

## WRITTEN STATEMENT OF A KEY DECISION CABINET

<b>ITEM:</b>	<b>OPEN BOOK REVIEW OF RESIDENTIAL AND NURSING HOME FEES FOR OLDER PEOPLE</b>
Members Present:	Councillors: AW Johnson (Leader), H Bramer, J Millar, PM Morgan (Deputy Leader), GJ Powell, PD Price, P Rone.
Date of Decision:	12 June 2014
Exempt:	No
Confidential	No
<p>This is a key decision because</p> <p>It is likely to be significant in terms of its effects on-</p> <p>Two or more Wards or electoral divisions;</p> <p>One Ward (unless the number of those affected is very small or it is impractical to treat this as a key decision).</p>	
<p>A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p>	
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	<p>To seek a decision on the usual price the council pays for the purchase of residential and nursing home care for older people (persons aged 65 or over) with assessed eligible needs.</p> <p>Specifically to:</p> <ol style="list-style-type: none"> <li>a. set out the methodology used to develop options for setting a usual price</li> <li>b. Present a recommended option for Cabinet to approve</li> <li>c. Present an implementation plan for approval</li> </ol>
<b>Decision:</b>	<p><b>THAT:</b></p> <ol style="list-style-type: none"> <li>(a) <b>Sets the usual price for the spot purchase of publicly funded places in residential care homes and nursing homes for older people as follows:</b> <ol style="list-style-type: none"> <li>I. <b>residential care and residential care with dementia - £452.93 per week</b></li> <li>II. <b>nursing home care - £518.00 per week;*1</b></li> </ol> </li> <li>(b) <b>Agrees the implementation plan set out in paragraph 8.21, and</b></li> <li>(c) <b>Requests the Health and Social Care Overview and Scrutiny Group to undertake regular progress reviews on implementation.</b></li> </ol>

	<p><b>*1 providers will also receive a further payment for funded nursing care (currently £112.70 per week from the NHS)</b></p>
<p>Reasons for the Decision:</p>	<ol style="list-style-type: none"> <li data-bbox="619 353 1481 629">1 The council purchases individual (spot price) residential and nursing placements for older people assessed as having eligible needs. The budget for 2014/15 is based on 396 older people in such placements, accounting for less than 30% of the total residential and nursing market capacity in the county. Most of the remaining placements are purchased by those funding their own care (known as “self-funders”).</li> <li data-bbox="619 629 1481 1055">2 The recommendations in this report relate solely to the price the council pays for individual placements for older people in residential or nursing care. The recommendations do not cover the price paid for: <ol style="list-style-type: none"> <li data-bbox="715 786 1481 887">a. block contracts (where there is a predetermined fixed price with a provider for a set number of beds), or</li> <li data-bbox="715 898 1481 943">b. the price paid by self-funders, or</li> <li data-bbox="715 954 1481 1055">c. the price paid for residents whose medical needs are such that their care is fully funded by the NHS as a continuing NHS health care service.</li> </ol> </li> <li data-bbox="619 1066 1481 1637">3 Government guidance on council funded residential and nursing care emphasises that there is a general presumption in favour of individuals being able to exercise reasonable choice over the service they receive. This is sometimes referred to as the “Choice Directive”. The limitations on the council’s obligation to provide an older person’s preferred accommodation are not intended to deny individuals reasonable freedom of choice but to ensure that councils are able to fulfil their obligations in relation to the quality of service provided and value for money. Local authorities must make all reasonable efforts to maximise choice as far as possible within available resources. To help service users, their families and carers to choose a care home it is essential that the council is clear what amount it will pay for placements and which care homes are willing to accept placements at that price.</li> <li data-bbox="619 1648 1481 1928">4 The council has a statutory duty to set out the price it would normally expect to pay for residential and nursing care, this is known as the usual price. The council may set a different usual price for different types of placement (e.g. residential, nursing and residential care for those with dementia). A more detailed explanation of the statutory guidance is included in paragraphs 72-73 of the Legal Implications section of this report.</li> <li data-bbox="619 1939 1481 2143">5 The council must ensure there are enough care homes in the county willing to contract with it at the usual price so as to ensure there is choice for service users. This does not mean that all Herefordshire care homes must be willing to accept placements at the usual price as council placements only utilise a small proportion of all available</li> </ol>

	<p>care home beds in the county.</p> <p>6 The council believes that the proposed rates are viable, are consistent with the benchmarked costs from the neighbouring authorities and will result in a sufficient number of providers willing to contract at the proposed prices. The local authority only requires less than 30% of the available capacity in the county and believes that there is not an excess of demand for beds over existing places (nationally occupancy rates in care homes are at approximately 90%).</p> <p>7 Service users can choose to go to more expensive homes than those that accept the usual price provided a third party is able and willing to make up the difference. This is known as a third party contribution or “top-up”. A more detailed explanation of the statutory guidance is included in paragraphs 76-80 of the Legal Implications section of this report.</p> <p>8 When setting the usual price, statutory guidance (Local Authority Circular (2004)20) requires the council to have due regard to:</p> <ul style="list-style-type: none"> <li>a. The actual costs of providing care; and</li> <li>b. Local factors; and</li> <li>c. Best Value requirements under the Local Government Act 1999.</li> </ul>
Options Considered:	<p>Five options were considered:</p> <p>A: Use average cost of care from all care homes in Herefordshire participating in our review, less 16% to reflect budget pressures – recommended option</p> <p>B: Use average cost of care for the fifty per cent of care homes in Herefordshire with the lowest cost of care participating in our review</p> <p>C: Leave the current usual prices unchanged</p> <p>D: Use the average cost of care from all homes participating in the Open Book Review</p> <p>E: Use the cost of care for the single lowest cost provider for each category of home participating in the review</p>
Conflict of Interest ■ (See below):	
Date the key decision is due to take effect:	19 June 2014

<b>COUNCILLOR AW JOHNSON</b> .....	Date: 12 June 2014
<b>LEADER OF THE COUNCIL</b>	

■ a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.