

Record of Delegated Executive Decision(s)

1. Subject of decision

Fee increases to External Care Providers – 2025/26

2. Name and Title of Decision Maker

Eleanor Binks, Director of Adult Services

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

4. Executive summary (To be taken from written report)

The Authority commissions a range of care services from external care providers to meet the needs of vulnerable adults. These are put in place under different arrangements and they generally include the Authority setting a cost that it is willing to pay for these services, ie a care home cost per week, home care per hour, day service per day etc.

In setting these rates, the Authority takes account of the costs that different providers in the market have to deliver these services. These will include direct and indirect employee costs, as well as indirect costs associated with delivery, ie property costs, utility costs. There are also management overhead and other operational cost, alongside a return on investment.

Every year these costs change, and the fee levels / rates paid to providers must change as well so that providers are able to meet their contractual obligations and deliver services to required standards. Broadly these costs change due to increases in the National or Real Living Wage (NLW or RLW) or general inflationary increases as set out in the Consumer Price Index (CPI).

5. Alternative Options considered

To not agree the recommendations as set out in paragraph 2.1 of this report and for further work to be undertaken on fee increases and impacts on the market in North Tyneside, and then to present further recommendations to Directors for consideration / approval.

6. Decision(s)

To agree the increase in fees from 1 April 2025 as set out in the report and also the approach to the application of market supplements and employers' national insurance contributions (NIC) from 1 April 2025

The increases as set out are:

- Care homes – 5.70%, and
- Community services / provision – 6.80%

7. Reasons for the Decision(s)

This would enable a decision to be made on fee increases to be made from 1 April 2025, and to implement and ensure providers are paid the updated rates as soon as practically possible after the decision is made. This would support provider cashflow issues as they will be facing increased costs from 1 April 2025.

8. Date Decision Made

28 March 2025

9. Is this decision subject to call-in and if so expiry date of call-in period

8 April 2025

10. Date of Publication

1 April 2025

11. Implementation Date (if decision not called in)

9 April 2025