

## **DUNDEE CITY COUNCIL**

**REPORT TO:** Social Work Committee - 19 March 2007

**REPORT ON:** Payment Rates for Independent Sector Care Homes 2007/08

**REPORT BY:** Director of Social Work

**REPORT NO:** 190 - 2007

### **1.0 PURPOSE OF THE REPORT**

- 1.1 This report recommends payment rates for 2007/08 for independent sector care homes.

### **2.0 RECOMMENDATIONS**

It is recommended that

- 2.1 payments made to independent sector care homes are increased in line with the detailed recommendations attached as Appendix 1.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The Scottish Executive has allocated an additional £462,000 in 2007/08 to Dundee City Council to meet the increase in fee rates for care homes for older people. This has been included in the Social Work Department's revenue budget for 2007/08, and will be used to fund the fee rates recommended.

### **4.0 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 None.

### **5.0 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 None.

### **6.0 MAIN TEXT**

- 6.1 It is the responsibility of local authorities to fund placements in independent sector care homes where service users are assessed as being unable to meet the full costs of their placements. Local authorities are also obliged to ensure that personal and nursing care is provided free of charge to eligible residents.

#### Homes for Older People

- 6.2 In recent years, care home owners have argued that a number of factors have increased their running costs significantly, including the requirements of national care standards, the financial implications of employment legislation, and the need to pay appropriate salaries in a

competitive labour market. To address these concerns, a national review of fee rates for care homes for older people was initiated in 2001/02.

- 6.3 The first part of this review was concluded four years ago, and a significant increase in the rates payable was agreed at that time. A second phase of the review was completed prior to the 2006/07 financial year, which also resulted in a significant increase. Negotiations on the final phase have been going on throughout 2006/07, with a conclusion reached in late February 2007.
- 6.4 These latest negotiations with care home providers have attempted to link increased fees to quality provision above that required for basic compliance with registration conditions. The agreed position at present is the offer of a higher fee rate for care homes for older people, in return for a new contractual framework and the meeting of certain quality criteria.
- 6.5 From 9 April 2007, providers will receive the full increase if, and only if, they meet the following conditions: -
- every care home will provide a single brochure outlining its fees, charges and residency agreements, in a way that is clear to service users and their families
  - individual residency agreements will be prepared for each service user
  - care providers will commit to the continued provision of care to self funders if and when the service user's money runs out
  - by 1 April 2007, care providers will submit a realistic training and retention plan. This plan must be robust and convincing regarding the provider's ability to meet the further quality condition outlined in the next paragraph.
- 6.6 This increase will be paid for six months, until 30 September 2007. At that point, a measure will be taken of whether or not the care provider has met the further quality criterion of having 50% of non nursing staff qualified to, or registered for and actively working towards, SVQ Level II or above. Those who have met this standard will continue to receive the full increase; those who have not will have the quality premium withdrawn.
- 6.7 Further work is planned nationally on capacity planning, better procurement practice and cost review. However, this is not expected to result in any further change during 2007/08

#### Other Care Groups

- 6.8 Care homes for people with learning disabilities, physical disabilities and mental health difficulties were not included in the national review and no additional funding is available for these categories of home. It is therefore recommended that an inflationary increase only (2.5%) be applied to these homes. Work will be undertaken during 2007/08 to look at the cost structures of these homes and individual rates will be negotiated where necessary

## **7.0 CONSULTATION**

- 7.1 The Chief Executive, Depute Chief Executive (Support Services) and the Depute Chief Executive (Finance) have been consulted in the preparation of this report.

## **8.0 BACKGROUND PAPERS**

None.

Alan G Baird  
Director of Social Work

Date: 12/3/07

## APPENDIX 1

### RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2007/08 as outlined below

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
Older People - quality criteria met - single room	435.50	502.00
- shared room	417.40	483.90
quality criteria not met - all rooms	417.40	
483.90		
Physical disability (<65)		
- single room	367.00	451.00
- shared room	362.00	446.00
Learning disability - single room	326.00	412.00
- shared room	321.00	407.00
Mental health - single room	326.00	412.00
- shared room	321.00	407.00

These rates will be effective from 9 April 2007 and will apply regardless of the local authority area in which the home is situated.

These rates are all inclusive: no supplements will be paid.