

Fee increase 2022/23 - Care Homes and Home Support / Supported Living



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Introduction

This presentation sets out the factors which the Council has taken into account and the methodology used when setting fee increases for contracted care homes, home support and supported living services for the year 2022 / 2023.

Fee Increase summary

Service type	2021/22 fee	2022/23 fee	Percentage increase
Home Support	£15.58 per hour	£16.43 per hour	5.46%
Supported Living	£15.58 per hour	£16.43 per hour	5.46%
Care Homes without nursing	£548 per week	£572 per week	4.38%
Care Homes with nursing	£629.50 per week (excl. FNC)	£658 per week (excl. FNC)	4.53%

Fee Increase – key factors

The following key factors were considered when setting the fee increases:

- Contractual methodology
- Consumer Prices Index + Housing (CPIH) inflation - 3.8% (Oct 2021)
- National Living Wage (NLW) inflation – 6.62% (£9.50 April 2022)
- Open Book 2021 care cost exercise findings
- Market sustainability
- The Council's available budget

Fee increase methodology – Home support and Supported Living

The Open Book 2021 exercise identified the following:

- Staff costs make up 83% of overall provider costs
- Non-staff costs make up 17% of overall provider costs
- An estimated 69% of staff are earning below the April 2022 National Living Wage rate

Increase methodology

- CPIH inflation of 3.8% is applied to 100% of the non-staff cost element of the fee
- NLW inflation 6.62% applied to 87% of the staff cost element of the fee

This results in a:

- Weighted increase of 5.43%
- 2022/23 hourly rate - £16.43

Fee increase methodology – Care homes

The Open Book 2021 exercise identified the following:

- Staff costs make up 70% of overall provider costs
- Non-staff costs make up 30% of overall provider costs
- An estimated 52% of staff are earning below the April 2022 National Living Wage rate

Increase methodology

- CPIH inflation of 3.8% is applied to 100% of the non-staff cost element of the fee
- NLW inflation of 6.62% is applied to 73% of the staff cost element of the fee

This results in a:

- Weighted increase of 4.53% (nursing homes) and 4.38% (care homes without nursing)
- 2022/23 rate - £658 (nursing homes) and £572 (care homes without nursing)

Further information

- [2022/23 fees are available on our website:](https://www.birmingham2022-2013.com/fee-information)
<https://www.birmingham2022-2013.com/fee-information>
- New fees apply 4 April 2022



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