

## **DUNDEE CITY COUNCIL**

**REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE – 24<sup>TH</sup> JUNE 2013**

**REPORT ON: NATIONAL CARE HOME FEE SETTLEMENT 2013/14**

**REPORT BY: DIRECTOR OF SOCIAL WORK**

**REPORT NO: 299 - 2013**

### **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 the National Care Home Contract (NCHC) settlement for 2013/14.

### **2.0 RECOMMENDATIONS**

It is recommended that the Committee:

2.1 Note that agreement has been reached between Scottish Care, the providers' representatives, and COSLA to increase the care home headline fee rate by 2.5% for 2013/14, backdated to the 8 April 2013.

2.2 Approves the rates for payment to independent sector Care Home Providers in 2013/14 as attached in Appendix 1.

### **3.0 FINANCIAL IMPLICATIONS**

3.1 The increased local authority contribution to the care home fee rate is expected to result in additional expenditure to Dundee City Council of £450,000 in 2013/14 against a budgeted inflationary allowance of £225,000. The Scottish Government has stated its intention to provide additional funding of £2.5m nationally to support the National Care Home agreement and while the distribution of this has not yet been agreed it is anticipated that Dundee's share will be approximately £75,000.

3.2 Provision for the resultant budget shortfall of £150,000 has been made within the Council's General Contingency Fund 2013/14.

### **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 COSLA, Scottish Care, the Care Inspectorate, the Scottish Government and other key stakeholders have made significant progress over the last few years in advancing the quality agenda for the care home sector. They have looked to enhance the quality of care being provided within care homes and to deliver consistency, efficiency, fairness and stability in the contractual relationship between commissioners and providers of care. This has been achieved through the National Care Home Contract and the associated 'payment for quality' model, whereby financial incentives and penalties are applied relative to a care home's performance

#### 4.3 **Financial Settlement**

A 2.5% increase is being applied to the 2012/13 rates which results in the following headline rates:

	<b>Nursing Care Rate</b>	<b>Residential Care Rate</b>
2013/14	£580.11	£499.38

#### 4.4 **General Policy Proposals**

The settlement for 2013/14 is based on the following proposals:

- The general approach of incentivising quality should continue to be linked to the Care Inspectorate Quality Assessment Framework (QAF);
- Care Homes across all sectors should continue to make progress on increasing the number of qualified members of staff, in line with the general policy of SSSC.

##### 4.4.1 Payment for Quality 2013/14

As indicated above, the general approach of incentivising quality will continue to be linked to the Care Inspectorate Quality Assessment Framework (QAF). The agreed fee rates (identified above) will be paid where providers meet a specified quality threshold (Grade 3 or 4 in the themed area of Quality of Care and Support).

The purpose of the Payment for Quality agenda is to improve the quality of care provided through a package of financial incentives. However, it is recognised that financial incentives alone will be insufficient to drive this improvement and regular and focused dialogue between commissioners, regulators and providers to support general improvement measures is encouraged. It will be important that these parties discuss any issues around the quality of care prior to any decisions being taken over whether to apply enhancements or deductions.

The application of a Reduced Quality Deduction or Enhanced Quality Award will apply in the following circumstances:-

##### 4.4.2 Reduced Quality Deduction

Where a care home receives a QAF score of 2 or less in the themed area of Quality of Care and Support, and where it has generally provided good quality care and has not previously been graded at 2 or below, that care home should be given the opportunity to correct this through a robust improvement plan agree with the Care Inspectorate. That care home should not normally be subject to the £20 penalty unless it fails to recover a Grade 3 or above at the next inspection. The final decision as to whether a reduction is applied will be at the discretion of the local authority.

Where a care home receives a QAF score of 2 or less in the themed area of Quality of Care and Support, and where that care home has previously been graded at that level or below in that theme, a reduction of £20 per resident per week will normally be deducted from the headline fee (for both nursing and residential care). The final decision as to whether a reduction is applied will be at the discretion of the local authority.

##### 4.4.3 Enhanced Quality Award

In order to create additional incentives to improve the quality of care, an enhanced quality award will continue to be available to the best performing care homes. The administration of this system will continue in line with local arrangements. The award will be as follows:

- For Care Homes with nursing, an additional £2.00 per resident per week will be available if a QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories. A further £1.00 per resident per

week will be available to homes that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.

- For Residential Care Homes, an additional £1.50 per resident per week will be available if a QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories. A further £1.00 per resident per week will be available to homes that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.

#### 4.4.4 Staffing Qualifications

There will be no national audit with respect to the levels of trained staff within care homes for older people, and there will be no penalty applied as part of the quality agenda for those homes that do not meet national targets. However, the previous target (of 65% of care staff qualified at SVQ2 in care) should be maintained for both independent sector and local authority run care homes since it is important that we continue to make progress towards the objective of a fully registered, qualified workforce, as required by the Scottish Social Services Council (SSSC). COSLA, Scottish Care and SSSC should work together to plot a course towards this objective.

#### 4.5 **Reform of the Care Home Sector**

The aforementioned agreement is contingent upon work being advanced around the reform of the care home sector in Scotland, as part of a tripartite agreement between COSLA, Scottish Care and the Scottish Government. With the advent of Health and Social Care Integration and the development of strategic joint commissioning arrangements, it will be more important than ever that the sector responds to local need and demand. Recognising that recent downward trends in occupancy are likely to continue, there is a need to ensure that care homes are delivering the right type of care at the right volumes into the future.

COSLA are proposing to establish a high level Task Force, to drive forward a programme of reform, the output of which will be a national strategy for adult residential care by April 2014.

Scottish Care and CCPS will be represented on the Task Force along with additional representation from individual providers.

#### 4.6 **Contingency Planning**

In recognition of on-going fragilities within the sector, and in response to the recent Audit Scotland report on the Commissioning of Social Care Services, the National Contingency Planning Group will continue to operate as a Standing Committee. The membership of this Group will include COSLA, Scottish Government, ADSW, NHS Scotland, Care Inspectorate and Scotland Excel. Scottish Care, CCPS and other providers' organisations will be invited to attend as required.

### 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.

5.2 An Equality Impact Assessment is attached to this report.

### 6.0 **CONSULTATION**

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

**7.0 BACKGROUND PAPERS**

None.

Jennifer G Tocher  
**Director of Social Work**

DATE: 12<sup>th</sup> June 2013

## APPENDIX 1

### RECOMMENDATIONS

It is recommended that the Social Work and Health Committee approves rates (£ per week) for payment to independent sector care home providers in 2013/14 as outlined below

<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)	£580.11 (£555.11)	£499.38 (£474.38)
Reduced Quality Deduction (Dual shared room)	£560.11 (£535.11)	£479.38 (454.38)
Enhanced Quality Award (lower rate) (Dual shared room)	£582.11 (£557.11)	£500.88 (£475.88)
Enhanced Quality Award (higher rate) (Dual shared room)	£583.11 (£558.11)	£501.88 (£476.88)
Default Rate (Dual shared room)	£537.30 (£514.14)	£456.53 (£433.68)

These rates will be effective from 8th April 2013 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>	30 May 2013	<b>Committee Report Number:</b> <a href="#">Click here to enter text.</a>
<b>Title of document being assessed:</b>	National Care Home Fee Settlement 2013/14	
<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 outcome of national negotiations in relation to care home fees and associated quality payments and penalties. This is monitored by close working between the Social Work Department and Care Inspectorate.	
<b>3. What is the intended outcome of this policy, procedure, strategy or practice?</b>	To agree the care home fee rates for 2013/14 and outline the quality of service expected of care homes which results in increased payments for good quality services but provides the discretion to penalise poor quality services.	
<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 is a national policy – any such consultation would have been carried out on a national basis.	
<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 & Welfare Rights, Social Work Department	
<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
<b>Race, Ethnic Minority Communities including Gypsies and Travellers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Gender</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Gender Reassignment</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or Belief</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>People with a disability</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Age</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Lesbian, Gay and Bisexual</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Socio-economic</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Pregnancy &amp; Maternity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other (please state)</b>	<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 services for individuals in care home settings.</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>No</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
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<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>
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<b>Signature of author of the policy:</b>	Click here to enter text.	<b>Date:</b>	Click here to enter text.
<b>Signature of Director/Head of Service:</b>	Click here to enter text.	<b>Date:</b>	Click here to enter text.
<b>Name of Director/Head of Service:</b>	Click here to enter text.		
<b>Date of Next Policy Review:</b>	Click here to enter text.		