

REPORT OF CABINET MEMBER FOR ADULT SOCIAL CARE AND HEALTH**NEW RATES FOR INDEPENDENT SECTOR CARE HOMES, HOMECARE
AND OTHER COMMUNITY-BASED SUPPORT SERVICES, AND NEW
CHARGES FOR SERVICES FOR THE YEAR 2012/2013****Purpose of the Report**

1. The purpose of the report is to seek approval to:
 - (a) allocate the final payment for placements in independent sector care homes providing residential and nursing care during the financial year 2012/13 in accordance with the Local Fair Price for Care framework
 - (b) note the decision previously made by Cabinet on 9th March 2011 to set inflation at 0% for all independent sector care provision for 2011/12 and 2012/13.
2. The recommendations in this report constitute a key decision as they seek to revise contract prices and to spend revenue in excess of million pounds which will have a significant effect on a number of people and wards. This decision was first published in the Forward Plan of Key Decisions on Thursday 8th December 2011.

Information and Advice**The Framework**

3. It is a requirement of the National Health Service and Community Care Act 1990 that contractual arrangements be in place to govern the purchase of community care services in the independent sector.
4. The Adult Social Care, Health and Public Protection Department provides funding for approximately 3,720 people in care homes across all service areas, providing residential and/or nursing care in Nottinghamshire, and beyond, where residents of the County have chosen to live elsewhere, but the department's funding responsibilities continue.
5. The department funds those people eligible for funding either at the point where they are assessed and placed in residential or nursing care, or have become eligible through entering care as "self funders", but their assets have now diminished to the point where they have become eligible for local authority support to their placement.

Proposed Fee Increases for Care Homes for 2012/13

6. Cabinet will recall that levels of payment to the Independent Sector have been given a great deal of attention by the authority as well as nationally.
7. On 12th March 2008, Cabinet approved a budget allocation of £1.5m, to support a new pricing structure based on a formulaic local fair price approach for older persons' residential care, the final details of which were approved by the Cabinet on 1st October 2008. In addition to this £1.5m, Cabinet approved an inflationary increase of 2.5% for all other independent sector care services. In respect of older persons residential care half of this (1.25% or £580,000) was allocated as an increase to the standard/normal rates and half was added to the £1.5m for the implementation of the local fair price for care framework.
8. The Local Fair Price for Care model and its associated pricing structure, to be implemented over at least four years, was approved by Cabinet in October 2008. The initial year's increases were backdated to April 2008.
9. The model, which determines 5 fee bands for care homes for older people, combines an evaluation of service quality (70%) with an evaluation of the environment (30%) for each of the older persons' care homes.
10. Service quality is audited annually using a revised Quality Monitoring Framework tool in order to determine the relevant banding for each home for subsequent years. Payment is, therefore, directly related to quality and performance.
11. At the Cabinet meeting on 9th March 2011, Members approved an additional allocation of £2.3m for the Local Fair Price for Care fee increase, to be applied over a two year period with £1.1m allocated during 2011/12 and a further £1.2m to be allocated during 2012/13.
12. Within its budget for 2012/13 the County Council has allocated this additional £1.2m for increases in fees for older people in line with the local fair price for care framework.
13. It is proposed that care home fees for older people in 2012/2013 will be as follows:

	April 2012	April 2011	April 2010
Older Persons' Care Homes			
Older People - very dependent needs	Band 1 - £303/348	Band 1 - £303/348	Band 1 - £303/348
	Band 2 - £391	Band 2 - £386	Band 2 - £381
	Band 3 - £417	Band 3 - £408	Band 3 - £400
	Band 4 - £443	Band 4 - £431	Band 4 - £419
	Band 5 - £469	Band 5 - £454	Band 5 - £439
Older People - Dementia	Band 1 - £359	Band 1 - £359	Band 1 - £359
	Band 2 - £438	Band 2 - £428	Band 2 - £418
	Band 3 - £464	Band 3 - £450	Band 3 - £437
	Band 4 - £489	Band 4 - £472	Band 4 - £456
	Band 5 - £515	Band 5 - £495	Band 5 - £476
Older Persons' Care Homes with Nursing			

	April 2012	April 2011	April 2010
Older People	Band 1 - £376	Band 1 - £376	Band 1 - £376
	Band 2 - £439	Band 2 - £431	Band 2 - £423
	Band 3 - £465	Band 3 - £454	Band 3 - £443
	Band 4 - £491	Band 4 - £476	Band 4 - £462
	Band 5 - £516	Band 5 - £498	Band 5 - £481
Older People with Dementia (EMI)	Band 1 - £386	Band 1 - £386	Band 1 - £386
	Band 2 - £480	Band 2 - £468	Band 2 - £456
	Band 3 - £506	Band 3 - £491	Band 3 - £476
	Band 4 - £532	Band 4 - £514	Band 4 - £496
	Band 5 - £558	Band 5 - £536	Band 5 - £515

14. The National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care sets out principles on who should qualify for NHS funding in England. The relevant Primary Care Trust retains responsibility for funding the Registered Nursing Care Contribution (RNCC) for those residents that are eligible for NHS-funded nursing care. The RNCC was set at £108.70 for 2011/12 and the amount has yet to be confirmed for 2012/13. These changes will take effect from 1st April 2012 and the sum will be added to the above fees for nursing care placements.
15. This will be the final year of implementation of the Local Fair Price for Care framework. It has always been the Council's intention to conduct a new review before setting the fee rates for 2013/2014 and beyond, and that process of review has now commenced. Guidance requires the Council to have due regard to the actual costs of providing care, and other local factors, when setting any new rate.
16. The table below shows payment levels for older persons' care home places in Nottinghamshire comparative to the rates of our near neighbours. The nursing home rates include the Registered Nursing Care Contribution (RNCC) for 2011/12 of £108.70. The fees allocated through the Local Fair Price for Care model show that the rates paid in Nottinghamshire are above average to those paid by neighbouring local authorities.

Authority	OP Residential £ - range	EMI Residential £ - range	OP Nursing £ - range	EMI Nursing £ - range
Nottinghamshire	348.00 min	359.00 min	484.70 min	494.70min
	454.00 max	495.00 max	606.70 max	644.70 max
Derbyshire	373.24 min		493.63 min	-
	394.24 max		514.63 max	-
Leicestershire	288.00 min	341.00 min	461.70 min	459.30 min
	404.00 max	404.00 max	461.70 max	473.70 max
Lincolnshire	365.00 min	365.00 min	473.70 min	522.70 min
	414.00 max	414.00 max	522.70 max	522.70 max
Northamptonshire	367.70 min	405.02 min	505.37 min	533.88 min
	367.70 max	405.02 max	505.37 max	533.88 max
Nottingham City	339.00 min	-	447.70 min	-
	433.00 max	-	573.70 max	-

Source: Community Care Market News 'Annual Survey of UK Local Authority Baseline Fees Rates 2011/12 July 2011 – Derbyshire rates for dementia care were under negotiation at the time of publication.

17. As approved by Cabinet on 9th March 2011, the standard care home placements for adults under 65 years of age will be as 2011/12:

Care Homes for adults under 65	April 2012
People with a physical disability below age 65	420
People with a physical disability age 65 and above	306
People with drug/alcohol dependency	306
People with a high drug/alcohol dependency	371
People with mental health needs	325
People with learning disabilities	371
Other	325
Care Homes with Nursing for people aged 18 - 65	
People with a physical disability below age 65	441
People with a physical disability age 65 and above	380
People with drug/alcohol dependency	380
People with mental health needs	380
People with a learning disability	389
Other	380

18. In some cases, the assessed needs of an individual may be such that the department would normally expect to pay more to meet them and in other circumstances, there may be exceptional circumstances that call for funding at an additional rate. This approach is consistent with the authority's statutory obligations.

19. The outcomes of the 2011/12 quality audits signalled further improvements in the quality of care although further work is required around dementia care. Officers continue to work with providers to improve quality particularly in relation to dementia care provision. The table below shows the number of homes in each band. The bands 1-5 relate to the costs in the table shown in paragraph 13 above.

Band	2010/11 Number of homes	2011/12 Number of homes	2012/13 Number of homes
1	31	25	36
2	43	38	26
3	36	43	47
4	37	29	27
5	17	27	28

Specialist Care Home Placements

20. Specialist care home placements, for example, for adults with physical and/or learning disabilities, head injuries, or challenging behaviour, are subject to complex negotiation to achieve quality of care and best value.

21. Where a specialist care home is able to meet defined quality indicators, specific commissioning objectives, and demonstrates best value in its pricing structure, a special open contract may be established with specific key quality indicators and accompanying monitoring arrangements. Spot contracts are also individually established with specialist providers and rates may be negotiated for individual residents, according to their needs.
22. In line with recommendations made by Regional Efficiency Implementation Programmes, the use of a regionally developed 'Care Cost Calculator' is currently being applied by the County Council for high cost placements. This tool benchmarks the cost of complex care. As approved by Cabinet on 9th March 2011, a 0% increase is to be applied to these services for 2012/13.

Community- Based Support Services

23. The County Council continues to extend and expand its range of community-based support services such as home care and extra care for older people, and supported living for adults with learning disabilities.
24. These services are subject to market testing through competitive tender processes on a regular basis. Fees are, therefore, set in accordance with tendered prices.
25. In the report to Cabinet on 9th March 2011, Members approved 0% inflation to all community-based support services as detailed below.

Home Care

26. For 2008/09, Cabinet approved a 2.5% increase to be awarded to home care providers, which took account of additional cost pressures as a result of an increase in the statutory entitlement to paid holiday from 4 to 4.8 weeks (implemented as of 1st July 2007) and from 4.8 to 5.6 weeks (implemented as of 1st October 2008.) This equated to an increase from 20 to 28 days for care staff working a five day week.
27. During 2008/09 a major tender exercise was undertaken which has resulted in the letting of contracts to an increased number of home care providers under a Framework Agreement. The rates paid to Home Care providers were established through this tender and were implemented from 1st April 2009. Successful providers have been added to our 'framework' agreement for home care.
28. A further home care tender is currently scheduled to be completed during mid 2012 with a view to letting a new Framework Agreement for commencement in April 2013.

Extra Care

29. In 2006/07 and in 2007/08 the Adult Social Care and Health Department completed tenders for extra care services which support older people in their own tenancies. These contracts run over a four-year period. These services will be included in the home care tender due to commence during 2013.

Supported Living

30. During 2007/08 the Adult Social Care and Health Department completed a tender for care, support and enablement services, which supports adults with learning disabilities to live in the community and the new contracts commenced as of 1st October 2008. A further tender was conducted, in 2011, with additional contracts being awarded for learning disability, physical disability and mental health services.

Independent Complaints Investigations

31. It is suggested that increases in payments to independent people involved in complaints investigations and panels are aligned with the annual percentage increase in salaries. As there are no planned increases in salaries for the year 2012/13, it is proposed that there is no increase in the current hourly rates which are:

- Independent Chair - £17.60
- Independent Panel Member - £11.60
- Independent Investigator - £22.00
- Independent Person - £11.60
- Training / Briefing - £35.00.

Charges to Service Users

32. The County Council's budget report identified proposed changes to charging for community services, meals, transport and day services. Whilst the County Council approves the budget, Cabinet needs to approve specific charges to service users and to other local authorities.

Self Funders

33. On 9th March 2011, Cabinet approved a phased two year increase in the charge for self funders who fund their own care in Nottinghamshire County Council Care Homes for the periods 2011/12 and 2012/13. The current charge to self funders is £550 per week.

34. As approved by Cabinet on 9th March 2011, the charge to self funders who fund their own care in Nottinghamshire County Council Care Homes is to increase to £650.00 per week from April 2012.

Home Care

35. The current arrangement for home care charges is £12.50 per hour. However, service users who are in receipt of a Personal Budget contribute to their full package of care and support services in accordance with the national Fairer Contributions policy. In all cases, a financial assessment is undertaken to determine the service user's contribution based on their income.

Day Care

36. The current arrangement for day care charges is £4 per day. However, service users who are in receipt of a Personal Budget contribute to their full package of care and support

services in accordance with the national Fairer Contributions policy. In all cases, a financial assessment is undertaken to determine the service user's contribution based on their income.

Transport

37. In the report to Cabinet on 9th March 2011, Members approved an increase in the charge for transport to reflect the actual cost of travel. The current charge is £5.00 for a single or return journey.

38. It is proposed that for 2012/13 there is no increase in the charge for transport and that it is retained at the 2011/12 level of £5.00 for a single or return journey.

Meals

39. The current arrangements for meal charges are as follows:

- a. the charge for assessed daily deliveries of hot or chilled individual meals is £3.95 each
- b. the charge for non-assessed deliveries of the above (including a care charge) is £5.00 each
- c. the charges for both the standard and premier ranges of individual frozen meals is £3.95
- d. the price of the assorted pack of 7 frozen meals is £27.00
- e. the charge for the 'a la carte' range is £5.00 per main course
- f. the cost of meals provided by the Meals Service to residential and day care establishments is £3.95 minimum charge (costs of some special diets will be in excess of this minimum charge)
- g. mid-day meals taken by service users attending day care is £3.95 with any other drinks or snacks will be locally determined.

40. It is proposed that for 2012/13 there is no increase applied to the price of meals.

Charges to other Local Authorities and Statutory Agencies

41. The Council levies charges to other local authorities and statutory agencies for the use of its day care facilities. Historically this has been calculated on costs including management overheads. However, the charges are due to be reviewed in light of the day services modernisation programme and the new Fairer Contributions policy. In the meantime it is proposed that the charges levied to other local authorities and statutory agencies for the Council's day services are retained at the current levels.

42. The Council levies charges to other local authorities when undertaking Community Care reviews on their behalf, and this is currently charged at £65.00 per hour with a maximum

charge of £165.00 per review. It is proposed that the charge levied to other local authorities for completing Community Care reviews on their behalf are retained at the current levels.

43. Local authorities must make charges for accommodation provided under Part 111 of the National Assistance Act 1948 in accordance with a "Standard Rate" as defined by Act (currently known as Standard Charge). In addition, The Act provides that this Standard Charge shall also apply when one authority places clients with another. The National Service and Community Care Act 1990 further specifies the "Standard Rate" shall represent the full cost of providing the accommodation. It should be recognised that the full costs calculated are only recharged in a small number of cases, with vast majority of service users paying less for their care in accordance with the statutory determined scale of charges. The charge applies to people in long-term and in short-term care. The current charge for service users in Older Persons homes is £550.00 per week.
44. In the Cabinet report in March 2011, Members approved the charge for a County Council Care Home levied to service users who pay the full cost (self funders) and to other local authorities using this service be increased from £450.00 to £550.00 per week from 11th April 2011 and to £650.00 per week from 11th April 2012. In accordance with that decision, it is proposed that the charge for a County Council Care Home levied to service users who pay the full cost (self funders) and to other local authorities using this service increases to £650.00 per week for 2012/13.

Reason/s for Recommendation/s

45. As outlined above, at Cabinet on 9th March 2011, Members approved fee levels and charges for a two year period covering 2011/12 and 2012/13. The recommendation contained in this report relates to the allocation of the final payment of the Fair Price for Care fee increase for older persons care homes.
46. Members are also asked to note other changes arising from the Cabinet report of 9th March in relation to fees and charges to be implemented during 2012/13.

Statutory and Policy Implications

47. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for Service Users

48. The proposed increases will help to sustain a range of service provision to meet service user needs.

Financial Implications

49. The County Council's 2012/13 budget includes no provision for general inflation in relation to payment made to providers. The budget includes an additional allocation of £1.2 million to fund the costs of implementing the next phase of the local fair price for care fee levels, to be

implemented over 5 years as agreed at Cabinet in March 2011. The proposals set out in this report can, therefore, be met from within the revenue budget allocated to the Adult Social Care and Health portfolio for 2012/2013.

Equalities Implications

50. The proposed increase will help to sustain a range of appropriate services to people with substantial disabilities and from a range of communities.

Human Rights Implications

51. The Human Rights Act implications have been considered and Article 8, the right to respect for private and family life, applies to older people's right to live in a home which is safe, secure and homely.

RECOMMENDATION/S

It is recommended that:

- 1) Members approve that the Corporate Director for Adult Social Care, Health and Public Protection, or his nominee, be authorised to implement rates of increase within the allocated £1.2 million envelope, as outlined in paragraph 13 above, for the final phase of the Local Fair Price for Care fee structure to incentivise care quality and provider performance.
- 2) Members note the following, in accordance with the decisions made by Cabinet on 9th March 2011 in relation to fees for 2012/13:
 - (a) the levels of payment to providers of supported living services to adults with learning disabilities to be retained at the 2011/12 rate
 - (b) the levels of payment to independent sector providers for other community-based support services, including home care and extra care to be retained at the 2011/12 rates
 - (c) the levels of payment for specialist care home placements to be retained at the 2011/12 rates
- 3) Members note the following in relation to the decisions made by Cabinet on 9th March 2011 regarding charges for 2012/13;
 - (a) the charge to self funders who fund their own care in Nottinghamshire County Council Care Homes is to increase to £650.00 per week from April 2012.
 - (b) the charges to service users for meals provision to be retained at the 2011/12 rates
 - (c) the charge for transport to service users to be retained at the 2011/12 rate.

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Constitutional Comments (LMc 13/02/2012)

52. Cabinet has delegated authority under the Scheme of Delegation to approve the recommendations in the report.

Financial Comments (RWK 24/02/2012)

53. The Council's 2012/13 budget includes no provision for general inflation on non-staffing expenditure or on income. The majority of increases to fees paid for services and to fees and charges levied for services provided by the County Council are in line with this provision for inflation.

54. The fees paid to independent sector care home providers for residential and nursing care for older people as detailed in paragraph 13 will increase by more as a result of the implementation of the final phase of the local fair price for care fee model. The 2012/13 revenue budget includes an additional allocation of £1.2 million to meet these costs.

55. The proposed increase in charges for self-funders in County Council care homes set out in paragraph 44 will result in additional income estimated at £200,000. The 2012/13 revenue budget includes provision for this additional income as part of the £23.164 million of efficiency savings to be made within the Adult Social Care and Health portfolio in 2012/13.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Cabinet 7th March 2007 – [New Rates for independent Sector Nursing, Residential and Home Care Services for the year 2007/2008 and Capital Grant for Improving the Care Home Environment for Older People 2007/2008.](#)

Cabinet 12th March 2008 – [New Rates for Independent Sector Nursing, Residential and Care Services for the year 2008/2009.](#)

Cabinet 1st October 2008 – [Fair Price for Care.](#)

Cabinet 9th March 2011 – [New Rates for Independent Sector Care Homes, Homecare and other Community-based Support Services, and New Charges for Services for the Year 2011/2012.](#)

Electoral Division(s) and Member(s) Affected

All.

CAB339