

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE - 27TH APRIL 2009

REPORT ON: IMPLICATIONS OF THE NATIONAL CARE HOME CONTRACT - FEE LEVELS FOR 2009/10 & 2010/11

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 227 - 2009

1.0 PURPOSE OF THE REPORT

- 1.1 This report informs members of the outcome of negotiations between COSLA, the Scottish Government and care home providers in relation to the ongoing development of a national care home contract.
- 1.2 This report also recommends payment rates for 2009/10 for independent sector care homes as outlined in the national care home contract negotiations.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 Members note the outcome of the national care home contract negotiations, particularly the quality levels expected of care homes in order to receive higher weekly payments.
- 2.2 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 Provision for increases in care home placement costs under terms of the national care home contract has been included within the Social Work Departments Revenue Budget 2009/10.

4.0 MAIN TEXT

- 4.1 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.
- 4.2 In Report 220-2008 (April 2008) members were informed of progress regarding the national negotiations between COSLA, care home providers and the Scottish Government regarding fee rates for care homes under the terms of the National Care Home Contract. The negotiations and review of care home fees were instigated to address care home owners concerns regarding the increased cost of providing care, mainly due to factors outwith their control (e.g. requirements of national care standards).
- 4.3 The review has taken place over a number of stages with increases in fees agreed nationally for the provision of care home services. Fundamental to the national agreement between

local authorities and care home providers is that there is now a link between fees paid to providers and quality of service provided.

4.4 The negotiations between COSLA and care home providers for 2009/10 have been extremely challenging. The providers maintain that the independent care home sector in Scotland has faced significant challenges since 2008 as a result of the dual pressures of a worsening economy and the changing policies of an embattled banking sector. COSLA has similarly explained the challenges facing councils and the strain that is being placed on budgets.

4.5 The conclusion to these negotiations has resulted in the following agreement:

- The fee base rate will increase by 2.8% for 2009/10 with a further agreement made to increase this by a further 2.7% in 2010/11 thereby offering short-term stability to the sector
- The general approach of encouraging increased service quality through linking quality with increased payments should continue and be developed further by COSLA, providers and the Care Commission through the use of the Care Commission's Quality Assessment Framework (QAF) and through setting qualified staff targets.
- A more demanding trained staff target will be set for the end of 2010/11 (65% of staff to be qualified at SVQ level 2 or above). However, during 2009 and 2010, care homes who maintain a trained staffing level of 50% or above will not be subject to financial penalty (original agreed trained care staff targets for 2008/09 and 2009/10 were 55% plus 10% undergoing training)
- COSLA and providers will continue to work on clarification and benchmarking of "additional charges"
- COSLA and the Scottish Government will work with providers to further consider the level of core funding, as part of the review of older people's care and the cost of care study

4.6 **Payment of Quality Funding**

4.6.1 The agreed weekly nursing and residential care home fees include a quality award element to encourage increased quality of service over and above that required for basic compliance with registration conditions.

4.6.2 The 'Total Quality Payment' element of the full fee which relates to the 09/10 quality requirements is £25.73 (Nursing) and £20.85 (Residential.) 50% of the quality element relates to the achievement of staff training targets.

4.6.3 The current payment for quality arrangement whereby a low Care Commission QAF inspection outcome in any themed area may trigger a local authority review including a review of funding will now be consolidated into the national contract. Guidance will be issued to local authorities that there will be a clear expectation that a minimum of 50% of the Total Quality Payment will be removed if there is a final QAF grade of 2 or less in the "Quality of Care and Support" themed area.

4.6.4 Local discretion when considering continued payment of the quality element of care home fees will continue to be applicable as agreed by COSLA leaders in September 2007.

- In addition to local discretion, specific flexibility has been agreed for 09/10 and 10/11

- Failure to comply with the 08/09 trained care staff target (55% trained plus 10% under training) will not result in the withdrawal of the quality element of funding in 2009 so long as a level of 50% staff trained at SVQ2 or above is achieved.
 - Failure to comply with the 09/10 trained care staff target (55% trained plus 10% under training) will not result in the withdrawal of the quality element of funding in 2010 so long as a level of 50% staff trained at SVQ2 or above is achieved.
- 4.7 As a pre-requisite for receiving the 2009/2010 'Total Quality Payment', care homes will have to:-
- Sign a 'Total Quality Payment 2009/2011 Pre-Conditions' document committing the care home to complying with a range of pre-conditions.
 - Sign a 'Total Quality Payment 2009/2011 Conditions' document committing the care home to comply with or work towards a number of stated aims.
- 4.8 While all care home providers meeting the pre-requirements will receive the entire uplift from 7th April 2009 (or where otherwise agreed by local arrangement):-
- 4.8.1 Failure to achieve 50% staff trained at 31 March 2009 will result in the withdrawal of the staff training element for six months (if there is a satisfactory review) or to the next defined audit point (31 December 2009.)
- The element that relates to care staff working towards and/or achieving qualifications for 09/10 is given for nine months; failure to meet the target on 31 December 2009 will, subject to the agreed flexibility defined at above, result in the care staff training element being withheld for six months (if there is a satisfactory review) or to the next defined audit point (31 December 2010.)
 - The element that relates to care staff working towards and/or achieving qualifications for 10/11 is given for three months; failure to meet the target on 31 December 2010 will result in any care staff training element being withheld until 3rd April 2011.
 - From 4th April 2011 the trained staff requirement will be consolidated into the NCHC at 65%, and failure to comply may be regarded as a breach of contract with a consequent reduction in funding level to the 'default' rate.
- 4.9 Under the terms of the National Care Home Contract, there are now in effect three different fee rates for both nursing and residential homes (weekly fees shown in Appendix A)
- Below the national contract rate (i.e. where the national contract is not in place by the deadlines, or enforcement action is being taken, or for rooms for three or more).
 - The national contract rate with part of the Total Quality Payment (staff training element) removed
 - The national contract rate with the Total Quality Payment.
- 4.10 2010 - 11
- 4.10.1 The rates for 2010-11 will be advised by COSLA in 2010 following confirmation of the DWP increase (which forms part of the baseline weekly fee) implemented at that time.

- 4.11 The Social Work Department's Contracts Section shall monitor the extent to which providers meet the agreed quality framework and shall recommend the appropriate fee rates payable to providers based on the criteria set out in the report.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6.0 CONSULTATION

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

7.0 BACKGROUND PAPERS

None.

Alan G Baird
Director of Social Work

Date: 7th April 2009

APPENDIX 1

RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2009/10 as outlined below

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
All Client Groups- Below the National Contract Rate	TBA (Currently £407.50)	TBA (Currently £478.40)
National Contract Rate with part of the Total Quality Payment (Staff Training element removed) (Dual shared room)	£454.44 (£429.44)	£527.24 (£502.24)
National Contract Rate with the Total Quality Payment (Dual shared room)	£464.86 (£439.86)	£540.10 (£515.10)

These rates will be effective from 6th April 2009 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.