

## **DUNDEE CITY COUNCIL**

**REPORT TO:** Social Work Committee - 20 March 2006

**REPORT ON:** Payment Rates for Independent Sector Care Homes 2006/07

**REPORT BY:** The Director of Social Work

**REPORT NO:** 206 - 2006

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

1.1 This report recommends payment rates for 2006/07 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 £840,000 in 2006/07 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 2006/07, 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.

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 now administered by the local authority.

### Homes for Older People

- 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 for care homes for older people was initiated in 2001/02.
- 6.4 The first part of this review was concluded three years ago, and a significant increase in the rates payable was agreed at that time. A further phase of the review is now completed, with the final part expected to be resolved during 2006/07.
- 6.5 The latest negotiations with care home providers have resulted in the offer of a significantly higher fee rate for care homes for older people, in return for a new contractual framework, certain guarantees on quality and top ups and the cessation of persistent non constructive lobbying by care home providers.
- 6.6 Providers will receive the full increase if they meet quality criteria in full (as determined by the Care Commission). Those who do not will receive an inflation only increase. Providers will also have to agree not to charge top up fees to individuals for the basic cost of care. A new national model contract is being finalised which will give more clarity to residents and purchasers on what they can expect in return for the fee paid.
- 6.7 The final phase of the review will look at procurement methods and will seek to develop a funding model that explicitly links payment to the services provided and to quality provision above that required for compliance with registration conditions. The national group hopes to report in time for 2007/08 fee negotiations.

### 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. An increase of 1.25% will be applied to these homes.

## **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 March 2006

## APPENDIX 1

### RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2006/07 as outlined below

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
Older People - quality criteria met - single room	407	472
- shared room	387	452
quality criteria not met - single room	370	434
- shared room	350	414
Physical disability (<65)		
- single room	358	440
- shared room	353	435
Learning disability - single room	318	402
- shared room	313	397
Mental health - single room	318	402
- shared room	313	397

These rates will be effective from 10 April 2006 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.