

AGENDA ITEM NO 6

REPORT NO 206/15

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE – 19 MAY 2015

REVIEW OF FEES AND ADDITIONAL SERVICE CHARGES FOR CARE HOMES

REPORT BY MARGO WILLIAMSON - STRATEGIC DIRECTOR PEOPLE

ABSTRACT

This report advises committee of the revised fees and additional service charges for care homes for 2015-16 and the up-rated free personal and nursing care rates.

1. RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

- (i) approves the revised standard fees and additional service charges for care homes
- (ii) notes the up-rated free personal and nursing care rates

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 8. We have improved the health and wellbeing of our people and inequalities are reduced

3. BACKGROUND

- 3.1 Each year the fees and charges for specific services are reviewed in line with statutory requirements, guidance and Angus Council policy and revised if appropriate.
- 3.2 This report sets out charges to be applied to standard care home fees and the procedure for agreeing non-standard rates, including additional service charges. It also advises of the rates for free personal and nursing care.
- 3.3 As well as the standard rates paid for residential and nursing care, up to the nationally agreed rate, Angus Council currently pays a number of non-standard rates. The non-standard rates outwith Angus are based on the rates agreed by the relevant host local authority where the care home is situated or they are particular rates based on the additional assessed needs of a particular resident. Those rates applicable to specific individuals are not increased without detailed reviews being undertaken

4. PROPOSALS

4.1 Residential and nursing charges (including local authority homes)

Charges for residential and nursing accommodation are governed by the National Assistance (Assessment of Resources) (Scotland) Regulations 2003 (as amended) and the National Assistance (Assessment of Resources) Regulations 1992 (1992 Regulations). Fees for such residential and nursing home placements are reviewed and set by the local authority each year. Care home services are procured under the National Care Home Contract which currently runs until 3 April 2016. In recent years

fees for private and voluntary residential and nursing homes have been agreed nationally between COSLA and care home providers and Angus Council is party to this national agreement. A national care home rates increase of 3.8% uplift has been agreed with providers' representatives for 2015-16 and the rates in this report are based on that agreement. The new rates will be payable from 6 April 2015.

4.2 Rates for Angus Council's own care homes have been increased by 1% to reflect the projected increase in the Council's costs over the year.

4.3 The current position is set out below. Rates are paid for placements in private and voluntary sector homes subject to care homes accepting and meeting quality conditions. The quality conditions are derived from scores achieved in Care Inspectorate Reports and Angus Council's has agreed procedures for reducing or removing awards where care homes do not meet the requirements.

4.4 **Additional Service Charges for Private and Voluntary Sector Residential and Nursing Homes**

These were introduced as part of the quality award conditions in 2007/2008. They are defined as "charges for facilities, goods and services that are significantly and demonstrably higher than those expected by Care Standards". These charges are paid either by care home residents or by third parties on their behalf. Angus Council is not liable for payment of these charges but is responsible for agreeing that such charges are reasonable. In line with the recommendation above in relation to care homes fees, it is recommended that these rates be increased by 3.8% in 2015/16, in line with the increase in standard care home fees. The Additional Service Charges considered reasonable are shown in Appendix 1.

4.5 **Non Standard Residential and Nursing Home Rates**

There are currently a number of placements in care homes which are above the nationally agreed rates. These are either placements outwith Angus where the rate agreed by the host authority as reasonable is paid, or placements designed to meet an individual's specifically assessed needs. For individual placements to meet specific needs the rate to be paid will be determined by the Head of Adult Services.

4.6 For placements outwith Angus where the host authority approves an increase in the reasonable rates, our payments and charges will be increased accordingly. Those rates applicable to specific individuals will not be increased without detailed reviews being undertaken.

4.7 **Free Personal and Nursing Care Rates**

Elected members are also advised that the Scottish Government sets the Free Personal Care allowance and has decided to increase the current payment levels from £169 a week to £171 a week for personal care and from £77 a week for nursing care to £78 a week from 1 April 2015. (Appendix 2)

5. FINANCIAL IMPLICATIONS

5.1 The increase in the payments to homes will result in estimated additional expenditure of £596,000 whilst the increase in free personal care in residential and nursing homes amounts to £30,000. This is based on the number of residents as at 31/03/15 and excludes any increased costs related to individuals or care homes with their own standard rates.

5.2 This increase in cost will be funded from a combination of additional funding provided by the council to help fund increased third part costs in 2015/16, along with a contribution from the Scottish Government, who has committed £10 million nationally to help fund this increase albeit the distribution of this funding is yet to be confirmed. At this stage is estimated that Angus Council will receive circa £230,000 in additional grant support to help fund this issue..

5.3 This funding position is as follows: -

| | £000's |
|---|------------|
| Increase in fees for residential and nursing care | 596 |
| Increased Free Personal Care Rates in residential and nursing homes | 30 |
| Total Increased Costs | 626 |
| Funded by Budget Growth for 2015/16 | 418 |
| Estimated Share of additional Scottish Government Grant (£10m) | 230 |
| Estimated surplus | 22 |

- 5.4 Overall a small surplus of £22,000 remains based on current projections but the number of residents may be subject to change during the year and as noted above individual rates may increase. The overall position will be monitored closely through 2015/16 and the ongoing funding position will be the subject of further consideration as part of the 2016/17 budget preparation process

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

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[Equality Impact Assessment](#)

List of Appendices:

Appendix 1 Additional Service Charges

Appendix 2 Free Personal and Nursing Care Rates

Residential Rates (From 6 April 2015)

TABLE 1 - Standard charges for local authority provision

| Category | Homes | Rates for 2014/15 a week | Rates for 2015/16 a week |
|-----------------------|---|--------------------------|--------------------------|
| Older people | Kinloch, Seaton Grove, Beech Hill House | £564.95 | £570.60 |
| Learning disabilities | The Gables | £564.95 | £570.60 |
| Dementia Care units | Seaton Grove, Kinloch, Beech Hill House | £964.34 | £973.98 |

TABLE 2 - Fees for Private and Voluntary Sector Residential and Nursing Homes

| Category | Rates for 2014/2015 Standard Rate | Rates for 2014/2015 Quality Standards Met Rate | Rates for 2015/2016 Standard Rate | Rates for 2015/2016 Quality Standards Met Rate |
|---|-----------------------------------|--|-----------------------------------|--|
| Residential Home | £505.46 | £507.96 | £524.67 | £527.17 |
| Dementia Care Units | £505.46 | £507.96 | £524.67 | £527.17 |
| (Residential) Nursing Home | £587.00 | £590.00 | £609.31 | £612.31 |
| Higher Dependency residential units (specifically commissioned) Dorward House, Montrose | £784.55 | £787.05 | £814.36 | £816.86 |

TABLE 3 - Additional Service Charges for Private and Voluntary Sector Residential and Nursing Homes

| Item | Charge UPDATE |
|---|---------------------------------------|
| Usable floor space above 12.5 m ² in a residents room where first registered before 1 April 2002 | Up to £4.20 per m ² a week |
| Usable floor space above 14.75 m ² in a residents room where first registered on or after 1 April 2002 | Up to £4.20 per m ² a week |
| En-suite with wash hand basin and w.c. | Up to £21.54 a week |
| En-suite with wash hand basin w.c. and bath | Up to £25.09 a week |
| En-suite with wash hand basin w.c. and shower | Up to £31.12 a week |
| Staffing levels permanently above that on a homes Care Commission staffing notice | Calculated on a case by case basis. |

TABLE 4 - Free Personal Care

| Category | Rates for 2014/2015 | Rates for 2015/2016 |
|--------------------|----------------------------|----------------------------|
| Free Personal Care | £169.00 | £171.00 |
| Free Nursing Care | £77.00 | £78.00 |