

EAST AYRSHIRE COUNCIL

SOCIAL WORK COMMITTEE : 23 MAY 2002

LEVEL OF CARE HOME FEES IN RESIDENTIAL AND NURSING HOMES FOR OLDER PEOPLE IN 2002/2003

Report by Director of Educational and Social Services

1. PURPOSE

- 1.1 To advise Committee of the outcome of National negotiations on an increase in Care Home Fees to Care Home Providers in 2002/2003, and to seek approval for the level of care fees set for 2002/03 for individuals who require long term care.

2. BACKGROUND

- 2.1 Following national negotiations on the level of Care Home Fees in 2001/2002, the Scottish Executive established a National Review Group to recommend the level of fees to be paid to care home providers.
- 2.2 The Review Group consisted of representatives from the Scottish Executive, CoSLA, Scottish Care, and representatives from Voluntary Providers. It was chaired by an independent chairperson.

3. OUTCOME OF REVIEW

- 3.1 The review group produced a report, "Care Home Costs for Older People in Scotland", and presented this to the Minister for Health and Community Care in November 2001. The review group recommended that care home fees rise in 2002/2003 by £44 a week per resident in nursing care, and £61 a week per resident in residential care.
- 3.2 The group provided 2 options to facilitate this.
- 3.3 Option 1 would be for a full increase in 2002/2003 costing around £54 million per year.
- 3.4 Option 2 would be for a phased approach over 2 years with £27million being required in 2002/2003.

4. RECOMMENDATIONS OF FEE LEVEL

- 4.1 Following extensive negotiations between the Scottish Executive and CoSLA, it was agreed that £27 million would be available in 2002/03 for the increase in Care Fees (Option 2).
- 4.2 The Scottish Executive then agreed to make available £24 million with a further £3 million requiring to be found from Local Authorities.

- 4.3 Based upon the number of people in care, and the availability of £27 million, it was agreed that care fees should increase across both the residential and nursing sectors by £25 per week to set a national minimum fee level from £271 for residential care to £296 per week per resident, and for nursing care from £346 to £371 per resident per week. The Executive agreed to contribute £21.98 per week per resident with the Council requiring to pay £3.02 a week per resident.

Sector	Rate Paid on 31 March 2001	Actual Rate Paid by East Ayrshire on 1 July 2001	Proposed Rate to be Paid by East Ayrshire on 1 April 2002
Nursing	£330	£348	£377.35
Residential	£256	£271	£302.35

- 4.4 Each year the Department of Works and Pension increases older peoples pensions. Historically the Council has taken this increase into consideration when assessing the level of contribution from the person in care. This increase has therefore offset part of the increase paid to providers by the Council. The Scottish Executive has recommended that the increase in 2002/03 of £6.35 per week is not taken from the individual by the Council, rather that the person pays this themselves to the home as part of their own contribution of their care home fees. This would mean that the care home provider would receive £6.35 more a week from the resident on top of the £25 increase.

5. IMPLICATIONS FOR EAST AYRSHIRE

- 5.1 East Ayrshire currently supports 501 people in care. This includes 72 older people who were previously supported under the DSS Preserved Rights Scheme and who became the Council's responsibility on 8th April 2002.
- 5.2 East Ayrshire Council actually set its nursing rate in 2001/02 at £348 per week, which is £2 more than the national average. It is proposed therefore to increase residential rates by £25 per week per resident and by £23 per week per resident for nursing care. This will ensure the minimum national fee level is met. The table below details the cost.

Sector	Number	Weekly Increase	Total in 2002/03
Nursing	326	£23	£389,896
Residential	175	£25	£227,500
Total	501		£617,396

6. BACKDATED MONEY

- 6.1 The Executive also agreed to pay £15 per week per resident backdated to providers for the period of 1st July 2001 to 31st March 2002. This was in accordance with agreement struck with providers in 2001. In essence they are raising the level of fees by £25 per week from 1st July 2001 by giving this backdated money.
- 6.2 The backdated money is to be paid to providers in full at £15 per week per place and the Executive will pay these costs. Individuals previously under the DSS Preserved Rights Scheme will not be eligible for backdated payments.

7. FINANCIAL IMPLICATIONS

7.1 The full cost to implement the increase outlined in 5.2 in 2002/03 would be £617,396. Of this the Executive will contribute £564,454 and the Council will contribute £52,942.

8. POLICY IMPLICATIONS

8.1 It has been agreed nationally that the level of fees will rise to a minimum of £296 per week for residential care and £371 per week for nursing care.

9. RECOMMENDATIONS

9.1 It is recommended that Committee agree to:

- (i) pass on the £6.35 a week to providers (pension premium rise 4.4);
- (ii) consequently approve the rate for residential care at £302.35 and nursing care at £377.35 a week;
- (iii) request that the Director of Finance amend the Social Work budget by £250,380.00 (backdated payment) and £564,454.04 (Executive contribution to increase); and
- (iv) otherwise note the content of the report.

John Mulgrew
Director of Educational and Social Services
24 April 2002

JD/JK
Enc(0)

LIST OF BACKGROUND REPORTS

1. Report on Care Home Costs For Older People in Scotland, National Review Group, November 2001.

For further information please contact:
Martin Clark, Service Unit Manager (Older Peoples Services),
Telephone 01563 576927

IMPLEMENTATION OFFICER : JACKIE DONNELLY

AGENDA