

## Equality Impact and Needs Assessment Form

### A) General Information

**Name of service, function, policy (or other) being assessed**

Residential and Nursing Homes for Older People in Herefordshire

**Directorate or organisation responsible (and service, if it is a policy)**

Adult Well Being

**Date of assessment**

xx November 2013

**Names and/or job titles of people carrying out the assessment**

Alison Clay Commissioning Officer  
John Gorman Commissioning Support Officer

**Accountable person**

Helen Coombes, Director of Adult Well Being People

**B) Describe in summary the aims, objectives and purpose of the proposal, including desired outcomes:**

The purpose of the project is to ensure all service users of residential and nursing homes for older people in Herefordshire receive quality, reliable and safe services, for a fair and affordable usual price.

The key objectives of the project are to:

- a. Set a new usual price for the spot purchase of residential and nursing home care for older people
- b. Set out the principles underpinning the implementation of the new usual price

These objectives shall be met through:

- i. An Open Book Review process, which will seek to calculate the actual average cost of care. The findings of this review will then inform the usual price set by the council
- ii. A process, through which residential and nursing homes for older people in Herefordshire will be required to demonstrate they can deliver the service specified, at the quality required for the new usual price.

The project is not intended to change the level of service required to meet the assessed needs. Providers will not be required to deliver a level of service beyond that which they are already required to by the regulator (Care Quality Commission).

**C) Context - describe, in summary;**

<p><b>The number of people and/or providers that may be affected by the proposal.</b></p>	<p><u>Service Users</u> In the sample week analysed, there were 409 service users in residential and nursing homes for older people in Herefordshire. Of the service users, 52% were in residential care and 48% in nursing care.</p> <p><u>Care Home Providers</u> There are currently 45 residential and nursing homes for older people in Herefordshire that hold contracts with the council. 27 of these homes are residential, 16 nursing and 2 residential and nursing.</p>
<p><b>What are the values of the contract(s) affected by the proposal? (if appropriate).</b></p>	<p>Residential and nursing homes for older people are contracted with on a spot purchase arrangement.</p> <p>The current rates are:</p> <ul style="list-style-type: none"> <li>• £407 per person, per week for residential care</li> <li>• £468 per person, per week for residential care with dementia</li> <li>• £570 per person, per week for nursing care</li> </ul>
<p><b>What are the geographical locations of those that might be affected by the proposal?</b></p>	<p>The residential and nursing care homes for older people are located across the county.</p>

#### **D) Who are the main stakeholders in relation to the proposal?**

- Current and future service users
- Service user family, friends and carers
- Care Home Owners and their staff
- Herefordshire Council
- Social care practitioners
- Elected members
- Clinical Commissioning Group

#### **E) What are the anticipated impacts of the proposal?**

##### **Positive impacts**

The proposals are intended to ensure that vulnerable, older people in Herefordshire continue to receive quality and reliable residential and nursing home services.

##### Open Book Review

Adopting an Open Book Review approach to calculate the average actual cost of care in Herefordshire will improve the council's understanding of provider costs and enables providers to discuss and demonstrate to the council their costs and cost pressure points

##### New service specification

Currently residential and nursing care home contracts with the council do not include a service specification. Service specifications are standard good practice in contracts as they give clarity to the provider of what service they are expected to provide for their fee. This provides the council with greater assurance about the services being contracted, which, in turn, ensures service users are more likely to receive a consistent and reliable service

##### New contract agreement

The current contract for residential and nursing homes is outdated and not sufficiently robust. The council intends to have one single contract and terms and conditions for all publicly funded placements. Moving providers onto the same, new contract will ensure greater fairness among providers and will provide increased clarity to homes and the council of what their contractual obligations are. In particular, the new proposed agreement is more robust for managing instances where homes are in breach of their contract, and therefore enables the council and providers to better respond and to assure quality and safety of services for service users.

### New quality monitoring schedule

The current quality monitoring schedule duplicates other care home inspection activity (such as that by the Care Quality Commission). Both the council and home owners agree this can be unnecessarily burdensome on care home owners and is not best use of limited council resources. One intention of this project is to develop a sector-led approach which focusses on outcomes for service users. This is hoped to have the following positive impacts:

- a. reduce the burden on providers by giving them greater opportunity to shape the approach to quality monitoring in Herefordshire
- b. enable the council to better target its quality and review resources towards homes in need of support
- c. ensure “quality” focusses on what is important to the service user and the individual outcomes they aim to achieve

### Implementation

The council intends to apply a clear process to enable providers to be on an Approved Supplier Scheme, in which they agree to contract with the council at the new usual price. By adopting a clear and transparent process (e.g. accreditation, due diligence), this may have the following benefits:

- a. Enabling the council to discharge its responsibilities and assure that providers will deliver a particular service, of good quality and an agreed price
- b. Bring business benefits to providers as they will be able to evidence to all residents and future residents that they commit to providing a particular level of service of good quality.

In addition, in response to provider feedback, council officers have developed a Third Party Contributions Policy to give clarity to when, and how, third party contributions can be applied. A Plain English service user information sheet and social care practitioner guidance will also be developed. Giving greater clarity to this extra funding mechanism will have the following benefits:

- a. Support service user choice: if a service user chooses to go to a more expensive home this can be made possible if a third party is willing to make-up the difference
- b. Ensure that homes which charge more than the council’s usual price are not unfairly discriminated against when service users are deciding on which home
- c. Ensure that third parties are made exactly aware of the agreement they are entering into before they sign-up – thus reducing the risk of non-payments and complaints further down the line (which will therefore also benefit both the care home and council).

## **Negative impacts**

Whilst the project is not intended to have any negative impacts, the following potential impacts should be considered:

### Potential reduction in rates for some care homes

The new usual price will be informed by the average cost of care calculated by the Open Book Review. This means some homes may see an increase in the price they receive, whilst others see a reduction. In those homes where the usual price represents a reduction, this may impact on the quality of care service users receive.

**Mitigation:** The Open Book Review process will establish what the average cost of care is. All care homes are regulated by the Care Quality Commission to ensure their service meets the essential standards of quality and safety. 86% of care homes for older people in the county are Grade 4 complaint (the highest grade). In addition, the council has a quality concerns process. There are some homes in quality concerns (some voluntarily), but there is no evidence that quality correlates with cost (i.e. that high cost homes do not have quality concerns).

### Service user families are asked for third party contributions

If a care home chooses not to accept the council's rate this could result in the service user's family being asked to pay third party contributions to make up the difference between the council's new usual price and the fee set by the home. This may have financial and emotional implications on the service user and their family.

**Mitigation:** The new usual price will only apply to new residents from 1 April 2014. Existing residents will continue to be funded on existing funding arrangements, and therefore should not be affected. In addition, the Council has developed a third party contributions policy and has sought feedback from providers on this. The purpose of the policy is to give greater clarity to all parties on what third party contributions are and when they can be used. This policy will be turned into a simple, clear information sheet for service users and their families. Also, if this potential negative impact looks likely, the council will seek to mitigate this through communications with service users and their families.

### Not all care homes agree to contract with the council at the new usual price

If the new usual price is lower than that which some residential or nursing homes would wish to contract with the council at, there is a risk these homes may choose not to agree to sign up to the new contract at the new usual price, thus reducing the number of beds available for eligible service users at the council's usual price.

**Mitigation:** The usual price set and new contract agreement have been influenced

by provider input. Residential and nursing homes in Herefordshire have had the opportunity to participate in an Open Book Review to inform the calculating of the average cost of care in the county and to also feedback comments on the draft contract agreement as part of a 7 week consultation.

Even if a home does not agree to contract with the council at its usual price, this does not mean that home is not an option for eligible service users. The Directive on Choice means a service user may choose to reside in any home, but if that home is more expensive than the council's usual price (and suitable accommodation at the usual price is available elsewhere), the council must contract with that home, and the service user and their family or friends make-up the difference in price.

In addition, the council does not necessarily need to be able to contract with all local care homes. At any one time there are approximately 400 social care supported older adults in residential or nursing care, yet there are approximately 1500 beds available in the local market (meaning the council uses around 30% of the market capacity for older person's care home beds).

#### Reputational damage to the council

If the council are perceived to be unfairly lowering rates paid for residential and nursing care this may impact negatively on the public perception of the council.

**Mitigation:** The council has purposefully adopted an Open Book Review approach to ensure the actual average cost of care in Herefordshire is calculated through a transparent and robust independent process. When setting the usual price the council has a duty to have due regard to the actual cost of care, local factors and Best Value. The council must ensure its resources are fairly distributed across all who are eligible for support. A communications plan for the project has been developed to ensure that all key stakeholders are informed and aware of the various factors that have had to be considered when developing the recommendations.

**F) With regard to the stakeholders identified and the diversity groups set out below;**

	<i>a) Is there any potential for (positive or negative) differential impact?</i>	<i>b) Could this lead to adverse impact and if so what?</i>	<i>c) Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group, or for any other reason?</i>	<i>d) Please detail what measures or changes you will put in place to remedy any identified adverse impact.</i>
Age	Yes. This proposal will almost exclusively affect older people as it relates to residential and nursing homes for older people. Within the category of older people 64% of service users are aged 85 years or older, meaning this proposal may particularly impact on the very old.	If fewer homes agree to contract with the council at its usual price, service users choosing to go to more expensive accommodation will be required to fund the difference (e.g. a third party contribution). This may place additional financial burden and anxiety on residents and their families.	Minimising the impact on service users, particularly currently service users, is a priority. Therefore the proposal only applies to new service users.  The Council has a duty to set a usual price with due regard to the cost of care and Best Value. As the council has significantly reduced financial resources, it is appropriate all areas of spend are scrutinised to ensure resources are appropriately targeted to benefit all eligible vulnerable adults. The usual price proposed is informed by the findings of an Open Book Review to calculate the actual average cost of care in Herefordshire.	The Directive on Choice means service users can choose whatever home they wish and their options are not limited to those homes that agree to contract with the council at its usual price.  A Third Party Contributions policy has been developed by officers, with feedback from providers. From Plain English information for service users and social care practitioner guidance will be produced so all understand when, and how, third party contributions can be applied.
Disability	Yes. All social care funded service users are assessed as having eligible critical or substantial needs.  52% of service users are categorised within the primary client group of older person, 38% within the client group Mental Health and 10% within the client group physical disability and sensory impairment.	Future service users that do not wish to pay top-ups will only be able to select from those homes that do contract at the council's usual price. Providers have voiced concern these will be the poorer quality homes.	The usual price proposed is informed by the findings of an Open Book Review to calculate the actual average cost of care in Herefordshire.  All care homes are regulated by the Care Quality Commission and provide a particular level of quality of service – 86% of Herefordshire care homes are CQC Grade 4 compliant. These proposals are not intended to impact on quality of service. The council's quality concerns process shows no evidence of correlation between price and quality of a home	The proposal seeks to improve quality by working with providers to develop a sector-led approach to outcomes quality monitoring.  A letter will be sent to existing service users to inform them of the plans and if/how it affects them. Social care practitioners will also be informed so they can provide support to service users if needed.
Gender	Yes. Women constitute 74% of service users			

Race	Yes. 95% of service users identify themselves as White British	No. The composition of service users according to this equality strand is broadly reflective of the local demographics in Herefordshire generally (6% of the population describe themselves as non White British)
Sexual Orientation	<i>No data available to allow analysis</i>	
Religion/ Belief / Non Belief	<i>No data available to allow analysis</i>	
Pregnancy / maternity	<i>Not applicable</i>	
Marital Status	<i>No data available to allow analysis</i>	
Gender Reassignment	<i>No data available to allow analysis</i>	



## **G) Consultation**

**Please summarise the consultation(s) undertaken with stakeholders regarding this proposal**

A number of consultations have taken place to inform the development of the proposals relating to residential and nursing care for older people – as the proposal primarily relates to price, it was considered appropriate to focus consultation on care home providers. Consultation activities undertaken include:

### **A. Open Book Review**

An Open Book Review approach was adopted to establish the actual average cost of care in Herefordshire. In total 26 providers (57% of the local care home market) participated by completing financial questionnaires and submitting accounts. An independent report was produced, which then informed the council's approach to what usual price(s) to set and how.

### **B. Consultation on the draft contract and third party contributions policy**

In this 7 week consultation, care home providers in Herefordshire were invited to provide the council with feedback and comments on these documents. 11 written responses were received in addition to a 12<sup>th</sup> response representing 13 providers (some replicated in the 11 written responses). An immense amount of valuable feedback was obtained and is being used to inform a revision of the third party contributions policy and the revisit of the draft contract.

### **C. Provider meetings**

On 16 October 4 meetings were held between council officers and providers (a total of 15 providers attended). On 18 November a large group provider meeting was held with a total of 13 providers attending. At these meetings providers were encouraged to discuss with the council whatever issues they would like – key themes including comments on the Open Book Review Process, provider engagement, quality, the draft contract, third party contributions and brokerage.

## **H) Additional information and / or research**

Include here any references or other sources of data that you have used to inform this assessment.

- Herefordshire Facts and Figures website
- Herefordshire Council Framework Data Reports:
  - RAP P1 (sample week 18 – 24 October 2013)
  - RAP P4 (sample week 18 – 24 October 2013)
- Herefordshire Council Third Party Contributions (Top Ups) Policy
- Department of Health Circular LAC(2004)20
- Care Quality Commission website
- Herefordshire Council Adult Wellbeing Contract Register
- Herefordshire Council Quality Concerns data