

DUNDEE CITY COUNCIL

REPORT TO: SOCIAL WORK COMMITTEE – 16 April 2001

**REPORT ON: RATES OF PAYMENT FOR INDEPENDENT SECTOR
RESIDENTIAL AND NURSING HOME CARE 2001/2002**

REPORT BY: DIRECTOR OF SOCIAL WORK

REPORT NO: 238-2001

1.0 PURPOSE OF THE REPORT

This report proposes revised payment rates for independent sector residential and nursing home care.

2.0 RECOMMENDATIONS

It is recommended that:-

- 2.1 Payments made to independent sector residential and nursing homes be increased by 2.5% on average, backdated to 9 April 2001. Detailed recommendations are attached at Appendix 2.
- 2.2 The Director of Social Work is instructed to institute a process inviting applications from independent sector providers to meet identified needs in relation to placements for people with dementia and elderly mental illness (EMI). This is in line with the integrated solution to the needs of older people proposed through the "Older People Working Group Report".

3.0 FINANCIAL IMPLICATIONS

The costs of implementing the above recommendations will be met from the 2001/2002 revenue budget.

4.0 LOCAL AGENDA 21 IMPLICATIONS

None

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

None

6.0 MAIN TEXT

- 6.1 Since April 1993 it has been the responsibility of local authorities to fund placements in independent sector residential and nursing homes where service users are assessed as being unable to meet the full cost of their placements.
- 6.2 The number of service users supported in the independent sector by the authority has increased significantly since the inception of Dundee City Council (see Appendix 1). This is particularly true in relation to older people.

- 6.3 As was reported last year in Report No. 289/2000, “independent sector providers have increasingly been challenging the level of payments by local authorities – claiming that rates are too low to provide the required level of care”.
- 6.4 Many approaches have again been received this year arguing that a number of factors have increased costs significantly for the independent sector.
- 6.5 It has been argued that, the requirements of National Care Standards, the financial implications of the working time directive, the minimum wage legislation with its second year escalator and the associated costs of impending stakeholder pension legislation allied to significant wage increases related to National Health Service pay rates, require a significant increase this year above inflation to continue existing levels of service provision.
- 6.6 As residents become increasingly frail and dependent their care needs can increase. This changing pattern of need also reflects the Social Work Department’s priority in supporting people in their own homes as long as is possible.
- 6.7 In the local authority, there has been a growing demand for placements for service users with high dependency needs, e.g. dementia and elderly mental illness (EMI). This has led to a scarcity of placements and increased waiting times.
- 6.8 In addition some individuals have by-passed the normal assessment and waiting list procedures. This can occur when older people who have the means to pay privately do so and take up places, or, where a family decides to place an older relative. In both instances demands can be made on the local authority if funding fails. The subsequent assessment may decide that funding falls to the Social Work Department by which time those people already on the waiting list have to wait longer and have lost priority.

7.0 RECOMMENDED CHANGES

- 7.1 Dundee City Council made a commitment to quality services to maintain older people in their own homes in “The Older People Working Group Report”. This highlighted that the demand for residential care is falling while there is an increasing demand for nursing home care. This is reflected also in the increasing need for dementia related and elderly mental illness provision. This shift was recognised as a likely consequence of the success of community care.
- 7.2 In order to respond to the needs of independent sector providers and address the issue of quality addressed in the working group report, there is a need to make innovative responses.
- 7.3 In particular, there is a need to target key areas of current scarcity in places for people with dementia and those who are defined as elderly mentally ill.
- 7.4 While instituting an inflation increase of 2.5% for residential and nursing placements, the Social Work Department in parallel will invite providers to tender to meet identified special needs which may be remunerated at above inflation rates.
- 7.5 This approach will be underpinned through the use of block contracts aimed at dementia and EMI provision. The intention is to use this approach to address issues of quality, raising standards through the specification of services required. Block contracts would also help secure places in particular homes and help to address the identified problem of queue jumping, therefore ensuring that local authority funded older people are allocated places on an equitable basis.

8.0 CONSULTATION

The Director of Support Services and the Director of Finance have been consulted in the preparation of this report.

9.0 BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

10.0 SIGNATURE

Director of Social Work

Date

5 April 2001

APPENDIX 1

PERMANENT RESIDENTIAL AND NURSING HOME PLACEMENT

	NUMBER OF SERVICE USERS SUPPORTED		
OLDER PEOPLE	1 April 1996	31 March 2000	27 March 2001
Independent sector residential units	89	101	130
Nursing homes	171	363	384
ADULT CARE			
Independent sector residential units and supported accommodation	35	34	34
Nursing homes	25	41	37

APPENDIX 2

RECOMMENDATIONS:

- 1 As highlighted at 2.1, it is recommended that the Social Work Committee approves rates (per week) for payment to independent sector providers in 2001/2002 as outlined below:-

	Registered Residential Units	Registered Nursing Units
Older People	£231	£344
Drug/Alcohol Dependence	£243	£344
Physical Disability (under pension age)	£313	£387
Mental Handicap	£277	£353
Ensuite supplements (all units)	£10	£10

These rates would be backdated to 9 April 2001, and would apply regardless of which local authority area the home is situated.

- 2 It is further recommended that authority is delegated to the Director of Social Work to approve higher individual placement rates in exceptional circumstances. These usually arise where the level of care required for an individual is higher than that normally provided, and as a result additional resources are required.