

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

11 APRIL 2023

### REPORT OF THE CORPORATE DIRECTOR SOCIAL SERVICES AND WELLBEING

#### CARE HOME FEE-SETTING POLICY

#### 1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet to implement a Care Home Fee-Setting Policy from 2023/24.

#### 2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objectives under the **Well-being of Future Generations (Wales) Act 2015**:
- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
  - **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
  - **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

#### 3. Background

- 3.1 There are currently 18 independent care homes for older people's provision within Bridgend County Borough, provided by 16 providers, where 7 care homes are registered to deliver nursing care.
- 3.2 These services offer a total capacity of 778 beds, of which Bridgend County Borough Council (BCBC) commissions in the region of 45% (320 placements) of the total beds available from independent care homes, with the rest being made up of private placements, health placements, or placements made by other Local Authorities (LA).
- 3.3 In respect of the current fee-setting arrangements in place for care homes, BCBC has a Care Home Price Schedule in place, which determines the rates paid to care homes for each type of placement. The Price Schedule gets reviewed on an annual basis, in close consultation with care homes themselves, where cost pressures (linked to changes in National/Real Living Wage rates and Consumer Price Index

(CPI) factors) are determined, which is then taking into account when considering any changes to current rates being applied.

- 3.4 Whilst ultimately it is the local authority that sets local authority fee rates, BCBC are committed to working with providers to ensure that fee rates are fair and maintain a sustainable care home sector, where local authorities must also act in accordance with statutory guidance to local authorities on the commissioning of social care services, as set out within Welsh Government (WG) statutory guidance “Fulfilled Lives Supportive Communities Commissioning Framework Guidance and Good Practice” that was issued in August 2010 under Section 7 of the Local Authority Social Services Act 1970.
- 3.5 This guidance sets out the factors a local authority should take into account when considering fees. The guidance states that *‘commissioners must have a rationale to explain their approach to fee setting. The primary concern is that services operate safely and effectively to promote the welfare of the service users and carers and meet regulatory requirement.’*
- 3.6 Pembrokeshire County Council was taken to Judicial Review by Forest Care Home Limited in December 2010 over the care fees set by Pembrokeshire for the 2010/2011 financial year. The Judicial Review gave and has continued to give a sharp focus to and identified a challenge for all local authorities to have a robust methodology in place to calculate fees paid to independent sector care home providers.

#### **4. Current situation/proposal**

- 4.1 The current fee-setting arrangements (considering existing rates linked to inflationary factors) was discussed at a care home provider forum in the summer of 2022, where all providers were in agreement that they felt that a more detailed, open-book, cost-of-care analysis should be undertaken, which should be carried out by an independent organisation in the spirit of non-bias, openness and transparency.
- 4.2 As a result of this feedback, it was agreed that an independent provider should be commissioned to coordinate and undertake the cost-of-care analysis and policy development exercises, who must work within the guidelines of the Welsh Government commissioned toolkit:  
<https://ipc.brookes.ac.uk/publications/lets-agree-to-agree>
- 4.3 Following a procurement process, the Institute of Public Care (IPC) was appointed to carry out this work independently. IPC have lots of experience of doing such work in other LA areas and were also the organisation who developed the WG commissioned ‘Let’s agree to agree’ fee-setting toolkit.
- 4.4 A fundamental requirement of the commissioned work undertaken by IPC was to help develop a Care Home Fee-Setting Policy, which sets out BCBC’s approach to reviewing and setting fees for care homes, which will assist BCBC in meeting the requirements of the statutory guidance to have a rationale to explain their approach to fee-setting.
- 4.5 A draft version of the policy was developed by IPC and shared with care home providers in the Care Home Forum that took place on 8<sup>th</sup> March 2023, where their

feedback was considered and included in a further revised version that was shared with internal stakeholders (including Finance) for further review and comment, which has been included within the final version being presented to Cabinet.

4.6 A full version of the Care Home Fee-Setting Policy is included as **Appendix 1**, where in summary, the policy:

- sets out BCBC's approach to reviewing and setting fees for care homes
- provides the context and background to fee-setting on care homes
- provides a wider budget-setting context
- sets out the fee-setting and cost pressures analysis methodology
- highlights the engagement required
- sets out the requirements on care homes

4.7 It is proposed for the policy (if approved) to be implemented from 2023/24, with a review date at the end of March 2027, which is when current contracts (Pre-Placement Agreements) with care homes come to an end.

## 5. **Effect upon policy framework and procedure rules**

5.1 The is no effect upon policy framework and/or procedure rules.

## 6. **Equality Act 2010 implications**

6.1 An initial Equality Impact assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

## 7. **Well-being of Future Generations (Wales) Act 2015 implications**

7.1 A summary of the Well-being of Future Generations (Wales) Act 2015 assessment is listed below:

**Long-term** Residential and nursing care homes are longstanding and essential care provision for individuals with high levels of support needs, with existing contractual arrangements being up to 6 years duration, ending in March 2027.

**Prevention** Having effective residential and nursing care home services in place with access to supplementary supporting services is intended to prevent admission to hospital, which are costly for public services and can have a negative impact on individuals.

**Integration** The overarching contracts in place with care homes are integrated with Cwm Taf Morgannwg Health Board.

**Collaboration** The policy that has been developed has been done in collaboration with care home providers, which was overseen and coordinated by an independent specialist organisation.

**Involvement** Officers and our commissioned partner (IPC) discussed the policy at a Care Home Provider Forum in March 2023, to ensure existing providers had an opportunity to contribute towards the development of the policy.

## **8. Financial implications**

8.1 There are no additional cost implications in implementing this policy, where there are separate decision-making arrangements in place to approve care home fee levels on an annual basis.

## **9. Recommendation**

9.1 It is recommended that Cabinet approves the implementation of the Care Home Fee-Setting Policy, to take effect from the end of April 2023.

Claire Marchant

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**Background documents:** None