

CABINET - 16 JULY 2013

Care Home Fees Consultation

Report by Director for Social & Community Services

Introduction

1. The services that care homes provide within Oxfordshire play an important role in helping to meet the needs of vulnerable adults. The Council is under a duty to ensure that there is sufficient capacity within the social care market to meet its current and future commissioning requirements.
2. The cost of adult social care and how it should be funded has for many years been the subject of discussion and much media attention. These discussions have taken place at both a national and a local level and in many respects have focused on the cost of care home services
3. Over the last twelve months or so Social and Community Services had conducted a review of Care Home Fees for Older People in Oxfordshire.
4. On 19 January 2013 Cabinet considered a paper from the Director for Social & Community Services that proposed new arrangements for Care Home Fees in Oxfordshire. (Please see Appendix 1)
5. In coming to the proposals the Director had balanced the intention to maintain a significant level of investment in care homes with the vision of the council to support people in the community for longer where appropriate. The recommendations were also informed by an extensive consultation that took place over several months during 2012. This took the form of an online questionnaire, a request that care home providers share their operating costs with the council and the offer of face to face meetings with some care providers to facilitate discussion on the same.
6. A 3% uplift agreed as an interim payment during the consultation period in 2012 was also made for all existing placements and all new placements in care homes effective from April 2012.
7. Cabinet considered the Director's report and subsequently confirmed that for care home placements in Oxfordshire the 3% uplift given as an interim payment for 2012/13 should be agreed.
8. Cabinet also received a recommendation that for Care Home Fees for 2013/14 the Council should
 - Change and rationalise the structure of the Council's Target Banding Rates used for 2013/13 and

- Increase payment rates to those care home placements that were currently receiving an historical lower level placement fee in comparison to the recommended single residential care home target banding rate and lower rate nursing care target banding rate proposed for 2012/13.
9. Cabinet agreed the report and recommended that the Director for Social & Community Services should consult care home providers again on the proposals for 2013/14.
 10. This report now provides feedback on the consultation on Care Home Fees that ended on 18 June 2013.

Proposals Consulted On

11. The key proposal consulted on was that for 2013/14 the Council should revise its Target Banding Rates from April 2013 as follows. We should
 - (i). Delete the Residential-Substantial Target Banding Rate
 - (ii). Increase the Target Banding rate for the Residential-Extensive Specialist Category from £415 per week to £452 per week for new placements.
 - (iii). Increase all existing weekly Residential payment rates that are currently paid below £452 per week to £452 per week
 - (iv). Delete the Nursing - Substantial Target Banding Rate
 - (v). Increase the Nursing-Extensive Target Banding Rate from £542 per week to £560 per week
 - (vi). Increase all existing weekly Nursing Extensive and Substantial rates that are currently below £560 per week to £560 per week.
 - (vii). Retain the Nursing-Specialist Target Banding Rate at £630 per week
 - (viii). Continue to use these rates as a guide to secure a care home placement at a funding level as close to the Target Banding Rate as possible.
 - (ix). The above to apply from April 2013 and for care home placements in Oxfordshire.
12. On 19 January 2013 Cabinet agreed to consult the care home providers in Oxfordshire on the above points (b) (i)-(ix).
13. The Cabinet also asked the Director for Social & Community Services to review the Equality Impact Assessment once the outcome of the consultation is known. Fee setting is a function to which section 149 of the Equality Act 2010 applies, and the Equality Impact Assessment is the method by which the Council will have due regard to the needs set out in section 149.
14. The proposal is for any changes to be effective from April 2013. Any decision made by Cabinet will be backdated and become effective from that date.

How We Consulted

15. The consultation ran between March and June 2013. It was a public consultation aimed at care home providers, current and future care home residents, voluntary organisations and the general public.

16. The consultation took the form of
 - **Public Consultation** - Information was placed on the County Council's Consultation web-page. This included a number of set questions for respondents to answer plus publication of a series of supporting documents to assist any participant to understand the issues. These included
 - Care Home Fees consultation - a brief summary of the background and key points to the consultation
 - A Summary Report - An easy read version of the summary report
 - A link to the Care Home Fees report submitted to Cabinet on 19 January 2013
 - A Service and Community Impact Assessment - this considered the impact of changing the level of fees paid to care homes delivering services to older persons following the council's annual review of its Target Banding Rates for 2012/13 and 2013/14
 - A copy of the Powerpoint presentation made to care home providers on 15 March 2013
 - Information given in respect of the Association of Directors of Adult Social Services costs of accommodation and care costing model
 - Notes explaining the rationale behind the Association of Directors of Adult Social Services costing model
 - A report summarising how the Association of Directors of Adult Social Services costing model has been adjusted for the Oxfordshire care homes market with applied local factors as appropriate
 - Association of Directors of Adult Social Services model costs adjusted for Oxfordshire - A spreadsheet that indicated the breakdown of costs included in the 'Oxfordshire' Association of Directors of Adult Social Services model

There has also been follow up reminders to providers of care homes for older people in Oxfordshire inviting them to contribute including one on 31 May 2013 reminding them that the closing date was 18 June 2013.

- **Meetings with providers and stakeholder groups**

The Council considered it was important to meet or offer to meet with those stakeholders that had an interest in care home fees. In particular we arranged a meeting with care home providers on 15 March 2013. This was a precursor to the formal open web-based consultation that commenced in March 2013.

We also offered to meet stakeholders from the voluntary sector and in particular those with a clientele that might perhaps need care home services in the future or had family or friends living in a care home now. The organisations that took up our offer of a meeting included

- Carers Voice Panel (9 May 2013)
 - Age UK Health and Social Care Panel (29 May 2013)
 - Greenwood Learning Disability Resource Centre (7 June 2013)
 - Oxford Chinese Community and Advice Centre (11 June 2013)
- **Email to stakeholder groups** - a wide range of groups representing the interests of older people, Black and Minority Ethnic Groups, Physical Disability and Learning Disability service users, and Carers. This was followed up by reminder email and phone calls.
 - **Postal questionnaire** to stakeholder group - We have worked with Unlimited, a voluntary sector organisation made up of people with physical and sensory disabilities. They sent out information by e-mail to 200 of their members and 100 postal questionnaires.

The Response from the Consultation

17. Responses to our Questionnaire (Web-based and hard copy)

We received a total of 43 responses to our questions. Responses to the individual questions asked are given below.

18. Participants were also given the opportunity to provide free text commentary against each of the questions. I have summarised the main themes from the comments in an Appendix to this report and a full copy has been placed in the Members' Resource Centre.

Q1. Are you?	
Owner of a care home	2
Manager of a care home	4
Staff member at a care home	1
Board member or Trustee of a care home	1
Relative of someone in a care home	2
Resident in a care home (funded by the council)	0
Resident in a care home (funded by the council)	0
Member of the public	33
Other	6

(Please note: Participants could tick more than one box)

	What we asked	Yes	No
Q2.	Whether you agree with the proposal to revise the Target Banding Rates from April 2013?	84% (36)	16% (7)

Q3.	Whether you agree with the proposal to delete the Residential-Substantial Target banding Rate for 2013/14?	88% (38)	12% (5)
Q4.	Whether you agree with the proposal to increase the Target banding rate for the Residential-Extensive category to £452 per week for new placements	80% (33)	20% (8)
Q5.	Whether you agree with the proposal to increase all existing weekly Residential payment rates that are currently paid below £452 per week to £452 per week for 2013/14	83% (35)	17% (7)
Q6.	Whether you agree with the proposal to delete the Nursing-Substantial Target banding Rate for 2013/14?	88% (36)	12% (5)
Q7.	Whether you agree with the proposal to increase the Target banding rate for the Nursing-Extensive category to £560 per week for new placements	81% (35)	19% (8)
Q8.	Whether you agree with the proposal to increase the retain Target Banding Rate for the Nursing-Specialist category at £630 per week for 2013/14	76% (32)	24% (10)
Q9.	Whether you agree with the proposal to increase all existing weekly Nursing-Extensive and Nursing-Substantial payment rates that are currently paid below £560 per week to £560 per week for 2013/14	80% (33)	20% (8)
Q10.	Whether you agree with the proposal to continue to use these rates as a guide to secure a care home placement at a funding level as close to the Target Banding Rate as possible for 2013/14	80% (32)	20% (8)

Conclusions – Outcomes of the Consultation

19. Despite our efforts to promote the consultation we have again received a low response (only 43 respondents). Of the 43 respondents there were 8 responses from either an owner, a manager, a staff member or a Board Member/Trustee of a care home. Putting this into context Cabinet may wish to note that there are currently over 100 care homes for older people in Oxfordshire.
20. Responses from care homes are therefore in the minority; this is despite the Oxfordshire Carehomes Association reminding its members of the consultation earlier this year and encouraging them to take part, and the council's efforts to promote the same.

21. The main conclusions to be drawn from the limited responses are that in all areas there is majority support for the proposals put forward by the council.
22. There have also been comments about the council's use of the Association of Directors of Adult Social Services costing model and how the council has not considered local factors or actual costs. It has been stated that the local care association has not endorsed the use of the Association of Directors of Adult Social Services cost model.
23. On these points members are referred to the work we did during 2012 when we consulted with care homes, offered confidential one-to-one meetings with providers and sought cost information from them for Oxfordshire using the Laing & Buisson costing model. Whilst this only generated 5 sets of operating costs we used the information available to help us develop our own local cost base and included a commentary on the same in my report to Cabinet earlier this year.
24. We have also published documentation to explain our cost calculations as part of our latest consultation. This was so care home providers and others could see the methodology and the figures we included to help inform our recommendations and could comment accordingly. We did this in an attempt to generate a good discussion about the care home fees issue. The documentation published included
 - Notes explaining the rationale behind the Association of Directors of Adult Social Services costing model
 - A reports summarising how the Association of Directors of Adult Social Services costing model has been adjusted for the Oxfordshire care homes market with applied local factors as appropriate
 - Association of Directors of Adult Social Services model costs adjusted for Oxfordshire: a spreadsheet that indicated the breakdown of costs included in the 'Oxfordshire' ADASS model
25. Furthermore our position on the use of cost model is that whatever model is used it can only be an aid to help inform discussion about fee rates.
26. A comment in the feedback asked about the council's support to people with dementia. In terms of helping to equip providers to support people with Dementia we are investing over £150,000 in workforce development and we have made a strong bid to the Department of Health for new capital funding. This is to improve the physical environment in care homes that have recently partnered with us under this scheme. Our bid is currently being assessed by government and we await the outcome.
27. We are also proposing to continue to use our rates as a guide to secure a care home placement at a funding level as close to the Target Banding Rate as possible. This is an important point as when an individual's assessed needs are such that they require additional funding to meet them then we will consider this as part of our placement discussions.

28. This Council has taken a reasonable approach to the calculation of costs using the best available information presented to us at the time and we have considered how costs are influenced by local factors. The calculation we have used does take into account the cost of capital.
29. It has been stated on a number of occasions that care homes play an important role in the social care market in Oxfordshire. This is demonstrated in various ways
- by the investment we have made in the sector (£46m per year)
 - our interest and responsibility to assuring the quality of services delivered under contract and
 - how we assure that the interests and health and safety of our supported residents and others are safeguarded at all times.
30. We recognise that this is a difficult time for all services with much attention nationally on the quality of service delivered. We will continue to work with and support the work of providers to assure the quality of services delivered. We will also maintain close links with the Oxfordshire Clinical Commissioning Group and the Care Quality Commission where we have concerns or where we receive complaints to ensure that the necessary support is available.
31. What is reassuring is that nearly all of the comments that came from the stakeholder meetings were identified in the original Social & Community Impact Assessment. This also included an Action Plan in response to the identified impacts. We will continue to review this as a 'live' document to ensure we have the necessary processes and places in place to respond to any quality or market challenges that present themselves and provide the necessary support when needed.
32. In conclusion, we have thoroughly examined care home costs in Oxfordshire over the last 18 months. During this time we have:
- met with representatives from Oxfordshire Carehomes Association
 - held individual meetings with a care home providers from Oxfordshire
 - sought cost information from care homes in Oxfordshire
 - assessed the local market and service factors in Oxfordshire
 - held two consultation exercises, the first concentrated on the care home market (during 2012) while the second (held this year) had a broader scope involving other stakeholder groups to hear their views.
 - considered representations from service providers
 - assessed the impact of our recommendations to Cabinet (this was published as part of the consultation documentation on the Council's website).
33. In doing so this council has complied with government's expectations of local authorities when setting fee levels and conducting annual price reviews
- to assess the actual cost of care in our area
 - to consult with providers to hear their views

- to consider local factors
- to carry out an impact assessment as part of the decision making process

Financial and Staff Implications

34. In January it was reported to Cabinet that if the Council were to accept the recommendations the total cost was estimated to be £405,000 per annum. Cabinet were also advised that our stated strategy was to wherever possible support people in their own homes and to reduce our spending on care home placements. In order to achieve this we are working to deliver an expansion of alternative services such as extra-care housing and home care services alongside an increase in the use of assistive technologies.
35. However we have reaffirmed
- our intention to maintain a significant level of investment in care homes aiming to make 400 new placements in 2013/14.
 - our view that care homes in Oxfordshire have an important role to meet the needs of vulnerable adults.
36. We also recognise that the Council has an important role to ensure that there is sufficient capacity within the social care market to meet its future commissioning requirements.
37. In light of the consultation and the above comments, I believe that the Cabinet should confirm the proposals agreed for consultation in January 2013. Paying more for care would mean that there are fewer resources for other services. For every £10 that rates increase, it will cost the older people pooled budget £834,000.

Summary of the Proposals

38. Cabinet is asked to agree the proposals that were the subject for consultation namely that the Council should:
- Delete the Residential-Substantial Target Banding Rate
 - Delete the Nursing - Substantial Target Banding Rate
 - Increase the Target Banding rate for the Residential-Extensive Specialist Category to from £415 per week to £452 per week for new placements.
 - Increase all existing weekly Residential payment rates that are currently paid below £452 per week to £452 per week
 - Increase the Nursing-Extensive Target Banding Rate from £542 per week to £560 per week
 - Increase all existing weekly Nursing Extensive and Substantial rates that are currently below £560 per week to £560 per week.
 - Retain the Nursing-Specialist Target Banding Rate at £630 per week
 - Continue to use these rates as a guide to secure a care home placement at a funding level as close to the Target Banding Rate as possible.
 - The above to apply from April 2013 and for care home placements in Oxfordshire.

RECOMMENDATION

39. The Cabinet is RECOMMENDED to approve the proposals set out above.

JOHN JACKSON
Director for Social & Community Services

Background papers: Consultation Responses

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