

Report

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Report to:	Social Work Resources Committee
Date of Meeting:	7 February 2007
Report by:	Executive Director (Social Work Resources)

Subject:	Rates, Grants and Charges Increases 2007/2008
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Seek Committee approval to review the following payments made by the Council for the financial year 2007/08 and apply an increase if appropriate:-
 - Maintenance rates and grants to voluntary organisations for residential and day care establishments
 - Local Authority Residential and Non Residential charges
- ◆ Seek Committee approval to apply an increase to the following charges levied by the Council for the financial year 2007/08:-
 - Nursing and Residential Respite charges
 - Private and Voluntary Nursing and Residential Care Home Rates

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the payment of maintenance rates and grants to voluntary organisations for residential and day care establishments be reviewed and, where required, apply a negotiated increase of up to no more than the prevailing rate of inflation on staff costs, effective from 1 April 2007.
- (2) that the payment of the private and voluntary residential care home rate for single occupancy rooms be increased to the national fee level for 2007/08, effective from 9 April 2007.
- (3) that the payment of private and voluntary nursing care home rate for single occupancy rooms be increased to national fee level for 2007/08, effective from 9 April 2007.
- (4) that the proposed 2007/08 private and voluntary residential and nursing care home rates be reduced for shared rooms. in line with the lower national fee rate recommended. The payment of the 2007/08 private and voluntary residential and nursing care home rates will be subject to the provider agreeing to the variations to the conditions of the national contract, the implementation of the payment quality model for 2007/08 and compliance with the development of the longer term payment quality model for full implementation in 2008/09.
- (5) that the circumstances under which the Council fixes rates above the approved rates through the supplementation system be noted.

- (6) that the charges to other local authorities for all categories of residential and non-residential services be increased by the prevailing rate of inflation effective from 1 April 2007.
- (7) that there be no change to the current charging policy for service users within South Lanarkshire Council in respect of home care services, meals on wheels, day care services, lunch club charges and community alarm services.
- (8) that the nursing and residential respite charge be increased in line with the DWP pension increase, effective from 9 April 2007.

3. Background

3.1. Payment of Maintenance Rates and Grants to Voluntary Organisations

Consistent with the COSLA agreement previously ratified by this Committee, it is the responsibility of South Lanarkshire Council to agree maintenance rates for residential and day care establishments across the independent and voluntary sectors which are operating within its geographical area. The Committee also previously ratified the principle of the COSLA agreement to accept, for facilities located outwith South Lanarkshire, the maintenance rate set by the relevant host authority.

3.2. Payment of Private and Voluntary Nursing and Residential Care Home Rates

The Minister for Health and Community Care established the National Review Group on Care Home Fees in August 2001 to conduct a review of the costs associated with providing nursing and residential care for older people in Scotland and to determine a framework for appropriate fee levels. The recommendation for the financial year 2007/08 is to link the fee increase to the development of a long term payment quality model and a payment quality model in 2007/08 in accordance with COSLA recommendations.

3.3. Local Authority Residential Charges

Consistent with the terms of the National Assistance Act 1948 and, more recently community care legislation, local authorities are obliged to set a standard rate for residential accommodation provided to all categories of adults and older people. The charge must reflect the full cost of providing accommodation. The amount payable by residents however is subject to a statutory means test. The Council is not bound by statute to set a rate for the provision of residential accommodation for children, however it is recommended that a charge is set to allow the Council to recover the cost of placements by other local authorities.

3.4. Local Authority Non-Residential Charges

A charge is set for all non-residential services for Older People's Services, based on the service users' income levels. This principle is contained within the Council's charging policy which was previously approved at the meeting of Social Work Committee on 23 February 1998. The Council does not however charge service users for day care facilities for adults with learning and/or physical disabilities. A rate for non-residential services for Adult Services however is set in order that other local authorities using South Lanarkshire Council's services can be charged.

3.5. Nursing and Residential Respite Charges

The National Assistance (Assessment of Resources) Regulations 1992 state that for the first 8 weeks of respite, authorities should charge "the amount it appears reasonable to the local authorities for the resident to pay". In deciding what is "reasonable" authorities should consider the individual's outgoing expenses and commitments at home. The nursing and residential respite charge is therefore based

on the basic pension less personal allowance and increases in line with the Department of Works and Pension increases.

4. Proposals

- 4.1. It is proposed to review the payment of maintenance rates and grants to voluntary organisations for residential and day care establishments. The requirement for an increase in respect of each provider will be determined according to the existing contractual arrangements. A negotiated increase of up to no more than the prevailing rate of inflation on staff costs will be applied where required, effective from 1 April 2007.
- 4.2. In accordance with the COSLA recommendation, it is proposed to increase the payment of private and voluntary residential care home rates, effective from 9 April 2007 to the agreed national fee level. As at 1 February 2007, the proposed national fee is £435.30.
- 4.3. In accordance with the COSLA recommendation, it is proposed to increase the payment of the private and voluntary nursing care home rates, effective from 9 April 2007 to the agreed national fee level. As at 1 February 2007, the proposed national fee is £501.27.
- 4.4. The proposed 2007/08 private and voluntary residential and nursing care home rates, outlined at section 4.2 and 4.3 above, relate to single occupancy rooms. It is proposed to reduce the 2007/08 rates for shared rooms in line with the lower national fee rate to be applied.
- 4.5. The payment of the 2007/08 private and voluntary residential and nursing care home rates will be subject to the provider agreeing to the variations to the conditions of the national contract, the implementation of the payment quality model for 2007/08 and compliance with the development of the longer term payment quality model for full implementation in 2008/09.
- 4.6. In certain limited circumstances consistent with the special needs of service users, payments above approved rates will be required. The supplementation system allows the Council to fix a "maintenance rate" for individual homes, reflecting what the local authority considers to be a reasonable price for the care provided to people with special needs. These exceptions continue to be appropriate as part of the 2007/2008 pricing structure.
- 4.7. It is proposed to increase charges to other local authorities for all categories of residential and non-residential services by the prevailing rate of inflation, effective from 1 April 2007. This will have no impact on service users within South Lanarkshire.
- 4.8. It is proposed that there is no change to the current charging policy for service users within South Lanarkshire Council in respect of home care services, meals on wheels, day care services, lunch club charges and community alarm services. There is no increase to the maximum charge for services, which is currently £40.96 per week, for either single people or couples.
- 4.9. It is proposed to increase the nursing and residential respite charge, in line with the Department of Works and Pension increase. The increase to the nursing and

residential respite charge will be met by the net increase in benefit available to individuals. This practice is consistent with the policy adopted in previous years.

It is proposed the increase will be effective from 9 April 2007 and the 2007/08 rate will be applied to both Older People Services and Adult Services in respect of all categories of dependency.

5. Employee Implications

- 5.1. There are no employee implications associated with this report.

6. Financial Implications

- 6.1. Following a review of the specific payment arrangements of each provider, any increase agreed in respect of the payment of maintenance rates and grants to voluntary organisations for residential and day care establishments will be met within existing resources.
- 6.2. The total cost of the proposed increase in respect of the payment to the private and voluntary nursing and residential care home rates is £1.475 million, based on current service levels. Approximately £0.075 million will be funded by service users as a result of the pension increase from the Department of Work and Pension Benefits and £1.4 million will be funded from the investment funding for the financial year 2007/08.
- 6.3. It is anticipated that additional income totalling £0.012million may be derived from the inflation increase in respect of charges to other local authorities for all categories of residential and non-residential services. This is based on the current use of South Lanarkshire's facilities and is entirely dependent on other authorities retaining service patterns at the current levels.

7. Other Implications

- 7.1. None

8. Consultation

- 8.1. The approach adopted is consistent with previous years.

Harry Stevenson

Executive Director (Social Work Resources)

16 January 2006

Link(s) to Council Objectives

- Proposal supports working with communities and partners to achieve quality of life improvements in local areas and promotes the wellbeing of citizens through improvement in local service delivery and enhancements in general amenities and facilities.

Previous References

- Social Work Resources Committee 8 March 2006

List of Background Papers

- National Health Service and Community Care Act 1990
- National Assistance Act 1948

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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