

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	17 January 2017
Title:	Proposal to increase standard weekly rate for Older Persons and People with Physical Disabilities In-house Residential and Nursing Homes Care
Reference:	8050
Report From:	Director of Adults' Health and Care

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1. Executive Summary

1.1. The purpose of this paper is to seek approval to increase the standard weekly rate for Hampshire County Council-run residential and nursing homes to a level that more closely represents the actual cost to the County Council of providing the care to residents.

1.2. This paper seeks to

- Provide information regarding the financial context and required savings
- Set out the rationale for the proposed increase in fees
- Consider the impact on current residents

2. Contextual information

2.1. The County Council runs services in residential, nursing and dual registered care homes supporting older people and those with physical disabilities. In total there are 962 beds: 453 residential and 509 nursing. Average occupancy is generally 93% in Residential and 97% in Nursing settings. The majority of residents pay a contribution towards their care on the basis of their financial assessment rather than the full standard weekly rate. The County Council covers the remaining cost of provision in the same way it would were the person residing in an independent care home and the County Council held the contract with the independent home.

2.2. The full standard weekly rate is therefore only paid in situations where another organisation (other local authority or Clinical Commissioning Group) are buying the care for an individual in a County Council run home or where an individual, on basis of their financial assessment, is determined to have sufficient resources to pay the full standard weekly rate. Such individuals are

referred to as self funders. This group includes people who have had part of the cost covered by the County Council at the time of becoming a resident during the twelve week property disregard period but who later have increased financial resources taken into account that means they became self funding.

- 2.3. The proposed increase would only affect residents who are assessed as having sufficient financial resources to pay the full standard weekly rate. No resident would be required to pay more than their assessed maximum contribution. This means that the level of increase if agreed may not be the same for all residents who are currently self-funding. As at 20 December 2016 there were a total of 187 residents living in County Council-run homes (19.4%) paying the full standard weekly rate.

3. Finance

- 3.1. The Revenue Budget Report for Adult Services for 2016/17 in January 2016 highlighted the discrepancy in the amount being charged by the County Council and the actual cost of providing the care. It stated that the County Council would continue to monitor the charging rate as compared with the rate Hampshire County Council pays external providers.
- 3.2. Subsequently it has been identified that the actual cost of the care provided within the County Councils-run Residential and Nursing homes is significantly higher than the current standard weekly rate. The proposal in this report is to increase the standard weekly rate to a level closer to the actual cost of providing the care. The department will monitor the full cost of care against the standard weekly rate and will continue to consider the discrepancy between these two figures.
- 3.3. In 2016 the standard weekly rate was increased in 2 stages as per the table 1 below.

Table 1:	Total increase 2016	April 2016	October 2016
Nursing Care for Older People	5.17%	4.00%	1.17%
Residential Care for Older People	8.86%	4.00%	4.86%
Residential Care for Dementia	2.63%	2.63%	0.00%

The above increases brought the charges to their current levels of between £518.21 and £574.28 depending on the type of care required by the individual.

- 3.4. Depending upon the type of care required by the individual, this proposal represents a further increase of between £82.88 - £91.84 to the standard weekly rate. The proposed increases for the different types of care are set out in table 2 and it is proposed that these increases would be phased in equally over three uplifts during the period April 2017 – April 2018. Furthermore, these increased fee levels would be sought where other public bodies are funding the cost of care for individuals within a County Council in-house care home. The proposed increases for the different types of care are set out in Table 2 below.

Table 2:

	Oct 2016 £	April 2017 £	Oct 2017 £	April 2018 £	Change £
Nursing Care for Older People	574.28	604.87	635.46	666.12	91.84
Residential Care for Older People	518.21	545.86	573.51	601.09	82.88
Residential Care for Dementia	560.00	589.89	619.78	649.60	89.60

3.5. Although the proposed standard weekly rate does not represent full cost recovery, this proposal is estimated to achieve additional savings of £800,000 that will contribute to the £43.1m Departmental Transformation to 2017 (Tt2017) savings target by 2018/19.

3.6. In addition to the final phase of the increase within this proposal the April 2018 rate may also be subject to a further inflationary increase, as part of the budget setting process for 2018/19, to meet any known cost increases in relation to 2018/19.

3.7. The budget saving is derived from two aspects:

- Additional contributions income from those individuals that are expected to remain in their County Council-run home, off-setting the actual cost of care that the County Council currently pays for
- An anticipated increase in the number of future self funding clients that choose an external provider in the future thereby releasing in house capacity that will enable the County Council to accommodate more publically funded residents to subsequently reduce the number of high cost externally purchased packages, thereby achieving a contribution to the saving target.

4. Engagement and Equalities

4.1. As at 20 December 2016 of the 187 residents potentially affected there are 143 women and 44 men who would be affected. Letters were sent to residents and / or their legal representative and family members where appropriate, where it is anticipated the resident would be affected by the proposed increase. The letter informed people of the proposed increase and the date on which the decision would be made. If the proposed increase is approved care management staff will speak individually with residents and / or their legal representatives / family members to ascertain the potential impact in their particular case and the options that would be open to them.

4.2. The changes proposed would have a higher impact on older and disabled people and would affect more women than men, because people who have their care delivered or arranged by the County Council fall disproportionately into these groups. The negative impact is mitigated to the extent that people only contribute what they are assessed as able to afford to pay towards their care, in line with the Care Act 2014, Regulations and Statutory Guidance.

This means that some people would make a greater contribution towards the cost of their care than they currently do.

- 4.3. It is for the Executive Member as decision maker to have due regard to the need to: Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5. Future direction

- 5.1. An element of the departmental Tt2017 programme is the future development of the Hampshire County Council-run nursing and residential care services. The future focus will align with wider market shaping and supports the new operating model and strengths based care offer already agreed for the Department.
- 5.2. This will ensure the County Council-run in house nursing and residential homes maintain a primarily focus on meeting the needs of people who do not have sufficient resources to fully fund their own care, whilst ensuring that those people who are able to self-fund the cost of their care within County Council in house provision do so.

6. Recommendation(s)

- 6.1. That the Executive Member for Adult Social Care approves an increase in the standard weekly rate charged for care provided within County Council run homes as set out in this report. The increase will be 16% in total and be implemented equally in three stages in April 2017, October 2017 and April 2018.
- 6.2. That the approved increases in fees are included in the Revenue Budget for Adult Services 2017/18.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Maximising well-being:	yes
Enhancing our quality of place:	no
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Revenue Budget report for Adult Services for 2015/16	6336	27/01/2015
Revenue Budget report for Adult Services for 2016/17	7197	18/01/2016
Transformation to 2017 - Revenue Savings proposals	6921	17/09/2015
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Consideration of the Equality Duty is outlined in Section 4 of the report.

2. Impact on Crime and Disorder:

2.1. There are no significant crime and disorder implications.

3. Climate Change:

- a) There are no significant climate change implications.