

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

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| <b>Decision Maker:</b> | Executive Member for Adult Social Care and Health  |
| <b>Date:</b>           | 3 October 2018   |
| <b>Title:</b>          | Proposal to increase the standard weekly rate for Older People in Hampshire County Council-run residential and nursing homes |
| <b>Report From:</b>    | Director of Adults' Health and Care  |

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### 1. Recommendations

- 1.1. That the Executive Member for Adult Social Care and Health approves an increase in the standard weekly rate for affected self funders for care provided within Hampshire County Council-run older persons residential and nursing homes by between £119.98 and £133.00 per week to be implemented in April 2019.

### 2. Executive Summary

2.1. The purpose of this paper is to seek approval to increase the standard weekly rate for Hampshire County Council-run residential and nursing homes for older people to a level that represents the actual costs to the County Council, including overheads, of providing the care and accommodation to residents. This proposal is put forward as part of the Adults' Health and Care Transformation to 2019 Savings Programme.

2.2. This paper seeks to:

- set out the rationale for the proposed fee increase;
- provide information regarding the financial context and the impact on the budget if this change were to be made; and
- consider the impact on current residents who may be affected.

### 3. Contextual information

3.1. Across Hampshire around two thirds of residential and nursing care provision (2,700 beds) is purchased from the external market to meet the eligible care and support needs of Hampshire residents. Hampshire also has significant in-house provision for older people in the form of just under 1,000 County Council-run care home beds: currently, 509 nursing and 453 residential beds for older people in Hampshire. The County Council's

residential and nursing homes primarily aim to meet the needs of the most vulnerable older people who require this type of accommodation and who have limited (or no) means to pay for their own care.

- 3.2. All individuals who receive care organised by the County Council, in any setting, pay for their care based on a financial assessment of their means, which is conducted in accordance with the Care Act 2014.
- 3.3. The majority of residents who live in County Council-run care homes pay a contribution towards their care, and the County Council covers the remaining cost of the provision. The full standard weekly rate is only paid in situations where another organisation (for example, another local authority) is purchasing the care for an individual, or where an individual, on the basis of their financial assessment, is determined to have sufficient resources to pay the full standard weekly rate. Such individuals who pay the full cost themselves are referred to as 'self funders'. This group includes people who have had part of the cost covered by the County Council at the time of becoming a resident, during the 12-week property disregard period, but who later have increased financial resources taken into account that means they become a self funder.
- 3.4. The proposed increase would only affect residents who are assessed as having sufficient financial resources to pay the full standard weekly rate or where another organisation pays for the resident's care. No resident would be required to pay more than their assessed maximum contribution. This means that the level of increase, if agreed, may not be the same for all residents who are currently self funding. As at 3 September 2018, a total of 157 residents living in County Council-run homes were being charged the full standard weekly rate: 74 in nursing care and 83 in residential (including residential with dementia care).

#### **4. Finance**

- 4.1. To respond to significant reductions in the central Government grant that the County Council receives, all departments have had to put forward savings programmes, including reviewing the level of fees charged for services provided to recover the full cost of the service delivered.
- 4.2. The previous increase approved by the Executive Member in January 2017 did not represent full cost recovery.
- 4.3. The proposed increase in April 2019 is intended to recover the total cost of providing care to the individual resident and this includes the overheads associated with running the service, and elements such as: buildings, maintenance, laundry, HR, finance, management and administration and staff training, all of which have to be paid for in order to run each of these facilities. These types of overhead are the same as would already be included in the fees charged by any independent sector care home.
- 4.4 The proposed increases would raise the weekly rate for affected self funders by between £119.98 and £133.00 depending on the setting and needs of the individual concerned i.e. nursing, residential, dementia settings.

4.5 The budget saving expected from this proposed price increase would depend on the number of clients who remain as self funders within County Council facilities, as it is anticipated that since the cost would be closer to market prices charged to people paying privately for care in the independent sector more people in future would choose an external provider. If fewer self funders in future remained in in-house homes, this would enable the County Council to accommodate more publicly funded residents and subsequently reduce the number of high cost externally purchased packages it has to fund. The forecast potential full year savings effect of this proposal, based on the factors set out above, is estimated at around £300,000.

## **5. Engagement and Equalities**

- 5.1. As at 3 September 2018, of the 157 residents potentially affected by the proposed price increase, there are 124 women and 33 men. Letters have been sent to residents and/or their legal representative/family member where appropriate, where it is anticipated the resident would be affected by the proposed increase. The letter informed people of the proposed increase and the date on which the decision would be made. The intention in communicating well ahead of the proposed implementation of the increase was to allow individuals/their representatives to have plenty of notice of the proposed change. If the increase is approved, care management staff would speak individually with residents and/or their legal representative/family member to ascertain the potential impact on their particular case and the options that would be open to them.
- 5.2. The changes proposed would have a higher impact on older and disabled people and would affect more women than men, because people who have their care delivered or arranged by the County Council fall disproportionately into those groups. The negative impact is mitigated to the extent that people only contribute what they are assessed as able to afford to pay towards their care, in line with the Care Act 2014, Regulations and Statutory Guidance. This means that some people in future would make a greater contribution towards the cost of their care than they currently do.

## **6. Future direction**

- 6.1. Over time, the aim is to re-shape and add to the County Council's in-house provision to keep pace with growing levels of complex care needs such as advanced dementia, higher volumes of long-term conditions and frailty, and to provide dedicated short-term assessment and reablement capacity.
- 6.2. The primary focus for County Council-run homes will continue to be to meet the needs of people who do not have sufficient resources to fully fund their own care, particularly those people who have complex needs that can be costly and challenging to meet.
- 6.3. In the future, it is anticipated that most people who can self fund their own care will make their own arrangements to find care in the independent sector, as they do now. However, where there is capacity to accommodate

them, the option of a place in a County Council home will remain for some self funders where this is agreed to be a suitable placement and the individual is willing to pay the full cost. Adults' Health and Care will continue to review costs across its services, and particularly where services become more tailored or specialist in the future, it will ensure that fee levels continue to reflect the cost of providing the service that an individual is receiving.

- 6.4. By ensuring self funders pay for the true cost of their care, without public subsidy, the resources available for the County Council across the board to support vulnerable older people and disabled clients with limited financial means will be maximised.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

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|---|-----|
| <b>Hampshire maintains strong and sustainable economic growth and prosperity:</b> | yes |
| <b>People in Hampshire live safe, healthy and independent lives:</b>              | yes |
| <b>People in Hampshire enjoy a rich and diverse environment:</b>                  | no  |
| <b>People in Hampshire enjoy being part of strong, inclusive communities:</b>     | no  |

**Other Significant Links**

| <b>Links to previous Member decisions:</b>   |                   |
|--|-------------------|
| <u>Title</u>   | <u>Date</u>       |
| Transformation to 2019 – Revenue Savings Proposals<br><a href="http://democracy.hants.gov.uk/ieListDocuments.aspx?CId=595&amp;MId=3138">http://democracy.hants.gov.uk/ieListDocuments.aspx?CId=595&amp;MId=3138</a>  | 21 September 2017 |
| Proposal to increase standard weekly rate for Older Persons and People with Physical Disabilities In-House Residential and Nursing Homes Care<br><a href="https://www.hants.gov.uk/aboutthecouncil/councillors/meetings-archive/meetings-summary?date_id=1904">https://www.hants.gov.uk/aboutthecouncil/councillors/meetings-archive/meetings-summary?date_id=1904</a> | 17 January 2017   |
| <b>Direct links to specific legislation or Government Directives</b>   |                   |
| <u>Title</u>   | <u>Date</u>       |
|  |                   |

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

- 1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

#### **Due regard in this context involves having due regard in particular to:**

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

#### **1.2. Equalities Impact Assessment:**

The changes proposed would have a higher impact on older and disabled people and would affect more women than men, because people who have their care delivered or arranged by the County Council fall disproportionately into those groups. The negative impact is mitigated to the extent that people only contribute what they are assessed as able to afford to pay towards their care, in line with the Care Act 2014, Regulations and Statutory Guidance. This means that some people in future would make a greater contribution towards the cost of their care than they currently do.

### **2. Impact on Crime and Disorder:**

- 2.1. There are no significant crime and disorder implications.

### **3. Climate Change:**

- 3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No significant carbon footprint / energy consumption issues, nor any climate change adaptation impacts have been identified.