

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services
DATE	2 December 2014
DIRECTOR	Liz Taylor, Social Care and Wellbeing
TITLE OF REPORT	Successor Arrangements for National Care Home Contract
REPORT NUMBER	SCW/14/035
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

This Report advises Committee of developments in relation to the National Care Home Contract, by which Social Care and Wellbeing commissions care home services, and recommends a position to the Council in relation to the future arrangements for the Contract or its successor arrangements.

2. RECOMMENDATION(S)

Committee is recommended to

- i) note the content of the Report in relation to national negotiations on the National Care Home Contract;
- ii) agree that the Council supports the continuing arrangements for the National Care Home Contract and fee structure for 2015-16; and
- iii) instruct officers to develop a local Care Home Contract and fee structure as necessary, in the event of any breakdown or at the end of national arrangements for the NCHC.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this Report. There may be future financial implications in arrangements for contracting for care home services, dependent on national negotiations or local negotiations as an alternative. These would be subject of a future report to Committee.

4. OTHER IMPLICATIONS

There are no other implications arising directly from this Report. There may be future implications for commissioning and contracting arrangements for care home services, dependent on the outcome of national negotiations or local negotiations as an alternative. These would be subject of a future report to Committee.

5. BACKGROUND/MAIN ISSUES

- 5.1 Aberdeen City Council contracts for care home services through the National Care Home Contract (NCHC), which defines the terms of local authority placements into private or voluntary sector care homes. It is a call-off contract, therefore the Council only pays for available places used within each care home. The NCHC standardizes the funding of placements and provides a consistent and transparent framework for the purchase of care home places for older people.
- 5.2 In support of the National Contract, the fee structure of local authority placements is negotiated annually, led by COSLA and with Scottish Care and the Coalition of Care and Support Providers (CCPS) in Scotland on behalf of their members. In 2014-15 fees are set at £587.00 per week for nursing care and £505.46 for residential care. This was a 1.2% increase on 2013-14 fees. The Council budgets for an annual fee increase in the Social Care and Wellbeing budget to take account of these negotiations and advises COSLA on its position with relation to any proposed change to fees.
- 5.3 COSLA noted that NCHC negotiations for 2014-15 were particularly challenging for both local authorities and providers, given the broader financial climate and increasing costs for providers. A difficult balance had to be struck between providing stability for the sector and recognising the significant pressure on health and social care budgets.
- 5.4 Contractual requirements have changed since the inception of the NCHC in 2007-08 and it is seen as no longer adequately reflecting the current range of services provided in care homes. There is a need to develop an outcomes based approach and to stimulate new types of provision by care homes through commissioning. The current fee structure does not reflect the range in costs of providing different types of care and the different local market conditions across 32 Councils. The implementation and impact of Unison's Ethical Care Charter promoting payment of a living wage to care workers needs to be considered.

- 5.5 The Residential Care Task Force Report, March 2014, stated "... despite the flaws (in the NCHC) ... both care providers and commissioners want to see some form of standardised contract and fees grading to avoid every new resident's care package being individually priced and purchased."
- 5.6 The NCHC has recently been reviewed by COSLA, Scottish Care and. At CCPS the COSLA Leaders meeting on 29 August 2014, a report on "Successor Arrangements to the National Care Home Contract" was considered. Whilst COSLA is committed to the development of local commissioning, it was proposed that COSLA should continue to lead negotiations with Scottish Care and CCPS for 2015/16; that the fee rate and contract should be agreed by Leaders in the usual way; and that a business case should be put together for Leaders, which would consider the options for the management of a model contract and fee structure from 2016/17 onwards, allowing interested councils to continue to operate a shared service model.
- 5.7 The Service proposed support for the COSLA position. However, it recognises that the position of a number of Councils who wish to break away from the national arrangements, which are voluntary, could compromise the proposals for the NCHC.
- 5.8 In the event that this would happen, the Service wishes to ensure that it can move speedily, in collaboration with the Joint Procurement Unit, to consideration of a local Contract. The Service would wish to consider the potential of a shared arrangement for Contract and fee structure with other North East Councils.

6. IMPACT

The Report is presented at this time to Committee to ensure that the Service, with the Joint Procurement Unit, can take action timeously to develop a local contract for care home provision as required, to meet needs and strategic objectives and avoiding any compromise to service delivery.

No Equality and Human Rights Impact Assessment (EHRIA) and Privacy Impact Assessment (PIA) are required at this stage.

7. MANAGEMENT OF RISK

This Report demonstrates that the Service is taking action to mitigate potential risk in relation to contracting for care home services.

8. BACKGROUND PAPERS

Task Force on Residential Care , March 2014, The Future of Residential Care for Older People in Scotland – Full Report, Scottish Government
<http://www.scotland.gov.uk/Publications/2014/02/6217/9>

COSLA Leaders, 29.08.14, Report on Successor Arrangements to the National Care Home Contract
<http://www.cosla.gov.uk/events/2014/08/leaders-meeting>

9. REPORT AUTHOR DETAILS

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