

**17 June 2019****Agenda Item: 9****REPORT OF GROUP MANAGER QUALITY AND MARKET MANAGEMENT  
TEAM ADULT SOCIAL CARE AND PUBLIC HEALTH DEPARTMENT****PROGRESS REPORT REGARDING THE FAIR PRICE FOR CARE INITIATIVE****Purpose of the Report**

1. The purpose of this report is to provide a progress update as requested by the committee about the Fair Price for Care review which includes the fees for Independent Sector residential and nursing care homes, also a review of the Quality Audit Framework Tool (QAF) and the Dementia Quality Mark (DQM) payment that is also made to some providers who apply for and reach the required standard. The total budget spend for older adults care homes is £80.2m with 2349 people being funded by the Council for long term care as at the end of January 2019.

**Information**

2. The Care Act 2014 places a statutory duty on all local authorities to ensure that providers are sustainable and viable. Section 4.31 of the Care Act Statutory Guidance relates to the role of all Councils as a part of their Market Shaping duties, in ensuring that fees paid to providers are sufficient to enable them to meet their employer duties and responsibilities. Council's also have to be able to evidence that contract terms and conditions and fee levels are sufficient to enable providers of care and support services to meet their legal duties in terms of the wages paid to staff and also training and development which in turn will enable a sustainable workforce delivering care services that are of the required quality.
3. Nottinghamshire County Council has always taken a proactive approach in regards to ensuring that all care and support services provided in the County are of a good quality and are paid for at a sustainable cost. In February 2013 Policy Committee approved the current 'Fair Price for Care' framework and fee levels based on five quality bandings were implemented. At the same time members approved the application of an annual inflation linked increase and in addition to this since 2016 there was an increase in line with the National Living Wage.
4. The current 'Fair Price for Care' work has been undertaken in partnership with the representatives from the Council's Quality and Market Management Team (QMMT), ASCPH Finance Team and the Nottinghamshire Care Homes Association (NCA), who meet on a monthly basis and in July 2018 following a tender exercise LaingBuisson were commissioned by the Council to review the local 'Fair Price for Care' framework.

5. The work has consisted of a number of engagement sessions with providers before a questionnaire that was sent to all providers across the County and included them completing information asking for detail about the main components of care home costs including staffing, direct care costs, indirect care costs, repairs and maintenance, capital costs and other non-staffing from this LaingBuisson produced a final report in December 2018.
6. The results of the survey saw that the costs were broadly in line with the current fees that are paid with the exception of some outliers that could not be explained and on that basis the Council proposed to continue using the current 'Fair Price for Care' indices and this was agreed on 1 April 2019 at the Adult Social Care and Public Health Committee.
7. It was further agreed that 4.26% inflationary increase for 2019/20 for independent care home providers in accordance with the agreed indices and the increase for National Living Wage for staffing.

### Quality Audit Framework

8. The QMMT carry out annual audits of all older adult care homes from August to January each year and the outcome of these audits determines the quality banding for the next financial year. There are currently 5 quality bandings for both residential and nursing homes with Band 5 homes receiving the highest fees per week. In addition to this a further payment can be made to homes who achieve Dementia Quality Mark (DQM) status. This means that there are currently 20 payment points for older person care homes which is quite a complex administrative process.
9. The quality audit process commenced in 2007/8 and the banding outcome is determined from the quality audit visit. The score is broken down to 70% for quality and 30% for the environment (the building) including an element of the environment of the home.
10. The quality audit is used to measure care homes' performance in contractual compliance and quality of the service provision. An example of the areas that the care homes are assessed are peoples experience in the care they receive, ensuring people are protected from abuse and that the environment is safe.
11. The review of the quality audit process includes the current banding system and also the audit tool being used to assess quality/contract compliance. There were two consultation events with all contracted social care providers in June/July 2018. The outcome of these events and the review was very positive but it was thought that we should include more examples of good practice. With that in mind there will be an updated tool used from June 2019. This tool can be used for the current banding system and is also able to be adapted should the outcome of the review of the bandings mean that the current system is changed.
12. The current review of the bandings is exploring some of the following options:
  - To keep the current 5 banding system
  - To keep the current 5 bandings but no longer include the environment score 100% on quality of the service.
  - Reduce bandings options for example; to 3 bandings rather than 5
  - To have a standard and higher rate for residential and nursing (to use the DQM for example to achieve the higher rate for example)

13. Recommendations from the review of the quality bandings will be taken to ASCH committee in September 2019

### **Other Options Considered**

14. N/A

### **Reason/s for Recommendation/s**

15. This report is to provide a progress update about the work of the department regarding the Fair Price for Care Review.

### **Statutory and Policy Implications**

16. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

17. There are no financial implications as a result of this report. Any changes to the current payment structure will be modelled by finance and taken to ASCPH committee for approval.

### **Implications for Service Users**

18. Nottinghamshire County Council has always had a proactive approach to quality monitoring of its social care support services and reviewing the Quality Audit Tool will ensure that it is always fit for purpose and in turn will help to ensure that good quality services are available to the people that live within the County.

### **Implications for Sustainability and the Environment**

19. Providers of all support services are encouraged to link in with their local communities to enhance the support services available in local communities.

## **RECOMMENDATION/S**

That members consider the progress report and whether there are any actions they require in relation to the issues contained within the report.

### **For any enquiries about this report please contact:**

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### **Constitutional Comments (LW 23/05/19)**

20. Finance and Major Contracts Management Committee is the appropriate body to consider the content of the report.

### **Financial Comments (OC 23/05/19)**

21. There are no financial implications as a result of this report. Any changes to the current payment structure will be modelled by finance and taken to ASCPH committee for approval.

### **Background Papers and Published Documents**

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.

Links to the background papers:

[ASCHPH Committee April 1 2019 Proposed Fee Increases 2019 - 20](#)

[ASCHPH Committee 13 May 2019 The Quality and Market Management Update](#)