

Have your say on the Residential and Nursing Care Fee Review

CONSULTATION 2



Tell us how this might affect you.

Online: resources.leicestershire.gov.uk/provider-fee-review

For general enquiries or comments about this consultation phone
0116 305 0232 or e-mail ASCengage@leics.gov.uk

Public consultation: Please submit your views by midnight on
Tuesday 7 May 2019

Leicestershire County Council is conducting a review of the fees it pays for residential and nursing care home placements in the County, the services it expects for those fees, and the way in which it makes placements.

This consultation is your opportunity to comment on the Council's draft proposals.

Why is the Council making these changes?

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. These documents 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.

The Council needs to consider financial sustainability in relation to fee increases against the ability to raise income. Core Council Tax has been capped at or below the level of inflation in recent years and with over 2,000 people supported by the Council in care homes and expenditure in the region of £86m per annum, this is a critically important part of the adult social care market.

For more information about the review there is an FAQ document covering a variety of issue including Top Ups, Quality Assessment Framework (QAF) and Nursing placements, which can be found [here](#).

The Consultation

This is the second stage of a two-part consultation on this review.

In stage 1 of the consultation process the Council sought views about the proposed changes to the structure and processes involved in making and reviewing residential and nursing care placements.

In short, the Council intends to proceed with the proposals to establish a two band system (Residential and Residential Plus) for Older Adult placements, a Supplementary Needs hourly rate and to automate annual fee reviews. It also intends to refresh the Core Contract and Specification and remove voluntary QAF payments.

Following the feedback from Stage 1 of the consultation, the Council does not intend to proceed with the proposal to establish standard hotel costs for Working Age Adult homes, rather it will consult on a proposed Residential band for Working Age Adult Homes. The Council will also not proceed with the proposal to pay Leicestershire rates for out of county payments.

It is important to note that final decisions will only be made at the end of the entire consultation 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 Stage 2 of the consultation can also comment on Stage 1, as well as any issues that overlap Stages 1 and 2, in their comments made in response to the Stage 2 consultation.

The full Stage 1 consultation report can be found [here](#); and the summary report can be found [here](#).

Stage 2, this consultation, seeks views on the proposed fee levels for the financial year 2019/20, commencing Monday 8 April 2019.

The project established to undertake this review commenced work in April 2018 building on earlier work and is expected to complete the review by June 2019. The agreed fees payable will be backdated to Monday 8 April 2019 and the new arrangements put into place during the 2019/20 fiscal year.

As part of this review the Council has undertaken provider engagement work with a Provider Reference Group which met on five occasions between April 2018 and October 2018. EMCARE, the organisation that represents many residential and nursing care providers across Leicestershire, has been engaged with, and supported, the work of the Provider Reference Group.

A report setting out the key issues discussed can be found [here](#).

Proposals for this stage of the consultation

The Council commissioned an independent consultancy, C.co, Chartered Institute of Public Finance and Accountancy's (CIPFA) Consultancy Service, to undertake work required to estimate the cost of care in Leicestershire and make recommendations as to the Band rates for Older Adult placements and hotel cost for Working Age Adult placements.

Based on feedback in the stage 1 consultation and the lack of detailed information needed to calculate hotel costs, C.co recommended that the Council continue with a Working Age Adult band for less complex care.

Proposal 1 – The proposed band rates for Older Adults (OAs) homes in Leicestershire

C.co was commissioned by the Council to undertake an independent review of local care costs in Leicestershire. This exercise was undertaken using the cost data provided by local providers and other benchmarking data.

Based on the recommended options from C.co the Council proposes that for Older Adult Placements, the Residential band should be set at £561.00 per week. That the Residential Plus band is set at £619.00 per week, and that the Supplementary Needs Allowance (SNA) rate is set at £11.36 per hour. The higher Residential Plus band is obtained by increasing the staffing element in the Residential band by 5 hours at the proposed SNA rate.

The rates assume that a resident placed on the Residential band will require, on average, 19 hours of individual care per week, and that one placed on Residential Plus will require 24 hours. The higher Residential Plus band is obtained by increasing the staffing element in the Residential band by 5 hours at the proposed SNA rate.

However, the report by C.co has also suggested that it may be appropriate to uplift the whole costs by an additional amount to reflect other additional non-direct staffing costs of supporting people with more complex needs. The Council is therefore asking for further information from providers on how the additional costs of providing care to more complex individuals should be calculated and what items, other than direct care hours need to be considered.

The lack of detailed information reduced the amount of verification that could be completed. The aim was to calculate a rate for a local authority placement requiring 19 hours of care a week. It is likely that homes submitted data included other factors such as; residents requiring additional care, services paid for by third party top-ups, marketing costs, debt collection costs.

Payment of the band rates will be backdated to Monday 8 April 2019.

Proposal 2 – The proposed band rate for Working Age Adults (WAAs) homes in Leicestershire

Following the options developed by C.co, the Council proposes that for Working Age Adult (WAA) Placements, the proposed WAA Residential band is £705.00 per week. The Care Funding Calculator will be used, as it currently is, to calculate the individual cost of care for WAAs with needs greater than those that can be met at the WAA Residential band.

Due to the lack of detailed information Proposals 2 & 3 are based upon the total staff costs rather than care hours, hence these figures are indicative.

Payment of the band rate will be backdated to Monday 8 April 2019.

Proposal 3 – Annual Uplifts

In line with the C.co options developed, the Council proposes that band rates are increased annually for the next 3 years to March 2022 using a blended rate based on Average Week Earning (AWE) services rate and the Consumer Price Index (CPI).

The Council proposes applying AWE to staffing costs only, with CPI being applied to the remaining elements, a 57:43 split. Using the latest rates published in December 2018, this would produce an increase of 2.68% for 2019/20.

To ensure that increases are affordable on an ongoing basis, the majority of Council contracts tend to increase in line with CPI or less. This aligns with the ability to raise income.

Providers are operating for commercial reasons, which should drive improvements in their cost base or diversification of their income. Whilst this is a natural function of business the Council feels that ongoing efficiency gains should be reflected in the annual uplift.

As stated earlier, due to the lack of detailed information Proposals 2 & 3 are based upon the total staff costs rather than care hours, hence these figures are indicative.

The C.co report that explains the methodology used, data collection and analysis underpinning these proposals can be found [here](#).

Proposal 4 – The contractual changes

The proposed changes are to ensure the contract is reflective of the current legislation, best practice and guidance. The Council is also seeking to align its quality requirements with those of the Care Quality Commission (CQC).

Wording has been updated to be more respectful to people who use the services and to consider changes in terminology. New clauses have been added to reflect changes in legislation such as Human Rights, Health and Safety, General Data Protection Regulations and Equalities.

As part of the contractual changes, the Council will remove the voluntary QAF payments but work with providers, via Inspired to Care, to recognise and reward best practice and excellence in care.

These changes should not increase the burden on the provider however should offer additional guidance on what the provider needs to do to ensure they are aware of and meeting their contractual requirements.

The Band Definitions, draft Core Contract (and summary of the proposed changes to it) and the draft Specification and Individual Placement Agreement are available to view [here](#).

Proposal 5 – The proposed implementation approach

The Council wishes to make the implementation of the new fee rates as seamless as possible for all involved. To this aim the intention is to automatically transfer as many cases as possible to the new appropriate band.

To enable this the council will begin assessing the eligibility of individuals against the proposed new banding definitions from April 2019 onwards. Although new placements will be made on the existing banding definition the information will be used by the authority to support an automatic transfer to new rates. The same approach will also be carried out for reviews undertaken between April and the start of formal implementation.

It is the intention of the council to automatically transfer current Service Users with a Band only placements, and where possible those with SNAs and Third Party Top Ups onto the proposed Residential band.

More complex placements will be reviewed to determine the eligibility of the individual within the new Band Definitions. To expedite the implementation, the Council intends to establish a proportionate review process to support this implementation.

The new Band Definitions can be found [here](#).

Equality and Human Rights Impact Assessment

The Council has also undertaken an Equality and Human Rights Impact Assessment (EHRIA), which can be found [here](#).

How will the consultation work?

Visit <https://resources.leicestershire.gov.uk/provider-fee-review> to complete the questionnaire or you can attend one of the consultation information and discussion meetings detailed below or you can contact a Lead Commissioner to discuss the fee review and consultation.

The presentation being used at the launch meeting can be viewed [here](#).

To book a place, please email your contact details to ASCengage@leics.gov.uk and specify the meeting you would like to attend. Confirmation of your place will be sent to you via email.

Providers, other organisations with an interest in the fee review and members of the public can also contact one of the project Lead Commissioners, Dave Pruden or Julie Drake, if they have any questions by emailing ASCengage@leics.gov.uk or by calling **0116 305 0232**.

Programme of Consultation Information and Discussion Meetings

	Locality Office	Date & Time
Glenfield	Glenfield Sports Pavilion Gynsill Lane Glenfield Leicester LE7 7AG Note: C.co will present their report at this event.	Tues 26th March 2019 2.00 pm - 4.00 pm
Harborough	The Symington Building Adam and Eve Street Market Harborough Leicestershire LE16 7AG	Tues 2nd April 2019 2.00 pm - 4.00 pm
Hinckley	The Hinckley Hub Rugby Road Hinckley Leicestershire LE10 0FR	Weds 3rd April 2019 2.00 pm - 4.00 pm
Melton	Parkside Station Approach Burton Street Melton Mowbray Leicestershire LE13 1GH	Thurs 4 th April 2019 2.00 pm - 4.00 pm
North West Leicestershire	3 High St Coalville Leicestershire LE67 3EA	Tues 9 th April 2019 2.00 pm - 4.00 pm
Blaby, Oadby & Wigston	Bassett Street South Wigston Leicester Leicestershire LE18 4PE	Weds 10 th April 2019 2.00 pm - 4.00 pm
Charnwood	Loughborough Library Granby Street Loughborough LE11 3DZ	Thurs 11 th April 2019 2.00 pm - 4.00 pm
City Area	The Brite Centre Braunstone Avenue Leicester LE3 1LE	Tues 16 th April 2019 2.00 pm - 4.00 pm

When the consultation closes on Tuesday 7 May we aim to publish the results in June.

You can view the latest information in a number of ways

Visit us online at resources.leicestershire.gov.uk/provider-fee-review

Our web pages will be kept up-to-date with the latest information and developments. You'll also be able to access the survey here.

Send an email to ASCengage@leics.gov.uk to register for the latest news and updates.

Follow us [@leicscountyhall](https://twitter.com/leicscountyhall) for general updates from the council, including the developments on the budget.

Alternatively, you can telephone **0116 305 0232** to ask for information in printed or alternative formats.

જો આપ આ માહિતી આપની ભાષામાં સમજવામાં થોડી મદદ ઇચ્છતાં હો તો 0116 305 0232 નંબર પર ફોન કરશો અને અમે આપને મદદ કરવા વ્યવસ્થા કરીશું.

ਜੇਕਰ ਤੁਹਾਨੂੰ ਇਸ ਜਾਣਕਾਰੀ ਨੂੰ ਸਮਝਣ ਵਿਚ ਕੁਝ ਮਦਦ ਚਾਹੀਦੀ ਹੈ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0116 305 0232 ਨੰਬਰ ਤੇ ਫੋਨ ਕਰੋ ਅਤੇ ਅਸੀਂ ਤੁਹਾਡੀ ਮਦਦ ਲਈ ਕਿਸੇ ਦਾ ਪ੍ਰਬੰਧ ਕਰ ਦਵਾਂਗੇ।

এই তথ্য নিজের ভাষায় বুঝার জন্য আপনার যদি কোন সাহায্যের প্রয়োজন হয়, তবে 0116 305 0232 এই নম্বরে ফোন করলে আমরা উপযুক্ত ব্যক্তির ব্যবস্থা করবো।

اگر آپ کو یہ معلومات سمجھنے میں کچھ مدد درکار ہے تو براہ مہربانی اس نمبر پر کال کریں
0116 305 0232 اور ہم آپ کی مدد کے لئے کسی کا انتظام کر دیں گے۔

假如閣下需要幫助，用你的語言去明白這些資訊，請致電 0116 305 0232，我們會安排有關人員為你提供幫助。

Jeżeli potrzebujesz pomocy w zrozumieniu tej informacji w Twoim języku, zadzwoń pod numer 0116 305 0232, a my Ci dopomożemy.