

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 20 JUNE 2017

REVIEW OF RATES AND ADDITIONAL SERVICE CHARGES FOR CARE

HOMES

REPORT BY VICKY IRONS-CHIEF OFFICER ANGUS HEALTH AND

SOCIAL CARE PARTNERSHIP

ABSTRACT

This report advises committee of the revised standard rates and Additional Service Charges proposed for care homes for 2017-18 and requests committee's approval of these .The report also requests that the approval of rates in future years be delegated to the Chief Officer of Angus Health and Social Care Partnership (Angus HSCP). The report requests committee to note that a review of the underlying cost of in house care home provision will be undertaken in 2017/18.

1. RECOMMENDATION

It is recommended that the Policy and Resources Committee:

- (i) approves the revised standard rates and Additional Service Charges for care homes
- (ii) approves that for future years, where the NCHC is being uplifted by an agreed national increase, that delegated authority is given to the Chief Officer of Angus HSCP to approve the uplift.
- (iii) notes that a review of the underlying cost of in house care home provision will be undertaken in 2017/18.

2. ALIGNMENT TO NATIONAL HEALTH AND WELLBEING OUTCOMES

This report contributes to the following National Health and Wellbeing outcome:

Resources are used effectively and efficiently in the provision of health and social care services.

3. BACKGROUND

- 3.1 Each year the rates 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 rates for care home services, including Additional Service Charges, and the procedure for agreeing non-standard rates.
- 3.3 As well as the standard rates paid for residential and nursing care, at 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. CURRENT POSITION

4.1 Residential and nursing rates

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).

Rates 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. In recent years rates 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. In line with the National Care Home Contract fee negotiations for 2017/2018 the contract rates will be subject to an uplift of 2.8% from 10th April 2017. This further uplift is conditional on care home providers paying all care workers involved in direct care and support of residents regardless of age, experience or time of employment a minimum of £8.45 from 1st May 2017 for the duration of the contract.

4.2 Additional Service Charges for Private and Voluntary Sector Residential and Nursing Homes

Additional Service Charges were introduced as part of the National 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 rates, it is recommended that these charges be subject to an uplift of 2.8% from 10th April 2017. The Additional Service Charges considered reasonable are shown in Appendix 1.

4.3 Quality Conditions

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 has agreed procedures for reducing or removing awards where care homes do not meet the requirements.

5. PROPOSALS

- 5.1 It is proposed that the revised standard rates and Additional Service Charges for care homes be applied from 10 April 2017.
- 5.2 It is proposed that for future years, where the NCHC is being uplifted by an agreed national increase, that the uplift be approved by the Chief Officer of Angus HSCP.
- 5.3 It is proposed that a review of the underlying cost of in house care home provision will be undertaken in 2017/18.

6. FINANCIAL IMPLICATIONS

The financial implications are set out below :-

Residential and Nursing Home Services Provided by Private and Voluntary Sector

The increase in the payments to Private and Voluntary homes will result in estimated additional expenditure of £696,000 based on 2016/17 outturn costs adjusted for the full effect of the Scottish Living Wage change in 2016/17.

This position for 2017/18 is summarised as follows: -

	2017/18 Impact
Additional Costs	£000
Adjusted Outturn Value 2016/17	24,857
2.8% Uplift from 10/4/17	696
Expected Outturn for 2017/18	25,553

The cost of this uplift has been allowed for in the 2017/18 financial framework for Angus HSCP.

It is important to note that the National Care Home Contract has been under significant scrutiny during 2017/18 negotiations. This suggests there remain long term risks regarding continuation in its current form. This risk will be monitored by Angus HSCP.

It is proposed that for future years, where the NCHC is being uplifted by an agreed national increase, that the uplift be approved by the Chief Officer of Angus HSCP.

The impact of third party inflation and low pay is not limited to residential and nursing homes costs. The overall financial position regarding third party providers inflation type pressures remains challenging. This will be monitored closely within Angus HSCP and will form part of future discussions between Angus HSCP and Angus Council regarding budgetary provisions.

Residential Services Provided by Angus Council

Rates need to be agreed annually for in house residential home services. Cost of service delivery is generally linked to Angus Council pay uplifts. For 2017/18 these pay costs are not currently agreed but are expected to increase by an average of 1.46%. It is therefore proposed to increase rates for Angus Council's own care homes by 1.46% effective from 10 April 2017.

A review of the underlying cost of this service provision will be undertaken in 2017/18.

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

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List of Appendices:

Appendix 1 Residential Rates (from 10 April 2017)

APPENDIX 1

Residential Rates (From 10 April 2017)

TABLE 1 - Rates for Private and Voluntary Sector Residential and Nursing Homes

Category	2016/17 Standard Rate	2016/17 Quality Standards Met Rate	2017/18 Standard Rate	2017/18 Quality Standards Met Rate
Residential Home	£558.77	£561.27	£574.42	£576.92
Dementia Care Units	£558.77	£561.27	£574.42	£576.92
(Residential) Nursing Home	£648.92	£651.92	£667.09	£670.09
Higher Dependency residential unit (specifically commissioned) Dorward House, Montrose	£867.27	£869.77	£891.55	£894.05

TABLE 2 - Additional Service Charges for Private and Voluntary Sector Residential and Nursing Homes

Additional Provision	2016/17	2017/18
Usable floor space above 12.5 m ² in a residents room where first registered before 1 April 2002	Up to £4.48 per m ² a week	Up to £4.61 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 £4.48 per m ² a week	Up to £4.61 per m ² a week
En-suite with wash hand basin and	Up to £22.94 a week	Up to £23.58 a week
En-suite with wash hand basin w.c.	Up to £26.72 a week	Up to £27.47 a week
En-suite with wash hand basin w.c.	Up to £33.14 a week	Up to £34.07 a week

Staffing levels permanently above that on a homes Care Commission staffing notice	Calculated on a case by case basis	Calculated on a case by case basis
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TABLE 3- Standard rates for local authority provision

Category	Homes	Rates for 2016/17 per week	Rates for 2017/18 per week
Older people	Kinloch, Seaton Grove, Beech Hill House	£576.31	£584.71
Learning disabilities	The Gables	£576.31	£584.71
Dementia Care units	Seaton Grove, Kinloch, Beech Hill House	£983.71	£998.05