

CABINET

Report to cabinet

Date of the meeting: 7 March 2017
Cabinet Member: Councillor Gareth Roberts
Liaison Officer: Aled Davies
Contact number: 01286 679003
Title of Item: Fees for Independent Care Homes 2017-2018

1 THE DECISION SOUGHT

1.1. To approve the following fees for 2017-18.

Category of Care	£ per week
Residential	£507.45
Residential - Dementia/EMI	£566.75
Nursing	£587.23*
Nursing – Dementia/EMI	£617.93*

*Does not include Health contribution.

2 REASON FOR THE NEED FOR A DECISION

- 2.1. Section 35 of the Social Services and Wellbeing (Wales) Act 2014 imposes a duty on the Council to meet the care and support needs of adults who are ordinarily resident in its area; who meet the eligibility criteria for services; and / or if the Council is of the opinion that it must meet the needs of the individual to protect them from abuse or neglect, or the risk of being abused or neglected. Section 34 of the Act states that the Council can meet those care and support needs through the provision of residential accommodation.
- 2.2. In undertaking these functions Gwynedd Council is also required to act under Governmental Directions and Guidance – the most relevant being the Choice of Accommodation Directions and “Fulfilled Lives, Supportive Communities: Commissioning Framework Guidance and Good Practice”. Also the Care and Support (Choice of Accommodation) (Wales) Regulations 2015, which state that the Council must provide the preferred residential accommodation of an

individual if it can meet the person's needs, it is suitable accommodation, it is available, and the provider of the accommodation agrees to the Council's terms.

- 2.3. The purpose of this report is to set the fee rates which the Council will pay the independent providers of residential accommodation, should the Council place individuals within their accommodation for the purposes of meeting their care and support needs during the financial year 2017-18.

3. INTRODUCTION

- 3.1. Standard 10 of the Commissioning Framework Guidance requires the Council as commissioners to have understood the costs of directly provided and contracted social care services and to have acted in a way to promote service sustainability.
- 3.2. Case law indicates that commissioners should "understand" providers' costs and act to promote service sustainability; does not require Councils to set a fee which fully reimburses providers for their costs; that commissioners should make inquiries into the actual costs of providing care; that the nature and intensity of those inquiries are a matter for the Council to decide.

4. LOGIC AND JUSTIFICATION FOR RECOMMENDING THE DECISION

- 4.1. The work undertaken by the North Wales Care Home Fees Group has included making relevant inquiries into the actual cost of care. This has involved looking into matters such as the National Minimum Wage, rates of inflation, rates of return on investment, new provisions relating to statutory sick pay and pensions, the cost of food and utilities.
- 4.2. Also this year, by way of a questionnaire sent out to providers across the region, an attempt was made to gain an insight into the hours of care that is needed for every areas (Residential, Residential-Dementia, Nursing and Nursing-Dementia). Further work needs to be done to improve this practice for the future in order to ensure that the information that is being provided is both reliable and of quality.
- 4.3. Although this work was done by means of collaborating across the region, the six authorities vary their proposed percentage increase for each area for 2017/18, depending on their priorities and their local markets.
- 4.4. The percentage increase for each area is dependent on the care hours that are deemed to be needed for each area, and this is agreed upon regionally. The percentage increase is also dependent on our decision as the Local Authority regarding the *Return of Investment* percentage to our providers which is deemed reasonable and affordable for the four areas.
- 4.5. It is anticipated that the increase proposed in the table below for all of the areas fully addresses what has been estimated as the living wage inflation for 2017/18. (4.2%).
- 4.6. Note that the percentage increase is less for standard residential beds, and

this is because the biggest concerns and pressures in Gwynedd can be seen in the field of nursing in general and in the dementia provision in residential and nursing homes. In addition to this, in Gwynedd we have internal residential provision which is of course competitive and therefore has an effect on the market.

- 4.7. In reaching the proposed fees for 2017-18, Gwynedd Council has also had to balance care needs against a range of financial demands, strategic priorities and savings that will need to be made over the next 2 years.
- 4.8. The table below sets out the current fees and the proposed fees for 2017-18.

Category of Care	2016-17	2017-18	Percentage Increase
Residential	£483.46	£507.45	4.96%
Residential-Dementia/EMI	£532.07	£566.75	6.52%
Nursing	£546.27	£587.23	7.50%
Nursing – Dementia/EMI	£573.28	£617.93	7.79%

- 4.9. The above figures do not contain the Health Board's contribution towards Nursing care.
- 4.10. A detailed breakdown of the existing fees, the proposed fee and the proposed increase is shown in Appendix 1.

5. NEXT STEPS AND TIMETABLE

- 5.1. Implementation of the decision (Part 1.1 of this report) on the 01.04.17.

6. ANY CONSULTATIONS HELD BEFORE RECOMMENDING THE DECISION

- 6.1. In a Providers Forum on the 16th February, the proposed fees were introduced and were greeted with a positive response and the Council's efforts in relation to investing and trying to stabilize this fragile market, especially in the field of nursing and dementia care, was acknowledged. It was explained in the Forum that we will be accepting more comments in the period leading up to the Cabinet meeting on March 7th and therefore, if relevant, we will be sharing their comments during the meeting.

7. THE COURT'S RULING

- 7.1. On the 26th April, 2017, the appeal case of R (on the application of Forge Care

Homes Ltd) v Cardiff and Vale University Health Board will be heard in the Supreme Court. There is a possibility that the judgment in this case could affect the suggested fees within this report, however this will need to be considered further after judgment is delivered.

8. WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015

- 8.1. It is considered that the fees put forward in this report promotes the sustainable development and well-being of the area, in particular, economic and social well-being. The proposed fees ensure the highest increase within the areas where there are concerns as to their sustainability, in an attempt to assist in stabilising this market.

9. OPINION OF THE STATUTORY OFFICERS:

i. The Chief Executive:

The submitted proposals have already been the subject of detailed discussion. Clearly, as noted in the report, the expected court ruling could change the situation but, subject to that, the proposals seem appropriate.

ii. The Monitoring Officer:

This report has been subject to input from the Legal Service. As noted there are pending legal proceedings that may have an influence on the situation. However, it is appropriate that the Cabinet move forward with this decision and respond to any change in the legal position as it arises.

iii. The Head of Finance:

I confirm that appropriate consideration was given to the costs, including the factors mentioned in the appendix to the report, before recommending suitable levels of fees to be paid to the independent care homes during 2017/18. Appropriate provision was made for the relevant expenditure when preparing the Council's budget for 2017/18.

Appendices:

Appendix 1

