting their ability to recruit and retain staff, with every supported living provider and 86% of domiciliary are providers stating that this is the case.

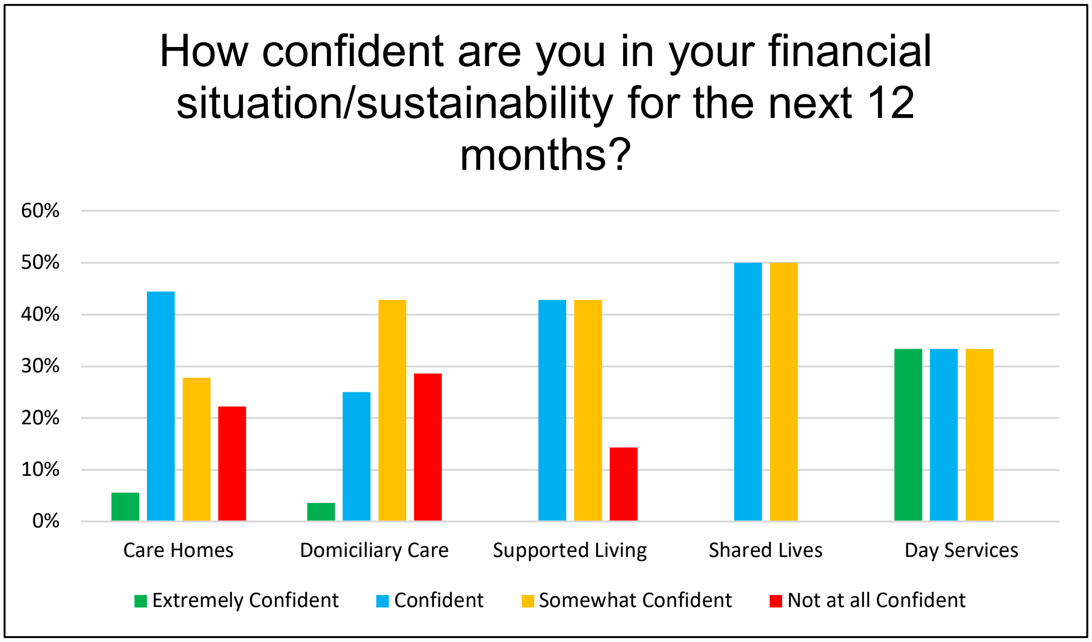


4.8 We asked, in general, thinking about the hourly rate you pay your care staff, is this equal to or above the National Living Wage (NLW). Nearly four out of five (78%) respondents are already paying above the NLW with 78% of care home providers and 82% of domiciliary care providers already paying above the NLW. However, nearly six out of ten (57%) supported living providers are only paying at the NLW which suggests that the fee rates they currently receive do not allow them to pay above the NLW.



4.9 We asked how confident care providers are in their financial situation/sustainability for the next 12 months. Confidence has significantly decreased over the past 12 months, with only 6% of respondents feeling extremely confident compared to 15% in October 2023. The proportion of respondents feeling not confident at all has increased significantly from 16% in October 2023 to 26% in October 2024, and this is before the majority of respondents were aware of the financial impact of the Autumn Budget 2024.

4.10 The level of confidence is lower amongst domiciliary care providers with nearly one in three (29%) feeling not at all confident – a significant increase from 21% in October 2023 – compared to 22% of care home providers – again a significant increase from 8% in October 2023 – and 14% of supported living providers (up from 11% in October 2023).



4.11 We can see from comments received for this question there is still significant concern for the future.

Ever increasing cost to run the business which never seems to be addressed in the uplift fee rate, along with recruitment and retention issues. Nothing seems to have changed to address these issues in the last 10 years.

We review and make decisions on a regular basis.

Am actively engaged in discussions to diversify.

I will get through it for the sake of my clients and if that means legal action then that is something we are prepared to do.

As a company we have wrote to Shropshire and Telford & Wrekin in regards to the fees not being represented of today's outing going costs.

I will not pretend that the April fee increase calculations are easy, but up to now I have always managed to bring our families/clients along with the logic, explaining in detail the increase pressures on the business and justifying the increase in fees.

We have a strong base and good reserves to support any period of insecurity but that would not be sustainable for long. We have already become much more cost aware over the last year due to increased costs and reduced referrals and this is only going to get worse with changes in employment law and taxes looming.

Response to question 20 is dependant on any cost of living increases which are out of our control.

Packages of care seem to have declined not as many on the brokerage system or out in the community that people can afford to pay for care.

We run detailed monthly management accounts to keep track of sustainability.

We need consistence in fee levels for budgeting/cash flow/salaries.

WE HAVE SEEN A INCREASE IN TURNOVER BUT A OVERALL DECLINE IN 'PROFITABILITY'. ANY BUSINESS NEEDS TO SEE A PROFIT AND FOR THE TURNOVER WE ARE NOT SEEING WHAT ANY OTHER BUSINESS WOULD EXPECT.

We are being told other providers are happy with the rates but we can't understand how?

I have been doing this in excess of 30 years. It never changes.

We believe that the 'entry' point for residential care will become less available due to lack of LA funding, meaning that more individuals will enter Care Homes later in journey, requiring more complex care (because they have remained at home for longer than is appropriate and had more "moments of crisis" - both physical and mental health related). Our service is positioned to meet this need.

4.12 We asked domiciliary care providers if there are any geographical areas within Shropshire, Telford & Wrekin where they currently have capacity to deliver care but are unable to do so due to it being financially unviable based on current fee rates. 23 domiciliary care providers stated that this was the case and details will be shared separately with the local authorities.

5. Comments from care providers on the effect fee rates have on their staffing levels and other aspects of the care and services they provide

5.1 We asked care providers to describe what effect current fee rates have on their staffing levels and other aspects of the care and services they provide. Again, we received a significant number of comments to this question, giving a stark insight into the challenges that care providers in Shropshire, Telford & Wrekin are currently facing. The extensive feedback provided is set out below:

Year on year we have received increases much less than the rises in the National Minimum Wage.

We now make less money but still provide a high staffing level. I do wonder how other businesses manage.

Due to the low fees we are unable to pay staff above the minimum wage, due to extra costs of mileage/travel time.

Current fee rates support our existing business plan. Changes in rates (including below inflation/cost rises) could lead to a review of our business plan.

As per previous years surveys completed (by PIC, The Department of Health, Social Services and Council) the hourly rate we can afford to pay our staff is not reflective of the skill and responsibility they need/have, therefore it's hard to advertise as an attractive sector where they can go and working stacking shelves for £13-£15 per hour and not have the responsibility, or unsocial hours.

It limit the rate of pay that the company can afford to pay staff when it comes to negotiations with them. This then affect recruitment and retention. All the three staff that left was due to pay issues.

Unable to offer a competitive hourly rate, unable to provide enhanced terms and conditions to staff, unable to provide more than mandatory training. The cost to cover staff while sick, on leave or training is not factored into the fees. The physical environment within the care home is poor as we have no funds for redecoration or furniture and equipment replacements.

If the local authorities paid the correct fees another full time member of staff could be employed to reduce the pressure on the current team.

Some providers MUST employ fewer staff than is required in order to offer quality care if they are to quote at the levels I am missing out on. Care complexity has increased dramatically in recent years - the number of staff we employ has increased dramatically because needs have massively increased.

Would love to pay staff what they are worth!

We cannot offer the salary some agencies pay due to be a small business.

Making it difficult to recruit trained staffs with over 2 years' experience.

They should do, but we have to employ the same amount of staff anyway.

Harder to recruit, pay different rates in England and Wales, central/backroom staff reductions and no CoL [cost of living] rise. Rates paid to council and NHS staff considerably higher than they expect us to pay.

We want to provide higher levels of training but at the moment we cannot do this.

Older fees for each service user is not reflective to today's hourly fee.

At present we are struggling to fund appropriate training such as NVQs as costs for sponsorship use a large percentage of profits.

We are fully staffed (and usually are because of our reputation). Contracting with T&W has an additional knock-on effect and that is they choose to inspect your care service, due diligence or because they don't trust CQC at the moment? Ours is in December.

We have to pay what we pay staff in order to recruit and retain so other costs would have to be looked at if we do not get a decent fee that covers our costs i.e. not council/NHS rate.

We can't offer a more affordable hourly rate/wage due to the lack of adequate income.

I cannot pay staff what they are worth, as the rates do not stretch to it. Supermarkets can pay much more, and there is not the stress.

Directly correlate to the ability to attract, recruit & retain staff.

Paying the national living wage impacts on our ability to compete with other sectors or even within social care where other providers can offer a higher rate. There is no attraction for people working outside social care to come into the sector for the same money they can get working in another sector with less responsibilities. This has negatively impacted our ability to grow our staffing levels to meet the demand of social care.

We have to think carefully about what area we take packages of care in and if we can afford to do them.

The council rates have caused us to significantly shift away from them and toward accepting more private clients and reduce our capacity with them.

Because we cannot pay our staff the salaries we would like to for the work they undertake.

One lady told me she can earn more cleaning in a pub.

The rates go straight to uplift wages costs.

IN ORDER TO MEET THE NLW FOR HOURS INCLUDING TRAVEL TIME, IN A GIVEN WORKING DAY, IT IS ESSENTIAL THAT THE HOURLY RATE OF PAY PAID IS ABOVE THE NLW. WE PAY TRAVEL TIME AS WELL. HAVING SPENT A LOT OF TIME CHECKING THAT CARERS ARE PAID ACCORDINGLY TO MEET OUR LEGAL REQUIREMENTS IT HAS INCREASED THE COSTS OF DELIVERING CARE. ADD IN MILEAGE COSTS AT £0.31/MILE, PPE, TRAINING, INSURANCE, UNIFORMS, ETC THEN THE RATE PAID BY SCC IS GONE.

Effectively we have to be creative, cutting corners, reducing costs we need to manage service provision and not doing the things in the way we want/used to.

We would like to pay more but we also need to ensure our training offer remains of a high standard. We do pay more in other areas to our staff when the LA fee is higher. This sees positive outcomes in terms of retention and staff attraction.

Little effect but we do have to consider whether or not the size of packages offered in terms of hours actually make it worth our while to take it on.

Staff can get more money working in a supermarket, even though the work with us is highly skilled.

It would be a great help to be able to pay staff what they are worth - carers are like gold dust, and should be treated as such. Instead we have to ask them to work for a pittance, and do more and more tasks, because our NHS who have a 22% pay increase do less and less.

Care work is not attractive due to the pay rates not being reflective of the weight of responsibility attached to the role. Costa Coffee pays £12 per hour with absolutely no responsibility other than making coffee!

Because fee rates are low, if we had to accept council / NHS base rates, we would be unable to offer higher wages in order to recruit / attract appropriate team members.

6. Points that providers would like raised with the councils on their behalf

6.1 Finally, care providers who responded to the survey have provided the following points they would like to have raised with the councils on their behalf by Partners in Care:

From listening to the budget it sound as though local authorities will benefit from a 3.2% increase in real terms to put towards social care. Set that against increases in the minimum wage amounting to 6.7% and the increases in employers' national insurance we have calculated as adding an extra 52.5% to our NI contributions. We will be closing the business early next year before the tax changes are implemented.

People are given less choice now. For example where they want to live. It all seems to be about cost.

Being a small business, receiving a higher fee rate would be passed onto staff to make them feel more valued for the brilliant job they do, also encouraging other carers to join this industry.

Why aren't providers included in these discussions? We continuously fill in surveys every year, and they all fall on deaf ears. The press continues to highlight concerns over the viability of the sector, everyone knows the facts, but little gets done. Sorting out social care will in turn naturally improve figures for unemployment, and help with the current state of the NHS (bed blocking). What is Council's contingency be when providers are no longer able to take on socially funded packages due to lack of financial viability.

Most of the youth/youngest are not interested in a career in the care sector mostly due to low pay rate. If nothing is done about it, I can see a lot of care homes closing down in the not distant future.

Quality care costs. It is delusional to try and make the sums work given the resources government have provided/offered. Most parties are lobbying for increased staff wages in care, none have commented on increasing fee levels in order to support this. Given that more individuals are remaining and actively being encouraged to stay at home, those entering care homes are by definition quite a lot more complex and harder to look after given the level of their needs. This needs serious consideration when placing contracts and when is cheaper ever better!! NEVER!

We have cut to the bone all that we can. I do not think we can give anymore without it affecting the quality and commitment of our service.

We must have a faster turn around on invoices and more regular audits carried out by the council, no one wants to have money sitting in their bank that can be clawed back at any time, without any warning.

On the brokerage system the fact that we will take "top ups" from residents should be allowed for. Currently if my quote is above what the council will pay, it is ignored.

There are so many points. I have raised all of the above.

The national cost and hourly fees of our service users are not reflective towards todays national minimum wage and daily out going costs for the business.

The social care crisis is not just because of fees but we need to pay better wages, improve access to training and we provide specialised services such as Peristeen irrigation which could be provided county wide if rates reflected the additional costs involved. Allocated call times push for quick care rather than quality care and the recording of information suffers as a result. The status of carers is poor and needs improving. Increases to overheads is quite scary at present as it may have a bigger impact that we want and may make us think about the viability of LA funded care.

I would like to make the point that PROFIT is not a rude word - though it is a foreign concept to many LA employees. If a Council goes into the red then someone loses their well paid job but the Council continues to function and as we see in Birmingham makes difficult decisions that affect the community. If a private care home/dom-care company goes into the red then they are gone - the banks will not support a failing business (quite rightly). What I struggle with is the number of good care homes in the region that have gone purely because they ran out of money - and in most cases that is likely to be as a result of Council under-funding. It is much more difficult to acquire private clients than it is LA clients but the overall income needs to be making a profit to survive. So profit is not a rude word, it is essential. A few years ago I had a meeting [with] the then DSS and we opened our books and went through our costs. We were talking about staff and I showed the calculation which included 5.6 weeks holiday per year - his comment was 'that is very generous'!!! His colleagues stepped in and said it was the law. But it highlights how difficult it is to be an employer and how little understanding the decision makers in the cloisters of the LA often have. Added to that we have all the risk and the responsibility for our clients AND our staff AND complying with so many regulations it makes your head spin. It is not an easy earner.

Where we do have long term placements funded these need to be reviewed because they are not uplifted year on year (I don’t think) and also needs of the individual can change as they become older.

The national living wage is increasing again, and the cost of living has not fallen to the level to support the previous national wage. We live in a rural area, more transport, therefore more costs. We recruit to support our local community, but we need support to continue to do so, it’s not all for one fit in each household and that's the same for each business working in the healthcare sector. We care today for a better tomorrow!

Do not be short sighted, if you look after the care sector, many other benefits will become apparent. Instead of treating us as a cottage industry, pay us what we are worth. Do not set up stupid amounts of other supposed ''new'' approaches - which in reality do not work or are understaffed, or most of the staff work from home and have no idea of the reality of care. Pay the proper rate for the existing businesses who have been doing this for longer than most of you have been aware of Dom Care.

We have seen marginal fee increases for 24/25 of circa 3% when the NLW rose by 9.8%. Repeating this pattern year on year will lead to unsustainability in the LD sector.

Fee rate that takes into consideration cost of living, training, mileage, travel, additional recruitment costs. We would like to be able to offer a better pay rate to encourage people into the social care sector, the more we can increase staffing levels the quicker we can take on hospital discharges which will take the pressure of the NHS.

It's getting harder to function as a domiciliary care company with rising wage costs and being the costing being under cut by companies paying a poor rate to their carers.

As a company we treat every client equally, yet invariably spend more management time resolving issues for council clients than private. At what point do we say, that a task is not our responsibility if it cannot be completed within the call time? Why are the registered manager and carers, having to drive around Shropshire, trying to fill prescriptions to ensure a client is not left without? Is this what we are being paid for?

The complexity of the brokerage portal, it's not efficient or user friendly.

Just feel demoralised dealing with council packages.

AS ALWAYS, PLEASE CONSIDER ALL OF THE COSTS ASSOCIATED WITH PROVIDING CARE AND NOT JUST THE BASICS OF CARER COST AND TRAVEL COST. CONSIDER THE BEHIND THE SCENES COST, INSURANCE, TRAINING, PPE, ETC.

Q.27 I wanted to tick both as both staff who are paid at NLW and those above are affected by our ability to increase pay, which is based solely on LA income. All in the responses above, it ultimately boils down to what we can afford to do based on the income we receive. In addition, the ISF system doesn't support providers, the time taken to reconcile the invoices we have submitted and then have to resubmit when the council starts to do their reconciliation is frustrating and time consuming and as the timeframes are unknown and determined by the council, we don't always have the ability to respond with the council's timeframes, in particular, some go back 7 years! Also tenders are submitted based on the required support hours, which include the management and business structure costs required to operate the service. The repayment in full for hours not provided for whatever reason, gives no consideration to the management element of our costs, which adds more pressure in an already pressured sector.

We work with many other LA's ICBs across the country. I feel there is a real lack of open and honest conversations. No contract visits has had a real impact, we don't feel the LA work with us it very much feels like they work against us at times. It doesn't feel like a equal partnership, something we don't feel in other areas luckily. We hope we can work to improve this and we will keep reflecting internally on how we can improve our relationship with Shropshire CC, look at how we can support each other.

Again we would ask for a realistic settlement. Last year's award was unexpected - we had prepared ourselves for a much lower amount. A similar figure this year would be acceptable. Also to get on and complete the reconciliations as the monthly historical clawbacks have an adverse impact on income. It would be good to get up to date and then just have the annual reconciliation and packages ending deductions.

Please see above.

All of the elements in the cost of care exercises that have been carried out need to be considered when calculating the rates going forward.

This is not about increasing fee rates (we acknowledge that there is no additional funding being provided) but increasing efficiencies within LAs and between LA and NHS (especially when funding transfers between bodies). Merging resources between LA / NHS to eliminate duplication of function (e.g. brokerage / contract inspections etc) would be a valuable first step.

New way in which brokerage system is working seems to pit homes against each other as a bidding war. There is no opportunity to speak to someone re the fees to come to an agreement, for example if another home is £20 cheaper but we are better suited for the family they will go for the cheaper placement instead of contacting us to see if there is anything we can do in regards to the fees.

7. Thanks and further information

7.1 Partners in Care would like to thank our members who took the time to respond to this year's fee survey.

7.2 For further information on the fee survey results please contact David Crosby, Chief Officer at Partners in Care, at david.crosby@partnersincare.org.uk.

Partners in Care
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