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| Subject: | Fee Level for Adult Social Care Services 2013-14 |
| Date of Meeting: | 21 January 2013 |
| Report of: | Director of Adult Social Services |
| Contact Officer: | Jane MacDonald jane.macdonald@brighton-hove.gov.uk |
| Ward(s) affected: | All |

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report concerns fees paid to independent and voluntary sector providers that supply care services on behalf of Brighton and Hove City Council Adult Social Care and Brighton and Hove Clinical Commissioning Group. It covers fees paid to providers of services for older people, people with physical disabilities, adults with mental health needs including HIV and substance misuse and adults with a learning disability. Service providers include care homes, supported accommodation, home care and community support, community service and direct payments.
- 1.2 With regard to the fees paid to local care homes, work continues internally within the council and with a range of stakeholders including providers of care. Recommendations for fees to providers of home care have been influenced by the recent tender. The price for delivering a range of community based services has been agreed through the Commissioning Prospectus processes, and will be in place from April 2013. Further activity will be included in future prospectuses. The recommendations in this report are in line with those of Commissioners of other services in the council. It is expected that they are also broadly in similar with other local authorities in the region.

2. RECOMMENDATIONS:

- 2.1 The recommendations are that the Joint Commissioning Board notes that:
- Subject to the budget set by Council in February 2013, the recommendations are for the Adult Care and Health Committee to agree the changes set out in Table Two Section 3.9, to come into place for the financial year 2013/14.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Brighton and Hove current financial position

The 2013/14 budget strategy for Adult Social Care will be agreed by Budget Council in February 2013. This will set out the need to ensure that the quality of

services provided in the independent sector is maintained both through ensuring adequate funding and through tight quality control and monitoring by the council.

3.2 Terminology

In this report the term 'care home' includes both residential and nursing homes. The report refers to care homes in the city and those out of the city. Some people choose to live outside Brighton and Hove others may be placed outside the city if there is not provision that meets their needs within the city. 'Set rates' are for placements in care homes for older people and older people with mental health needs. Fees for adults under 65 generally are individually negotiated ie 'non set rates'. Work is currently being undertaken to address differences in approach to funding.

Supported living and supported accommodation refer to services where service users have a tenancy or licence agreement for their accommodation, with separate agreements for care and support.

The report refers to third party payments; these are 'top ups' paid by a third party, usually a family to secure a placement at a price that is greater than the council would fund.

The report refers to Service Contracts. These are contracts that are provided for services, such as advocacy and day services that are provided in the community generally by voluntary and community groups.

3.3 Care homes and supported Living out of city

It is recommended that Brighton and Hove match the applicable host authority set rates for new and existing care home placements out of the city; and that any adjustments in these rates be reflected in any third party payments which apply.

For those care home places that are not set rate, the owners will be advised to contact the council to discuss future fees if this is necessary eg if a client's needs have changed and a reassessment is needed or if the provider is in financial difficulty.

For supported living out of the city, owners will be requested to contact the council to discuss future rates, again if this is appropriate. This includes supported living and community support for people with learning disabilities and accommodation services for people with mental health needs.

3.4 Care homes set rates in the city

For the year 2012-13 it was agreed that set rates paid to residential and nursing homes for older people, people with a physical disability, older people with mental health needs were uplifted 5%. This rise was significantly more than most other national, regional and local authorities.

It was expected that providers used a proportion of the fees to increase the salary of the lowest paid staff towards the living wage. A recent survey showed that out of 25 care homes for older people and older people with mental health needs, 17 homes increased wages and 68% of respondents were paying their lowest paid workers over £7.00 per hour.

Table One – Set fees paid by the council 2012-13

| Type of care home | Service users | Cost of single room |
|-------------------|---------------------------------------|---------------------|
| Nursing home | Older People | £565.70 |
| Nursing home | Older People with Mental Health Needs | £611.70 |
| Residential home | Older People (high need) | £460 |
| Residential home | Older People with Mental Health Needs | £504 |

In the last year there has been much work both internally within the council, with Improvement and Efficiency Social Enterprise and with a range of local stakeholders. Stakeholders have included a range of local providers and assessment teams. Currently work is being undertaken on an audit of care home costs. Results from this will inform future fee setting.

The council is also working closely through the Association of Directors of Adult Social Services to inform and learn from other local authorities about how best to develop a local fee model.

The council continues to provide a range of support and quality training that is free to access and which is much appreciated by providers and is a cost saving to them.

Given that the work on how best to develop a local fee model is not complete; the recommendation is for 1% uplift on set rates and care home block contract rates for the financial year 2013 / 2014. This recognises that providers have increased outgoings in providing 24 hour building based care, particularly with fuel and food costs having risen in the last year. This approach is supported by NHS commissioners.

3.5 Care homes and Supported Living non set rates in the city

The recommendation is for residents who are on rates lower than set rates to be uplifted to the set rate.

For those care home places that are not set rate, the owners will be advised to contact the council to discuss future rates, if this is needed.

For supported living in the city, owners will be encouraged to contact the council to discuss future rates, if this is necessary. This includes supported living and community support for people with learning disabilities and accommodation services for people with mental health needs.

3.6 Home care

The review of the Home Care contract report details the home care market. Following this it is recommended that a 2% increase is applied to home care rates for the financial year 2013/14 in recognition of the impact that rising fuel rates has had on the home care market. It is also recommended that an enhanced rate of 50p per hour is added for all evening calls beyond 8pm. Monitoring has shown that it can take longer to arrange a care package where there is a need for evening calls; having an enhanced rate will enable care providers to recruit staff who are willing to work beyond 8pm.

3.7 Direct payments

Similar issues that affect home care costs also apply to direct payments as these are used in the main to purchase hours of personal assistant time. It is therefore recommended that a 2% increase is applied to the direct payment hourly rate.

3.8 Service Contracts

The Commissioning Prospectus introduced a new approach to funding organisations operating locally. In the first prospectus the Council and NHS sought applications from parties interested in working in the areas of mental health, disability, carer support and older people's community services. The price for delivering services was agreed through the Commissioning Prospectus processes with agreed rates in place from April 2013.

Both council and NHS commissioners are working with providers on an individual basis and discussions are being held regarding planned service activity. The overarching recommendation for those providers not in the Prospectus is for no change to fees for the 2013/14 financial year. Any provider that experiences financial difficulty is encouraged to make the council aware and they will be offered advice and support. If the council cannot assist directly, business support partners might be able to help www.brighton-hove.gov.uk/index.cfm?request=b1000040

3.9 Recommended Fee Rates 2013/14

The table below sets out recommended fee rates for the financial year 2013/14.

Table Two – Summary of recommendations

| | Rate | Comment |
|---|------------------------------------|--|
| In city care homes set rate | 1% increase | 5% paid last year |
| In city care homes/ Supported Living Non set rate | 0% change | owners will be encouraged to contact the council to discuss future rates, if this is necessary |
| Out of city care home supported living set rate | To reflect the host authority rate | owners will be encouraged to contact the council to discuss future rates, if this is necessary |
| Out of city care home Non set rate | 0% change | owners will be encouraged to contact the council to discuss future rates, if this is necessary |
| Home care | 2% increase | |
| Direct payments | 2% increase | |
| Service Contracts | 0% change | |

- 3.10 Other local authorities are working on their fee rates at present. Further to discussions at a regional level, it is expected that the proposals from Brighton and Hove will be in line with the broad spectrum of recommendations from other areas in the region.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The council is continuing to take forward work on fees to care homes and working with providers on this activity. The Director of Adult Social Services/Lead Commissioner for Adult Social Care and Health has made presentations to a number of provider forums and advised them of the additional support provided by the council and the current financial position.

The council is continuing to take forward work on fees to care homes and working with providers on this activity. A copy of the draft and final report has been shared with the Registered Care Homes Association.

The Area Chairman highlighted the rise in pay, food and energy costs and the possible increases in Living Wage. He argued that a 2.5% gross increase was necessary to maintain good quality care and financial viability and that there had been no increase between 2009 and 2012. Evidence from the latest Laing and Buisson report was quoted.

If the recommendations in this report are agreed care homes in the city on set rates will have been awarded a 6% uplift over two years. This balances the need to protect services to vulnerable adults with the duty to manage public money.

Home care providers have had the opportunity to inform the council of their financial position in the recent review.

This report has been shared with commissioners in the NHS Clinical Commissioning Group and they support the recommendations. Public Health confirms that none of the locally set public health contracts include a financial uplift on their contract price for 2013/14. Commissioners for other community services said that they do not routinely uplift their grant funding to any community organisation. Some organisations may receive enhanced or additional funding but this would be as a result of applying for new grant funding or through new contracts.

This report has been shared with the Older Peoples Council where a presentation was given. The Link was asked to comment but none were received.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

Current annual spend on care services is approximately £70 million. The proposed fee uplifts set out in section 3.9 can be met from within the 2% inflation allowance included in the budget model for 2013/14. Those fees not being increased in line with inflation will help contribute to the delivery of the overall budget strategy for Adult Social Care which will be considered by Budget Council in February 2013.

As described in the report, levels have been benchmarked and assessed against current costs. It is anticipated that a new model for care home fees will be in place to calculate fee levels from April 2014.

Finance Officer Consulted: Michael Bentley 10 December 2012

5.2 Legal Implications

The Local Authority has dual duties to assess and provide services to eligible vulnerable adults in the City and to the public purse to ensure adherence to budget. This report describes how those duties are to continue to met, informed by consultation and work with the CCG and stakeholders. The variance in funding of some service is recognised and addressed by systems in place for individualised consideration of specific non-set rates and provision of advice and support to providers.

The approval sought can therefore only be on the basis of budget proposal agreement.

There are no specific Human Rights Act 1998 implications arising from this Report.

Lawyer consulted: Sandra O'Brien 8 January 2013

5.3 Equalities Implications:

A separate Equalities Impact Assessment has been completed.

5.4 Sustainability Implications:

Fee rates awarded are intended to keep business sustainable.

5.5 Crime & Disorder Implications:

There are no specific crime and disorder implications set out in this report.

5.6 Risk and Opportunity Management Implications:

The financial risks have been set out in the main body of the report.

5.7 Risk and Opportunity Management Implications:

Variations of the recommendations were considered. The proposals balance risk, ongoing quality and sustainability of services in the city with the budget pressures.

5.8 Public Health Implications:

Fees paid to services keep a range of providers in business. This includes a range of preventative services that help maintain service user's health and prevent deterioration and reliance on more intensive provision.

5.9 Corporate / Citywide Implications:

The fees paid to provider services will impact on all wards of the city, keeping businesses sustainable and able to provide ongoing quality services.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 A range of different uplifts were modelled. The recommendations included in this report fit within current budget proposals. They will provide those delivering services on behalf of the council with sufficient funds to remain robust.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 Given the position of public sector finances where there are uplifts these are targeted to where they are most needed.

SUPPORTING DOCUMENTATION

Appendices

None

Documents in Members' Rooms

None

Background Documents

None

