

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK AND HEALTH COMMITTEE - 28TH MARCH 2011

REPORT ON: NATIONAL CARE HOME FEE SETTLEMENT AND QUALITY AWARD 2011/12

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 165 - 2011

1.0 PURPOSE OF THE REPORT

1.1 This report informs members of the outcome of negotiations between COSLA, the Scottish Government and care home providers in relation to the ongoing development of the National Care Home Contract (NCHC) settlement for 2011/12.

2.0 RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

2.1 Note that Scottish Care, the providers' representatives, has agreed to the COSLA proposal to freeze the headline NCHC rates for 2011/12 which will result in a reduced cost to local government after uplifts in the Department of Work & Pensions are taken into consideration. These rates are outlined in appendix 1.

2.2 Note that Scottish Care has further agreed to a formal review of the NCHC during 2011/12 to explore all available options with respect to the procurement of care home places.

3.0 FINANCIAL IMPLICATIONS

3.1 As a result of the National Care Home Contract negotiations, the local authority contribution to weekly care home fees will reduce, with a reduction of 1.2% in the contribution to residential fees and a 1% reduction in nursing fees. It is estimated that this will result in a reduction in care homes expenditure of £193,000 in 2011/12. Given there are significant cost pressures within the Social Work Department's externally purchased care home budget, it is recommended that these savings are reinvested in the care home budget.

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 Over the past four years, COSLA, Scottish Care, the Care Commission, the Scottish Government and other key stakeholders have made significant progress in advancing the quality agenda for the care home sector. They have looked to enhance the quality of care being provided within care homes and to deliver consistency, efficiency, fairness and stability in the contractual relationship between commissioners and providers of care. This has been achieved through the National Care Home Contract and the associated 'payment for quality' model, whereby financial incentives and penalties are applied relative to a care home's performance

4.3 With respect to the 2011/12 NCHC settlement, COSLA wrote to Scottish Care in December to set out the position agreed by Convention on the headline rates. They put forward an offer that was premised on a freeze to the rates, but allowing local authorities to gain by way of the DWP uplift, thereby generating a 1% saving on nursing care and 1.2% on residential care:

2011/12	Nursing Care Rate	Residential Care Rate
Local Authority Element	£436.06	£359.41
DWP Element	£114.75	£114.75
Headline Fee 2011/12	£550.81	£474.16

4.4 Since then, Scottish Care has had a meeting of its Executive Committee and an Extraordinary General Meeting, at which the freeze to the headline rates was agreed.

4.5 **Payment for Quality**

4.5.1 The quality award for 2011/12 will move away from output measures – specifically trained staffing levels – and will focus solely on the outcomes agenda, as scored by the Quality Assessment Framework (QAF).

4.5.2 Poor Quality Penalty

In support of the payment for quality agenda, a poor quality penalty of £20.00 can be applied to any care home (nursing or residential) that receives a QAF score of 2 or less in the themed area of Quality of Care and Support. The result of such a QAF grading will be to trigger a Local Authority review/discussion with the care home, which could lead to the application of the penalty. However, the default assumption should be that where a care home with a QAF grade of 1 or 2 can demonstrate that it is taking robust remedial action to improve the quality of its care, the financial penalty ought not to apply. Where robust remedial action is not evident, a deduction can be applied up to the levels highlighted above. The final decision will continue to be at the discretion of the local authority

4.5.3 Enhanced Quality Award

In order to create additional incentives to improve the quality of care, an enhanced quality award will continue to 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.

The administration of this system will continue in line with local arrangements.

4.5.4 Staffing Qualifications

Given the need to relieve local authorities and care homes of the burden associated with reporting on staff qualification levels, there will be no national audit with respect to the levels of trained staff within care homes for older people. The previous target of 65% should be considered as a joint aspiration (for both independent sector and local authority run care homes) as we move towards the target of a fully registered, qualified workforce by 2014, as required by the Scottish Social Services Council

(SSSC). COSLA, Scottish Care and SSSC should work together to plot a course towards this 2014 deadline

4.6 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.

4.7 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.

5.1 An Equality Impact Assessment has been carried out and will be made available on the Council website <http://www.dundee.gov.uk/equanddiv/equimpact/>.

6.0 **CONSULTATION**

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

7.0 **BACKGROUND PAPERS**

Equality Impact Assessment.

Alan G Baird
Director of Social Work

DATE: 17th March 2011

APPENDIX 1

Rates (£ per week) for payment to independent sector care home providers in 2011/12 as outlined below

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

These rates will be effective from 11th April 2011 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.