



Improved Better Care Fund (iBCF): Provider fee reporting, Quarter 2 2019-20

- Local authority feedback indicates that the additional iBCF has enabled fee uplifts in 2019-20.
- Over 90% of local authorities stated at Quarter 2 that they would be increasing the fees they pay to external providers for home care, age 65+ residential care and age 65+ nursing care.
- On a weighted average basis, local authorities reported that home care fee rates would increase by 4.3% while age 65+ residential and nursing home fee rates would rise by 4.9% and 4.7% respectively when compared to 2018-19.

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**Management information
release enquiries:**

CareandReform2@communities.gov.uk

Media Enquiries:

0303 444 1209

newsdesk@communities.gov.uk

Next publication:

**Improved Better Care Fund
(iBCF):**

Quarterly and year-end reporting
2019-20

Introduction

Adult social care provides support for older people and working age adults with personal and practical care needs, as well as support for their carers. In England, adults may be cared for informally by family, friends and neighbours, or formally through services they or their local authority pay for. Publicly funded adult social care is means-tested and primarily funded through local government; those with eligible needs, assets of less than £23,250 and low incomes can receive help towards their care and support costs.

Adult social care currently constitutes the largest area of discretionary expenditure for local authorities. To help address the pressures of an ageing population with increasingly complex care needs, as well as rising care costs, additional dedicated funding for adult social care has been made available to local authorities in recent years. This funding has included: Adult Social Care Support Grants; investment to ease NHS winter pressures; the Adult Social Care Precept (flexibility to raise council tax) and the Improved Better Care Fund (iBCF).

This Management Information release relates to data on fee levels and fee uplifts paid by local authorities to adult social care providers in 2019-20, as reported by 150 local Health and Wellbeing Boards. This information is collected as part of the iBCF reporting process.

Further background to the iBCF and data from 2018-19 can be found at <https://www.gov.uk/government/publications/improved-better-care-fund-2018-19-quarterly-and-year-end-reporting>.

Fees paid to external care providers

As with 2018-19, questions on provider fees were included at the end of Quarter 2 (September 2019) to ascertain whether or not the additional iBCF funding was having an impact in helping local care markets through fee uplifts. Whilst official unit cost data is already collated by NHS Digital through the Adult Social Care Finance Return (ASC-FR), it is published in the annual Adult Social Care Activity and Finance Report six months after the end of the financial year to which it relates.¹ The ASC-FR report for 2018-19 was published in October 2019. The iBCF Quarter 2 collection provides data for the first six months of 2019-20 and therefore is more timely.

Respondents were asked to provide fee rates for the first six months of 2019-20 versus comparable data from 2018-19. A similar set of questions were asked in September 2018, comparing the first six months of 2018-19 with 2017-18. For some local authorities, the fee rates in this release for 2018-19 are significantly different from those collected in

¹ [NHS Digital: Adult Social Care Activity and Finance Report 2018-19](#)

September 2018. Much of the difference will be due to final 2018-19 data now being available that covers the whole of the financial year, but some may reflect inconsistencies in reporting. It should be noted that there are also some inconsistencies when comparing 2018-19 data to the ASC-FR report. Inconsistencies between ASC-FR and iBCF data will in part be explained by differences in definition. The iBCF return asked respondents to exclude full cost clients as their fee rates may not be representative of those for local authority eligible clients, but for different reasons, the ASC-FR guidance asks respondents to include full cost clients². The iBCF return also asked respondents not to include any of their own overheads, as the focus is on the payments made to care providers.

Table 1 shows that, on average, local authorities were increasing the average hourly fees paid to external providers of home care to £17.49 per contact hour (a 4.3% increase on the previous year). With respect to age 65+ residential care without nursing, the average fee is £597 per client per week (a 4.9% increase), and for age 65+ residential care with nursing, the average fee is £673 per client per week excluding NHS Funded Nursing Care (a 4.7% increase). This compares with a 4.9% April 2019 increase in the National Living Wage from £7.83 to £8.21 per hour³, and 1.7% CPIH inflation in the 12 months to September 2019 (the time of data collection)⁴. Whilst wages are the largest cost for care providers, general inflation will affect their non-wage costs.

Full local authority data tables are provided on [Gov.uk](https://www.gov.uk), including cartograms of fee rates and uplifts. The cartograms of uplifts are also presented below in Figure 1.

Whereas previous releases of this data used simple averages of local authority fee rates and percentage uplifts to derived England-level figures, this release uses weighted averages that are consistent with the methods used by NHS Digital. Home care fees and uplifts are weighted by each local authority's mid-2018 population aged 18+, and care home fees and uplifts are weighted by the 2018/19 NHS Digital unit cost denominators (the number of weeks of care) for externally run age 65+ residential care and all 65+ nursing care. A zero weight is assigned where fee or uplift data is missing.

For each of the three fee types for which data was collected, the vast majority of local authorities (over 90% in each case) reported that their average fees were increasing in comparison to 2018-19. For the small number of cases where unit costs were reported to be falling and additional commentary provided, explanations included that a dedicated team had been reviewing complex cases and joint funding arrangements, and that the local authority's fee rates are volatile due to its small population. The small number of very high uplifts are in some cases described as being driven by market pressures (such as

² A full cost client is defined in the ASC-FR guidance as "one who pays the full direct costs of the services they receive but whose support is arranged by the local authority which includes regular reviews, support planning etc." The ASC-FR guidance asks respondents to include these clients as local authorities will be interested in their social care outcomes.

³ [National Minimum Wage and National Living Wage rates](https://www.gov.uk/national-minimum-wage-and-national-living-wage-rates)

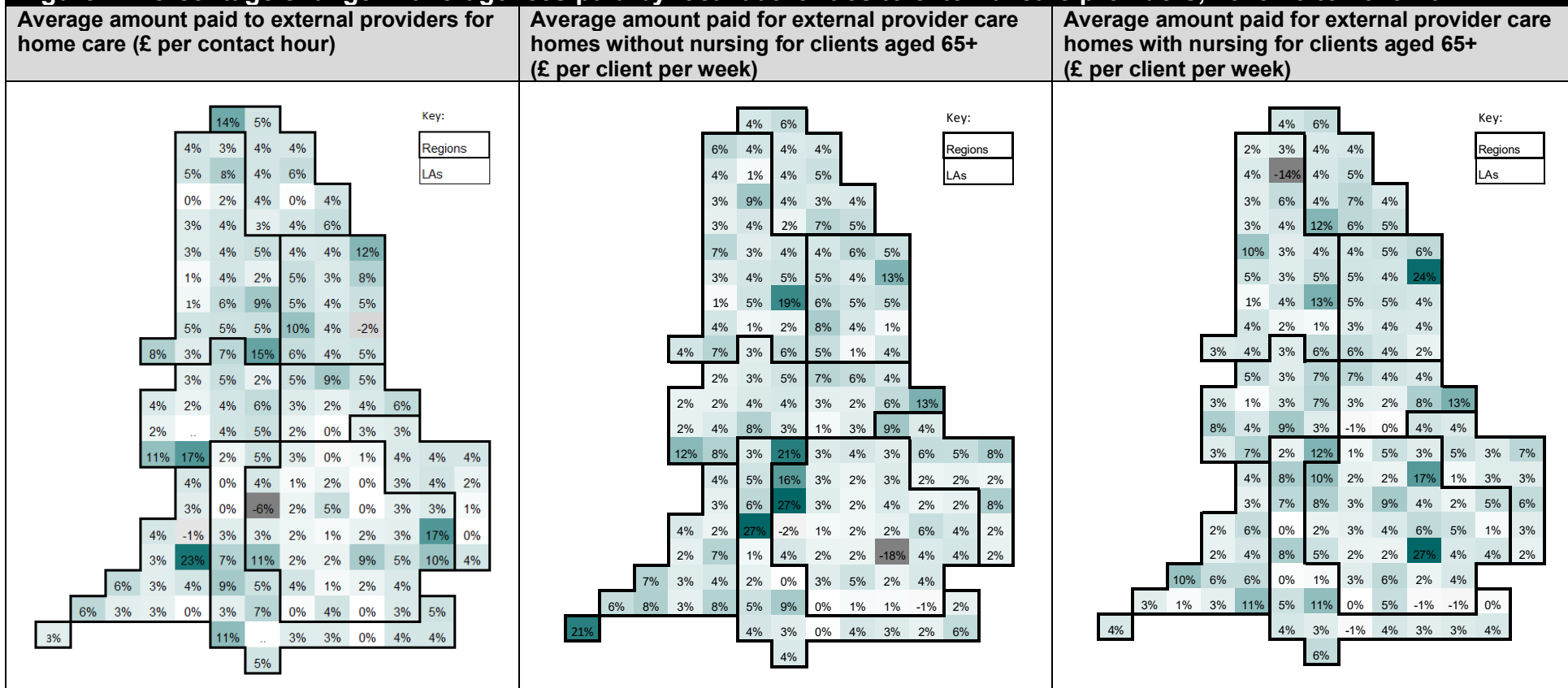
⁴ [ONS CPIH Annual rate 00: All Items 2015=100](https://www.ons.gov.uk/cpi/cpih/cpih-annual-rate-00-all-items-2015=100)

from local self-funded clients or workforce constraints) but inconsistencies in respondents' calculations may also play a role.

The range of local authority responses in respect to the annual percentage uplifts submitted for each category is illustrated in Figure 1. The full [local authority level dataset](#) is published on Gov.uk.

Table 1: Change in average fees paid to external care providers as at Quarter 2 2019-20						
	Average amount paid to external providers for home care		Average amount paid for external provider care homes without nursing for clients aged 65+		Average amount paid for external provider care homes with nursing for clients aged 65+ (Excludes NHS Funded Nursing Care)	
	2019-20 £ per contact hour	% change since 2018-19	2019-20 £ per client per week	% change since 2018-19	2019-20 £ per client per week	% change since 2018-19
Local authority average	£17.49	4.3%	£597	4.9%	£673	4.7%
Number and percentage of local authorities						
Increase (uplift)	137	91.3%	145	96.7%	142	94.7%
No change	7	4.7%	1	0.7%	2	1.3%
Decrease	4	2.7%	4	2.7%	6	4.0%
Missing/invalid data	2	1.3%	0	0.0%	0	0.0%

Figure 1: Percentage change in average fees paid by local authorities to external care providers, 2018-19 to 2019-20



Data source: iBCF reporting data at Quarter 2 2019-20
 Cartograms of the 2019-20 fee rates are included in the accompanying local authority data file at <https://www.gov.uk/government/publications/improved-better-care-fund-provider-fee-reporting-quarter-2-2019-20>.

Acknowledgements

The Ministry of Housing, Communities and Local Government (MHCLG) would like to thank all 150 Health and Wellbeing Boards for reporting the data which has been drawn on for this report. The iBCF quarterly data collection is managed by MHCLG working in collaboration with the Department of Health and Social Care (DHSC) and supported by the Better Care Support Team (BCST).

Annex A: Data collection, quality and analysis

Collection

Quarterly reporting for the additional iBCF was administered alongside the Better Care Fund (BCF) quarterly reporting by the Better Care Support Team (BCST) which is a team that is jointly funded by MHCLG, DHSC and NHS England to support the delivery of the BCF. All local areas submitted reporting returns on spreadsheet-based templates made available on the 'Better Care Exchange' which is the online collaboration platform for the BCF. 150 returns were received, with Cornwall and the Isles of Scilly submitting joint returns, giving a 100% response rate in total.

The questionnaire used for collection is published on Gov.uk at <https://www.gov.uk/government/publications/improved-better-care-fund-provider-fee-reporting-quarter-2-2019-20>.

Data quality

The status of the data was assessed prior to publication. Although cleaning took place to exclude invalid returns, the datasets were not subject to additional quality assurance. Local authorities were not, for example, contacted for clarifications and corrections except where data was obviously invalid. Some local authorities do show high or negative values that are at least questionable. In these cases, we have still published the data to ensure transparency given there is no way to determine which are incorrect and which are really substantial adjustments. Annex B contains further information on data quality and quality assurance as part of voluntary compliance with the Code of Practice for Statistics.

For some local authorities, the fee rates in this release for 2018-19 are significantly different from those collected in September 2018. Much of the difference will be due to final 2018-19 data now being available that covers the whole of the financial year, but some may reflect inconsistencies in reporting. A small number of local authorities reported a percentage increase in fees but not the underlying fee amounts. Where only a 2018-19 fee rate and a percentage uplift have been provided, we have calculated the implied 2019-20 rate. This was the case in 10 home care returns, 16 returns for age 65+ care homes with nursing and 16 returns for age 65+ care homes with nursing. Similarly, we have calculated the implied 2018-19 rate where only a 2019-20 rate and a percentage uplift were provided. This was the case in three returns.

Data analysis

The analysis was undertaken and quality assured by the Department of Health and Social Care (DHSC) with input from the Ministry of Housing, Communities and Local Government (MHCLG). The data underwent a series of basic validation checks to exclude any invalid returns. However, as noted above, further clarifications from local authorities were not sought. The full [local authority level dataset](#) is published on Gov.uk.

Annex B: Voluntary compliance with the Code of Practice for Statistics

The Code of Practice for Statistics was published in February 2018 to set standards for organisations in producing and publishing official statistics and ensure that statistics serve the public good.

The Improved Better Care Fund (iBCF) quarterly reporting release is a Management Information release rather than an Official Statistics publication. This is due to the volume of qualitative information collected and limitations in the quality assurance process. Nonetheless, where possible, attempts to adhere the Code of Practice have been made.

<p>Trustworthiness: trusted people, processes and analysis</p>	<p>Honesty and integrity (T1): The iBCF quarterly and year-end reporting data releases are managed by analysts and policy officials in MHCLG, working together with officials from the Department of Health and Social Care (DHSC) and the Better Care Support Team (BCST). This involves the design of data collection tools and analysis.</p> <p>Independent decision making and leadership (T2): The work is jointly governed by the Local Government Finance and Analysis and Data Directorates in MHCLG, with input from DHSC. It is accountable to MHCLG’s Chief Analyst and Head of Profession for Statistics.</p> <p>Orderly release (T3): Access to the data before public release is limited to MHCLG, DHSC, BCST and NHS Digital staff involved in the production and the preparation of the release.</p> <p>Transparent processes and management (T4): MHCLG have robust, transparent, data-management processes. All data are provided by local authorities who received notification that the data would be published.</p> <p>Professional capability (T5) Analytical work is managed by professionally qualified and experienced analysts - professional members of the Government Economic Service, Government Statistical Service and the Government Social Research profession.</p> <p>Data Governance (T6): MHCLG uses robust data collection and release processes to ensure data confidentiality.</p>
<p>High quality: robust data, methods and processes</p>	<p>Suitable data sources (Q1): Data originates from all health and wellbeing areas in England with data provided by all local authorities responsible for providing adult social care services, with this collection achieving a 100% response rate. The local authorities are ultimately responsible for the quality of their data. However, where the quality of data is unclear, the issues are clearly highlighted. National and Official Statistics are signposted where relevant.</p> <p>Sound methods (Q2): Data collection tools and processes are robustly designed and tested prior to use. The guidance, validations and questionnaire for the data collection have been refined over time.</p> <p>Assured Quality (Q3): While the data has been checked for errors, further validation and triangulation with additional data sources has not taken place. As such, the release clearly states that the data are self-reported and highlights any limitations.</p>
<p>Public value: supporting society’s need for information and accessible to all</p>	<p>Relevance to users (V1): Understanding how the additional iBCF funding is being used is of significance to central government, local authorities and their partners, as well as in the public interest.</p> <p>Accessibility (V2): Officials have had access to the data prior to publication to monitor progress and the impact of the iBCF. The data may therefore be used for operational purposes before publication in this data release.</p> <p>Clarity and Insight (V3): Data are clearly presented and explained, with suitable visualisations and underlying local authority level datasets made available.</p> <p>Innovation and improvement (V4): This data collection series started in Spring 2017 and has been progressively refined.</p> <p>Efficiency and proportionality (V5): Burdens on data providers have been considered. MHCLG has worked to streamline the collection process by combining with the Better Care Fund performance reporting process from 2018-19.</p>

Accompanying tables

An accompanying table is available to download alongside this release:

Improved Better Care Fund (iBCF): Provider fee reporting Quarter 2 2019-20

Local authority data table

This table can be accessed on Gov.uk at

<https://www.gov.uk/government/publications/improved-better-care-fund-provider-fee-reporting-quarter-2-2019-20>

Enquiries

Media enquiries:

0303 444 1209

Email: newsdesk@communities.gov.uk

Public enquiries and Responsible Statistician:

Email: CareandReform2@communities.gov.uk

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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

February 2020

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