SOURCES\*: Provider Meetings: 16.10.13 - 4 meetings (15 providers attended); 18.10.13 (1 meeting, 13 providers attended) Emails: 5 Letters: 6 (+1 Group Letter representing 13 providers)

\*Note – some providers have submitted responses by both email, letter and at meetings, therefore some comments may be double counted.

Providers who have explicitly commented they agree with all the comments raised by others: 4

1. OBR Process		
Question/Issue	Source	Council Response
After submitting figures providers were not contacted back	Meeting (3)	For the second round of OBR, all providers that submitted evidence had
and so were not able to check the figures or have further input into the process <i>(regarding OBR first time)</i>	Email (3)	the opportunity to meet and discuss their individual cost models with Glyn Morgan from 2-11 November
	Letter (2)	
The original figures should have been subjected to greater challenge ( <i>regarding OBR first time</i> )	Meeting (1)	In the second round of OBR, Glyn Morgan has contacted providers with queries about the evidence submitted. Providers also had the option to meet and discuss with Glyn their individual cost models
There should be a differential fee for dementia.	Meeting (4)	This will be explored further as part of the second OBR but it is felt that
	Letter (3)	one single rate will suffice, due to the very limited number of homes that provide non dementia residential care.
	Email (5)	
BUPA is an inappropriate comparator to use.	Meeting (1)	This will be revisited as part of the second OBR
	Letter (3)	
	Email (1)	
The costs reached were not realistic - even if a residential	Meeting (1)	All providers have been encouraged to submit completed questionnaires
home was run at the lowest possible costs, the rates identified in the first OBR would not be viable.	Email (2)	and accounts to inform the second OBR to help us calculate the actual average cost of care in Herefordshire
The cost of capital was set far too low – 2.5% is not	Meeting (4)	This will be revisited in the second OBR
sustainable.	Email (5)	
	Letter (3)	

The Laing and Buisson model should be used as it is based	Meeting (2)	The terms of reference for the OBR stated that the Laing & Buisson
on research into thousands of care homes	Letter (3)	model will be used as guidance – not in its entirety. For the second OBR this remains the case: the Laing and Buisson model will be used as
	Email (1)	guidance only
There are additional factors that ought to be considered:	Meeting (5)	Where relevant, additional factors such as these will be included in Glyn
i. The need to generate a profit to reinvest in homes	Letter (3)	Morgan's report
ii. Cost of registering beds with CQC	Email (2)	
iii. Occupancy		
iv. Pension costs for staff		
v. Size of home		
vi. Provider rates have not increased since 2011		
vii. Differing pay rates due to recruitment difficulties		
iii. The costs of changing client needs		
Once the OBR has established the actual average cost of care, including the actual costs of capital, these figures should be agreed by all. There should then be a discussion about affordability if the Council is not in a position to pay the agreed actual cost of care.	Email (2) Letter (1)	Glyn Morgan will feedback to providers his findings from the OBR. The same findings will also be fed back to the council. The council will consider these findings and continue to liaise with providers prior to making its recommendations to cabinet.
The OBR questionnaire is not straightforward - there may be unwitting errors in the data submitted by providers. Also it doesn't relate to the real cost structure of a quality care home	Email (2)	Throughout the second OBR providers were able to contact Glyn with any queries regarding the questionnaire and financial evidence required. Whilst the data provided will be analysed and challenged, providers are ultimately responsible for the data they submit. The questionnaire has been based on tried and tested questions used by other local authorities
A number of members of your team should attend a briefing session where one or two owners explain, using real numbers, their business model and what elements lead to delivery of good care.	Email (1)	The council purposefully adopted an open book review approach as this provides transparent accounting methods that allows providers to describe their expenditure whilst enabling a balanced approach to commissioning services of an acceptable quality that represent value for money, within a climate of increasing demand for services and significant

		cost pressures for both commissioners and providers.
One price does not fit all - the needs and preferences of service users drive the design and organisation of each care home, making every home unique	Letter (1)	The council has a statutory obligation to determine its usual rates. Through the open book review we will seek to establish if any price differentials (e.g. dementia care) are required beyond usual prices for residential and nursing care.
A £1 a day for daily meals for service users is not an indication of a business that cares	Letter (1)	This example was given by one home owner to demonstrate their view that even if a home were to operate on absolute lowest costs, the rates proposed are not viable. It was verified in the meeting that this was an example given to illustrate a point, and is not reality.
Non-compliant homes should be excluded from the calculations	Letter (1)	All homes that submit a financial questionnaire and evidence will be included within the OBR calculations. CQC compliance rating does not always reflect the up-to date compliance of a home: whilst a home may be identified by the CQC as non-compliant, if that home takes immediate action to rectify this it remains categorised as non-compliant until CQC revisit (which could be up to 6 months later).
Benchmarking of fees with other authorities should not influence the usual rate set by the Council	Letter (1)	Whilst it is fully recognised that benchmarking comparisons cannot be used in isolation as a method for setting fees, it is nevertheless useful to understand the market at a sub-regional level. Neighbouring authority's fees will therefore be reviewed as prat of the wider fee review and as a 'sense check' where comparable.
The second OBR is not a true OBR as it is based on a snapshot of last year's figures	Meeting (1)	The Council has had the methodology being used externally reviewed to check that it is a fair, reasonable and rational approach
Rather than checking and verifying figures, in the second OBR it seems the objective is to find the lowest figure	Meeting (1)	Glyn Morgan is keen to be transparent and has worked to validate figures back with providers – his objective is not to find the lowest figure, but to validate figures. Glyn will set out in his report where he has not been able to agree any figures and why
As the council is looking to change the rates in 2014/15, the costs being used in the second OBR need to be uplifted accordingly due to inflation	Meeting (1)	This will be included in Glyn Morgan's report
Homes need to be able to put down a notional figure for the time and responsibility proprietors invest in their businesses	Meeting (1)	This has been considered and included in the second OBR approach

A clear agreed understanding of what return on capital means is needed: for this exercise it should mean the cost of servicing a home's debt	Meeting (1)	This will be considered as part of the second OBR
Different options should be put to council so there is a level playing field from which an informed decision can be made	Meeting (1)	Any options developed by Glyn Morgan in his second OBR report will be presented to cabinet.
2. Provider engagement and communication	1	
Question/Issue	Source	Council Response
Communication between homeowners and council officers is a big issue. Many owners have not received recent emails and letters.	Meeting (1) Letter (2) Email (2)	New email contact lists for home owners and managers have been established as of 22 October 2013. If providers are not receiving all communications, or their contact details have changed, they should notify Alison Clay on <u>alison.clay@herefordshire.gov.uk</u>
		In addition to responding to all individual requests for document re-sends made at the meetings on 16 October, home owners were emailed on 28 October to ensure all have received copies of the draft contract, third party contributions policy and workforce development letter.
Can other forms of communication, in addition to the long letters, be developed	Meeting (1)	We intend to hold regular meetings with home owners to develop an on- going open dialogue between the council and providers.
We would prefer to have whole group meetings.	Meeting (1) Email (4) Letter (5)	Meetings are part of re-establishing regular provider engagement. Whilst many have expressed a preference for whole group meetings, there are some providers that would prefer small group meetings. For the provider meetings scheduled on 18 November we offered providers the choice of small group meeting or a larger group meeting. We will continue to monitor provider preferences for meetings so as to ensure we are enabling all providers to have their voice heard.
Could a sub-committee of providers be formed to represent all homes and work with the council?	Meeting (1) Letter (1)	The council is keen to ensure all providers have equal opportunity to have their voice heard. We intend to establish regular provider meetings, which may be whole group, small group or a combination of both, depending on the provider preferences expressed to us. Based on provider engagement so far, we do not think a sub-committee of providers would necessarily be representative of all care home providers in Herefordshire.

What evidence do you have that smaller group meetings are valued?	Email (1) Letter (2)	Of these 15 providers that attended the meetings on 16 October, 4 stated they valued the opportunity to meet on a small group basis. For the meetings on 18 November, two providers indicated a preference for meeting in a small group.
Please provide an update of all the meetings you held with providers On Wednesday 16 October.	Email (1) Letter (1)	A summary of the key issues discussed at the meetings on Wednesday 16 October was emailed to all care home owners on Friday 25 October.
For this to be a consultation, I would expect to have records of meetings, what was said by who as to the views expressed and the actions taken by the Council	Email (1)	It was outlined at the start of the meetings on Wednesday 16 October that the meetings would not be minuted, but that notes would be taken to help the council understand the issues raised by providers.
1 hour meeting slots are not long enough to discuss very critical and important issues	Email (3) Letter (3)	We have taken this comment on-board and will allow more time for future provider meetings.
You opened up by saying this is your meeting and I am here to listen. This was incorrect as you had set the agenda ( <i>Regarding provider meetings on 16 October</i> )	Email (1) Letter (1)	The list of items for discussion outlined in the meeting invite were intended to be a prompt. At the start of the meeting when an agenda was requested providers were invited to start the discussion with whatever they chose to.
Please check your correspondence before it is sent out – there were a number of errors in the letter dated 1 <sup>st</sup> October 2013.	Letter (1)	We apologise for any accidental errors in any communications we send out. When these are brought to our attention we will endeavour to rectify them as soon as possible.
Provider forums would be a good opportunity for the council to share information and thoughts on future planning and for providers to share best practice. These meetings should be regular, at suitable times, involve the CCG, have suitable officers attending that are able to answer questions and have action points that are followed up and fed back	Meeting (4)	Discussions are taking place about how we can grow support for the existing Registered Managers network in Herefordshire. In addition, we are looking to establish regular provider forums with home owners. It is hoped these meetings will be an opportunity for owners and the council to discuss concerns, issues and ideas relating to the Herefordshire care home market. We appreciate the suggestions on what will make these meetings most effective.
Providers want to work in partnership with the council. This needs to be fair and transparent	Letter (2) Email (2)	The council wants to work in partnership with home owners and is taking actions to develop this, including: re-running the OBR process, consulting on the draft contract and third party contributions policy, seeking provider involvement for developing a sector-led approach to quality, seeking provider involvement for developing service-user & family friendly information on third party contributions and establishing on-going

		meetings with the council to discuss issues faced by home owners.
We need to know what the council's short, medium and long term strategy is for adult care so that homeowners can plan accordingly.	Letter (1)	We are seeking to re-establish an on-going dialogue between home owners and the council through regular provider meetings – as well as enabling discussion around current concerns and issues in the local care home market, these meetings will be an opportunity for the council to share with providers its strategy for the future of adult social care.
At the meeting on 16 October you introduced workforce development. Whilst this is important it reduced the time available to discuss the major issues faced by providers	Letter (1)	The meeting was intended to be a two-way discussion between providers and the Council. The Council has recently been discussing workforce development with all social care providers and this meeting was a useful opportunity to gain care home provider views – for us the feedback was very valuable, particularly as we learnt many of you had not received our letter about workforce development opportunities. For future meetings we will allow more time to enable sufficient time for discussions.
There should be an agenda issued for meetings	Letter (1)	Provider meetings are intended to be an opportunity for home owners and the council to discuss whatever issues they choose in relation to the local care home market – therefore we did not want to tie the meeting to a fixed agenda. However, as several providers have expressed a preference for agendas, and we recognise the structure this can bring to meetings, we will develop agendas for future meetings and issue these in advance.
3. Quality		
Question/Issue	Source	Council Response
How can the council expect to improve quality if it is going to reduce the rates? Quality care costs money.	Meeting (3) Letter (4)	The council has a quality concerns process that monitors service performance and takes action, when necessary, to assist care
Should the council not reward those providing the best quality care?	Email (4)	providers/services in addressing any quality/safety concerns and in meeting the CQC requirements.
Lower rates will lead to higher levels of non-compliance and homes going into administration		Whilst there may often be a small minority of homes in quality concerns (some voluntarily), there is no evidence that quality correlates with cost (i.e. that high cost homes do not have any quality concerns).

The CQC already inspect. Does the council need to as well?	Email (1)	We agree that council inspection activity is sometimes duplicative of CQC activity and this is not the best use of council resources or provider time. We are looking to review with providers how homes are quality monitored.
There are benefits to the council monitoring visits as they provide a valuable external view and source of advice on how to improve. Self-assessment alone is not sufficient	Meeting (3) Letter (1) Emails (2)	We recognise the value external monitoring visits can have. However, we also do not want to duplicate CQC activity and are keen to work with care homes to develop a new approach to quality monitoring.
To properly monitor quality, the specific outcomes for individuals should be looked at. Careful consideration should be given to how best obtain service user views.	Meeting (2)	The council is keen to develop an outcomes-based approach to quality monitoring and has invited providers to volunteer to be part of a working group with the quality and review officers to develop a sector-led approach to this.
The council should only contract with quality homes that invest in their staff and the care and dignity of their residents. Those of poor quality should be reviewed and maybe the council contract with fewer homes	Letter (1) Email (1)	The council works to ensure all providers within the county provide a safe, quality, resident focused service. Services perceived or found to be failing in this duty are reviewed and supported to improve. However, the council must also respect individual client choice of home and this may influence the services contracted with.
Any contract monitoring provisions that are considered necessary could be incorporated into the contract	Group letter	This will be considered as part of our work to revisit the draft contract agreement.
There should be a clear statement that the Council will not impose different or higher standards than those required by CQC and that the Council will not disagree with CQC about how standards are to be met	Group letter	This will be considered as part of our work to revisit the draft contract agreement.
There are credibility issues with the council inspecting nursing homes when it does not have a registered nurse in the quality and review team	Meeting (1)	The council is working with the CCG to develop a multidisciplinary approach to this.
4. Tendering		
Question/Issue	Source	Council Response
How does tendering relate to residential and nursing homes given the directive on choice and that all homes are CQC registered? Tendering is not appropriate	Meeting (3) Email (4)	We recognise that by referring to "tendering" the council has been clumsy in its choice of words and that a process of provider approval may be a better description.

<ul> <li>a. homeowners were not aware of any tender process</li> <li>b. tendering normally involves a bidding process to achieve a lower price</li> <li>Homeowners need clarity regarding any tender process.</li> <li>Further details explaining this fully would be helpful.</li> </ul>	Letter (3)	The simple objective is to get all providers onto a level playing field and there are different approaches for achieving this (e.g. assurance, accreditation, due diligence). The council will want to have an approved supplier scheme and a process to get providers onto this list that enables the council to discharge it responsibilities and that can have broader business benefits for the provider
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#### 5. Contract agreement (first draft version)

Question/Issue	Source	Council Response
This is a 65 page legal framework document which was distributed 5 days late from your original timetable and some owners did not receive copies of the emails and attachments at all.	Meeting (1) Email (2) Letter (2)	As these documents were 5 calendar days late in being shared with providers, the consultation deadline was extended by 5 calendar days to 20 November 2013. All individual requests made at the meetings on 16 October for the resend of documents were responded to the same day. In addition, on 28 October all owners were resent the draft contract agreement, third party contributions policy and workforce development letter.
There needs to be proper meetings and time for home- owners to respond to a 60 page document.	Letter (2) Email (3)	There has been a seven week consultation period and a further provider meeting with Helen Coombes was arranged for 18 November 2013.
Why do we need a new contract?	Letter (1) Meeting (1)	The current contract is outdated and not sufficiently robust and therefore in need of replacing or updating. The council wishes to have one single contract and terms and conditions for all publicly funded placements as this is good practice.
		In addition, current care home contracts do not include a service specification. Service specifications are standard good practice in contracts and it is appropriate we introduce a service specification as part of the new contract.
The agreement needs to go back to the drawing board as it is unfit for purpose in its current form. It needs to be a shorter, simpler, legislatively accurate, reciprocal document that imposes no greater standard or risk than required by compliance with the Regulations and Essential Standards under the 2008 Act and in which the Council commits itself	Group letter Meeting (1) Letter (1)	Noted. We appreciate the detailed feedback we have received and recognise that further work is required on the contract agreement. As such, the entire contract will be revisited in light of the comment received.

to service standards in relation to its own role There are numerous issues with the service specification and the remainder of the contract agreement than need addressing ( <i>Note: detail has been provided and will be considered, but is too extensive to list</i> ) The proposed contract prevents homes from charging third	Meeting (1)	Noted. The contract agreement will be revisited and the implication on
6. Third party contributions policy		third party contributions shall be looked at
Question/Issue	Source	Council Response
Some social work staff are not following legislation and are discriminating against homes that charge top ups, stopping residents having a right to go to a home of their choice.	Meeting (5) Email (3) Letter (3)	Following finalisation of the policy on third party contributions, one of the next steps is for this to be shared with social workers and ensure it is understood (e.g. by developing social worker guidance). We will also work with providers to develop a service user and family friendly leaflet to ensure all parties have a clear understanding of third party contributions As all social care staff have repeatedly been briefed, providers are asked to provide evidence if they feel there are any individual workers not adhering to expected requirements.
Clause 4 relating to what a third party contribution can and can't be used for needs to be clearly worded and appropriate for al parties including families of residents. The policy should make it clear that third party contributions are about personal choice and accommodation	Meeting (2) Letter (1) Email (3)	The policy will be revisited to ensure this is made as clear as possible.
There is no need for such a convoluted document – a one page document is more than sufficient	Letter (1) Group Letter (1) Meeting (1)	At the event on May 24, several providers raised concerns about the need for a clearer approach to third party contributions. The national requirements relating to third party contributions are outlined in Charging for Residential Accommodation Guidance from the Department of Health. It is good practice for local authorities to have a policy on third party contributions to make it clear how national guidance is applied within the context of local procedures. The policy is needed so everyone is clear who is paying for what, what is

		being paid for, and most importantly, what the levers are if a third party stops paying their contribution. The current approach has no clarity on this and therefore it is difficult for homes and the council to recover owed monies and this results in complaints from service users and carers
		To ensure service users and their families understand third party contributions, we do intend to produce a succinct information sheet, based on the policy, which is clear and easy to understand.
Section 4 of the policy must be excluded	Letter (1)	As stated above, a need for a clearer third party contributions policy has been identified by both the Council and Providers. A potential area of third party contribution confusion is in relation to what they can and can't be used for – making section 4 vital. This section of the policy will be revisited to make sure it is clear.
Third party top ups are legal. It is not the council's position to interfere in the process of whether a top up is justified	Letter (1)	We agree – third party contributions are legal and are vital to ensuring service user choice. A key driver behind writing the policy was the need to give greater clarity to this position. By having a clear policy this can then be disseminated to social care practitioners and other stakeholders as succinct guidance so everyone operates from a shared understanding.
The proposed policy contains clauses that would enable the council to challenge the fee proposed by a home. This is illegal	Letter (1)	The policy will be reviewed to check this.
Third party contributions does need defining – we must work together to do this	Email (1)	We agree and have welcomed provider feedback on the policy and thank those providers that have volunteered to help us to develop service user and family friendly information on third party contributions.
Home owners should agree on, or at least have sight of, a Plain English briefing note issued to social workers, so home managers are in no doubt as to the limits of the advice that both parties can give to social care clients	Letter (1)	It is our intention to produce clear, simple guidance for social workers based on the policy. The recommendation to share this guidance with home managers is appreciated, and as such we will seek to do this too.
There are numerous issues with the policy that need addressing (Note: detail has been provided and will be considered, but is too extensive to list)	Group letter Letter (1)	This feedback is appreciated and the policy will be reviewed in light of this
7. Brokerage and referrals	1	

Question/Issue	Source	Council Response
<ul> <li>How does the broker system work in relation to residential and nursing homes? In particular:</li> <li>How is the process transparent?</li> <li>How does it fit with the directive on choice?</li> <li>How is quality of care not forgotten?</li> <li>Homeowners would like a clear understanding of this process – a flow chart alone will not be sufficient</li> </ul>	Meeting (3) Email (4) Letter (3)	An information sheet explaining how the broker process is used in relation to residential and nursing placements was emailed to all providers on 29 October. It is important to note that this process is used only by exception rather than the norm. In the first instance service user choice always determines where a placement is to be made and so the broker process is therefore often not needed at all.
We should go back to a proper referral mechanism where families are given a number of homes in their area so they can make visits and make an informed decision	Letter (1) Email (1)	Service users and family choice always determines where a placement is made. The broker process is only used when the service user has no preference.
The broker process seems to operate on a first come first served basis. Should a service user not be given the opportunity to consider all options before making a decision?	Letter (1)	The broker process is only used in circumstances where the service user has indicated they have no preference on where they are placed and that they wish the council to arrange the placement for them.
Slow hospital discharges are problematic for homeowners. Are social workers delaying patient discharges to keep them on NHS funding rather than move them into the community where they become the council's responsibility?	Letter (1)	Herefordshire local authority is one of the best performers in the Midlands for preventing of delayed discharges that are attributable to social care. We can only expedite a discharge once they are medically fit to be discharged and we work very closely with the NHS to ensure that the process is as efficient, and effective as possible.

#### 8. Timetabling

Question/Issue	Source	Council Response
The council timetable between the end of consultation and cabinet decision on 19 December is very tight and clearly impossible to achieve. This is not a proper consultation – everything is pre-determined and you are only having meetings to tick a box to confirm you have consulted. The Council should be aware of the Coughlan tests for consultation.	Email (5) Letter (2)	We would like to assure providers that the consultation on the contract and Open Book Review do not have pre-determined outcomes. We are very keen to work with providers to reach a resolution and are listening carefully to all the feedback received and taking action if required. We do not believe the timetable to be unachievable and have planned our time and resources accordingly.

9. Any other issues				
Question/Issue	Source	Council Response		
We would welcome more visits from councillors and officers to our care homes	Meeting (1) Email (2) Letter (2)	If care home owners would like to invite councillors to visit their care homes, they can obtain contact details through the council website ( <u>http://councillors.herefordshire.gov.uk/mgMemberIndex.aspx?bcr=1</u> )		
There are delays between accepting a referral and payment by the council and issues relating to client contributions not being paid – these delays have significant implications on provider finances.	Meeting (4) Email (2)	The council is aware of issues within its business processes and work is underway to improve this – however, this will take time and won't be solved overnight. Providers are advised not to accept referrals if there is no purchase order in place.		
Several providers observed that the needs of service users are continually increasing and would welcome any additional support the council could provide	Meeting (2)	The council is keen to make better links between the different types of services available - for example how we could support care homes to make more use of our telecare offer and the integrated equipment stores		
<i>Regarding 2010 OBR:</i> due to the level of discretionary payments previously being funded by the council, the true increase in nursing rate in 2010 was very substantially lower than the headline increase of about 27.5%	Letter (1)	We are aware of the circumstances regarding the rate increase in 2010. Our focus and concern is not about what has happened to rates in the past, but what is an appropriate, fair and affordable rate for 2014/15.		
<ul> <li>The consultation for domiciliary care seems to be taking the same poor process as the one for care homes</li> <li>Domiciliary care providers are concerned the council will invite out-of-county firms to tender and provide poorer care at a lower price.</li> <li>In the same letter that gave notice of termination of contract and the intention for a competitive tender process, the council asked providers to accept an immediate £0.50 p/h reduction due to the budget and expected future fee reduction. This is not correct consultation and shows a predetermined situation.</li> </ul>	Letter (1)	The Home and Community Support project (which is predominantly homecare) is not a pre-determined situation. Whilst the council's financial situation does mean we may look to reduce homecare rates, the council has open views on what commissioning approach to take and has been very keen to obtain provider views on what approach would best support them to operate efficiently. Provider feedback is being carefully considered to ensure that the commissioning approach and rate(s) adopted support the local Herefordshire homecare market. Whilst current homecare providers were invited to accept a 50p p/h reduction, the council has agreed to not take up the voluntary reductions.		
What are the implication of the 256 Monies from the NHS on adult social care budgets?	Meeting (1)	Whilst these monies are to protect adult social care investment, even with these funds the council is still having to take £12million out of the Adult Wellbeing budget over the next 3 years, within the context of increasing demand.		