

## CARE HOMES FOR OLDER PEOPLE – WEEKLY FEES

### 1. Reason for Report

This report provides Members with details of the proposed weekly fees for care home places for older people with effect from 1<sup>st</sup> April 2007.

### 2. Report Summary

This report informs Members of the national developments with regard to payments for care home places for older people and how these are linked into national developments aimed at improving quality of service provision in care homes, following the publication of the OFT report 'Care homes for older people in the UK' – May 2005.

### 3. Glossary of Terms

OFT- Office of Fair Trading

DWP – Department of Work and Pensions

COSLA – Convention of Scottish Local Authorities

Nationals Care Standards – are the 'National Care Standards - Care Homes for Older People', published by the Scottish Ministers under the Regulation of Care (Scotland) Act 2001 that describe the care and services that a resident of a care home can expect to receive from the provider.

### 4. Recommendations

Members are asked to agree the revised weekly fees for independent care homes for older people, linked to 'quality payments' as recommended by COSLA, with effect from 1<sup>st</sup> April 2007 as follows:

- 4.1 £435.33 per place for residential care;
- 4.2 £501.27 per place for nursing care; and
- 4.3 £521.50 per place for an EMI (Elderly Mentally Ill) unit.

### 5. Corporate Plan Links and Contribution

The intention of COSLA in developing 'quality payments' with regard to the purchase of residential care for older people is to ensure the provision of high quality care for care home residents. With the introduction of 'quality payments', Dumfries and Galloway Council will be helping to ensure that its older people receive quality service provision in residential care homes. This is consistent with the aim of the Corporate Plan to promote social justice and the Council's legislative duty to protect vulnerable older people.

### 6. Resources/Value for Money Assessment

The funding package agreed between the Scottish Executive and COSLA for care home fees for 2007/8 onwards is an additional £850,000 per annum, provided

specifically to introduce the 'quality payments', and is sufficient to meet the cost of these and an inflationary uplift of 2% (4% uplift on the DWP element).

## **7. Risk Assessment**

The introduction of criteria which care homes have to meet in order to qualify for 'quality payments' should increase the quality of care provided in care homes. The payment of 'quality payments' to care homes, without the need for these criteria to be met, may reduce the degree of compliance with the quality measures.

## **8. Consultations**

The Director of Finance, the Chief Social Work Officer and the Head of Strategic Planning and Commissioning have been consulted and concur with the contents of this report.

## **9. Background**

### **9.1 The National Care Home Contract**

Over the past two years COSLA, supported by the Scottish Executive, has been developing a model National Contract for care homes for older people. The intention of this National Contract is to introduce some uniformity and consistency in contractual arrangements with care homes across Scotland but, more importantly, to raise care standards and to try to stop care home owners from charging 'top-ups'.

9.1.1 'Top-ups' are charges made to residents, over and above the amount set by the local authority. To support this development, the Scottish Executive provided £37m to local authorities in 2006/7 to raise the level of payment to care homes, thus reducing the need for 'top-ups'.

9.1.2 COSLA agreed with 'Scottish Care', a body representing independent Scottish care home providers, that care homes would qualify for the 2006/7 increase in fees if they met the following criteria:

- Compliance with all the 'National Care Standards – Care Homes for Older People'
- Ceasing to charge top-ups
- Signing up to the National Care Home Contract

9.1.3 The additional funding provided to Dumfries and Galloway for care homes in 2006/7 was £1.5m. This increased the weekly payment per person from £365.75 to £406.84 (residential), from £428.75 to £471.45 (nursing) and from £444.50 to £490 (EMI - Elderly Mentally Ill). As a result of the introduction of the higher level fees, top-ups ceased to be charged in Dumfries and Galloway from 2006/7.

9.1.4 The National Contract was to have been introduced to care homes in April 2006, but due to delays in consultations between COSLA, local authority legal departments and 'Scottish Care', the contract was only recently available in its final version. In January 2007, Members of Adult Services Sub Committee agreed to the introduction of a version of the National Care Home Contract which had been adapted for use in Dumfries and Galloway.

### **9.2 Quality Payments**

Following the introduction of the National Care Home Contract, COSLA's intention was to introduce, from April 2007, 'quality payments', which would be paid to care

homes if they met certain additional criteria. However due to the delay at a national level in agreeing the National Contract, the development of criteria for these 'quality payments' was also delayed.

9.2.1 As the funding to meet the cost of the 'quality payments' had been agreed for 2007/8 by the Scottish Executive, COSLA, in the autumn of 2006, drew up a number of temporary criteria in order to administer the 'quality payments' during 2007/8. More robust criteria for 2008/9 onwards are to be developed during 2007/8.

### 9.3 Criteria for Accessing Quality Payments

During the discussions which took place this week between COSLA and Scottish Care, it was recognised that it was unreasonable to expect care homes to meet, by 1<sup>st</sup> April 2007, all the temporary criteria which had been set in order for providers to access quality payments in 2007/8. Consequently, it was agreed to split the criteria into two groups and to set different achievement dates for the two groups of criteria as follows:

#### 9.3.1 Basic requirements to access 'quality payments' from 1<sup>st</sup> April 2007:

- Care home provider to accept the National Care Home Contract
- Care home provider to meet the National Care Standards
- No 'top-ups' to be charged by the provider
- Care home to provide a brochure giving details of all charges – including private rates
- A 'Resident's Agreement' giving details of what the home will provide for the agreed payment, to be in place for each resident
- Care home provider to agree to information on any 'Additional Service Charges' it may make to its residents being included on a COSLA database
- Care home to accept within the Council contract, and at Council rates, any resident whose income and capital falls to a certain level.

#### 9.3.2 Additional requirements to continue to qualify for 'quality payments' from 1<sup>st</sup> October 2007:

- 40% of non-professional staff to have achieved SVQ level 2 or above, and a further 10% to be actively working to achieve this within a timescale
- A lower rate for a shared room
- Care home manager has to have achieved, or be working towards, SVQ level 4 or equivalent management qualification (still under discussion).

If a care home fails to meet the first group of requirements by 1<sup>st</sup> April 2007, it will not qualify for the 'quality payments'. If the care home fails to meet the second group of requirements by 1<sup>st</sup> October 2007, it will not receive the 'quality payments' from that date.

### 9.4 The Local Situation

The Dumfries and Galloway version of the National Care Home Contract was approved by Members in January 2007 for region-wide use. This contract has now been sent out to all care homes. An initial response from a questionnaire sent out to the care homes following approval of the contract by Members, indicates that most care home owners are willing to sign the contract. This process is being actively

pursued although providers need time to consult with their legal advisors regarding their acceptance of the contract.

9.4.1 The temporary criteria for 2007/8 (shown above) which care homes are required to meet in order to access the 'quality payments', have been subject to debate between COSLA and Scottish Care for some time. Some of the finer details have still to be finalised, but a letter written by the Chief Executive of Scottish Care to independent providers, and passed to local authorities by COSLA on 21<sup>st</sup> February 2007, has produced clear expectations of care homes and has clarified a way forward for providers to meet the criteria and thereby access the quality payments. As this level of clarity has now been reached, it seems appropriate for Dumfries and Galloway to comply with this, even though it may result in not inconsiderable administrative difficulties for council staff, due to complications in payment and charging mechanisms.

#### 9.5 Proposed New Rates

The additional funding made available to Local Authorities for 'quality payments' is to provide around an extra £18.13 per resident per week. With the addition of the agreed inflationary element, the revised weekly fees payable to independent care homes, for a resident contracting through the council, would then be as follows:

**£435.33 per place for residential care (previously £406.84 in 2006/7)**

**£501.27 per place for nursing care (previously £471.45 in 2006/7)**

9.5.1 Following the development of EMI (Elderly Mentally Ill) units in care homes in Dumfries and Galloway from 2002, an enhanced level of payment known as the 'EMI rate' has also been utilised. This higher fee rate is to enable the homes to provide higher staffing levels to cater for the needs of older people who have complex mental health needs and who present challenging behaviour. The revised weekly fee for this client group would be as follows:

**£521.50 per place for care in an EMI (Elderly Mentally Ill) unit (£490 in 2006/7)**

#### 10. Key Issues

COSLA, in co-operation with Scottish Care, have agreed temporary criteria to be met by care homes in order that they may qualify for 'quality payments' during 2007/8. The funding for these payments, and for an annual inflationary uplift, has been made available by the Scottish Executive and is recurring.

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