

Fee Review

Consultation Full Report

Introduction

Leicestershire is changing the way it pays for residential and nursing care, the contractual arrangement and the way in which it makes new placements. To make these changes, the Council is formally consulting with the general public, services users, advocacy agencies and care home providers.

The purpose of this report is to document the feedback from the first stage of the consultation, provide an analysis of the themes that emerged and set out the Council's response to the feedback received.

Background

The current arrangements for determining the fees for care homes in Leicestershire have not been reviewed since 2011. Since then new responsibilities have been placed on the Council by the Care Act 2014. Similarly, the Core Contract and Specification for residential care have not been reviewed since 2012, and these documents therefore also need to be revised to reflect the Care Act changes as well as the changes made following this consultation.

The Council's overall aim is to support people to live at home for as long as possible to reduce the need for residential and nursing care services and develop alternative accommodation options such as Extra Care. This approach is described in Promoting independence, Supporting Communities; Our vision and strategy for adult social care 2016–2020 and can be found here.

However, the Council recognises the vital contribution that care, and nursing homes make in Leicestershire and that for many people a care home is the only service that can offer the care and support needed. With over 2,000 people supported by the Council in care homes, some 180 homes in the County and expenditure in the region of £86m per annum, this is a critically important part of the adult social care market.

The consultation on this review will be in two stages; stage 1, to which this report relates, seeks care home providers' views about the proposed changes to the structure and processes involved in making and reviewing residential and nursing care placements.

Stage 2 of the consultation, which is likely to be in March 2019, will seek views on the proposed fee levels for the financial year 2019/20 (commencing April 2019) and plans for the transfer of current residents to the new system.

Final decisions will only be made at the end of the process, planning and decisions undertaken at the end of the first stage are provisional only, and will remain so until the end of the process when final decisions are made on all issues.

Those taking part in the consultation can comment on stage 1 issues, as well as any issues that overlap stages 1 and 2, in their comments made in response to the stage 2 consultation.

Consultation Approach and Response Rates

The Council publicised the proposed Fee Review consultation ahead of the cabinet meeting at which the consultation was agreed on 16 October via a press release. The Council gave members of the public the opportunity to take part in the consultation by including a link on the Have Your Say page on the Council's website, but none did so.

The Council sought the views of residential and nursing care providers, including the representative organisation EMCARE, advocacy organisations and service users with a Deferred Payment Agreement. These key groups were contacted directly, to encourage participation, they were given the option to respond by completing an online questionnaire, or by email or by telephone.

Consultation with Residential and Nursing Care providers

Prior to the consultation, providers were invited to join a Provider Reference Group, to help the Council to shape its approach to the fee review. That group met 5 times prior to the consultation between April and October 2018. Discussions at that group related to, amongst other things, the proposed banding definitions and cost template, were considered when developing the consultation proposals. A full report of the work of the Provider Reference Group was included in the consultation materials.

Also, prior to the consultation on 2 November 2018 an email was sent to providers advising them of the forthcoming consultation. This communication also gave them advance notification of a series of consultation meetings that would be held at Localities around the county during the consultation period to facilitate diary planning.

The consultation was launched on 14 November 2018 by email to Leicestershire, and out of county providers, 250 homes were emailed. The email provided summary information about the consultation, a link to the website where all the consultation information and questionnaire could be found and email and telephone contact details for those that wished to respond via those routes. A follow up email was sent on 19 December 2018 to encourage providers to participate and a final reminder was sent on 7 January 2019, a day ahead of the consultation closure date of 9 January 2019.

The table below summarises the proportion of emails that were opened and used to 'click through' to the consultation section of the website.

Fee Review - Email Tracking		
	Email opened	Clicked through to website
Launch email - 14 November	30%	8%
1st reminder - 19 December	27%	5%
2nd reminder - 7 January	54%	9%

Regarding the consultation website, it was accessed by 71 providers, representing 77 homes, there were 258 visits and 146 unique visits to the website. 6 providers completed the questionnaire, representing 11 care homes. 16 Providers, representing 26 care homes attended consultation meetings and commented on the proposals using that mechanism.

Consultation with Advocacy Organisations

The Council contacted advocacy organisations to request comment on the proposals from the perspective of service users, carers and families. Taken from the Voluntary Action database of agencies with which we contract, 14 organisations were contacted. Contact was also made the Carers Group of the Learning Disability Partnership and the Equality Challenge Group.

None of the organisations responded to the consultation proposal either by completing the questionnaire, by email or by telephone contact. The Carers Group discussed the proposal at a meeting on 3 December and the Equality Challenge Group met on 14 January to discuss the consultation proposals. Both groups intend to respond fully to the second stage consultation.

No comments were made regarding the draft EHRIA screening tool that was published as part of the consultation papers, but the Equality Challenge Group will review it, and the full EHRIA assessment will be published with the second stage consultation.

Consultation with service users with a deferred payment agreement (DPA)

There is an expectation that the fees the Council pays to providers will increase because of the fee review, so the fees paid by service users with a DPA would also increase. The Council therefore wrote to all 69 service users with a DPA. 2 service users responded by telephone to seek further explanation of the process, no one emailed or completed the questionnaire.

Consultation with EMCARE

EMCARE supported the development of the proposals via the Provider Reference Group ahead of the consultation. It also encouraged its members to take part in the consultation but did not take part itself.

Proposals and Responses

Proposal 1 – A Two Band Approach for Older Adults (OAs)

The Council proposed to replace the current 5 band Residential and single Nursing band system with a two band system that will be used to commission placements in Older Adult care homes.

Supplementary Needs Allowance (SNA) payments will continue to be payable, at an agreed rate, where required, and usually only in exceptional circumstances.

The benefits of this approach are that it will cater for the needs of all potential service users, including those with complex needs, simplify placement processes and improve efficiency.

Questionnaire

Feedback on this proposal via the questionnaire (completed by 6 providers) was that 2 organisations strongly agreed, 1 agreed and 2 neither agreed nor disagreed. 1 organisation responded with “don’t know”.

When asked “whether consultees agreed with the benefits of the approach”, 3 organisations indicated that they did, 1 explained that they understood the approach and 2 pointed out that this proposal would not affect their organisation.

When asked about “any concerns” with this approach, 3 indicated that they had none, 1 commented that it was difficult to comment ahead of the system coming into operation, and 1 stated that any reduction in fees because of the new bandings would jeopardise provision in the area.

When asked for “any other comments relating to this proposal”, 1 provider commented that the assumed hours of care in each band would need to be understood and agreed.

Consultation meetings

Feedback on this proposal via the consultation meetings (attended by 16 providers) was that most providers support the proposal, with the hours of care for each band specified, but the rate at which each band is set will be the key factor.

The question was asked if the Residential Plus rate is now the dementia rate. It was explained that people with dementia could be supported with the residential or residential plus rate depending on severity of need.

Some providers asked questions about the size of the differential between the proposed Residential and Residential Plus band rates. It was explained that this would be determined by the additional staff time required to support residents with more significant needs. The underlying costing work is ongoing, and the proposed band rates and cost details will be consulted upon in the second stage of the consultation.

Providers also pointed out that there needs to be funding available for higher costs placements, that is for those residents with needs that are not catered for in the Residential Plus band. This will be facilitated via a Supplementary Needs Allowance (SNA) payment and the calculation of a standard hourly rate for SNA and some providers also stated that it should take account of agency staff rates as in many cases provision would entail the use of agency staff.

Assistance with meals and nutrition was highlighted as a care task that takes a great deal of time and should be considered carefully regarding the banding definitions and the support time required.

Concern about the loss of band 4 because several service users with disabilities are supported on this band, removal of it would entail re-assessment with the Care Funding Calculator, which is time consuming.

The point was made that the 2 band system needs to cater for fluctuation in care needs during the early months for new placements.

It was recognised that the Service User split between bands would significantly impact on the overall expenditure and affordability. Related to this, it was explained that testing the draft band definitions is important and in progress.

The transition process was queried, and concern was raised that increases in fees would be delayed. It was explained that planning was in progress on this and that transition would be undertaken by a process of administered transfer and review.

Reference was made to the potential benefit of a reduction in top up payment if the new band rates were closer to the room rates charged by homes.

It was understood that for service users requiring nursing care it would be the social care element of their need that would be assessed, and the residential or residential banding applied accordingly.

It was also acknowledged that use of a 2 band approach with updated fees would ease the administration of making placements in care homes.

Summary

Most providers support the proposal of two bands for older adults, with a standard hourly rate agreed for SNA when required. However, observations have been made that will need to be considered when calculating the band rates, the definitions for each band, the assumed hours of care needed and the transition process.

Though providers that attended the consultation meeting recognised the importance of the Band Definitions, no one commented on the draft definitions published as part of the consultation.

Proposal 2 – Use of the Care Funding Calculator for Working Age Adults (WAAs)

The Council proposed to continue with its use of the Care Funding Calculator to commission placements into Working Age Adult care homes, but with a standardised set of hotel (establishment) costs for Leicestershire.

The benefits of this approach are that it will cater for the needs of all Working Age Adults most of whom will have complex needs. Standardising the hotel cost elements will improve efficiency, consistency and equity in agreeing these placements.

Questionnaire

When asked, “to what extent do you agree or disagree with the proposal to continue using the National Care Funding Calculator but with standardised hotel costs”, 2 providers neither agreed nor disagreed, 2 agreed, 1 strongly agreed and 2 disagreed, 1 strongly disagreed.

When asked about “the extent to which consultees agreed with the Council’s assessment of the benefits of such an approach”, 3 providers agreed with the approach, 1 commented that they understood the approach and 1 offered no comment.

1 provider responded that the CFC is not person centred and has a rigid approach, that it typically has lower costs included compared to providers actual spend which in time will lead to underfunding. The provider also stated that if generalised hotel and management costs are assumed for all services, this again is not reflective of a provider’s actual spend in the service.

When asked about “any concerns or potential risks for providers or service users”, 1 provider said none and 1 provider offered no comment. 1 provider stated that the CFC does not collate all the operating expenditure required for homes including depreciation, occupancy, contingency etc. and that these omissions will result in variances.

1 provider stated the concern that increases in staffing costs, driven by increases in minimum wage and utility and maintenance cost were not factored into the CFC.

1 provider responded that they appreciate the CFC is a recognised costing tool across the sector; it is not reflective of actual costs within the service. The provider referred to the Department of Health’s guidance Building Capacity and Partnership in Care Agreement (BCPCA) published in October 2001. Paragraph 6.2 states: “...Fees setting must consider the legitimate current and future costs faced by providers as well as factors that affect those costs...”. In respect of a rigid reliance on financial models for calculating fees, BCPCA adds: “...Contract price should not be set mechanistically but should have regard to providers’ costs and efficiencies, and planned outcomes for people using services, including patients...”. The CFC is a universal tool which does not allow for actual costs per service to be presented.

The provider continued; care costings are based on specific run-rates in the service (such as heat/light/water bills) and can be evidenced accordingly. It is more prudent for providers to present the true financial cost to a Commissioner, rather than using a lower figure calculated by a CFC which in time may make the service financially unsustainable, which would inevitably lead to closure.

1 other provider said that the appropriate rates of inflation should be updated and regularly to be in line with external cost pressures, for example Brexit.

When asked about “any other comments”, 1 provider offered no comment and 3 providers made the point that the Council had to produce its calculations and analysis so that detailed comparisons can be undertaken.

Consultation meetings

Concern was raised about using one rate when homes can vary according to bed size, where an average rate is used there will be winners and losers.

Concern was raised about standardising hotel costs for homes that support people with very complex needs, for example, Transforming Care compared with those that don't. It may be that there should be two levels of WAA hotel costs as with the OAs.

It was expressed that the hotel cost calculation needs to account for geographical variation costs across the County.

There was support from 1 provider for the use of an independently produced tool, which local authority, health and providers can trust.

The point was made where one to one care was specified, staffing resource needed to be in place to deliver it.

Some providers stated that the National Care Funding Calculator understated the actual cost of care significantly.

Two providers said that the assumptions in the calculation are hidden and the Council should produce a calculation that details all the assumptions for the 2nd stage of the consultation related to the calculation of the hotel costs. Allied to this it was pointed out that certain cost lines such as depreciation and ancillary staff costs are omitted from the CFC.

They also said that the use of the National Care Funding Calculator must cater for both return on capital and operating profit, in some instances it does not. They also said that hotel costs need to take account of occupancy, rather than assume 100% and that discussion is needed to ensure that hotel costs reflected actual costs and recognised that small homes do not have the economies of scale of large homes.

Discussion took place about the nature of the hotel costs, for example, ancillary staffing and premises costs, and it was confirmed that the detail of the calculation will need to be available in the second stage of the consultation.

There was brief discussion about the term Working Age Adult and whether it was an appropriate term, the retirement age is changing and few, if any, of the people supported work in the conventional sense. It was suggested that the term Younger Adult (YA) could be used.

Summary

Though the Council was not consulting on the use of the Care Funding Calculator as such, several providers made criticism relating to it. Providers said that it failed to collect all the relevant costs and therefore understated the cost of care for each service user. Providers also said that the tool was not updated to take account inflation and wage increases.

Regarding the proposal the questionnaire response was ambivalent, with 2 providers supporting the proposal, 2 disagreeing with the proposal and 2 expressing no view. Those that do not support the proposal argued that the hotel costs should be agreed for each care home with the provider. This chimes with other concerns raised by providers about this approach related to differing hotel costs because of home size, location and occupancy.

There was support for the Care Funding Calculator as an independent tool and the calculation of a standard hourly rate for SNA. However, most providers made the point that if the Council proceeds with this proposal, it will have to publish all its underlying costings and assumptions for scrutiny in the second stage of the consultation.

Proposal 3 – A review of the Council’s standard cost template

Alongside Proposals 1 and 2, the Council will review its Standard Cost Model to determine the two Older Adult bands and the WAAs hotel costs. Consultees were asked to comment on the draft template and asked to supply details of their costs.

Questionnaire

When asked, “does the proposed Standard Cost Model template collect all the budget lines and cost required”, 3 providers said yes, 1 said no and 2 responded that they did not know.

When asked “which costs could be included”, one provider highlighted depreciation, occupancy, contingency, the cost of capital and profit / surplus.

Consultation meetings

Some providers asked whether the template is going to be reviewed each year to ensure all costs are covered.

Some providers also made the point that where there are unusual costs associated with care that did not fit into Residential or Residential Plus band rates that a Supplementary Needs Allowance (SNA) should be used to enhance the payment. Furthermore, there should be a standardisation of the Supplementary Needs Allowance (SNA) with a transparent rate published.

It was said that the structure of template is fine, more important is the actual price proposed. The point was made that the costs provided in the current year should be inflated to calculate banding etc. for next year. It was said that the template seems to be comprehensive.

The question was asked whether a threshold was set for the expected number of template returns upon which cost decision would be made, and it was explained that this was being monitored for each market sector, Older Adult, Working Age Adult and Nursing.

Summary

There was positive feedback on the template structure and it was described as comprehensive. Observations were made about specific cost lines which can be incorporated into the next version. Also, the point was made that the rates were more important than the template per se.

The Council has commissioned C.co, part of the Chartered Institute of Public Finance Accountancy, to assess the cost of care in Leicestershire and make recommendations that will be consulted upon in the second stage of the consultation.

Proposal 4 – Annual Fee Review

It is proposed that annual fee reviews will be undertaken using an agreed methodology that will be linked to the National Living Wage and inflation as measured by the Consumer Price Index and implemented without further consultation. In line with the current contractual arrangements, Third Party Top-ups will also be reviewed annually in April each year.

Questionnaire

When asked “to what extent do you agree or disagree with the proposed review process”, 5 providers agreed with the approach, 3 strongly, 1 neither agreed nor disagreed.

When asked “why they responded in this way”, 1 provider explained that they would need to discuss the approach in further detail to ensure all annual cost increases are captured through the calculator and so are unable to comment further at this stage. 1 stated that annual increases are a part of life and business and this should be reflected in costings for providers. 1 said that this approach takes into consideration general cost pressures such as inflation and National Living Wage and the other said that it provides a consistent model for planning for both provider and funder.

When asked about “any concerns or potential risks for providers or service users”, 1 said no, 1 said that the introduction of the National Care Funding Calculator without agreement by all providers could result in fee increases that do not cover the increased in annual costs. The Council would also need to consider any cost increases that were not identifiable in advance of each financial year.

1 other provider commented that a lack of increase can result in cutting staffing levels which can potentially place both the service users’ care and the provider at risk. 1 said that a caveat would be required for any legislative in-year changes which may be imposed on providers.

1 provider highlighted potential disagreement about provider Return on Capital Employed (ROCE) related to differing views of financial risks (for example, size, impact and external cost pressures). This provider also highlighted the risk of any fundamental changes during the year.

Consultation meetings

The point was made that all costs detailed in the template would need to be inflated annually at the appropriate rate (line by line) as is the current approach and that new cost items that occurred (in-year) would need to be built into the template and be inflated so providers would not lose money.

Training costs were highlighted, and it was stated that the type and quality and amount of training required needs to be specified so it could be costed.

There was support for an automatic and transparent increase, subject to the facility to change if there is an exceptional, governmental or industry change with significant cost impact. Linked to this the point was made that there needs to be flexibility in case there are sudden significant costs increases driven by a sector wide change or issue.

Overall the proposal was positively received, but providers wanted time to think about any additional factors that may impact price.

Providers commented that they could see the benefits in terms of planning and budgeting for both providers and the Council.

The question of assurance was raised in that the rate will reflect the real costs, so the uplift mechanism would need to be transparent.

It was also recognised that some providers may still choose to pay higher rates to staff but that the Council needed to set fees at a rate that is sustainable.

Most providers were supportive of this proposal.

It was queried whether top ups could be reviewed based on a service review by the provider ahead of the Annual Review in April.

Summary

Most providers were supportive of this proposal, welcoming more transparency and automation. Also, providers saw the benefits from a financial planning perspective for both providers and the Council. However, providers pointed out that flexibility was needed, for example when new costs occurred or there is a sector wide issue that drives up costs.

Proposal 5 – Out of County Placements

Currently, the Council pays fees for out of county placements in line with those of the local authority in which the home is located. Some local authorities pay out of county providers the same rates as those it pays for care in its own local authority area. The Council requested the views of providers on these different approaches.

Questionnaire

When asked “to what extent providers thought that the County Council should change the way it pays for out of county placements”, none agreed, 2 disagreed, 1 strongly, 3 had no view and 1 responded that they did not know.

When asked “why they responded in this way”, 1 said that the process for them wouldn’t work either way (current or proposed) as the cost of their beds are above local bandings. This situation is managed currently case by case and, either way, the process would be unchanged.

1 provider stated that they disagree that the Council are proposing to pay the Leicestershire County rate in out of County areas.

1 commented that their fees are currently individually negotiated with all Local Authorities and another stated that fee rate should reflect the cost in the host Local Authority and any change will have an impact on top ups for the individual residents.

When asked about their “views on the different approaches”, 1 said that should the Council place in an out of area location the policy must be that the Council place at the host rate (for where the home is located) and that they would not be able to accept placements at a rate less than the host authority.

1 reiterated that fees should reflect those of the host authority and another reiterated that neither approach worked as all placements had to be negotiated individually.

Consultation meetings

Most providers said that it is more equitable to pay the host Local Authority rate and therefore do not support the proposal and expect the local rate to be paid.

The proposal was not supported because in all likelihood the Council would have to pay a bespoke rate to make the placement which would probably be above Council and host Council bands. Allied to this, most providers said they have a room rate and that is not changed by the banded rate the Council offers. It was also explained by one provider that Third Party Top Ups may be affected as providers will require a room rate, whatever the approach from the Council.

Some providers stated that as they are based in Leicestershire (in-county providers) this is not relevant to them.

Summary

There was no support for this proposal; key concerns highlighted were that such an approach would be both inequitable and impractical. Many out of county placements are negotiated individually, rendering the proposal redundant.

Proposal 6 – Core Contract and Specification Refresh

The residential and nursing care Core Contract and Specification was last reviewed in 2012. These documents will be updated to take account of changes in legislation, regulation and best practice. The Council is also exploring a revision of the Individual Placement Agreement (IPA), including its approach to the use and administration of Third Party Top-ups and a proposal to implement a system for using electronic signatures.

Questionnaire

When asked about the extent to which providers agreed with “the proposed changes to the Contract and Specification”, 1 strongly agreed, 1 disagreed and 1 neither agreed nor disagreed.

When asked “why they responded in this way”, 1 explained that easing the workload for providers where the information needed is being duplicated will help.

Another said it will allow more clarity regarding the standard of care expected by the Council as it will align with what is expected by the CQC for a ‘Good’ rating. The provider also commented that electronic signatures for IPA’s will allow for a speedier process.

1 provider said that care homes should be rewarded for providing above standard care.

When asked “whether providers agreed with the Council’s assessment of the benefits of such an approach”, 1 said yes, and 1 said no, they preferred the current approach. Another provider reiterated that there will be more clarity and all parties are working to a standard approach as expected by the CQC.

When asked “whether providers had any concerns or see any potential risks for providers or service users”, 2 responded no. 1 provider said that the intended approach with CQC rating would potentially see a lack of review for up to 2-3 years rather than annually per the current Quality Assessment Framework (QAF).

When asked “to what extent providers agreed or disagreed with the removal of the QAF payments and aligning the Council’s quality requirement with the CQC”, 2 strongly agreed, 3 had no view and 1 disagreed.

When asked “why they responded” in this way, 1 stated that they were content that the Council are looking at the quality review as part of the process. Another said that all providers and commissioning regulators should work to the same principals and monitoring systems. 1 provider suggested that the QAF payment were not relevant as the specialist nature and cost of its placements are already over and above the funding of the Council’s base rates.

When asked about “concerns or potential risks for providers or service users”, 1 responded no, and 1 said that whilst fees are not directly linked to the quality mark (CQC rating) of a home in Leicestershire, the Council need to consider how regular a review takes place with CQC and in some cases homes are waiting a considerable time before a further review is undertaken.

When asked about any further comments, there were none.

Consultation meetings

It was acknowledged that the Contract was out of date and does need to be reviewed. It was stated that clarity and transparency about the quality requirements from a contractual perspective is important.

Providers welcomed the Council’s recognition of the pressures of having to comply with different regulatory bodies criteria and supported greater alignment. As well as the general support the alignment of the Council’s standards with CQC; providers would welcome use of an electronic IPA if possible.

However, some providers highlighted inconsistency with contract monitoring with different officers, one example related to the template used. Concern was also raised about variation in practice amongst CQC inspectors that could result in a different rating.

Concern was raised where CQC rate a home as requiring improvement, the ability of the provider to request a subsequent inspection (having made the improvements required) was limited. It was said that it takes 18 months on average for a re-inspection by CQC.

The question was asked whether the Council could undertake its own review of CQC inspection and report the outcome. Linked to this, operational commissioning, which seeks to give as much choice as possible to the service user, should be checked to see if a home rated as requiring improvement is disadvantaged when placements are made.

Some providers said that contracts should specify expectations of providers for planned visits, for example, Annual Review meetings, and there should be recognition of costs of supporting such

visits. Though providers recognised that in certain circumstances unplanned visits were necessary and providers needed to respond, for example, in respect of safeguarding.

One provider also raised a query in respect of access to staff information and GDPR, clarification was given after the meeting.

The question was raised as to whether the Council was proposing to pay net of Third Party Top-ups going forward and it was clarified that this was not in the proposal. The proposal relates to updating and, if possible, having a simplified electronic system for the Individual Placement Agreement (IPA).

Regarding quality payments, it was stated that it is unusual for additional payments for quality, it is more common for a council not to make placement in care homes that do not meet the required quality threshold.

Providers that are Quality Assessment Framework (QAF) accredited were disappointed that the incentive for QAF was being removed and stated that it should be maintained and that the proposal to remove it should not be implemented.

It was said that it was a poor proposal to remove the QAF payment. No recognition for the quality and reward to the staff from the Council in particular. Also, it was said that quality does not seem important and not rewarded anymore.

1 Gold QAF provider expressed concern about the removal of payment as it felt it drives quality and funds quality improvement work in the home. Accreditation via Investors in People was cited as an example of quality improvement work that was unlikely to continue without QAF payments.

Another provider said that QAF brings great value in terms of staff morale which is associated with recognition of the achievement of the award and would not want to lose that.

Concerns were raised about the loss of income if QAF payments are removed and the question asked as to whether there will be a transition or a sudden end to QAF payments.

Providers questioned if the removal of QAF payments, saying that the proposal was simply a way of saving on the increase costs associated with the annual uplift.

It was said that there could be some recognition of higher quality provision reflected in the funding, for example an additional payment for providers that achieve CQC good in all areas.

It was suggested that the decision to remove the QAF had already been taken and that it was pointless to argue for its retention. It was reiterated that at this point no decisions had been taken.

It was stated that the QAF was a differentiating measure for customers to use when deciding where they want to stay and that the QAF will still be a value to us even if not a financial reward.

Summary

Most providers support for the proposal to revise the Core Contract, Specification and Individual Placement Agreement. Providers said that the current contract was out of date, that the revision should provide greater clarity about the required standard of quality and the alignment with the

CQC was welcomed. Concerns were raised about potential delays when providers call for the CQC to re-inspect and inconsistency with different inspectors.

Regarding the proposed removal of the QAF payments, providers that are QAF accredited were critical of the proposal. The concerns expressed related to an undermining of the importance of quality, the loss of the benefits the QAF brings with staff motivation and morale, and the loss of income which helps to fund quality improvement work and initiatives. It was also suggested that this was a cost saving measure.

However, 1 provider said that it was unusual to have an incentive of this type and that it was more common for Councils to not commission placements with organisations that did not achieve the required quality standards. Also, it was said that quality payments could be aligned with CQC ratings.

Alternative Proposals and Other Issues

Questionnaire

When asked about “any alternative proposals that the Council consider in relation to any of the proposals above or generally”, 1 provider made the point that good quality care homes should be rewarded with quality payments and if not acceptable in QAF payments then the standard payments should be aligned with current demands of services.

Consultation meetings

Though welcomed, there was some scepticism that there was no planned budget cut associated with the review.

There were discussions about equity for self-funders and challenges that arise when they become eligible for local authority funding.

Regarding the Council’s strategy of increasing the use of Supported Living placements for Working Age Adults, it was stated that Supported Living was more expensive than residential care and examples given to that effect.

Concerns were raised about several operational issues including, the speed at which cases are reviewed when needs change and the authorisation of additional expenditure when safeguarding requirements are changed. The review process, it was stated, also needs to be able to cater for a situation when people’s needs are reduced by effective care which could be put at risk if funding is reduced to a lower band at review.

Concerns were raised around transition to a new system with a delay to June already and a risk of further delays because of a need to review complex cases. So, the need for an effective transition to the new banding approach is required.

Recommendations

The Council intends to proceed with Proposal 1 to develop a two band system for Older Adult Placements, together with a standard hourly rate for SNAs. The Band Descriptors should include the assumed hours of care required.

The Council does not intend to proceed with Proposal 2 to develop a Leicestershire standard hotel cost. Considering the issues raised in consultation and the lack of detailed financial information from providers that has been made available to C.co to estimate hotel costs, the Council intends to consult on a proposed WAA Band in the second stage of the consultation.

The Council intends to proceed with Proposal 3, the use of the standard cost model template, taking account of the feedback on line items, to develop the cost of care calculation, banded rates and standard hourly rate for SNA.

The Council intends to proceed with Proposal 4 to develop a mechanism to apply annual increases automatically. That process should be transparent and take account of new cost items that may arise during the year. It must also entail the mechanism to suspend the approach if there is a sector wide issue that results in a significant change in costs.

The Council does not intend to proceed with Proposal 5 to pay Leicestershire banded rates to out of county providers. Out-of-County cases will be paid at the Local Authority rate in which the home is based. Annual rate increases will be made, with no back dating beyond the fiscal year of the increase, in line with that Local Authority rate increase.

The Council intends to proceed with Proposal 6 to review the core contract, specification and Individual Placement Agreement.

The Council also intends to remove the voluntary QAF payments, align quality requirements with those of the CQC and publish proposed changes in the second stage consultation for feedback. Alongside this the Council intends to work with providers to increase the recognition and celebration of good practice via the current mechanisms such as Care Ambassadors, Dignity in Care, and Carer of the Year Awards.

Conclusion

The response was limited with no comments from members of the public, DPA self- funders or advocacy agencies. However, work is ongoing with the Learning Disability Partnership Board and Equality Challenge Group.

Provider response to the questionnaire was limited, but attendance at consultation meetings was better, with 16 organisations attending. However, the quality of the feedback was very good, with detailed comments on each of the proposals from care professionals.

For Proposal 1 (two bands for OAs), Proposal 3 (standard cost model template), Proposal 4 (automatic annual increase) and Proposal 6 (contract refresh) there was support from most providers and the Council intends to proceed with those, subject to the outcome of the second stage of the consultation and considering, the comments made by providers.

The proposal to remove the QAF payments, to align with quality management in Proposal 6, was criticised by providers obtaining those payments only, not by other providers, one of which highlighted that other Councils tended not to operate this approach and that failure to achieve the required standard of care would result in no placements in other areas. The Council intends to remove these payments, but in view of the benefits to motivation and morale that the QAF has produced, the Council intends to work with providers to enhance current recognition and reward schemes.

For Proposal 2 (standard hotel costs for WAAs) several practical issues were raised about the calculation of the rate, including variations based on home size and the needs of individual residents. Also, C.co were not able to obtain the cost detail required to determine the hotel costs in Leicestershire. They therefore recommended the use of a WAA band. So, the Council will not proceed with the proposal to standardise hotel costs but intends to consult on the use of a WAA band, with the National Care Funding Calculator used to calculate a bespoke price for higher cost placements, in the second stage of the consultation.

For Proposal 5 (out of county placements) concerns were raised about the equity and practicality of this approach so the Council will not proceed with this proposal but will continue its current practice of paying the rates determined by the host Local Authority.

As stated earlier, Final decisions will only be made at the end of the process, planning and decisions undertaken at the end of the first stage are provisional only, and will remain so until the end of the process when final decisions are made on all issues. Those taking part in the second stage consultation can comment on stage 1 issues, as well as any issues that overlap stages 1 and 2, in their comments made in response to the stage 2 consultation.

Finally, the Council would like to thank all those that took part in the first stage of the consultation and ask them to take part in the second stage too.