

ADULT SOCIAL CARE & HEALTH CABINET MEMBER MEETING

Agenda Item 61

Brighton & Hove City Council

Subject: Independent & Voluntary Sector Fee Report 2010/11
Date of Meeting: 15th March 2010
Report of: Acting Director of Adult Social Care & Health
Contact Officer: Name: **Ambrose Page** Tel: **29-5341**
Contracts Manager
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Key Decision: No
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT

- 1.1 This report has been presented to the Adult Social Care & Health (ASCH) Cabinet Member Meeting within the context of annual discussions about fees with a range of independent and voluntary sector providers who are supplying care services on behalf of Brighton and Hove City Council.
- 1.2 Its purpose is to seek ASCH Cabinet Member Meeting approval for the following:
- To hold the fee levels at the 2009/10 rates for 2010/11, for all independent and voluntary sector providers, with the exception of those providers who are supplying care services for people with learning disabilities. The latter are dealt with under a separate report entitled 'Independent and Voluntary Sector Learning Disabilities Fees Report 2010/11' which is being presented to the Housing Cabinet Member Meeting on 3rd March 2010.
 - To hold the Direct Payment rates at the 2009/10 levels for 2010/11.
 - For the Council to match the applicable host authority set rates for new placements made in Out of City care homes for Older People and OPMH for 2010/11 (this does not apply for any other care groups).

2. RECOMMENDATIONS

- 2.1 That approval is granted for the fee levels of all independent and voluntary sector providers to be held at the 2009/10 rates, except learning disability providers who will be reported on separately.
- 2.2 That approval is granted for new placements in Out of City care homes Older People and OPMH to be made at the applicable host authority set rate.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS

3.1 Within Brighton & Hove

In previous years the Council has been generous in its fee increases, and at times has awarded above inflationary increases. For example, the fee increases for 2009/10 including a 3.5% uplift for those in City Older People and OPMH care homes which were eligible for inclusion on the Preferred Provider Scheme. Additionally, in 2008/9 the 3% increase awarded that year included a 0.5% uplift in recognition of the financial implications to service providers of the new Working Time (Amendment) Regulations 2007; as well as awarding an above inflation increase for Direct Payments sleep-in rates with regard to the new national minimum wage requirements introduced that year.

3.2 Though the recommendation is for the fee levels of all independent and voluntary sector providers to be held at the 2009/10 rates, those care homes providing nursing care will receive increases in Funded Nursing Care (FNC) payments of 2.5% for 2010/11.

3.3 Historically the fees paid by Brighton and Hove City Council have exceeded those paid by its neighbouring Authorities, i.e. East and West Sussex; and, having consulted with those Authorities, their early predictions are that they are unlikely to be increasing fees for the forthcoming financial year. This is also echoed in communications which the Contracts Unit has received from other local authorities in the United Kingdom.

3.4 The proposed nil increase is also supported by the fact that the current low rate of inflation is expected to continue throughout 2010/11.

3.5 Out of City (OOC) Placements

With reference to recommendation 2.2 it is recommended that BHCC places new people in Older People and OPMH care homes at the host authority rate. This approach has been used for many years for several reasons:

- If BHCC do not place at this rate there is no clear alternative to use; the BHCC rate is based on the East Sussex and Brighton & Hove Registered Care Homes Association rate which is calculated with reference to Older People and OPMH living in a city environment; it is thus not relevant to large rural counties.
- It would be highly time consuming and resource intensive to negotiate a spot purchase rate each time someone is placed OOC due to the numbers involved; there are currently over 250 older people placed out of city, as compared, for example, to the number of people with physical disabilities where there are only 27 in care homes OOC (February 2010). The reason for placing people outside of BHCC is due to capacity where there are no suitable beds available locally.
- However, over 200 of the OOC placed Older People are in the neighbouring authorities of East and West Sussex - See Appendix 1. As stated in 3.2 above BHCC traditionally pays more than either authority and, in any event neither authority is planning a fee uplift in 2010/11 (this is now confirmed in East Sussex). As such, care home providers within Brighton & Hove should not be financially disadvantaged.

3.6 Aligned to this is the increasing drive for efficiency within the public sector. The proposed nil increase needs to be viewed within the context of significant efficiency savings being made within the Council's own care services. Better commissioning of services from independent providers will deliver efficiencies by cash limiting contract values.

4. CONSULTATION

- 4.1 Senior managers from within the Council have met with the representative of the Registered Care Homes Association with regard to the above proposals and how they may effect in City care homes for older people and OPMH.
- 4.2 All independent sector providers have already been written to let them know that a nil percent increase for 2010/11 is being considered, thus enabling those providers to plan accordingly.
- 4.3 Extensive discussion has also taken place with NHS Brighton & Hove.

5. FINANCIAL & OTHER IMPLICATIONS

Financial Implications

- 5.1 The proposal to hold fees at 2009/10 rates is in line with the budget strategy agreed by Council on 25 February. This is expected to deliver efficiency savings of approximately £300,000 in 2010/11 and will enable achievement of reductions in unit costs and bring spend more in line with comparator authorities.

Finance Officer Consulted: Anne Silley Date: 9 February 2010

Legal Implications:

- 5.2 There are no procurement issues regarding this report. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.'

Lawyer Consulted: Sonia Likhari Date: 9 February 2010

Equalities Implications:

- 5.3 There are no equalities implications arising from this report. Saying that, the decision not to undertake an Equalities Impact Assessment was because the report does not fall within the criteria whereby one would be required, e.g. developing a new policy.

Sustainability Implications:

- 5.4 The Contracting arrangements which underpin these fee increases include clauses on sustainability.

Crime & Disorder Implications:

- 5.5 There are no implications for crime and disorder.

Risk & Opportunity Management Implications:

- 5.6 The main risks associated with these increases are financial and have been set out in the Financial Implications section.

Corporate / Citywide Implications:

- 5.7 The recommendations of this report are in line with the Council's Corporate Priority, 'Better Use of Public Money', and the need to keep the costs of delivering services under careful review.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S)

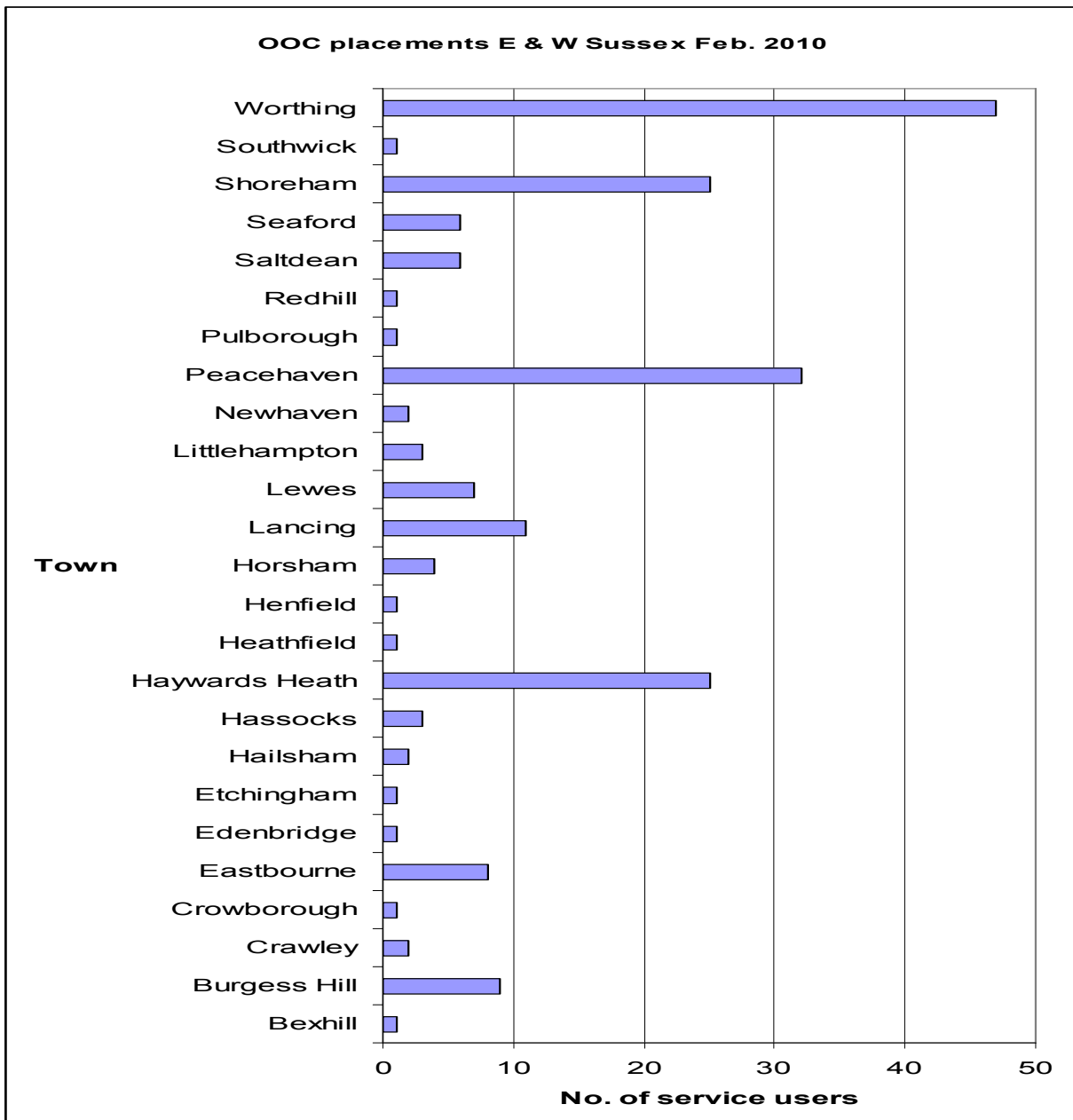
- 6.1 Within the context of the current financial pressures and efficiency savings being requested of the public sector, the Council would not be in a position to be able to award an inflationary increase for 2010/11.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The report recommendations are made within the context of predicted national fee increase trends, low rates of inflation and the need for the public sector to make efficiency savings.

SUPPORTING DOCUMENTATION

Appendix 1:



Data taken from CareFirst6

Documents In Members' Rooms

1. None

Background Documents

[List any background / supporting documents referred to or used in the compilation of the report. The documents must be made available to the public upon request for four years after the decision has been taken]

1. None

