

DUNDEE CITY COUNCIL

REPORT TO: Social Work Committee - 21 June 2004
REPORT ON: Payment Rates for Independent Sector Care Homes 2004/05
REPORT BY: Director of Social Work
REPORT NO: 480 - 2004

1.0 PURPOSE OF THE REPORT

1.1 This report recommends payment rates for independent sector care homes.

2.0 RECOMMENDATIONS

It is recommended that : -

2.1 Payments made to independent sector care homes be 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 2004/05 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 Since April 1993 it has been 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 cost of their placements.

6.2 The number of service users supported in the independent sector by the local authority has increased significantly since the inception of Dundee City Council. There has also been a transfer of responsibility and funding from central to local government for those people admitted to care homes prior to April 1993. The introduction of free personal and nursing care from 1 July 2002 has further increased the number of people supported by the local authority (Appendix 1).

6.3 Demand for placements continues to rise, due to demography and the sustained effort to tackled delayed discharge. Nursing home placements for people with high dependency needs (e.g. dementia) are scarce, and increasingly residential care for older people is becoming difficult to obtain.

6.4 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 market. During 2001/02, these concerns were raised with the Scottish Executive and a national review of fee rates was initiated.
- 6.5 This review has now concluded and a national recommendation on fee rates for 2004/05 has been made. This offer has been accepted by Scottish Care, which represents many private care home operators. The vast majority of the cost of implementing this offer will be borne by the Scottish Executive.
- 6.6 **Care Homes for People Aged Under 65:** Rates for placements for younger people with physical disabilities have historically been higher than those for older people, although there is no firm evidence that it is more expensive to care for these younger people. Care homes for people aged under 65 were not included in the national review and no additional funding is available for this category of home. It is therefore recommended that an inflationary increase only (1.25%) be applied to these homes.
- 6.7 **Care Homes for Older People:** Care homes for older people have been the focus for the national review. After protracted negotiations, agreement has been reached on rates for these homes. CoSLA has recommended that local authorities adopt these rates. The rates in Appendix 2 are in line with CoSLA's proposals.
- 6.8 The supply of nursing home places in Dundee is relatively good and Dundee City Council already purchases the majority of places available in these homes. It is therefore not considered necessary to offer anything above these rates to continue to access the bulk of available places.

7.0 CONSULTATION

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

8.0 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

Alan G Baird
Director of Social Work

Date: 9 June 2004

APPENDIX 1

PERMANENT CARE HOME PLACEMENTS

OLDER PEOPLE	1 April 1996	28 February 2003	April 2004
Independent sector care homes	260	610	739
ADULT CARE			
Independent sector care homes and supported accommodation	60	190	180

APPENDIX 2

RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2004/05 as outlined below.

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
Older people - single room	352	415
- shared room	332	395
Physical disability (<65)		
- single room	343	422
- shared room	338	417
Learning disability - single room	305	386
- shared room	300	381
Mental health - single room	305	386
- shared room	300	381

These rates are effective from 12 April 2004 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.