

<b>Subject:</b>	Fee Level for Adult Social Care Services 2014-15		
<b>Date of Meeting:</b>	20 January 2014		
<b>Report of:</b>	Executive Director Adult Services		
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<b>Ward(s) affected:</b>	<b>All</b>		

**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.
- 1.2 It includes fees paid to providers of services for older people, people with physical disabilities, adults with mental health needs and adults with a learning disability. Service providers include registered care homes, supported accommodation, home care and community support, community service and direct payments.

**2. RECOMMENDATIONS:**

- 2.1 That Adult Care and Health Committee agree the proposed fee increases as set out in the table below.

Description of service	Recommended fee increase
In city care homes set rate where older people set rates apply	1% increase
In city care homes set rate where older people mental health set rates apply	2% increase
In city care homes/ Supported Living Non set rate	0% change
Out of city care homes/ Supported living set rate	0% change
Shared lives carers	1% increase
Out of city care homes Non set rate	0% change
Home care	0% change
Direct payments	0% change
Service contracts	0% change

### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

#### 3.1 Terminology

- This report refers to **care homes** and care homes with nursing; care homes are also known as rest or residential homes and care homes with nursing are known as nursing homes. In this report the term registered care home is a term used to mean both care homes and care homes with nursing, all of which are registered with the Care Quality Commission.
- **Set rates** are usually used for placements in homes for older people and older people with mental health needs. Fees for adults aged 18 - 65 generally are individually negotiated ie 'non set rates'.
- **Supported living** and **supported accommodation** refer to services where a person has a tenancy or licence agreement for their accommodation, with separate agreements for care and support.
- **Third party payments** 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.
- **Service contracts** are funding arrangements for services, such as advocacy and day services that are provided in the community generally by voluntary and community groups.

#### 3.2 Project work

3.2.1 For a number of years there has been an issue about the costs of delivering decent quality care versus the prices which such care attracts; this is particularly true of care delivered in registered care homes. The debate has tended to be different in older people's care in relation to care provided for younger people with disabilities, particularly learning disabilities.

3.2.2 It has largely been providers of registered care homes for older people and older people with mental health needs, who have expressed concern that prices paid by councils do not reflect the cost of care.

3.2.3 In April 2012, Brighton and Hove Council commissioned Information and Efficiency South East to review the way fees are agreed across all care sectors and develop a clear rationale for allocation of resources that take account of the cost of care. The project is now in its latter stages which includes on going work with providers to gather information about how their finances are constructed. This is with a view of making an offer that is easier to understand. Work on this is more complex than originally envisaged and is likely to be nearing completion in spring 2014. It will need to take into account the Care bill 2014. The work will help inform fee setting for 2015/16.

#### 3.3 Care homes and supported living out of city

3.3.1 It is recommended that Brighton and Hove match the applicable host authority set rates for new and existing registered care home placements out of the city where these rates apply; and that any adjustments to these rates is reflected in any third party payments which apply. This is recommended as each local area is best placed to arrange local fee settlements.

- 3.3.2 For those registered care home places that are not covered by set rate arrangements, the owners will be advised to contact the council to discuss future fees if this is necessary eg if a resident's needs have changed and a reassessment is needed or if the provider is in financial difficulty.
- 3.3.3 For supported living out of the city; if appropriate, owners will be requested to contact the council to discuss future rates. This includes supported living and community support for people with learning disabilities and accommodation services for people with mental health needs.

3.4 Registered care homes rates in the city

3.4.1 An overview of current weekly fees paid to providers of care homes are set out below

Type of care home	Service users	Cost of single room
Nursing home	Older People	£572
Nursing home	Older People with Mental Health Needs	£618
Residential home	Older People (high need)	£465
Residential home	Older People with Mental Health Needs	£509

It is recommended that there is an uplift of 1.0 % for registered care homes where the older people set rates apply. Previous Committee agreements relating to fees are in Appendix one. A full breakdown of current fee rates is included as Appendix two.

- 3.4.2 Changes to Care Quality Commission registration have had an impact on how care for older people is provided. A few years ago before the relaxation of registration, once a person had a diagnosis of dementia they could no longer stay in a mainstream care home, but would have to move to a care home registered for dementia. Following the registration change many people with dementia stay in mainstream care homes, which on the whole is a positive outcome. A consequence though, is that those people who do go to care homes registered for dementia can be those with the most complex (and costly) needs. This is likely to have contributed to some undersupply across the South East region.
- 3.4.3 Supply in Brighton and Hove is complex, with some new providers targeting self funders entering the city and others choosing to leave the market. The city has a historic undersupply of homes for people with dementia needs. This shortage impacts on delayed transfers of care, further undersupply will exacerbate this and cause problems in the wider health economy. In West Sussex 2013-14 rates for registered care homes providing dementia care were increased by 8.4%. Although West Sussex still pays less than Brighton and Hove the magnitude of increase for registered care homes supporting people with dementia is not unusual. It is recommended that there is an uplift of 2.0 % to care homes and care home with nursing where the older people mental health rates apply.
- 3.4.4 The fees for mental health placements for people aged 18 - 65 vary significantly according to provider and generally the fees are significantly higher than placements for older people and older people with mental health needs although many of the 'hotel'

costs are similar. It is recommended that there is no uplift to providers of adult placements. This includes providers of registered care homes, supported living and supported accommodation. Any provider experiencing financial difficulty is urged to contact the council. If the council cannot assist directly, business support partners might be able to help [www.brighton-hove.gov.uk/index.cfm?request=b1000040](http://www.brighton-hove.gov.uk/index.cfm?request=b1000040)

3.4.5 Fees for providers where the primary need is learning disability and physical placements, vary considerably, and will be reviewed through the Care Home Fees Project. Each placement tends to be negotiated on an individual basis. This includes providers of registered care homes, supported living and supported accommodation. Although these services have not received any uplift to fees for several consecutive years, the sector broadly understands and accepts the need for continued efficiency. As above any provider experiencing financial difficulty is urged to contact the council. There is also a recommendation for any resident who is on rates lower than set rates to be uplifted to the set rate.

### 3.5 Shared Lives: All Client Groups

There is a review of fee structures which links to the care home fees project. There has been no uplift in council supported Shared Lives since 2009 and feedback indicates significant financial pressure on carers and service providers. The proposed expansion of Shared Lives may be jeopardised with no uplift. It is recommended that there is 1% uplift in fees paid to Shared Lives carers

### 3.6 Home care

An uplift to fees was paid to home care providers last year. This was to support those who were experiencing difficulties in recruitment, particularly for people to work in the evening beyond 8pm and also in recognition of the high cost of petrol for home care workers. The home care market continues to have recruitment difficulties locally and nationally, but it is likely that there is range of contributing factors aside from fees. Increased monitoring is required to ensure providers use funds to achieve the desired outcomes. It is recommended that there is no uplift in fees 2014-15.

### 3.7 Direct payments

Similar issues that affect home care costs apply to direct payments as these are used in the main to purchase hours of personal assistant time and an uplift was paid to providers last year. In line with recommendations made regarding home care fees it is recommended that there is no uplift in fees 2014-15.

### 3.8 Service Contracts

3.8.1 Service contracts are funding arrangements for services, provided in the community generally by voluntary and community groups. This category includes day activities and community meals. The Prospectus approach to commissioning is used for funding arrangements. This includes the facility for a bidder to set their price for overall delivery of service, including management and operations costs. Thus any relevant cost of living or uplift within the scope of the available funding would be built into the bid and this would be agreed for the length of the funding agreement.

3.8.2 Both council and NHS commissioners are working with providers on an individual basis. The overarching recommendation for all providers not in the Prospectus is for

no change to fees for the 2014/15 financial year. Any provider that experiences financial difficulty is encouraged to make the council aware and they will be offered advice and support.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

4.1 This report has been shared with:

4.1.1 The Brighton and Hove Clinical Commissioning Group. The Manager and Clinical Lead for NHS Continuing Healthcare and Head of Commissioning Mental Health and Community Services both supported the recommendations in the report.

4.1.2 Public Health. The Business Manager confirmed that Public Health will not be giving a financial uplift to any of their contracts in 2014.

4.1.3 Corporate Policy, Performance and Communities have given comment on the report. In line with the Communities & Third Sector Policy they are committed to the prospectus approach and this is in line with paragraph 3.8.1

4.1.4 Healthwatch Brighton and Hove. This report has been shared with Healthwatch Brighton and Hove. They have no concerns, providing the quality of the service is not affected by the recommendations and the proposal would not affect the contribution people have to make towards the cost of their care

4.1.5 Older Peoples Council. This report was discussed at Older Peoples Council in December 2013.

4.1.6 Brighton and Hove Registered Care Homes Association (RCHA). The RCHA is part of the care home fee project group and in regular dialogue with the Council regarding fees paid to care homes.

4.2 The recommendations within this report are broadly in line with the early indications from other Local Authorities in the South East.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

5.1 The current annual gross budget on care services is £71.5 million and the inflation allowance for fees included in the budget model for 2014/15 is 2% as per the report to Policy & Resources Committee on 11<sup>th</sup> July 2013. The proposed fee uplifts set out in section 2.1 will help deliver the £1 million savings within the Adult Social Care budget strategy for 2014/15 included elsewhere on this agenda, by limiting inflation increases on fees in view of the levels of increase in the last two years and ensure comparability with other local authorities.

*Finance Officer Consulted: Anne Silley*

*Date: 08/01/2014*

## 5.2 Legal Implications:

Alteration of rates for care requires approval of this Committee. This report describes the analysis applied to rate setting in the context of comparison with other authorities, previous increases, local provision data, the ongoing review of fees and matching care needs and consultation. In addition to consideration of these variables the Council must have regard to the public purse. As described in the body of this Report provision is made for any individual care provider to receive support and assistance if financial difficulties arise.

*Lawyer Consulted: Sandra O'Brien*

*Date: 08/01/2014*

## 5.3 Equalities Implications:

A separate Equalities Impact Assessment has been completed.

## 5.4 Sustainability Implications:

Fee rates awarded are intended to meet Council budget pressures and keep businesses sustainable.

## 5.5 Any Other Significant Implications

Significant implications are included in the body of the report.

## **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Various options and permutations were considered. The recommendations in the report balance the council's financial position with provider need. Any provider experiencing financial difficulty is urged to contact the council.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 See above.

## Appendix one

Table showing changes to Fees paid 2011 to present

	2011-2	2012-3	2013-4
In city care homes set rate	0% change	Older People, Mental health, Physical Disability - 5% increase Learning Disability - individually negotiated	1% increase
In city care homes/ Supported Living Non set rate			0% change
Out of city care homes/ supported living set rate	Match Applicable host area	Match Applicable host area 0% change	Match Applicable host area
Out of city care homes Non set rate			0% change
Home care	0% change	0% change	2% increase
Direct payments		2% increase	2% increase
Service Contracts		2% increase/ individually negotiated	0% change

## Appendix two

Weekly fee rates for 2013/14 for in City Nursing Homes for Older People and Older People Mental Health (OPMH) applicable from 8<sup>th</sup> April 2013

Care Homes with Nursing for Older People	Weekly Rate including Social Care Rate and RNCC
Shared Room	£534.79
Single Room	£571.79

Care Homes with Nursing for Older People with Mental Health needs	Weekly Rate including Social Care Rate and RNCC
Shared Room	£580.79
Single Room	£617.79

RNCC	
Single Nursing Band	£109.79
Contenance Payment	£6.90

Weekly fee rates for 2013/14 for in City Residential Care Homes for Older People and Older People Mental Health (OPMH) applicable from 8<sup>th</sup> April 2013

Residential Care Homes for Older People	Weekly Rate
Low Need - single room	£344
Low Need – shared room	£309
Medium Need - single room	£418
Medium Need – shared room	£380
High Need - single room	£465
High Need – shared room	£427

Residential Cares Homes for Older People with Mental Health Needs	Weekly Rate
OPMH - single room	£509
OPMH – shared room	£472

## **SUPPORTING DOCUMENTATION**

### **Documents in Members' Rooms**

None

### **Background Documents**

None