

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE - 22 MARCH 2010

REPORT ON: NATIONAL CARE HOME FEE SETTLEMENT AND QUALITY AWARD 2010/11

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 157-2010

1.0 PURPOSE OF THE REPORT

- 1.1 This report informs members of the renegotiated fee settlement between COSLA, the Scottish Government and care home providers in relation to the ongoing development of a national care home contract.
- 1.2 This report also recommends payment rates for 2010/11 for independent sector care homes as outlined in the National Care Home Contract negotiations.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 Members note the outcome of negotiations between COSLA and care home providers to reduce the cost of the National Care Home Contract settlement for 2010/11.
- 2.2 Members endorse the proposal that care providers and council officers should work constructively together to manage funding pressures over the next spending period.
- 2.2 Payments made to independent sector care homes are increased in line with the detailed recommendations attached as Appendix 1.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Provision for increases in care home placement costs under the terms of the national care home contract has been included within the Social Work Departments Revenue Budget 2010/11.

4.0 MAIN TEXT

- 4.1 It is the responsibility of local authorities to fund placements in independent sector care homes where service users are assessed as being unable to meet the full costs of their placements. Local authorities are also obliged to ensure that personal and nursing care is provided free of charge to eligible residents.
- 4.2 In Report 227-2009 (April 2009) members were informed of progress regarding the national negotiations between COSLA, care home providers and the Scottish Government in advancing the quality agenda for the care home sector. The negotiations and review of care home fees were instigated to address care home owners concerns regarding the increased cost of providing care, mainly due to factors outwith their control (e.g. requirements of national care standards).

- 4.3 The review has taken place over a number of stages with increases in fees agreed nationally for the provision of care home services. Fundamental to the national agreement between local authorities and care home providers is that there is now a link between fees paid to providers and quality of service provided.
- 4.4 Having taken soundings from Directors of Social Work and Directors of Finance on the affordability of the previously agreed uplift for 2010/11 (year two of a two year deal), COSLA has arrived at a renegotiated settlement with care home providers.
- 4.5 The care home providers accepted that councils were facing significant financial pressures and a reduced offer was agreed for 2010/11.
- 4.6 The conclusion to these negotiations has resulted in the following agreement:
- The fee base rate will increase by 2.0% for 2010/11 which represents a reduction of 0.7% on the previously agreed position.
 - Additional funding will be made available to the best performing care homes (those achieving the highest Care Commission Quality Assessment Framework (QAF) grades) thereby consolidating the quality agenda. The current funding structure operates a deficit model, whereby the poorest quality homes have a small proportion of their funding removed.
 - The trained staff target for the end of 2010/11 remains at 65% of staff to be qualified at SVQ level 2 or above.
 - COSLA and the Scottish Government will continue to work on developing a new model of care, involving more specialised care, differentially rewarded on the basis of staffing numbers, quality and outcomes. Work will also be undertaken to develop joint commissioning models between NHS Health Boards and councils with respect of high dependency health and social care.
- 4.7 **Payment of Quality Funding**
- 4.7.1 The agreed weekly nursing and residential care home fees include a quality award element to encourage increased quality of service over and above that required for basic compliance with registration conditions.
- Basic Quality Award
- 4.7.2 The 'Basic Quality Payment' element of the full fee which relates to the 10/11 quality requirements is £26.74 (Nursing) and £21.26 (Residential). 50% of the quality element relates to the achievement of staff training targets.
- 4.7.3 In support of the payment for quality agenda, 50% of the basic quality award should be made available to care homes that achieve a QAF grade of 3 or more in the themed area of Quality of Care and Support, with the remaining 50% being awarded to care homes that meet the trained staff targets. The provision of the basic quality award to care homes which do not satisfy these criteria is at the discretion of councils:
- If a care home receives a QAF score of 2 or less in the themed area of Quality of Care and Support, this will trigger a Local Authority review/discussion with the care home, which could lead to the withdrawal of the quality award.
- Similarly, if a care home falls below the agreed staff training threshold, 50% of the basic quality award could be withdrawn.
- Enhanced Quality Award
- 4.7.4 In order to create additional incentives to improve the quality of care, an enhanced quality award will be available to the best performing care homes. Specifically:

- For Care Homes with nursing, an additional £2.00 per resident per week will be available if a QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories. A further £1.00 per resident per week will be available to homes that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.
- For Residential Care Homes, an additional £1.50 per resident per week will be available if a QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories. A further £1.00 per resident per week will be available to homes that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.
- Performance will be judged across two 6 month periods within the financial year: April to September, and October to March. Any enhanced quality award payment will be backdated from the point of inspection to the beginning of the most recent 6 month period. Similarly, where a care home's QAF rating is downgraded, resulting in a reduction in the quality reward, this should also be backdated from the point of inspection to the beginning of the most recent 6 month period. COSLA and Scottish Care will keep these mechanisms under review to ensure that the new system can be effectively administered.

4.8 With regard to rates, there are four main rates:

- 1) The national contract rate with the Basic Quality Payment.
- 2) The national contract rate with part of the Basic Quality Payment (Staff Training element or QAF Grade element) removed.
- 3) The national contract rate with all of the Basic Quality Payment (both the Staff Training element & QAF Grade elements) removed.
- 4) Below the national contract (the 'default' rate) - where the national contract is not in place, or enforcement action is being taken, or for rooms for three or more.

4.9 The Social Work Department's Contracts Section shall monitor the extent to which providers meet the agreed quality framework and shall recommend the appropriate fee rates payable to providers based on the criteria set out in the report.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6.0 CONSULTATION

6.1 The Chief Executive, Depute Chief Executive (Support Services), Assistant Chief Executive and Director of Finance have been consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Alan G Baird
Director of Social Work

Date: 26 February 2010

RECOMMENDATIONS

It is recommended that the Social Work Committee approves rates (£ per week) for payment to independent sector care home providers in 2010/11 as outlined below

	Registered homes without nursing care £ per week	Registered homes with nursing care £ per week
National Contract rate with the Basic Quality Payment (Dual shared room)	£474.16 (£449.16)	£550.81 (£525.81)
National Contract rate with 50% of Basic Quality Payment removed (Dual shared room)	£463.53 (£438.53)	£537.69 (£512.69)
National Contract with 100% of Basic Quality Payment removed (Dual shared room)	£452.90 (£427.90)	£524.57 (£499.57)
Below the National Contract fee level (Dual shared room)	£433.48 (£408.48)	£510.16 (£485.16)

These rates will be effective from 12th April 2010 and will apply regardless of the local authority area in which the home is situated.

These rates are all inclusive: no supplements will be paid.