

## **DUNDEE CITY COUNCIL**

**REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE – 18 MAY 2015**

**REPORT ON: NATIONAL CARE HOME CONTRACT FEE SETTLEMENT 2015/16**

**REPORT BY: DIRECTOR OF SOCIAL WORK**

**REPORT NO: 183-2015**

### **1.0 PURPOSE OF REPORT**

1.1 This report informs members of the outcome of negotiations between COSLA and care home providers in respect of the 2015/16 National Care Home Contract fee level and terms of agreement.

### **2.0 RECOMMENDATIONS**

2.1 It is recommended that the Social Work and Health Committee:

- Note that the 2015/16 fee negotiations have resulted in a commitment by the Scottish Government, COSLA and care home providers to financially contribute to a package which starts to address issues of low pay within the care home sector.
- Note that the agreement reached will result in an increase to the care home headline fee rate of 3.8% for 2015/16.
- Approves the rates for payment to independent sector care home providers for 2015/16 in line with the terms of the National Care Home Contract as detailed in Appendix 1.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 The increase in fee levels for 2015/16 is anticipated to result in a net increase in Dundee City Council's Care Home expenditure of around £440k after offsetting the council's estimated share of the additional Scottish Government Funding (approximately £300k) and additional residents contributions following DWP increases (approximately £70k). This will result in a budget shortfall of around £175k after taking into consideration budgeted inflation allowances contained within the 2015/16 Revenue Budget. The shortfall will be met through additional resources allocated to the Social Work 2015/16 budget to meet increased budget pressures.

### **4.0 BACKGROUND**

4.1 COSLA, Coalition of Care and Support Providers in Scotland (CCPS) and Scottish Care have now concluded negotiations in respect of the 2015/16 National Care Home Contract fee level and terms of agreement. In addition to exploring the key annual funding issues faced by providers and local authorities, the settlement negotiations have also been used to advance discussion on a number of strategic challenges, including how best to address low pay within the care home sector.

4.1.1 Scottish Ministers, Council Leaders and care home providers have agreed to invest a combined £20m of additional resource on a recurring basis in order to lift care workers' pay in the care home sector to a minimum of £7 per hour. The Scottish Government will invest £10m, with local authorities contributing a further £5m collectively. This additional investment has been built in to the new fee rate for 2015/16. The provider contribution has been assumed within the £7 per hour pay rate.

4.1.2 All parties agreed that addressing low pay is not just a matter of economic justice – there is an identifiable link between the terms and conditions of care workers and the quality of

care provided. Such a step is also likely to assist employers in the recruitment and retention of staff.

4.1.3 Investment in wage levels was only one part of the wider settlement negotiations. The negotiations have also sought to address the outstanding issue of the minimum wage increase from the 2014/15 settlement, as well as inflationary measures for the year ahead. The cumulative impact of these has resulted in agreement to increase the headline fee rate for 2015/16 by 3.8%.

4.1.4 The Settlement and Distribution Group will make a recommendation to COSLA Leaders about how the £10m Scottish Government contribution should be allocated to local authorities.

#### 4.1.5 **Financial Settlement**

With respect to the 2015/16 NCHC settlement, the following headline rates will apply:

	<b>Local Authority</b>	<b>DWP</b>	<b>2015/16 Fee</b>
<b>Nursing</b>	£483.16	£126.15	<b>£609.31</b>
<b>Residential</b>	£398.52	£126.15	<b>£524.67</b>

The specific inflationary uplifts agreed through the settlement are as follows:

	<b>2014/15</b>	<b>Low Investment</b>	<b>Pay Inflation</b>	<b>DWP</b>	<b>2015/16</b>	<b>Uplift</b>	<b>%</b>
<b>Nursing</b>	£587.00	£15.03	£4.93	£2.35	<b>£609.31</b>	£22.31	3.80%
<b>Residential</b>	£505.46	£12.94	£3.92	£2.35	<b>£524.67</b>	£19.21	3.80%

4.2 The terms of the National Care Home Contract for 2015/16 have been amended to ensure:

- Any provider delivering publicly funded care must pay care staff a minimum of £7 per hour from April 2015;
- Providers agree that remuneration can be periodically monitored by the commissioning authority, including direct verification with employees of the provider;
- There will be no displacement of cost onto staff by the employer.

4.2.1 In addition, it has been agreed that:

- Pay increases to other members of staff and the addressing of differentials will be a matter for individual providers;
- Information on pay and conditions in care homes will be collated by COSLA in order to build an anonymised national picture of remuneration within the sector with a view to further tackling low pay. Each provider will complete and return a template agreed by COSLA, Scottish Government, Scottish Care and CCPS;
- A national working group will be established to review care home funding and report before the commencement of 2016 negotiations.

4.2.2 There are no changes to the quality award elements of the fee from previous years.

## 5.0 **POLICY IMPLICATIONS**

5.1 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.

An Equality Impact Assessment is attached to this report.

**6.0 CONSULTATIONS**

6.1 The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services were consulted in the preparation of this report.

**7.0 BACKGROUND PAPERS**

None

Jennifer G Tocher  
**Director of Social Work**

DATE: 06 May 2015

Appendix 1

<b>National Care Home Contract rate</b>	<b>Registered homes with nursing care £ per week</b>	<b>Registered homes without nursing care £ per week</b>
Headline Fee (Dual shared room)	£609.31 (£584.31)	£524.67 (£499.67)
Reduced Quality Deduction (Dual shared room)	£589.31 (£564.31)	£504.67 (£479.67)
Enhanced Quality Award (lower rate) (Dual shared room)	£611.31 (£586.31)	£526.17 (£501.17)
Enhanced Quality Award (higher rate) (Dual shared room)	£612.31 (£587.31)	£527.17 (£502.17)
Default Rate (Dual shared room)	£564.34 (£539.34)	£479.65 (£454.65)

These rates will be effective from 6th April 2015 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.

## EQUALITY IMPACT ASSESSMENT TOOL

### Part 1: Description/Consultation

<b>Is this a Rapid Equality Impact Assessment (RIAT)?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>Is this a Full Equality Impact Assessment (EQIA)?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Date of Assessment:</b>	17 <sup>TH</sup> April 2015	<b>Committee Report Number:</b> 183-2015
<b>Title of document being assessed:</b>	National Care Home Contract Fee Settlement 2015/16	
<b>1. This is a new policy, procedure, strategy or practice being assessed</b> (If yes please check box) <input type="checkbox"/>	<b>This is an existing policy, procedure, strategy or practice being assessed?</b> (If yes please check box) <input checked="" type="checkbox"/>	
<b>2. Please give a brief description of the policy, procedure, strategy or practice being assessed.</b>	Report advises elected members of the national negotiations in relation to care home fees and associated quality awards and penalties.	
<b>3. What is the intended outcome of this policy, procedure, strategy or practice?</b>	To agree the care home fee rates for 2015/16 and commit care home providers to providing a minimum level of payment to care staff of £7 per hour	
<b>4. Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.</b>	n/a	
<b>5. Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.</b>	This a national agreement between COSLA and Care Providers – any such consultation would be carried out at a national level	
<b>6. Please give details of council officer involvement in this assessment.</b>  (e.g. names of officers consulted, dates of meetings etc)	Dave Berry, Manager Finance, Contracts and Welfare Rights, Social Work Dept	
<b>7. Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy?</b>  (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)	No	

## Part 2: Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Part 3: Impacts/Monitoring

<p><b>1. Have any positive impacts been identified?</b></p> <p>(We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	<p>The quality incentives within the national care home contract aim to improve the quality of care delivered to residents in care homes. The introduction of a minimum payment rate for care home staff of £7 per hour aims to start to address low pay in the sector, positively impacting on low paid workers</p>
<p><b>2. Have any negative impacts been identified?</b></p> <p>(Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	<p>None</p>
<p><b>3. What action is proposed to overcome any negative impacts?</b></p> <p>(e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. See Good Practice on DCC equalities web page)</p>	<p>n/a</p>
<p><b>4. Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</b></p> <p>(If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	<p>n/a</p>
<p><b>5. Has a 'Full' Equality Impact Assessment been recommended?</b></p> <p>(If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required. Seek advice from your departmental Equality lead.)</p>	<p>No</p>
<p><b>6. How will the policy be monitored?</b></p> <p>(How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	<p>The quality of care home services are monitored by the Care Inspectorate and any reductions of quality below the thresholds can result in a reduced level of payment – this is continually monitored by the Social Work Department.</p>

**Part 4: Contact Information**

<b>Name of Department or Partnership</b>	Social Work
--	-------------

<b>Type of Document</b>	
Human Resource Policy	<input type="checkbox"/>
General Policy	<input type="checkbox"/>
Strategy/Service	<input checked="" type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input type="checkbox"/>

<b>Manager Responsible</b>	<b>Author Responsible</b>
<b>Name:</b> Jenni Tocher	<b>Name:</b> Dave Berry
<b>Designation:</b> Director of Social Work	<b>Designation:</b> Manager, Finance, Contracts & Welfare Rights
<b>Base:</b> Dundee House	<b>Base:</b> Dundee House
<b>Telephone:</b> 433205	<b>Telephone:</b> 433608
<b>Email:</b> <a href="mailto:jenni.tocher@dundeecity.gov.uk">jenni.tocher@dundeecity.gov.uk</a>	<b>Email:</b> <a href="mailto:dave.berry@dundeecity.gov.uk">dave.berry@dundeecity.gov.uk</a>

<b>Signature of author of the policy:</b>	Dave Berry	<b>Date:</b> 20 April 2015
<b>Signature of Director/Head of Service:</b>		<b>Date:</b> 20 April 2015
<b>Name of Director/Head of Service:</b>	Jenni Tocher	
<b>Date of Next Policy Review:</b>	Annually	