

## Record of operational decision

<b>Decision title:</b>	Fair Cost of Care Review – Payment to Providers
<b>Date of decision:</b>	15 <sup>th</sup> June 2022
<b>Decision maker:</b>	Service Director All Age Commissioning
<b>Authority for delegated decision:</b>	Chief Executive scheme of delegation SA02 in accordance with section 3.7.12 of the constitution under which necessary decisions can be delegated by the Chief Executive to a senior officer.
<b>Ward:</b>	Countywide
<b>Consultation:</b>	<p>The Fair Cost of Care Project Board and members of the Directorate Leadership Team have considered and approved this proposal.</p> <p>In addition, members of the project team are currently working with providers to support the completion of the cost of care exercise.</p> <p>Many other local authorities across the region are also adopting this approach and making payments to providers.</p>
<b>Decision made:</b>	To make a one-off incentive payment to Providers of £500 per return received.
<b>Reasons for decision:</b>	<p>The Department of Health and Social Care issued a Policy Paper on 16<sup>th</sup> December 2021 that set out additional funding available to councils to support reform and ‘move towards paying providers a fair cost of care’.</p> <p>As a condition of receiving future funding, local authorities will need to evidence the work they are doing to prepare their markets and submit the following to DHSC by 14 October 2022:</p> <ul style="list-style-type: none"> <li>• <b>cost of care exercises</b> for 65+ care homes and 18+ domiciliary care</li> <li>• a provisional <b>market sustainability plan</b>, using the cost of care exercise as a key input to identify risks in the local market, with particular consideration given to the further commencement of Section 18(3) of the Care Act 2014 (which is currently in force only for domiciliary care)</li> <li>• a <b>spend report</b> detailing how funding allocated for 2022 to 2023 is being spent in line with the fund’s purpose</li> </ul> <p>Local authorities are required to survey a range of providers (representative of the local market) as part of the cost of care exercise, to improve their understanding of the actual costs of delivering care in their area. It is important that as many local providers take part as possible and submit returns, in order to ensure that the cost exercise and market sustainability plan provide an accurate reflection.</p> <p>In recognition of the time that it takes for Providers to complete, some local authorities across the country are offering small one-off payments, and other incentives, to encourage completion.</p>
<b>Highlight any associated risks/finance/legal/equality considerations:</b>	<p><b>Financial:</b> Herefordshire has been allocated £149,000 to support work on cost of care during 2022/23. The cost of this proposal is estimated to be up to £73,500 (<i>based upon the maximum of all 147 care providers or branch offices responding – the FCOCR project team estimate that up to 85% of providers may participate in the exercise</i>)</p>

<b>Details of any alternative options considered and rejected:</b>	<b>Incentive Option</b>	<b>Key points to consider</b>
	Do nothing	Provider participation is vital in order to ensure that Herefordshire's response is accurate and reflective of true costs of providing care in Herefordshire. NOT RECOMMENDED.
	<b>£500 per return</b>	<b>The FCOCR project team recommend this level of incentive as it appropriately reflects the time taken to complete the returns. RECOMMENDED</b>
	Alternative payment amount – lower or higher	The amount offered needs to realistically reflect the time required to complete the return. A lower or higher figure is NOT RECOMMENDED
<b>Details of any declarations of interest made:</b>	None.	

Signed..... Date: 15<sup>th</sup> June 2022

**Please ensure that signatures are redacted before publishing.**