

Agenda item no.7 (o)

DERBYSHIRE COUNTY COUNCIL

CABINET

14 September 2017

Report of the Strategic Director for Adult Care

Independent Sector Fee Rates

ADULT CARE

1. Purpose of the Report

To seek approval to:

- increase fee rates for care home placements for older people by £6.83 to cover staff training costs
- make an additional payment of £15.54 per nursing care home placement per week to assist with sustaining the market
- make a retainer payment to home care providers when one of their clients is admitted to hospital
- increase home care travel rates to align travel time with national living wage
- tender for a two year contract with options to extend for up to two further years to develop community-driven social care solutions in rural parts of the County where there are difficulties in recruiting home care staff
- purchase up to 300 Red Bags to assist with resident transfer between care home and hospital

2. Information and Analysis

The Government allocated specific additional funds to Adult Social Care Services in the spring 2017. This additional funding called the improved Better Care Fund may only be used for the purposes of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported.

This paper proposes targeted use of part of the iBCF funding to support the quality, effectiveness and sustainability of the Care Home and Home Care Market. Both of these services areas play a valuable role in supporting the

health and social care system to prevent hospital admittance and to assist people when they are ready to leave hospital.

2.1 Care Homes

The Council is responsible for promoting a safe, sustainable high quality care market that offers choice and assists with timely hospital discharge. Concerns about the market include:

- There are as reported in other parts of the country market constraints in respect of availability and quality of the workforce in Derbyshire. This has an impact on provider costs and quality and continuity of care as there is greater use of agency staff to cover vacancies.
- The shortage of quality nursing staff and home managers is especially of concern and this places pressure on homes being able to accept hospital referrals.
- Home owners report that the overall sustainability of the market is vulnerable especially because of the impact of increased running costs and in some cases homes are experiencing low utilisation.
- Availability of services that meet client choice has been shown to cause some delay with hospital discharge. This can happen because the home of choice is full, the home is slow to carry out their assessment of the client to facilitate discharge, or because the home of choice is unwilling to let a bed at the Council's preferred fee rate.
- A number of care homes in Derbyshire charge third party top – ups (this is the difference between the Council's fee rate and the preferred rate of the home) which may limit choice and slow down hospital discharge.

2.1.1 Proposals:

These proposals are made following a meeting held with representatives of the Derbyshire Care Homes Association on the 30th July 2017. Discussions focused on how the Council could target additional funding to help sustain the market, promote choice and assist hospital discharge.

There were two primary areas for potential investment in the sector:

- Assistance with training costs
- Assistance with costs associated with nursing provision

Training Costs

Care home providers stated that the costs of training of care staff are greater than the Council has costed for in the Council's fee modelling.

They requested that the Council consider an additional payment linked to provision of Care Certificate Training in replacement for commonly used induction courses for new staff. They advised that it can take between 3 to 4 days class room training then staff needing to work up to 4 days supernumerary whilst an Assessor observes and assesses them. Costings have been provided to request up to £9.88 per client per week to assist Providers to invest in training.

Council Response

There are some clear benefits in investing in training so that we have a county wide workforce working towards the Care Certificate that could be transferable from one provider to the next. This will also help in demonstrating the Council's commitment to the value of this workforce in meeting the needs of vulnerable people.

The fee model use by the Council includes £3.05 per client per week for training. It is therefore proposed to increase the training allocation by £6.86, i.e. the requested value minus the level currently allocated in the fee rates.

The impact of this proposal would be to increase the standard fee rate to £490.49 per week. Providers would be monitored to evidence that they introduce and promote Care Certificate Training.

Nursing Provision

Targeted funding at nursing care home provision has been requested to assist care homes with recruitment and retention of nurses as well as assisting with meeting the more complex social care needs of their clients. Homes report that because of difficulties with recruiting and retaining nursing staff that they are considering their long term position in the market.

As previously reported to Cabinet Mazars LLP (accountancy specialists) carried out research on behalf of the Department of Health in 2015-16 into the rate of NHS Funded Nursing Care. When making a placement into a nursing home the nursing care element of the placement including the cost of nurses is funded by the NHS.

The NHS funding covers the tasks identified by a nursing needs assessment as those that need to be carried out or supervised by a qualified nurse. Mazars suggested that all the activities (including direct, indirect nursing care and non-nursing care) undertaken by a registered nurse costs £195.12 per week. The NHS decided following a review of the recommendations that the NHS is only responsible for the direct nursing costs of £155.05 per week and the other costs attributed to nursing activity should be the responsibility of the

Local Authority or self-funders where the Local Authority has no responsibility for funding the placement.

The difference between the fee rate of £155.05 paid by the NHS and the value of £195.12 quoted by Mazars which is inclusive of indirect nursing costs is £40.07. The Care Association has requested that the Council contribute towards this shortfall in funding as this is having an impact on their service offer.

Council response

The sustainability of the Nursing Care Home market is of great importance to the Council as it assists with ensuring that there are suitable places for people to live following a period of admission in hospital. Last year three nursing homes closed in Derbyshire and there is little spare capacity in the system to allow for any more closures.

The Council currently contributes an additional £17.71 above the standard care home fee rate for nursing care home placements as recognition of the different care needs. The Association has suggested a targeted increased payment for nursing care home placements of up to £22.36 per person per week which would give an overall value of £40.07.

It is recommended that a value of £15.54 be allocated for an increase which with the proposed training value increase of £6.86 would give an overall nursing care home fee increase of £22.40.

The impact of this proposal would be to increase the standard fee rate to £519.89 per week. Providers would be monitored to evidence that they are successfully recruiting and retaining nursing staff and responding to urgent request for safe hospital discharge.

2.2 Home Care

As referenced earlier in this report there is a national shortage of people willing to work in health and social care provision. This is especially pronounced in Home Care services, which is a reflection of the difficulties workers find with the required shift patterns and the need to be able to travel between calls. The shortage of available workforce is especially problematic in rural parts of the county and this difficulty contributes to delayed hospital discharge.

2.2.1 Proposals

Hospital Admittance Retainer Payment

Providers have expressed concerns about the need to financially assist their staff when one of their clients is admitted to hospital. Currently the Council discontinues funding for the package of care within 24 hours of the person being admitted to hospital. This has a direct impact on their staff as they are no longer paid for the cancelled call times and they will be unclear when and if their time will be reallocated. This uncertainty for staff and providers in respect of the break in care impacts on retaining staff and potentially delays any response from the provider when their client is ready for being discharged from hospital.

Council Response

To support and enhance the market it is proposed to introduce a retainer payment for up to 7 days for the face to face time as required on the Council's purchase order, not the travel payment. This will enable the provider to pay their staff in readiness for the person returning from hospital. This will improve continuity of care, support hospital discharge and help workforce retention. Providers in receipt of this retainer payment would be monitored to evidence that they paid their staff whilst their client is in hospital.

Improved Travel Rates

The Council pays an additional amount to providers for each home care visit to assist them to meet costs associated with travelling from one call to the next. There are currently four values as shown in the table below:

Allocation of payment to be identified by Postal Wards and Population density	Current	Proposed New Rates
Urban 10 minute travel 2 miles	£1.88	£1.96
Semi-Rural 15 minute travel 3 miles	£2.65	£2.73
Rural 20 minute travel 4 miles	£3.27	£3.66
Extra-Rural 30 minute travel 6 miles	£4.83	£5.46

The calculations have been revised to encourage greater take up by Providers when new work is available. The calculations take account of the Provider's obligation under the National Minimum wage rules to pay their staff travel time and the need to contribute towards their travel expenses.

This revised calculation is especially important for new unallocated care packages in the most rural parts of the County. Difficulties in covering these home care calls can often result in delayed hospital discharge.

2.3 Community Based Provision

As noted throughout this paper Adult Care are experiencing difficulties in identifying appropriate support for people with social care needs particularly in rural parts of the County. The recommendations in this report will assist providers with their recruitment and retention of staff and enable them to sustain their services and respond accordingly for assistance when required. However, it is acknowledged that these traditional formal networks are not going to sustain the market indefinitely especially with the increasing numbers of older people requiring support. A new approach is therefore required to complement the current health and social care system.

It is therefore proposed to invite tenders from organisations to put forward development ideas to set up local 'circles of support' to encourage people in local, especially rural communities to consider taking on care duties for others who live locally to them. This type of model has been developed in other shires with people being supported to set up small business or become self-employed carers. People would be supported by the offer of training and mentoring from the Council and support and encouragement from the successful provider to develop business models whether formal or informal. It is proposed to request bids from providers with a track record of developing and sustaining community based initiatives to develop community driven social care solutions in rural parts of the County where there are difficulties in recruiting home care staff. It is proposed that an annual budget of £60,000 is set aside to fund this project and providers will be asked to identify in their bid what they would be able to achieve for this value. Providers would need to demonstrate how their activity would benefit local people in showing how activity would contribute to assisting with preventing admittance to hospital and assisting with the build-up of carer capacity to assist with hospital discharge.

2.4 Red Bag Initiative

The Red Bag Initiative was originally developed in partnership by Sutton Clinical Commissioning Group, St Helier University Hospitals NHS Trust, Merton Community Services, London Ambulance Service and Care Home providers. Following its success it has been introduced in other parts of the Country and has been shown to be very successful in improving care home residents' journey through the healthcare system should they need to be admitted to hospital. The red bag contains all of the belongings that a resident may need while in hospital, such as personal details, a change of clothes, medicines, and so on. The bag is very visible and identifies that the person is

from a care home, including standard documentation that provides key information about a resident's health and social needs.

They also include a 'This Is Me' leaflet, which contains personal information unique to that resident – including likes and dislikes – which can be particularly important for those with dementia.

This helps hospital teams to make fast and effective clinical decisions regarding treatment and enhances the safety of residents before, during and after admission. The red bag initiative is still being fully evaluated, but outcomes so far have been really positive. Indications from other areas suggest that residents' length of stay in hospital have also been reduced following the introduction of the Red Bag and as a result reducing pressures across the health and social care system.

It is proposed to purchase two Red Bags per Care Home and to then work with local NHS and Hospitals to ensure that this new method of supporting people and their belongings is fully adopted across the health and social care system. This will ensure that resident's belongings don't go missing and that their medication is returned with them on discharge back to the care home. There are 150 care homes for older people in the County and it is proposed to eventually purchase up to 300 Red Bags at a cost of £15,000.

3. Financial Considerations

The annual cost of the above proposals would be:

	£m
Increased Fee for Training Costs	0.700
Increased Fee for Nursing Provision	0.510
Hospital Admittance Retainer Payment	0.080
Improved Travel Rates	0.390
Community Based Provision (From 01/04/2018)	0.060
Red Bag Initiative	0.015
Total Annual Cost	1.755
Projected Cost 2017/18	0.878

The above costs can be met from the Improved Better Care Fund allocation.

4. Legal Considerations

In accordance with the Care Act 2014, the Council is under a new duty to promote diversity and quality in the market of care and support provision. The Council is satisfied that the methodology used in calculating the proposed fee increase is equitable and properly reflects the increased cost pressures highlighted by the providers.

5. Social Value Considerations

The majority of the organisations contracted to provide regulated Home Care and Care services on behalf of Derbyshire County Council are local businesses. All of these businesses play a key role in their local communities providing connections between families and friends and offering local employment. Because providers are local to Derbyshire they can be responsive to the local communities they are based in.

The proposed tender to develop local community based places a great deal of emphasis on supporting and empowering potential carers and clients of the Council to be active member of their local community. This also includes supporting wider family connections, linking with welfare support and advice as well as promoting community inclusion and resilience.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: human resources, equality of opportunity, health, environmental, transport, property and crime and disorder considerations.

7. Background Papers

None

8. Key Decision

Yes

9. Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?

No

10. Officer's Recommendation

That Cabinet agrees:

- from 1 October 2017 to increase fee rates for care home placements for older people by £6.86 to cover staff training costs
- from 1 October 2017 make an additional payment of £15.54 per nursing care home placement per week to assist with sustaining the market
- to make a retainer payment for up to 7 days to home care providers when one of their clients is admitted to hospital
- to increase home care travel rates to align travel time with national living wage

- tender for a two year contract with options to extend for up to two further years to develop community-driven social care solutions in rural parts of the County where there are difficulties in recruiting home care staff
- to purchase up to 300 Red Bags to assists with resident transfer between care home and hospital.

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