

## **EAST AYRSHIRE COUNCIL**

### **EMERGENCY POWERS COMMITTEE: 3 April 2003**

#### **CARE HOME FEES FOR 2003/2004**

##### **Joint Report by the Director of Educational and Social Services and the Director of Finance**

### **1. PURPOSE**

- 1.1 To gain Committee approval regarding the level of fees set in voluntary and private care homes for publicly funded residents; to set a rate for self funding residents; and a rate for other Local Authorities using care homes operated by East Ayrshire Council.

### **2. BACKGROUND**

- 2.1 Local Authorities require to set, on an annual basis, a rate for the purchase of care home places in care homes operated by voluntary and private sector providers.
- 2.2 In 2002/03 these were set at a National level following a report from a National Review Group which was established to determine the appropriate level of fees to be paid by Local Authorities to independent care home providers.
- 2.3 Consequently, a report was presented to Social Work Committee on 23 May 2002 which set a rate for the purchase of residential and nursing care in 2002/03 of £302.35 per week per resident for residential care and £377.35 per week per resident for nursing care.
- 2.4 In addition to the purchase of independent care home places East Ayrshire Council operates four residential care homes. On an annual basis the Council sets its fee rate for these homes where residents fund their own care, and determines the charge to other Local Authorities where their clients wish to access our services. In 2002/03 this was set at £335 per week per resident.

### **3. NEGOTIATIONS FOR 2003/2004**

- 3.1 A negotiating team consisting of representatives from CoSLA, the Scottish Executive and Scottish Care, (the umbrella organisations for the majority of care providers) have been meeting to discuss the rate for 2003/04. Consequently, on 26th March 2003, an agreement was reached which was acceptable to all parties. A total of £79.4 million has been made available by the Scottish Executive to meet the settlement for the levels agreed from 2001/02.

- 3.2 The agreement for 2003/04 includes conditions which are:
- Approved National rates for single and double room occupancy in care homes,
  - Care providers will abide by agreed arrangements for the topping up of fee levels
  - All resources for 'free' personal and nursing care will be used solely for the benefit of residents
- 3.3 In addition, it was agreed that a working group would be established, consisting of representatives from CoSLA and the Care Providers, with the Scottish Executive as observers. This group will consider a mutually acceptable framework for assessing the future costs of providing nursing and residential care for older people in different parts of Scotland and will report back on their findings by September 2003.

#### 4. **PROPOSED APPROVED RATE FOR 2003/04 FOR PRIVATE AND VOLUNTARY CARE HOMES**

- 4.1 Table 1 details the proposed rate for 2003/04 for private and voluntary care homes and also the level of funding increases since 2001/02.

**Table 1**

Accommodation	Weekly Actual 2001/2002	Weekly Actual 2002/2003	<b>Proposed Weekly rate 2003/2004</b>	Total Rise Since 2001/2002
Residential Single Room	£261	£302.35	<b>£346</b>	£85
Residential Double Room	£261	£302.35	<b>£326</b>	£65
Nursing Single Room	£336	£377.35	<b>£406</b>	£70
Nursing Double Room	£336	£377.35	<b>£386</b>	£50

- 4.2 To ensure that residents are protected CoSLA and the Scottish Executive have agreed that two conditions (see 3.2) are placed on providers as part of a settlement for 2003/2004. In summary these are:
- (i) That the providers make a proportion of bedrooms available at the approved rate without applying any "top ups" in fees from residents/third parties.
  - (ii) That self funding residents who receive funding for "free residential/nursing care" do not have their fee level raised when they receive the additional contribution .

#### 5. **PROPOSED RATE FOR 2003/04 FOR EAST AYRSHIRE COUNCIL OPERATED CARE HOMES FOR OLDER PEOPLE**

- 5.1 As outlined to Social Work Committee on 27 March 2003, the rate for residential services for older people operated by East Ayrshire Council, which

are applicable to self funding residents and to other Local Authorities, would be set once a national agreement was reached. If the proposed rates as outlined in this report is agreed then the rate for East Ayrshire operated care homes would rise from £335 per week to £346 a week in line with the rate set for independent sector residential homes with single rooms. (This would be an increase of £11 per week.)

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The total recurring cost for residents in care homes funded by East Ayrshire Council for fee increases from 2001 will be in the region of £1.79 million, of which the Executive has made a contribution of £1.41 million, on a recurring basis with an additional £0.28 million from the Department of Work and Pension via the Minimum Pension Guarantee.
- 6.2 The Council must use all the £1.41 million received from the Scottish Executive towards care home fees, as this funding is ring fenced for that purpose.
- 6.3 Taking account of current placement numbers and the funding allocated by the Scottish Executive, the Council will be required to fund this agreement which will cost £100,000 in 2003/04. As in previous financial years this will be met from within the Department's overall resource allocation for the year.

## **7. POLICY/LEGAL IMPLICATIONS**

- 7.1 As a member of CoSLA the Council has effectively agreed to abide by the agreement reached.

## **8. RECOMMENDATIONS**

- 8.1 It is recommended that Committee agree:
  - (i) to the proposed fee rates for residents in voluntary and private care homes as outlined in section 4.1;
  - (ii) to the proposed fee level for self funding residents and other Local Authorities for East Ayrshire operated care homes as outlined in section 5.1;
  - (iii) to request that the Director of Educational and Social Services advise Social Work Committee of the outcome of the National Working Groups findings in due course;
  - (iv) to request that the Director of Finance amends the Social Work budget to reflect the additional £846,000 as outlined in Finance Circular No.1/2003; and
  - (iv) otherwise note the content of the report.

**John Mulgrew**  
**Director of Educational and Social Services**

**Alex McPhee**  
**Director of Finance**

20 March 2003  
Enc (0)  
MC/JK

**LIST OF BACKGROUND PAPERS**

National review group report on Care Home Costs (November 2001 )

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