

**DUNDEE CITY COUNCIL**

**REPORT TO:** Social Work Committee - 20 June 2005  
**REPORT ON:** Payment Rates for Independent Sector Care Homes 2005/06  
**REPORT BY:** The Director of Social Work  
**REPORT NO:** 372 - 2005

**1.0 PURPOSE OF THE REPORT**

1.1 This report recommends payment rates for 2005/06 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 2.

**3.0 FINANCIAL IMPLICATIONS**

3.1 Provision has been made in the Social Work Department's revenue budget for 2005/06, which will be sufficient to meet the cost of implementing these proposals.

**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.

6.2 The number of service users supported in the independent sector by the local authority has increased significantly over the years. There have been a number of transfers of responsibility and funding from central to local government, to the point where, apart from basic DWP funding, all public funding for care home residents is administered by the local authority. Latest figures are given in Appendix 1.

6.3 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 was initiated in 2001/02.
- 6.4 The first part of this review was concluded two years ago, and a significant increase in the rates payable was agreed. For 2005/06 CoSLA has recommended a 2.2% increase on national benchmark rates. A further phase of the review is underway, with an outcome expected during 2005/06.
- 6.5 The rates proposed in Appendix 2 are in line with CoSLA recommendations and are expected to be adequate to secure continuation of the current availability of places in Dundee.

## **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: 10 June 2005

**PERMANENT CARE HOME PLACEMENTS****No. of people supported by Dundee City Council**

<b>OLDER PEOPLE</b>	<b>1 April 1996</b>	<b>April 2004</b>	<b>April 2005</b>
Independent sector care homes	260	740	816
<b>ADULTS</b>			
Independent sector care homes and supported accommodation	60	218	181

## APPENDIX 2

### RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2005/06 as outlined below

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
Older People - single room	360	424
- shared room	340	404
Physical disability (<65)		
- single room	351	431
- shared room	346	426
Learning disability - single room	312	394
- shared room	307	389
Mental health - single room	312	394
- shared room	307	389

These rates will be backdated to 11 April 2005 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.