



NOTTINGHAM CITY COUNCIL
EXECUTIVE BOARD COMMISSIONING SUB-COMMITTEE

Date: Wednesday 16 April 2014

Time: 2.00 pm

Place: LB31 - Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Deputy Chief Executive/Corporate Director for Resources

Constitutional Services Officer: Zena West Direct Dial: 01158764305

AGENDA

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- 8 EXCLUSION OF PUBLIC**
TO CONSIDER EXCLUDING THE PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE REMAINING ITEM(S) IN ACCORDANCE WITH SECTION 100A(4) OF THE LOCAL GOVERNMENT ACT 1972 ON THE BASIS THAT, HAVING REGARD TO ALL THE CIRCUMSTANCES, THE PUBLIC INTEREST IN MAINTAINING THE EXEMPTION OUTWEIGHS THE PUBLIC INTEREST IN DISCLOSING THE INFORMATION
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Report of Strategic Director for Early Intervention

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD COMMISSIONING SUB-COMMITTEE

MINUTES of the meeting held at LB31, Loxley House, Station Street, Nottingham on 12 MARCH 2014 from 2.00 pm to 2.38 pm

Voting members:

- | | | |
|---|---|---|
| | Councillor Dave Liversidge
(Chair) | Portfolio Holder for Commissioning and
Voluntary Sector |
| ✓ | Councillor David Mellen (Vice
Chair) | Portfolio Holder for Children’s Services |
| | Councillor Jon Collins | Portfolio Holder for Strategic Regeneration
and Community Safety |
| ✓ | Councillor Nicola Heaton | Portfolio Holder for Community Services |
| ✓ | Councillor Dave Trimble | Portfolio Holder for Leisure and Culture |

Non-voting members:

- | | | |
|---|------------------------|--|
| | Safdar Azam | Nottingham Equal |
| ✓ | Helen Kearsley-Cree | Nottingham Community and Voluntary
Service (NCVS) |
| ✓ | Councillor Alex Norris | Chair of Health and Wellbeing Board |

✓ indicates present at meeting

Colleagues, partners and others in attendance:

- | | | | |
|---------------|---|---|-----------------------|
| Irene Andrews | Market Development Programme
Manager |) | |
| Antony Dixon | Strategic Commissioning Manager |) | Children and Families |
| Louise Graham | Programme Manager, Voluntary
and Community Sector Grants
Team |) | |
| | |) | |
| | |) | |
| Lisa Black | Head of Revenues Benefits and
Welfare Rights |) | Resources |
| Martin Parker | - Constitutional Services Officer | - | |

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 26 March 2014.

78 APOLOGIES FOR ABSENCE

- Councillor Dave Liversidge – Annual Leave
- Councillor Jon Collins – Other City Council Business
- Alison Michalska
- Candida Brudenell
- Kay Ball
- Colin Monckton

In the absence of Councillor Liversidge, Councillor David Mellen chaired the meeting.

79 DECLARATIONS OF INTERESTS

None.

80 MINUTES

The Sub-committee confirmed the minutes of the meeting held on 15 January 2014 as a correct record and they were signed by the person presiding at the meeting.

81 VOLUNTARY SECTOR UPDATE

Helen Kearsley-Cree provided an update for the Sub-committee on arrangements for the launch of the Look After Each Other initiative and meetings regarding the Student Commissioning and Children's Commissioning Reviews.

82 WORK PROGRAMME

Antony Dixon, Strategic Commissioning Manger, presented an initial work programme for the Sub-Committee for the period April to October 2014.

RESOLVED to note the provisional agenda items shown below:

16 April 2014	Residential Care Commissioning Proposals and Pricing
June 2014	Financial Vulnerability Advice and Assistance - Update Public-Health Procurement Plan Child Development Strategic Commissioning Review Health Improvement Strategic Commissioning Review – Update Interim Evaluation of Lead Organisations, Citywide Priority Group of Established Communities Joint Working
July 2014	Voluntary Sector Infrastructure Contract – Update Health Improvement Review Commissioning Update Youth Provision – Update
September 2014	Children in Care Contracts Commissioning Financial Vulnerability Advice and Assistance Commissioning Intentions
October 2014	Voluntary Sector Infrastructure Contract Commissioning Intentions

83 COMMUNITIES OF IDENTITY COMMISSIONING (ESTABLISHED COMMUNITIES) - KEY DECISION

Following previous consideration of related issues by the Sub - committee at its meetings on 10 July and 12 December 2013, Irene Andrews, Market Development Programme Manager, introduced a report of the Director of Quality and Commissioning.

Following an evaluation of resubmitted established community priorities applications to be appointed lead organisations, the report recommended that Nottingham Equal and the Pakistan Centre be appointed as joint lead organisations for the Established City Wide Communities Priority Group of established communities until 31 March 2015.

RESOLVED

- (1) to appoint Nottingham Equal and the Pakistan Centre as joint Lead Organisations for the city-wide priority group of Established Communities until 31 March 2015;**
- (2) to request that the Director of Quality and Commissioning submit a report to the June 2014 meeting of the Sub-committee which evaluates the success or otherwise, of measures to promote joint working between the two organisations.**

Reasons for Decision

- (1) To support the Sub-committee's decision to move to a more streamlined model of grant funding for Communities of Identity via lead organisations, to deliver outcomes for each of the priority groups which would provide greater transparency and accessibility for the Communities of Identity.
- (2) To provide an early indication to the Sub-committee of the effectiveness of measures to encourage joint working between Nottingham Equal and Pakistan Centre in the delivery of this contract.

Other Options Considered

To fund only one organisation. **Rejected as inappropriate.** The assessment of bids process resulted in two organisations scoring identically, a decision which had been upheld on review.

84 BETTER CARE FUND - KEY DECISION

Antony Dixon, Strategic Commissioning Manager introduced a report of the Corporate Director for Children and Families. The report provides background on the devolution of Department of Health funding to local authorities and practitioners under the criteria to be satisfied for a local authority to access such funds. The City Council's BCF Plan, approved on 26 February 2014 by the Health and Well-Being Board, now required further amendment to take into account the latest release of additional funds.

RESOLVED

- (1) to approve the Better Care Fund Plan for 2014/15 and 2015/16 as detailed in appendices 1 and 2 of the report, as required by the NHS England Regional Team;**
- (2) to approve the following allocations, as detailed in appendices 3 and 4 of the report:**

- (a) an additional £1.292 million in BCF funding in 2014/15 to be transferred from Nottingham Clinical Commissioning Group (CCG) to the City Council by way of an agreement under section 256 of the National Health Service Act 2006; and
- (b) £447,000 of the additional £1.292 million of BCF funds available for the following external elements:

<u>Scheme</u>	<u>£(m)</u>
Dispersed along provision	0.184
Intermediate care posts	<u>0.263</u>
Total:	<u>0.447</u>

- (c) the following realignment of former health transferred funding schemes, totalling £840,000 in 2014/15:

<u>Scheme</u>	<u>£(m)</u>
Hospital-based social care services	0.455
Access and rapid response services	0.356
Intake re-enablement service	<u>0.029</u>
Total:	<u>0.840</u>

Reasons for the Decision

The report confirms that in addition to the already planned transfer of £900 million from NHS centralised budgets to adult social care budgets, a further £200 million is being made available to local authorities to assist preparations for pooled budget arrangements from April 2015 and in making progress against the national conditions and performance measures contained in the locally agreed plans.

Accessing the additional funding will supplement Nottingham city's initial allocation of £5.8 million by a further £1.292 million, but this is conditional on agreed two-year plans for use of Better Care Fund (BCF) resources being in place.

Other options considered

None. The actions are required in order for the City Council to access additional funding under the criteria attached to the use of BCF funds.

85 2014/15 STRATEGIC COMMISSIONING INTENTIONS

Antony Dixon, Strategic Commissioning Manager introduced a report of the Corporate Director for Children and Families. The Sub-committee was asked to approve the following areas as agreed Strategic Commissioning Intentions for 2014/15 to be progressed through application of the commissioning pathway.

Learning Disability Residential Placements
 Transitions
 Levels of Care

Supported Living
Carers/Respite

Financial Vulnerability Advice and Information Welfare Rights Provision
Access to Employment
Housing/Debt Advice
Housing Options

Youth Provision Youth Provision

In addition, the Quality and Commissioning Directorate will also lead on the following major programs commissioning activity during 2014/15:

- Looking After Each Other (building community capacity)
- Child Development Strategic Commissioning Review
- Integrated Adult Care

RESOLVED to approve Learning Disability, Financial Vulnerability Advice and Information and Youth Provision as the Strategic Commissioning Intentions Programme for 2014/15.

Reasons for Decision

To continue to seek improvements to the commissioning processes in the City Council and the city through the continued application and embedding of the Corporate Commissioning Framework by the Quality and Commissioning Directorate.

To reduce the level of risk for the City Council in its Commissioning Programme.

Other areas considered for review but rejected

- **Adults and Children Non-Statutory Provision** Identifying further limitations to via a broad brush review process. **Rejected** due to a lack of sufficient detail required by the process.
- **Mental Health Provision. Rejected.** Transformational change programmes still need to be assimilated before further reviews.
- **Whole Life Disability Provision. Rejected.** Pre-existing Strategic Commissioning Reviews are expected to deliver priority areas for future development.
- **Older people provision. Rejected.** Integrated Adult Care Strategic Commissioning Review still in progress and work already undertaken to address priority areas.

86 AMENDMENTS TO THE EMERGENCY LOAN SCHEME

Head of Revenues Benefits and Welfare Rights introduced a report of the Deputy Chief Executive and Corporate Director for Resources, including proposals to change

the existing Emergency Loans Scheme, introduced in April 2013 into a Small Loan Scheme, to be administered by the Nottingham Credit Union.

RESOLVED

- (1) to operate the Emergency Loans Scheme as a pilot Small Loan Scheme, reflecting the principles of the Hardship Support Scheme, as detailed in the report;**
- (2) to approve an allocation of £200,000 from the Emergency Hardship Fund to provide small loans until such time as the allocation is fully utilised;**
- (3) to approve a dispensation from paragraph 5.1.2 of the Contract Procedure Rules in accordance with Financial Regulation 3.29 to enter into an agreement with Nottingham Credit Union to administer the Scheme in 2014/15.**

Reasons for Decision

To enable lending of small loans based on affordability and create an alternative to short-term high street loans and doorstep lenders and to ensure the effective operation of the pilot Scheme in 2014/15.

Other options considered

Full implementation of existing Scheme. Rejected. Would fail to recognise learning outcomes that the original Scheme was insufficiently flexible in its operation to benefit citizens.

End existing Scheme without replacing it. Rejected. Risks the health and wellbeing of citizens, encouraging them to use higher interest-charging alternatives.

Knock-on effects of higher demand for homelessness, advice and family support services. Increased reliance of citizens on other stretched voluntary services.

87 EXCLUSION OF THE PUBLIC

The Sub-committee decided to exclude the public from the meeting during consideration of the remaining agenda item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph 5 of Part 1 of Schedule 12A to the Act. The appendix contained advice relating to legal professional privilege.

88 AMENDMENTS TO THE EMERGENCY LOAN SCHEME - EXEMPT APPENDIX

As minute 86, above.

Issue <i>(Insert the likely title of report – ensure that this title makes it clear, to the public, what is being decided)</i>	Who will decide and date of decision? <i>(Insert Executive Board Sub-Committee meeting)</i>	Documents to be considered <i>(usually report to Board and / or Council)</i>	Who will be consulted and how? <i>(Clarify consultation undertaken and planned and HOW this has / will be done. Include any consideration by Overview and Scrutiny Committee or Select Committees)</i>	From whom can further information be obtained and representations made / deadline for representations? <i>(Insert FULL contact details – name, title, department, full address, full telephone number and e-mail address of Contact Person – ideally one officer)</i>	
JUNE MEETING					
	Financial Vulnerability Advice & Assistance Progress Update	11 th June	Report	Portfolio Holder	Antony Dixon Strategic Commissioning Manager Nottingham City Council 0115 8763491 antony.dixon@nottinghamcity.gov.uk
	Health Improvement SCR Progress Update	11 th June	Report	Portfolio Holder	Alison Challenger Deputy Director Public Health Nottingham City Council 0115 8765105 Alison.challenger@nottinghamcity.gov.uk
	Residential Care Contracting Proposals	11 th June	Report	Portfolio Holder	Steve Oakley Head of Quality & Efficiency Nottingham City Council 0115 8762836 Steve.oakley@nottinghamcity.gov.uk

Issue <i>(Insert the likely title of report – ensure that this title makes it clear, to the public, what is being decided)</i>	Who will decide and date of decision? <i>(Insert Executive Board Sub-Committee meeting)</i>	Documents to be considered <i>(usually report to Board and / or Council)</i>	Who will be consulted and how? <i>(Clarify consultation undertaken and planned and HOW this has / will be done. Include any consideration by Overview and Scrutiny Committee or Select Committees)</i>	From whom can further information be obtained and representations made / deadline for representations? <i>(Insert FULL contact details – name, title, department, full address, full telephone number and e-mail address of Contact Person – ideally one officer)</i>	
JULY MEETING					
	Voluntary Sector Infrastructure Contract Progress Update	16 th July	Report	Portfolio Holder	Katy Ball Head of Market Development & Early Intervention Nottingham City Council 0115 8764814 Katy.ball@nottinghamcity.gov.uk
	Health Improvement Review Commissioning Progress Update	16 th July	Report	Portfolio Holder	Alison Challenger Deputy Director Public Health Nottingham City Council 0115 8765105 Alison.challenger@nottinghamcity.gov.uk
	Youth Provision Progress Update	16 th July	Report	Portfolio Holder	Antony Dixon Strategic Commissioning Manager Nottingham City Council 0115 8763491 antony.dixon@nottinghamcity.gov.uk
	Child Development SCR	16 th July	Report	Portfolio Holder	Colin Monckton Head of Commissioning & Insight Nottingham City Council 0115 8764832 colin.monckton@nottinghamcity.gov.uk

Issue <i>(Insert the likely title of report – ensure that this title makes it clear, to the public, what is being decided)</i>	Who will decide and date of decision? <i>(Insert Executive Board Sub-Committee meeting)</i>	Documents to be considered <i>(usually report to Board and / or Council)</i>	Who will be consulted and how? <i>(Clarify consultation undertaken and planned and HOW this has / will be done. Include any consideration by Overview and Scrutiny Committee or Select Committees)</i>	From whom can further information be obtained and representations made / deadline for representations? <i>(Insert FULL contact details – name, title, department, full address, full telephone number and e-mail address of Contact Person – ideally one officer)</i>
Early Intervention Directorate Integrated Procurement Plan	16 th July	Report	Portfolio Holder	Steve Oakley Head of Quality & Efficiency Nottingham City Council 0115 8762836 Steve.oakley@nottinghamcity.gov.uk

Issue <i>(Insert the likely title of report – ensure that this title makes it clear, to the public, what is being decided)</i>	Who will decide and date of decision? <i>(Insert Executive Board Sub-Committee meeting)</i>	Documents to be considered <i>(usually report to Board and / or Council)</i>	Who will be consulted and how? <i>(Clarify consultation undertaken and planned and HOW this has / will be done. Include any consideration by Overview and Scrutiny Committee or Select Committees)</i>	From whom can further information be obtained and representations made / deadline for representations? <i>(Insert FULL contact details – name, title, department, full address, full telephone number and e-mail address of Contact Person – ideally one officer)</i>
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SEPT MEETING

	Children In Care Contracts Commissioning	Sept	Report	Portfolio Holder	Katy Ball Head of Market Development & Early Intervention Nottingham City Council 0115 8764814 Katy.ball@nottinghamcity.gov.uk
	Financial Vulnerability Advice & Assistance Commissioning Intentions	Sept	Report	Portfolio Holder	Antony Dixon Strategic Commissioning Manager Nottingham City Council 0115 8763491 antony.dixon@nottinghamcity.gov.uk
	Residential Care Commissioning & Contracting Arrangements	Sept	Report	Portfolio Holder	Steve Oakley Head of Quality & Efficiency Nottingham City Council 0115 8762836 Steve.oakley@nottinghamcity.gov.uk

Issue <i>(Insert the likely title of report – ensure that this title makes it clear, to the public, what is being decided)</i>	Who will decide and date of decision? <i>(Insert Executive Board Sub-Committee meeting)</i>	Documents to be considered <i>(usually report to Board and / or Council)</i>	Who will be consulted and how? <i>(Clarify consultation undertaken and planned and HOW this has / will be done. Include any consideration by Overview and Scrutiny Committee or Select Committees)</i>	From whom can further information be obtained and representations made / deadline for representations? <i>(Insert FULL contact details – name, title, department, full address, full telephone number and e-mail address of Contact Person – ideally one officer)</i>
OCT MEETING				
Voluntary Sector Infrastructure Contract Commissioning Intentions	Oct	Report	Portfolio Holder	Katy Ball Head of Market Development & Early Intervention Nottingham City Council 0115 8764814 Katy.ball@nottinghamcity.gov.uk

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Agenda Item 6

EXECUTIVE BOARD - COMMISSIONING SUB-COMMITTEE
16 APRIL 2014

Subject:	PRICING OF RESIDENTIAL AND NURSING CARE – PROPOSALS AND BUDGET		
Corporate Director(s)/ Director(s):	Candida Brudenell – Strategic Director Early Intervention		
Portfolio Holder(s):	Councillor Norris and Councillor Liversidge		
Report author and contact details:	Jo Pettifor – Strategic Procurement Manager Tel: 0115 8765026 jo.pettifor@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: £3.443m			
Wards affected: all	Date of consultation with Portfolio Holder(s): Councillor Alex Norris, Portfolio Holder for Adults and Health – 25 February 2014 Councillor Dave Liversidge, Portfolio Holder for Commissioning and Voluntary Sector – 28 March 2014		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter	<input type="checkbox"/>		
Cut crime and anti-social behaviour	<input type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input type="checkbox"/>		
Help keep your energy bills down	<input type="checkbox"/>		
Good access to public transport	<input type="checkbox"/>		
Nottingham has a good mix of housing	<input type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input checked="" type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input type="checkbox"/>		
Support early intervention activities	<input type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>This report makes recommendations for the level of fees to be paid for residential and nursing care services in the City for 2014/15 onwards. The proposed fees for each category of service are detailed at Appendix A. The proposed pricing is based on the findings of a 'Fair Price for Care' review undertaken on behalf of the City Council, financial modelling of the impact on budgets and the outcome of a consultation exercise undertaken on the proposals with service providers. The process undertaken and resulting proposals are intended to ensure that the Council fulfils its legal obligations to consult widely when ascertaining the actual costs of care and has due regard to these costs when setting fees.</p> <p>The report details the financial implications of moving to new pricing arrangements for residential and nursing care in accordance with these proposals and seeks approval for the additional expenditure required to implement the proposed pricing as set out in Appendix A.</p>			
Exempt information:			
State 'None' or complete the following.			
An appendix to the report is exempt from publication under paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 because it contains information relating firstly to the financial			

position and/or business of the Authority and secondly to legal observations on the proposals of which a claim to legal professional privilege could be maintained in legal proceedings. Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because the financial information is held in commercial confidence and disclosure of the legal advice may prejudice the Council's position in any litigation.

Recommendation(s):

1 Approve rates set out in **Appendix A** to be paid for residential and nursing care services in the City from 2014/15 onwards, to be implemented with effect from 1st April 2014.

2 Note the process that has been undertaken to develop the proposals for the pricing of residential care in the City, including consultation with service providers, in order to ensure the Council has due regard to the actual costs of care, in accordance with its legal obligations. **Appendix B** provides details of the consultation process followed and a summary of the consultation responses is attached at **Appendix C**.

3 Approve the allocation of a 1% inflationary increase on the rates for residential and nursing care services for the year 2014/15 (applicable to all packages below £650 per week), to be implemented with effect from 1st April 2014.

4 Approve the expenditure of the additional funding required to cover the cost of implementing the proposed rates for residential care as detailed in exempt **Appendix E**.

5 Delegate the approval of appropriate contractual indices for annual inflationary increases associated with Adults Social Care to the Director of Quality and Commissioning.

6 Approve the inclusion of the indices agreed into the Councils 2015/16+ budget setting process.

7 Note that negotiations are underway with NHS Nottingham City about the potential to undertake a joint accreditation process for providers of residential and nursing care services in the City and for a joint contract to be issued to providers approved through this process. A further report will be presented to Committee with recommendations for these arrangements and the proposed commissioning model and service requirements.

1 REASONS FOR RECOMMENDATIONS

- 1.1 It is essential that the Council adopts a robust and transparent process to establish a fair price for care. The overall aim of the project to review the pricing of residential and nursing care was to ensure that the Council consults widely when ascertaining the actual costs of care and has due regard to these costs when setting pricing structures, whilst managing the budget implications of moving to a fair price for residential care.
- 1.2 The value of £494 has been used as an indicative 'fair price' for a core package of care in any service, based on the 'Value for Money Rate' cited in the VCFM report for residential care for older people with dementia, which VCFM reported to be satisfied "represents a reasonable mid-point (between standard residential and nursing dementia services), on which to base a generic fee" (page 18).
- 1.3 The proposals for residential and nursing care pricing from 2014/15 detailed in **Appendix A** are based on the principle of moving towards the proposed minimum 'core' price over a planned period and financial modelling undertaken on the options to achieve this. It is proposed to implement the transition to the indicative 'fair price' through a staged approach in order to manage the financial impact to the Council and allow a number of years to identify funding options to cover the increase in costs.
- 1.4 In making these recommendations the position of Nottinghamshire County Council in relation to its recent increases in the pricing of residential and nursing care services has been considered. In such consideration regard has been given to the geographical differences faced between the two authorities and the longer term ability to maintain a significant price increase.

- 1.5 In these proposals a higher percentage increase is allocated to lower cost placements than those already paid at a higher level based on the rationale that the lower cost services are currently furthest from the indicative minimum 'core' price and therefore need to increase at a faster rate.
- 1.6 The proposal to move to a single rate of fees for all residential care services for older people (removing the previous variation in fees based on quality banding of these services) is based on the principle that a minimum price based on the actual cost of service provision should be paid equally for all services. All services will be expected to deliver to the required minimum quality standards and this will be managed robustly through a consistent contract compliance process, with sanctions applied for poor performance. This approach is expected to ensure that Nottingham City Citizens can receive the best quality of care from the Council and provide resilience in the number of providers available within the City.
- 1.7 It is proposed to review inflation on an annual basis to enable this to take account of specific factors impacting on the actual costs of care which may vary over the period covered by these proposals. The Council must be satisfied that it has adequately ascertained the actual costs of care, including setting an appropriate rate for inflation.
- 1.8 It is proposed to implement the proposed fees from 1st April 2014 as the consultation process highlighted a strong view amongst providers that the new rates should be effective from this date. 68% of respondents in the consultation did not agree with the proposal to implement the new rates on 1st July 2014.
- 1.9 The proposal to award inflation at 1% for 2014/15 has been developed through a fair and consistent process across all adult social care services aimed ensuring a stable and quality service provision and which has included consultation with service providers.
- 1.10 The proposal to work jointly with NHS Nottingham City to develop an accreditation process for providers of residential and nursing care services and to explore the potential for a joint contract to be issued will streamline the contracting arrangements for residential and nursing care, creating efficiencies for providers and commissioners.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 In discharging its statutory duty to provide residential accommodation to adults with an assessed need through a contracted private care home provider the Council must consider the fees it pays in line with available guidance. In this context, it was agreed by the Portfolio Holder to commission external specialist support to undertake a review to identify a fair price for care in residential and nursing care services in the City. Valuing Care Financial Management (VCFM) were appointed to carry out this work which comprised a sample costing exercise of placements in a cross section of services and analysis with reference to a national comparator database of rates. The process included local provider engagement with VCFM where providers were willing to do so.
- 2.2 The final report of VCFM on their 'Fair Price for Care Review' findings was completed in March 2013, outlining the findings of the review and prices that are suggested to represent a reasonable minimum price for care for services in the City.
- 2.3 A project group was established to take forward the 'Fair Price for Care' Review findings in two phases. Phase 1 considered the level of fees to be paid in 2013/14

based on the indicative findings of the VCFM report and financial modelling of the budget implications. In May 2013 a consultation process was undertaken with providers on proposals for 2013/14 fees, based on the principle of moving to a minimum 'core' price over a four year period. The consultation responses received were analysed and final recommendations for the level of fees in 2013/14 were approved by the Executive Board Commissioning Sub Committee on 10th July 2013.

- 2.4 Phase 2 of the pricing review project has further considered the findings and financial implications of the 'Fair Price for Care' Review and included consultation with providers in order to determine the pricing arrangements for residential care across all categories of provision in the longer term. This work has linked with the Residential Care Review project which will determine the commissioning requirements and new contracting arrangements for these services to be implemented from 2014/15.
- 2.5 Following Portfolio Holder agreement on 18th September 2013 an engagement process was undertaken to invite residential care providers to comment on the VCFM report findings, and highlight any issues they identified should be considered alongside the report findings in taking forward the pricing review work. In total 88 service providers and others including the Nottinghamshire Care Homes Association were invited to complete an online survey. One response was received and this provider reported that they had no comments to make on the report findings.
- 2.6 Further financial modelling was undertaken on the options for moving to a minimum price for a 'core' package of care across all categories of residential and nursing care and proposals for fees to be paid from 2014/15 onwards were drawn up, based on the principle of moving to a minimum 'core' price over a further four year period. These proposals were approved for consultation with providers by the Executive Board Commissioning Sub Committee at its meeting on 13th November 2013. Details of the financial modelling undertaken were included as an appendix to this report.
- 2.7 A consultation process with providers on the proposals for fees from 2014/15 commenced on 28th November 2013 for a period of 36 days. All residential and nursing care providers in the City were invited to respond to the consultation using an online survey managed by the Council's 'Engage' Team. The survey sought to obtain providers' views on the proposals and in particular to identify any risks or negative impacts, and potential mitigating actions. The proposals comprised the following four elements:
 - to move to a minimum 'core' price of £494 per week over a four year period from 2014/15 to 2017/18
 - to consider inflation on an annual basis
 - in relation to residential and nursing care for older people, to remove the variation between fees based on quality banding from 2014/15 onwards
 - to commence implementation of the proposed rates from 1st July 2014.
- 2.8 The overall rate of responses to this consultation was low at 12 (14%) and consideration of the responses received suggested that there were some areas of misunderstanding amongst providers about the proposals and how they would be implemented. A 'Frequently Asked Questions' document was produced providing clarification in some key areas of the proposals and a provider engagement meeting was arranged to provide further details of the proposed implementation in response to the issues raised by providers. The provider meeting was held on 28th January 2014 and was attended by representatives of 25 providers. It also provided an opportunity for providers to raise any further concerns or questions.

- 2.9 In order to maximise the feedback from providers following the engagement meeting, the consultation process was extended and the online survey re-opened for a further 2 week period. All providers were encouraged to complete the questionnaire, even if they responded to the previous consultation. Throughout the consultation process efforts were made to maximise participation, including reminders to encourage providers to engage with the process. Details of the process followed to engage providers during the consultation are provided at **Appendix B**.
- 2.10 During the consultation process responses were received from the Nottinghamshire Care Homes Association (CHA) and these have been considered and made available to decision makers. Additionally a meeting was held with representatives of the CHA on 23rd January 2014 to discuss the issues raised by them. This meeting was also attended by a number of service providers.
- 2.11 A summary of the overall outcomes from both stages of the consultation process is presented at **Appendix C**. Through the extended consultation period a total of 18 responses (22.5%) were received overall. The outcomes of the entire consultation process have been analysed and impact assessed to produce the final recommendations for pricing from 2014/15 onwards.
- 2.12 In January 2014 a process was undertaken to develop proposals for inflationary increases across all Adult Social Care service areas for 2014/15, taking account of the contractual terms and market position for each service and in the light of the overall allocated budget for Adult Social Care. On 27th February 2014 a 28 day consultation process was undertaken with providers of residential care on the proposal to award a 1% inflationary increase to all packages below £650 per week with effect from 1st April 2014. A summary of the responses to this consultation is attached at **Appendix D**.
- 2.13 Briefings have been provided to the Portfolio Holders throughout this process, including full details of the responses received during the consultation process.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To do nothing. This option was rejected because:
- There is a risk to the quality of services and increased risk of safeguarding issues if providers were unable to sustain investment in the delivery of services. In particular staff recruitment and retention may be impacted if providers are unable to sustain investment in pay and other staff conditions, which would impact on service quality.
 - There is a risk that providers would decide not to accept new placements from the Council or withdraw services for existing residents. This would present issues for operational teams in ensuring the needs of vulnerable citizens are met and a potential failure of the Council to meet its statutory duty to make provision for residential accommodation for vulnerable citizens.
 - The Council is under a legal obligation to ensure that it has due regard to the actual costs of care provision and other local circumstances. There needs to be a clear rationale for the funding mechanism and level of fees, based on considering the actual costs of delivering care and consultation with providers.
- 3.2 To implement the minimum core rate proposed from 2017/18 with immediate effect. This option was rejected because the financial modelling work undertaken indicates that this would have a significant impact beyond the existing provision in the budget for these services in 2014/15 and subsequent years.

- 3.3 To offer a different level of inflationary increase in 2014/15. This option was rejected because the proposed increase is based on financial modelling work undertaken across all Adult Social Care categories to ensure consistency and taking into account the overall budget available for these services.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 Financial implications are contained in exempt **Appendix E**.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 The overall aim of the pricing review of residential and nursing care in the City is to ensure due regard to the actual costs of care whilst managing the budget implications of moving to a fair price for residential care. The proposal to move to pricing based on the actual cost of delivering services aims to ensure that services are funded on a sustainable basis, thereby mitigating risks to the quality of services including the risk of safeguarding issues if providers were unable to sustain investment in the delivery of services.

- 5.3 The proposals for pricing aim to mitigate operational risks impacting on vulnerable citizens that would arise if providers decided not to accept new placements by the Council in residential care or to withdraw services for existing residents as a result of services not being viable due to the level of funding. The proposals aim to assist the Council in managing this market which may otherwise be influenced by market rates if providers offer services at higher rates to other customers such as self funders.

- 5.4 **Legal Observations:** contained in exempt **Appendix E**.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 The review of the pricing of residential and nursing care in the City and proposal to move to a minimum 'core' price based on the actual costs of delivering care aims to improve the economic, social and environmental well being in Nottingham in the following ways:

- Economic improvements through supporting the sustainability of the residential care provider market in the City.
- Supporting local employment and appropriate terms and conditions for care staff.
- Social improvements for citizens receiving services by funding at a level which supports the delivery of services to a minimum quality standard

- 6.2 The outcomes of the consultation process undertaken on the levels of pricing proposed have been considered with regard to economic, social and environmental impact, including impact on local providers, care workers and citizens.

7 REGARD TO THE NHS CONSTITUTION

Not applicable.

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached at **Appendix F**

Due regard should be given to the equality implications identified in any attached EIA.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 10.1 Valuing Care Financial Management Ltd – ‘Nottingham City Council Fair Price for Care Review – Residential and Nursing Home Services’, final report 22 March 2013
- 10.2 ‘Pricing of Residential Care 2013-14’ – Report of the Acting Director of Quality and Commissioning; Executive Board Commissioning Sub Committee 10 July 2013
- 10.3 ‘Fair Price for Residential Care – Proposals and Budget’ – Report of the Acting Director of Quality and Commissioning; Executive Board Commissioning Sub Committee 13 November 2013

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Darren Revill – Finance Analyst, Strategic Finance
Naomi Vass – Senior Solicitor, Legal Services

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Appendix A

Proposed Fees for Residential and Nursing Care 2014/15 onwards

The tables below present the proposed rates for a core package of care in all residential and nursing care services in the City for the years 2014/15 to 2017/18. The rates proposed exclude any inflationary increases and inflation is proposed to be considered on an annual basis.

OLDER PEOPLE – RESIDENTIAL CARE	2013/14 Current Rate	Proposed Rates for 2014/15	Proposed Rates for 2015/16	Proposed Rates for 2016/17	Proposed Rates for 2017/18
Band 1	£396.36	£441.66	£456.96	£475.48	£494.00
Band 2	£404.25	£441.66	£456.96	£475.48	£494.00
Band 3	£415.09	£441.66	£456.96	£475.48	£494.00
Band 4	£427.38	£441.66	£456.96	£475.48	£494.00
Band 5	£441.66	£441.66	£456.96	£475.48	£494.00

OLDER PEOPLE – NURSING CARE	2013/14 Current Rate	Proposed Rates for 2014/15	Proposed Rates for 2015/16	Proposed Rates for 2016/17	Proposed Rates for 2017/18
Band 1	£417.90	£441.66	£456.96	£475.48	£494.00
Band 2	£427.45	£441.66	£456.96	£475.48	£494.00
Band 3	£441.66	£441.66	£456.96	£475.48	£494.00
Band 4	£456.96	£456.96	£456.96	£475.48	£494.00

Appendix A

Mental Health, Learning Disability, Physical Disability and Other - Residential	Current Rate	Proposed Rates for 2014/15	Proposed Rates for 2015/16	Proposed Rates for 2016/17	Proposed Rates for 2017/18
	Up to £441.66	£441.66	£456.96	£475.48	£494.00
	£441.67 - £650	1% increase on existing fee	1% increase on existing fee	1% increase on existing fee	1% increase on existing fee
	Over £650	0% increase on existing fee	0% increase on existing fee	0% increase on existing fee	0% increase on existing fee

Mental Health, Learning Disability, Physical Disability and Other - Nursing	Current Rate	Proposed Rates for 2014/15	Proposed Rates for 2015/16	Proposed Rates for 2016/17	Proposed Rates for 2017/18
	Up to £441.66	£441.66	£456.92	£475.48	£494.00
	£441.67 - £650	1% increase on existing fee	1% increase on existing fee	1% increase on existing fee	1% increase on existing fee
	Over £650	0% increase on existing fee	0% increase on existing fee	0% increase on existing fee	0% increase on existing fee

Details of Process for Provider Engagement and Consultation

Consultation Phase 1: 28th November 2013 – 2nd January 2014

A letter informing providers about the consultation and including a link to the online survey was emailed to all providers on 28/11/2013. The emails issued included the following as attachments:

- Appendix 1 – Proposed Fees for Residential and Nursing Care 2014/15 onwards
- Appendix 2 – Core Elements of Care document defining the proposed elements of a core package of care to which the proposed fees will apply

Of the 89 emails sent to providers, undeliverable notifications were received for 2 of these emails. The email was sent with a read receipt so that they could respond when they opened the e-mail. 20 read receipts were received from the 89 emails sent.

A reminder about the consultation was emailed to all providers on 10/12/13. The read receipt for this email was returned by 13 providers. Further e-mail reminders were sent to all providers on the following dates:

- 23/12/2013
- 02/012014

This phase of consultation closed 02/01/2014.

During the 1st phase of consultation 12 provider responses were received. Consideration of the consultation responses received suggested that there were some areas of misunderstanding amongst providers about the proposals and how they would be implemented, therefore a 'Frequently Asked Questions' document was produced providing clarification in some key areas.

Meeting with Nottinghamshire Care Association (NCA) – 23rd January 2014

In response to NCA submissions made during phase 1 of the consultation process a meeting was arranged to be held with the NCA on 23/01/2014. The purpose was to discuss the issues and concerns raised by the NCA in their submissions.

The CHA meeting was attended by representatives of the NCA, a number of care home providers invited by the NCA and representatives of Nottingham City Council (Quality and Commissioning and Strategic Finance).

Provider Engagement Meeting – 28th January 2014

In response to some issues and questions raised by providers during the phase 1 consultation, an engagement meeting was arranged for all providers of residential and nursing care services in the City. The aim was to clarify the proposals for pricing of residential and nursing care, to provide further details of how the proposals would be implemented and to offer further opportunity for providers to raise any additional concerns or questions.

An invitation to the provider meeting was emailed to all providers on 20/01/2014.

A reminder email about the provider meeting was sent on 23/01/2014

Appendix B – Consultation Process

Due to a low number of read receipts evidencing that the meeting invitations had been received and opened, telephone calls were made to contact all homes that did not send a read receipt. The phone calls were made on Friday 24th and Monday 27th January to make sure that all care homes were informed about the event.

Through e-mail receipts and the conversations via the phone, 81 providers were contacted. Only 1 provider couldn't be contacted. After contacting the providers there were requests for 37 places at this meeting from 27 care homes.

The provider engagement meeting took place on 28th January 2014. At the event 25 providers completed the attendance sheet.

The following information was made available to providers during the engagement meeting:

- Consultation Appendix 1 document - Proposed Fees for Residential and Nursing Care 2014/15 onwards
- Consultation Appendix 2 document - Core Elements of Care
- Frequently Asked Questions document produced to clarify the proposals

At the engagement meeting Officers from the Council gave a slide presentation and this was followed by a Question and Answer session giving providers an opportunity to raise further questions and issues.

Consultation Phase 2: 29th January 2014 – 12th February 2014

A letter informing providers about the extended consultation and including a link to the online survey was emailed to all providers on 29/01/2014. The emails issued included the following as attachments:

- Appendix 1 – Proposed Fees for Residential and Nursing Care 2014/15 onwards
- Appendix 2 – Core Elements of Care document defining the proposed elements of a core package of care to which the proposed fees will apply
- Frequently Asked Questions document

The e-mails were sent to 101 provider e-mail addresses. Some care homes had only 1 e-mail while others had 2+ e-mails that were used, with the aim of ensuring that the information reached the home. During the phone calls made before the provider engagement meeting and at the provider event, provider e-mail addresses were checked and obtained so to ensure that up to date contact details were used for the 2nd consultation.

A final reminder about the consultation was emailed to all providers on 07/02/2014
This phase of consultation closed 12/02/2014

The following homes were contacted by e-mail;

32 Bentinck Road	Beechdale Manor
514 Arnold Road	Beeches, The
Acacia Care Centre	Beechwood Care Home
Acorn House	Belle Vue Lodge Care Home.
Alexandra Lodge Care Home	Belvoir Lodge
Alfred Minto House	Burlington Villa
Ascot House Care Home	Carisbrooke Care Home
Ashleigh House Care Home	Carrington House
Beechdale House	Churchfields

Appendix B – Consultation Process

Claremont Road Care Home	Melbourne House Care Home
Clifton Manor Care Home (Nursing)	Milverton Road Care Home
Clifton Manor Care Home (Residential)	Mount Vernon Terrace Care Home
Derbyshire Haven Care Home	NCHA Harrington Drive
Devonshire Manor Care Home	Notintone House Care Home
Edenhurst Care Home	Nottingham Neurodisability Aspley Unit
fairway view care home	Oxclose Lodge (Scope)
Field House Care Home	Palmwood Court Care Home
Forest Lodge Care Home	Park House Care Home
Gregory Court	Park View Nursing Home
Gregory House II Care Home	Peacemills Care Home
Hall Park Care Home	Portland House Care Home
Haven Lodge Care Home	Radiant Care Home
Hawthorn Lodge Care Home	Seely Hirst House Care Home
Heathcotes Basford	Springfield Care Home
Heathcotes Carrington Park	Springfield Lodge Care Home
Heathcotes Mapperley Lodge	St Augustines Court Care Home
Highfields Care Home	St Martins Care Home
Huntercombe Centre - Sherwood	Sycamore House Care Home
Huws Care Home	Sycamore Lodge Care Home
Katherine House Care Home	The Conifers Care Home
Kingfisher Court Care Home	The Firs Nursing Home
Kingsbury House Care Home	Thyra Grove Care Home
Kingsthorpe View Care Home	Watcombe Circus Care Home
Langdale Court Care Home	Wells Road Care Home
Langdale House Care Home	West Lodge Care Home
Lime Lodge	Wollaton Park Care Home
Linby Drive	Wycar Leys Care Home (Bulwell)
Linwood House Care Home	Yolanta House Care Home
Mappleton House	
Martinmass Close Care Home	

Through both phases of the consultation, a total of 28 responses were received from providers. Of the 28 responses, a total of 10 were removed:

- 5 received during phase 1 were removed as they were replaced by a response from the same provider during phase 2 of the consultation
- 5 were removed as the responses were from county not city homes.

This left 18 responses to analyse along with the information provided by the Nottingham Care Association on behalf of the following Care Homes within Nottingham City.

Consultation on 1% Inflationary Increase for 2014/15: 27th February – 27th March 2014

A letter informing providers about the consultation was emailed to all providers on 27/02/2014. The email included a consultation form for responses. Reminder emails were issued on 21/03/2014 and 26/03/2014.

This consultation closed on 27th March 2014. Of the 79 providers consulted, a total of 16 responses were received.

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Appendix C – Summary of Consultation Responses

Residential and Nursing Care Pricing 2014/15 onwards – Summary of Consultation Outcomes (all provider responses)

1) Survey Responses - Summary Raw Data

Overall response rate: 24% (19 out of 80 Care Homes)

Is the Home: Residential care or Nursing care?

	No. of homes	%
Nursing care	4	21.1
Residential care	15	78.9
Total	19	100

What is the category of the Home?

	No. of homes	%
Adult Mental Health	4	21.1
Dementia	9	47.4
Learning Disabilities	2	10.5
Older People	2	10.5
Physical disabilities / Sensory impairment	2	10.5
Total	19	100

	No. of homes	%
Band 2	1	5.3
Band 3	4	21.1
Band 4	2	10.5
Band 5	5	26.3
Not applicable	7	36.8
Total	19	100

Size of Home (Number of beds)

	No. of homes	%
10 to 20	8	42.1
20 to 30	3	15.8
30 to 40	4	21.1
More than 40	4	21.1
Total	19	100

To what extent do you agree / disagree that the fees for lower cost placements should increase at a higher rate from 2014/15 onwards than those currently paid at a higher level?

	No. of homes	%
Strongly Agree	2	10.5
Agree	4	21.1
Neither Agree or Disagree	2	10.5
Disagree	2	10.5
Strongly Disagree	9	47.4
Total	19	100

Appendix C – Summary of Consultation Responses

In relation to the delivery of services would any individuals or specific communities be particularly affected by the proposed fees for 2014/15?

	No. of homes	%
Yes	14	73.7
No	2	10.5
Don't know	3	15.8
Total	19	100

Are there any risks of these proposals that Nottingham City Council need to be aware of?

	No. of homes	%
Yes	15	78.9
No	3	15.8
Don't know	1	5.3
Total	19	100

Do you agree with our proposal of reviewing inflation on an annual basis?

	No. of homes	%
Yes	15	78.9
No	1	5.3
Don't know	2	10.5
Did not indicate	1	5.3
Total	19	100

Do you agree with our proposal to implement the four year fair price for care proposal from 1st July 2014?

	No. of homes	%
Yes	4	21.1
No	13	68.4
Don't know	2	10.5
Total	19	100

2) Survey Responses - Summary of Headline Trends

Overall:

- 19 homes responded during one or both phases of the consultation (a response rate of 24% of the total 80 homes)
- Characteristics of the homes responding:
15 (79%) residential homes and 4 (21%) nursing homes;
9 (47%, the highest percentage) homes categorised as dementia;
5 out of 12 residential/ nursing homes for Older People in quality band 5;
8 out of 19 (42%, the highest percentage) homes with of smaller size (10-20 beds).
- 8 out of 19 (42%) homes did not reject the proposal of increasing fees for lower cost placements at a higher rate than those currently at a higher level (this includes 2 responding “neither agree or disagree”).
- The vast majority of the homes (74%, 14 out of 19) felt that some individuals and communities would be affected by the proposed fees for 2014/15.
- The vast majority (79%, 15 out of 19) felt that there were risks that Nottingham City Council needed to be aware of.
- The overwhelming majority of the homes (79%, 15 out of 19) agreed with the proposal of reviewing inflation on an annual basis.

Appendix C – Summary of Consultation Responses

- The majority (68%, 13 out of 19) did not agree with the proposal to implement from 1st July 2014.

Breakdown of Results

By Residential or Nursing Home:

- More than half of residential homes did not reject the proposal to increase fees for lower cost placements at a higher rate than those currently at a higher level (8 out of 15 including 2 responding “neither agree or disagree”). Nursing homes tended to disagree with this aspect.
- One third of residential homes did not strongly feel that there would be impact on individuals or communities. Nursing homes were more likely to feel that there would be some impacts.
- One in four residential homes did not strongly feel that there would be any risks. Nursing homes were more likely to feel that there would be some risks.
- One third of residential homes did not reject the proposal to implement from 1st July 2014. Nursing homes tended to disagree.

By Category:

- Care homes for Adult Mental Health and Older People were more likely to agree with the proposal to increase fees for lower cost placements at a higher rate than those currently at a higher level (half of respondents in both cases), with one third of care homes for Dementia in agreement.
- Care homes for Adult Mental Health and Older People did not feel strongly that there would be particular impact on individuals/ communities or risks. They also tended to agree with the proposal to implement from 1st July 2014.

By Band

- The two band 4 homes responding agreed with the proposal to increase fees for lower cost placements at a higher rate than those currently at a higher level. 60% of band 5 homes did not agree with this proposal (3 out of 5)
- 40% of band 5 homes (2 out of 5) felt that individuals and communities would not be particularly affected by the proposal.
- None of the band 2 and 3 homes for older people responding (5 in total) agreed with the implementation date proposed of 1st July 2014.

By Bed size

- The small size homes (10 to 20 beds) were more likely than larger homes to agree with the proposal to increase fees for lower cost placements at a higher rate (3 out of 7 expressing a view).

3) Survey Responses - Summary of Free Text Narrative

*Below are details of the narrative responses of providers to those questions where additional details or reasons were invited. Issues or concerns are shown in **black**; positive comments are shown in **green**. For each question a summary of the main issues raised is provided.*

How will Nottingham City Councils proposal to move to Fair Price for Care over a four year period impact your organisation/service you offer?

Summary of main issues raised:

- Unclear how specialist services are accommodated
- No incentive to improve quality
- True cost of care not considered, inflation not properly factored.

Appendix C – Summary of Consultation Responses

- Will lead to good quality care
- Will allow for financial planning

Category	Comments
LD	Not clear how the core fits with LD services users with high needs – will this be clarified
LD	Cost of living will be higher than the proposed 4 year lead in
PDSI	Fees over £650 will not see an increase, however, cost of living continues to go up and needs increase.
OP	Could result in 25% cut in staffing and a reduction in care hours. Would need to consider whether to continue to contract with NCC. Could force homes to close.
MH	Unclear how a bespoke service can fit within the Core elements
OP	Fees so low that it may bring into questions our position in the City.
OP	Will be subsidising poorer providers if we remove bandings. Bandings are a transparent way to show quality. Large variance between self funders and Council Funded citizens—does not reflect a fair price, the analysis is flawed and 4 years is too long. No incentive to improve
OP x2	No incentive to improve standards with the removal of bandings, families(3 rd Parties) and self funders will be subsidising
OP	Cost of care not covered now and will not be covered in 4 years time. Does recognise the additional cost of nursing care, may result in care homes no providing nursing care.
OP	Standards , margins, covenants will be severely tested.
OP	Unfair and removes incentive, will not raise standards. Does not recognise the additional cost of nursing care. may reduce the capacity in the City for nursing care. Increased top ups.
LD	Creates increase in risk for providers caring for service users with high needs
OP	Fees do not reflect a fair price
OP	Does not take into account inflation for 4 years. No distinction between different levels of need.
OP	Staff wages and more specialist training
MH	Specialist care cannot be delivered in the core cost.
MH	Positive but needs to also consider variable costs (eg multiple cover for hospital visits) and spiralling utility bills.
OP	Will allow NCC and providers to ensure financial planning can take place. do not expect a negative effect on the organisation or service users.
MH	Will lead to good quality care

To what extent do you agree / disagree that the fees for lower cost placements should increase at a higher rate from 2014/15 onwards than those currently paid at a higher level? Please provide a brief explanation for your response.

Summary of main issues raised:

- No incentive to improve quality
- Difficult to distinguish good homes from poor
- Fee should be paid now
- Those higher funded homes deliver services to higher needs therefore equally need increase in costs
- FAQ explained why it is necessary to raise the fees for lower cost placements

Category	Comments
LD	Costs are correlated to needs, therefore lower fees (Homes) are at an advantage. The assumption is that higher fee homes do not need more

Appendix C – Summary of Consultation Responses

	money.
LD	Equating cost to needs and making assumption that the lower fee homes will be at an advantage and those with higher need citizens actually need more funding.
PDSI	The proposal effectively reduces the fees for high needs
OP	Removal of the bandings gives no incentive to improve quality of care
MH	Any increase in fees should apply equally across all fee rates
OP	Lack of bandings reduces the incentive to improve. Does not help distinguish good from poor in relation service delivery. Impacts negatively on those who have invested in order to achieve a higher banding. Widens the gap between council fees and private fees. Sends the wrong message to low quality service providers
OP	Good quality homes will be getting the same rate as poor quality homes
OP	No incentive to providers to deliver good quality care
OP	Those not on the lower end may remove the incentive to excel
OP	This has been done before and has not increased quality.
OP	Pay £500 per week now not in 4 years and pay extra to those good performing homes
OP	All homes should have a fair fee that reflects the actual costs.
OP	Insufficient as the homes occupancy level is at 80%
MH	Quality of service is dependent on the fee received. All homes should receive the maximum fee and the quality of the service should be up to CQC
OP	Happy with the answers in the FAQ raised with Providers on why lower cost placements require more funding.

In relation to the delivery of services would any individuals or specific communities be particularly affected by the proposed fees for 2013/14? If yes, please provide brief details.

Summary of main issues raised:

- Higher complex needs require higher staffing levels and wages
- Risk to financial viability
- Residential care, needs to be addressed as needs of citizens are increasing which increases costs.
- 3rd Party/Self funders will pay more

Category	Comments
LD	Those citizens with high/complex needs will be disadvantages as their needs are not being considered
LD	Higher staffing levels in LD homes therefore higher costs
PDSI	High staffing levels required
OP	Struggle to make the service financially viable – Same
MH	Would have to change the service delivered to make it financially viable
OP	Dementia and high dependency residents
OP	Increase in third party payments and self funders will subsidise the LA
OP	Those with higher care needs will be disadvantaged.
OP	Proprietors and relatives due to minimum wage increases.
OP	Bigger reliance of Self Funders, leading to a two tier service.
OP	Those who need nursing.
OP	Residents and citizens – should not be underfunded
OP	More specialist care needed for residential placements

Are there any risks of these proposals that Nottingham City Council need to be aware of? If yes, please provide brief details.

Appendix C – Summary of Consultation Responses

Summary of main issues raised

- Risk of closure of specialist care provision (nursing, LD, MH etc)
- Ignores complex needs of client groups

Category	Comments
LD	Inability to supply specialist autism services within the core price
LD	Homes will close – same
PDSI	Risk of unsuitable staffing levels to make service financially viable.
OP	Risk of cutting costs/ reduce staff of do not contract with NCC. NCC is not legally following statutory regs by not paying the true cost of care. NCC has not followed the recommendations from the VCFM and therefore unlawful. No separate fee for dementia residents or consideration for EMI-lead to poor care and home closure
MH	Ignores the complex needs of client groups. Only distinguishes on prices and size of unit not needs
OP	Poorer services will become complacent. Stifles innovations. Increased gap between LA and Self funders-Number of hours of care per resident is not enough to supply a good quality service.
OP x2	Will not cover residents needs, putting citizens, staff and providers at risk – same x 1
OP	Limit number of nursing beds available
OP	Risk of closure if specialist care is not paid for.
MH	Specialist MH provision is needed.

What actions could be taken by you as a provider to mitigate the impact of any risks?

Summary of main issues raised:

- May not be financially viable, would struggle.
- More self funders
- Continue to engage with NCC and visa versa
- Joint working party to look at definitions over core elements
- Try to manage

Category	Comments
PDSI	Would struggle
OP	Will seek more self funding residents and/or reduce staff costs. Same
MH	Reduce the scope of what we provide to offer a service for less complex needs
OP	Greater emphasis on providers attracting self funders – done what they can but funding remains low.
OP	May not be financially viable.
MH	Continue to engage with NCC and visa versa
LD	Join a working party to look in detail at what constitutes core and non core activity definitions
LD	They will try to manage within the fees provided
OP x2	Continue to try to manage

What actions could be taken by Nottingham City Council to mitigate the impact of any risks?

Summary of main issues raised:

- Pay recommended fees now
- Maintain quality bandings
- Take 2 years instead of 4

Appendix C – Summary of Consultation Responses

- Joint working party/understand the providers who supply services to higher/complex needs

Category	Comments
PDSI	Offer day service placements again
OP	Implement the VCFM recommended rates based on 12/13 cost data for the 6 service categories as shown in section 8 page 15 of the report. From 1 st April 2014.-Pay £500 per week now.
MH	Agree a price on a case by case basis
OP	Engage in serious talks with the NCA
OP	Review the proposals in the 4 year time scale-maintain quality bandings, pay true cost of care linked to wage inflation.
OP x2	Implement a fair fee for all providers -
OP	Take two years instead of 4. be clearer on what constitutes Social Care and nursing care. use a realistic pricing structure that covers residential care.
OP	Re-think the disproportionate band increases
MH	Continue to engage with NCC and visa versa
LD	Join a working party to look in detail at what constitutes core and non core activity definitions
LD	Engage with providers on ways to achieve outcomes whilst taking into account the reduction in costs – need to understand home with higher costs who look after higher needs

What actions could be taken by others to mitigate the impact of any risks? (please specify)

Summary of main issues raised:

- Pay increase from 1st April 14
- Pay more for nursing and specialist care (undertake separate survey for AMH and LD)

Category	Comments
LD	More to be done by local and national government
OP	Listen to points raised by NCA and their legal advisors and meet with their representatives.
MH	Undertake a separate survey specifically for AMH and LD
OP	Pay more for nursing and clearly define criteria
OP	Increase should be from April 1 st .
OP	Need to meet half way

Do you agree with our proposal of reviewing inflation on an annual basis? Please provide brief details.

Summary of main issues raised:

- Increase should be linked to wage inflation and pensions
- Inflation can vary year on year
- Higher banded homes will be penalised.
- Need to consider variable costs
- Agree with annual approach.
- Agree but which inflation index? And will need to consider other variables

Category	Comments
LD	Concerned that NCC measure of inflation will fall short in the costs faced by providers
OP	All inflationary increases should be proofed through an agreed formula –

Appendix C – Summary of Consultation Responses

	increases should be linked to wage inflation and pensions.
OP	Talk to NCA-not on latest
OP	Higher banded providers there will be an immediate real reduction in the fee without the appropriate increases for inflation.
OPx2	Inflation rises every year fees need to rise appropriately also. Remove one
OP	Inflation can vary year on year and can significantly increase costs
MH	Positive but needs to also consider variable costs (eg multiple cover for hospital visits) and spiralling utility bills.
OP	Agree, as inflation cannot be confidently factored in on a four year basis
LD	agree as long as the right inflationary index is used

Do you agree with our proposal to implement the four year fair price for care proposal from 1st July 2014? Please provide brief details.

Summary of main issues raised:

- Pay fair price now
- Backdate to April
- Review fees annually
- Understand that proposals cannot take effect immediately. Understand that consultation etc. takes time
- Pay variable fees

Category	Comments
LD	NCC needs to be transparent in the way it calculates inflation – if not done correctly could lead to closure of homes
OP	Only agree if dementia costs are considered, and the banding continues and pay the actual cost of care as proposed in the VCFM report— pay fair price now
MH	Not if the prices in the document are those that will be used a starting point.
OP	Talk to NCA-not on latest
OP	Higher banded homes will not get any increase until 15/16. longer term bigger gap between self funders and LA. Public will lose transparency on quality provision.-Backdate to 01 April 2014.
OPx2	Fees should be reviewed annually each April and reviewed each April.-minus one
OP	Be in the same position in 4 years
OP	Difficult to attempt a 4 year inflationary forecast.
OP	Should be April 14
MH	This does not allow services to have a clear understanding of the position they are in when calculating budgets
OP	Yes- understands the need for the LA to budget and Providers will need to abide by this if they wish to keep a contract with the LA
MH	If variable in cost of care needs are addressed that would accomplish a fair cost for care.
OP	Understand the issues facing NCC and that the proposals could not take effect immediately. Planning and consultation takes time and the need for transparency and fairness explains why the increase will be from July and not April 14.

4) Key Issues raised by Nottinghamshire Care Association

The key issues raised by the NCA during the two stage consultation process 28th November to 2nd January are as follows: -

From Executive Summary to submission 20th December 2013:

Appendix C – Summary of Consultation Responses

(Comments relate primarily to older persons residential, dementia and nursing care)

1. 'The NCA maintains that the current and proposed level of fees paid by the Council are substantially below the actual costs to providers of providing the services. There is, accordingly, an unacceptably high risk of a decrease in the quality of care and/or the closure of some care homes, which will result in the residents of those care homes losing their homes and being forced to move elsewhere. This will impact not only upon these residents, but also their families and those that provide care to the residents
2. Council should move to a full actual cost of care immediately, backdating to the April 2013 rather than adopting a phased approach, There is, accordingly, an unacceptably high risk of a decrease in the quality of care and/or the closure of some care homes, which will result in the residents of those care homes losing their homes and being forced to move elsewhere if full and fair fees are not paid immediately.
3. The NCA is dismayed by the proposal to abandon the 5 care bands and support a one care band fee regime for Nottingham residents currently in residential care. The current 5 band regime provides an incentive to all home providers to aspire to the highest standards of care and hence earn higher fee levels by differentiating the care. A flat rate one size fits all approach actually rewards poor practice at the expense of those homes who deliver the highest standards of care at the band 5 level. The incentive to continuously improve standards of care in lower standard homes is removed at a stroke by this proposal. This is in effect a race to the bottom !
4. For residents who suffer from varying degrees of dementia there is no separate fee payable to reflect the additional costs that are involved in the provision of dementia care. We are unclear as to how the Council has determined the additional costs that are associated with dementia care within the fee and how it has satisfied itself that the blended rates that it has applied are sufficient to meet these additional costs. This is of course something that we can explore further with the Council if it is prepared to accept our request that it shares the details of the data and assumptions contained within the their costing model
5. For residents who require additional nursing care there is no separate fee payable to reflect the additional costs that are involved in the provision of the additional care. It is not clear that the proposed fee excludes the Free Nursing Care (FNC) contribution the resident receives if judged to require nursing care. Even if the FNC is an additional fee all other reports in the public domain evidence that there will be an additional cost for nursing residents over and above those for residential residents. We are unclear as to how the Council has determined the additional costs that are associated with nursing care within the fee and how it has satisfied itself that the blended rates that it has applied are sufficient to meet these additional costs. This is of course something that we can explore further with the Council if it is prepared to accept our request that it shares the details of the data and assumptions contained within the their costing model
6. Points 4 and 5 can only serve but to destabilise the market and put dementia and nursing residents at risk of falling standards of care and/or the loss of their homes as they are asked to leave or forced to leave if the home is no longer viable and is forced to close.

Appendix C – Summary of Consultation Responses

7. It is not clear from the proposal issued on 28th November 2013 exactly how the proposed fee have been arrived at. However we welcome it as a pre-consultation document. We have included a list of information we have requested so that we can provide a fuller response.
8. A clear, well structured and transparent quality payment structure is required to continuously improve quality in care.
9. The consultation period, 28th November to 2nd Jnauy12014, 5 weeks including the 2 weeks of Christmas we would suggest is too restrictive for all providers to have a reasonable opportunity to respond. The timescale for responses should be extended by at least 3to 4 weeks. We assume that responses a supplied not via your on line system will be equally considered.
10. NCA`s Initial Response of the 17th June 2013 to the Valuing Care Financial Management report is included as Appendix 1 and is also submitted in response to this consultation. For brevity we have not repeated all the points made in the NCA`s Initial Response, however their omission should not be taken as meaning they are no longer relevant.
11. For the avoidance of any doubt, we stress that NCA is willing and wants to ensure that all necessary costs information is supplied to the Council and that the Council is fully and accurately informed as to the financial position of care providers and the pressures that they face in trying to meet the costs of care. NCA wants to discuss this further with the Council in order to resolve how best this can be achieved. Pending the Council's response to this request/invitation, we make the further comments/observations best we are able on the information that the Council has provided to date.'

From Appendix to response submission dated 5th February 2014:

Summary of additional issues raised:

- 'The single fee of £494 for all services; (residential care, residential care + dementia, nursing care, nursing care + dementia, residential care learning disability, residential care mental health) are still insufficient. The phased implementation over the period 2014 to 2017 is also against the provisions of the various legislation and regulations which govern the residential care market. The councils inability to pay the "Usual Cost" in 2014 because of budget cuts, is no defence. Home providers are incurring and meeting the costs associated with market forces in 2013/14 and need recompense now, not in 2017/18.
- The elements by which inflation uplifts would be considered on an annual basis, have not yet been developed **and must be the subject of further consultation with the sector.**
- The single flat fee proposed for all service types discriminates against nursing care providers who absorb higher care costs.
- At the meeting on the 28 January there was unanimous agreement that any fee increase should be paid from April not July as proposed.

Appendix C – Summary of Consultation Responses

- The councils assumed occupancy level of 97.5% was unsustainable even though it was recognised that home providers should not expect funding for significant numbers of vacancies (voids).
- The council alluded to extra payments being provided for residents with higher level care needs but the proposed system had not yet been developed. ***This must be subject to further consultation with home providers***
- As the council are placing and commissioning nursing placements, they must therefore ensure appropriate funding is in place. It is irrelevant the route by which the “government’s nursing contribution” is paid, the resident not the council or the home – the council are commissioning the full care contract with the NHS for the “FNC”.
- As the service specification had not been finally issued then the cost of that specification cannot be properly assessed.
- The document outlining the “core requirements for care” appear to be all encompassing including both nursing and residential requirements.
- The proposed accreditation process and new contracts have not been published ***and must be the subject of further consultation with the sector.***

Appendix C – Summary of Consultation Responses

Residential and Nursing Care Proposed Inflationary Increase
2014/15 – Summary of Consultation Outcomes

1) Survey Responses - Summary Raw Data

Overall response rate: 20% (16 out of 79 Care Homes)

Is the Home: Residential care or Nursing care?

	No. of homes	%
Nursing care	5	31.25%
Residential care	11	68.75%
Total	16	100

Do you agree with our proposal of awarding a 1% inflationary increase for 2014/15 (applicable to all packages below £650 per week)?

	No. of homes	%
Yes	0	0
No	16	100
Total	16	100

2) Survey Responses - Summary of Headline Trends

Overall:

79 Providers were consulted, of which a total of 16 responses were received (20.25%). All 16 providers responding do not agree with the 1% uplift.

3) Survey Responses - Summary of Free Text Narrative

*The following summarises the main issues raised in the narrative responses of providers to the proposal to award a 1% inflationary increase in 2014/15. Issues or concerns are shown in **black**; positive comments are in **green**.*

What impact will the proposal for a 1% inflationary increase for 2014/15 (packages below £650 per week) have:

a) On your organisation as provider?

- Reduction in staff hours
- Additional financial strain/financial ruin
- Not in line with inflation
- Does not cover costs, including environment, maintenance,
- Cost of living increase, staffing costs, minimum wage

b) On the delivery of services?

- Limit re-investment into care staff
- Limited opportunity to make efficiency savings through control of wages.
- Staffing levels
- Reducing facilities/redecorating investment
- Impact on environment improvements/ new equipment/ non essential aids
- Financial viability

Appendix D – Summary of Consultation Responses – 1% Inflation

- New developments reduced
- Unable to deliver more person centred care
- Things to do will be rationed or deferred.
- Failure to adequately reward staff
- Direct contact will staff will not be affected as staff levels will remain the same

Are there any key risks arising from this proposal that Nottingham City Council need to be aware of?

- Possible closure
- Reduced quality/provision
- Increase in the cost of care for residents that need relocating
- Serious impact on quality of care
- Risks are manageable but long term impact will eventually impact service
- Impact on staff skills if subsidised training no longer available
- Tired looking property
- Shrinking provision of wholly publicly funded residents
- Inability to provide excellent and consistent standards of care

What actions could be taken to mitigate the impact of any risks:

a) By you as provider?

- Reduce staffing
- Reduce manager salaries
- Further cuts can only be done at the expense of the quality of care delivered to residents
- Balance between highest quality and lowest cost
- Negotiate block contracted beds
- Supply of goods/services through competitive tender process
- Prioritise money to essential activities
- Very little – little scope to cut costs
- Unfair increase in fees to residents not supported by LA.
- Continue to seek opportunities for efficiency
- Reduce staff turnover
- Staff incentives rather than a fixed pay rate – reward for effort
- Working closely with referring agencies
- Staff focus on value for money approach
- Fees negotiated on individual bases for complex needs

b) By Nottingham City Council or others?

- Increase ancillary service
- Subsidised staff training
- Review urgently proposed increase in fees
- Request an annual inflationary increase of 3.2% from 1st April 2014
- Make more money available to cover increase of costs
- Take into consideration reduced fee increases when undertaking Quality Monitoring Visits
- Switch funding from NHS to Social Services
- Agree appropriate levels of funding in line with time/quality of care given
- Loan equipment for longer
- Speed up process for payments
- Improve NCC contracts and finance processes

Appendix F – Equality Impact Assessment

Name and brief description of proposal / policy / service being assessed

Pricing of residential and nursing care services for 2014/2015 onwards.

This assessment considers proposals for fees to be paid for residential and nursing care services in the City for the years 2014/15 to 2017/18. This includes the proposal to award a 1% inflationary increase for fees in 2014/15 (applicable to all packages over £650 per week).

The proposed pricing is based on the findings of a 'Fair Price for Care' review undertaken on behalf of the City Council by an independent agency, financial modelling of the impact on budgets and the outcome of a consultation exercise undertaken with service providers on the proposals. Options considered in relation to this proposal include: doing nothing and leaving fees at 2013/2014 levels or implementing the indicative minimum 'core' price proposed for 2017/18 or all services with immediate effect.

Information used to analyse the effects on equality

Findings of a 'Fair Price for Care' Review undertaken by an independent specialist agency to identify a reasonable minimum 'core' price for care in residential and nursing care services in the City, based on information on the actual costs of local services and national benchmarking data.

Outcome of a consultation process with providers on proposals for fees, including specific questions about the potential impact of the proposed fees and mitigating actions that could be taken.

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<p>The consultation with service providers on proposals for fees for a 'core' package of care from 2014/15 highlighted some potential areas of risk. A concern generally raised was that the fees proposed may not sufficiently cover the actual cost of providing care which is impacted by a number of inflationary factors, in particular on salaries. Additionally it was noted that the proposed four year transition to the new rates was too long. It was commented that the provision for voids in the review is not sufficient to cover the level of vacancies in homes. Specifically the following potential impacts were raised:</p> <ul style="list-style-type: none"> Service Quality: Insufficient funding to cover the actual cost of care at the required level to meet needs may impact on the quality of care. Service quality may be impacted by issues with the recruitment and retention of staff due to low 	<p>Providers were invited to suggest actions that could be taken by providers or the Council to mitigate the impact of any risks. Actions suggested included:</p> <ul style="list-style-type: none"> Providers seeking to attract more self funding residents Continued engagement between the Council and providers, including a joint working party to consider definition of core service elements and the cost to providers of meeting additional needs in higher/ complex needs packages
Men, women (including maternity/pregnancy impact), transgender people	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers	X	X		
People from different faith groups	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	X	X		
Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)	<input type="checkbox"/>	<input type="checkbox"/>		

Appendix F – Equality Impact Assessment

			<p>salaries and lack of funding for staff training. The proposal to remove the variation between fees based on quality banding of older people’s services from 2014/15 may discourage homes from striving to achieve the highest band and impact on quality. Innovation may be stifled.</p> <ul style="list-style-type: none"> • Risk to higher cost/specialist services: The proposal to increase fees for lower cost services at a higher rate and to move towards and standard rate for a ‘core’ package may present risks to the delivery of specialist services and those for citizens with higher/complex needs (eg learning disabilities, physical disabilities, dementia and nursing care). Therefore citizens with high/complex needs may be disadvantaged and providers may reduce provision for citizens with higher needs. • Service viability: There may be a risk to the viability of some services – in particular high cost and nursing care. Services may need to be changed to make them viable. Some providers may be reluctant to accept Nottingham City Council funded residents or consider withdrawing from the City if the fees do not cover the cost of care. This may particularly affect specialist services eg nursing homes and dementia provision. • Self funders and 3rd party top ups: There may be an increasing variance between fees for self funders and NCC funded residents if providers charge higher rates to self funders in order to cross subsidise. Potential financial impact on families of residents if they are charged top ups to the Council funded fees. 	<ul style="list-style-type: none"> • Take 2 years to implement the minimum core price – not possible due to budget constraints. • Maintain quality bandings <p>Service Quality: It is intended that paying a minimum price across all services will enable all providers to deliver a quality service on a sustainable basis. Performance will be managed robustly and information on quality ratings will be available to citizens to support their choice of home.</p> <p>Risk to higher cost/specialist services: There is not expected to be a significant risk to services for citizens with higher and complex needs as it is proposed to pay for additional support/staffing/ hours required above the core price. The minimum rates proposed are based on the ‘value for money’ rate for residential care for older people with dementia cited in the independent review. A working group including service providers will take forward work to develop a pricing mechanism for higher needs packages (April – Sept 2014)</p>
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Appendix F – Equality Impact Assessment

The risks identified are counter balanced to an extent by consultation responses in support of the proposals. There was some support for the proposal to increase fees for lower cost services at a higher rate than those currently paid at a higher level. The proposals aim to mitigate the risks to services currently receiving the lowest fees.

Consultation on the proposal to award a 1% inflationary increase in 2014/15 raised similar issues as those identified in relation to the proposals for the levels of base fees. Specific potential risks included: impact on quality of care; reduced staffing levels; reduced investment in staffing including salaries, cost of living increases and training; impact on living environment, maintenance and facilities in homes.

If the level of fees does not sufficiently cover the actual cost of delivering care, this would be more likely to affect disabled people and older people based on the general profile of citizens accessing services. Overall providers did not identify major concerns in relation to impact on individual users based on disability or other characteristics.

Service viability: Responses have been shared with the Market Development Team to consider any support needs of providers in relation to financial viability and sustainability

Self funders/3rd party top ups: In relation to the risk of providers being reluctant to accept NCC funded residents (particularly higher needs packages), each case will be considered on an individual basis to minimise any negative impact on citizens.

In relation to inflationary pressures, it is proposed to review inflation annually to take account of specific factors and pressures impacting on the actual costs of care which may vary over time. The annual review of inflation will include consultation with providers.

Outcome(s) of equality impact assessment:

No major change needed * Adjust the policy/proposal Adverse impact but continue Stop and remove the policy/proposal

* The proposals for pricing have been subject to a robust consultation process and analysis of the consultation outcome and impact assessment do not support changes to the original proposals

Arrangements for future monitoring of equality impact of this proposal / policy / service:

The performance of all services, including quality and impact on citizens is monitored on an ongoing basis. The impact of the fees paid for residential and nursing care services will be monitored on an ongoing basis, particularly in relation to quality and sustainability of services, viability of services operating in the City and the availability of services for placements by the Council. Further work will be undertaken to develop a fair and sustainable funding mechanism for placements of citizens with higher /complex needs over and above those included within a core service

Appendix F – Equality Impact Assessment

package. This work will involve service providers to assist the Council to understand the delivery of higher cost and specialist services. Inflationary increases will be reviewed annually in consultation with providers to consider the impact of inflationary pressures on the delivery of services.

Approved by (manager signature): Jo Pettifor, Strategic Procurement Manager
- 0115 87 65026

Date sent to equality team for publishing: March 2014

EXECUTIVE BOARD COMMISSIONING SUB-COMMITTEE – 16 APRIL 2014

Subject:	Provision of assessments for prospective adopters and foster carers		
Corporate Director(s)/ Director(s):	Alison Michalska – Corporate Director – Children and Adults Candida Brudenell – Strategic Director for Early Intervention		
Portfolio Holder(s):	Councillor Mellen		
Report author and contact details:	Simon Down – Lead Commissioning Manager – 0115 876 3492 simon.down@nottinghamcity.gov.uk Laura Shepherd – Commissioning Manager – 0115 876 3456 laura.shepherd@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: £1.200m (approx)			
Wards affected: All	Date of consultation with Portfolio Holder(s): 1 st April 2014		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The current contract for the provision of assessments for prospective foster carers and adopters is due to end in August 2014. This report seeks to ensure continued provision of this statutory function through the establishment of a framework for assessments (to be effective from August 2014 to take on all new assessments) and the extension of the existing contract to continue to undertake, until completion, all assessments that are already started prior to August 2014.			
Exempt information:			
State 'None' or complete the following.			
Information regarding aspects of contract values, advice on employment law and other options considered (section 3) are considered exempt from publication under paragraph 3 and paragraph 5 of Schedule 12A to the Local Government Act 1972 . They contain information relating to the financial or business affairs of particular persons (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. The relevant information is contained within an exempt appendix.			
Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because: to make available to other organisations the contract values of existing contracts which are planned to be market tested would prejudice the open tender process and due to legal privilege.			

Recommendation(s):
1. To commission a service to deliver adoption and fostering assessments (including connected persons and special guardianships) to replace the outgoing provision
2. To proceed with procurement to establish a framework contract for Adoption and Fostering Assessment service for a period of 3 years at a value of approximately £1.200m to take effect from 1 st August 2014.
3. Approval to spend against the contract for 3 years <u>up to</u> a total value of £1.200m
4. Approval to delegate authority to the Director of Quality and Commissioning to award the outcome of the tender and for the Head of Service for Quality & Efficiency to sign both the new contracts and the contract extension for the current service.
5. Approval for dispensation from the provisions of the Nottingham City Council Contract Procedure Rules 5.1.2 under the Council's Financial Regulations 3.29 in order to extend the current contract with Social Work Choices for 6 months from the start of August 2014 to the end of January 2015 to complete all assessments commenced prior to August.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The current contract for the provision of assessments for prospective foster carers and adopters is due to end in August 2014. This contract (with Social Work Choices) was set up as a 3 year pilot and so a value for money/commissioning review of the pilot and potential ways forward was undertaken and presented to Corporate Parenting Board. This has led to the conclusion that a framework needs to be put in place to replace the outgoing provision. A competitive tendering process is now required to ensure continued provision of this statutory function.
- 1.2 **Appendix 1** details the 2 stage procurement timetable which will ensure that the new provision is in place for the start of August 2014. The stated timescales will require the Director of Quality and Commissioning to sign off the award of the contract once all bids have been properly assessed.
- 1.3 Delegated authority is required to action the decision in a timely manner
- 1.4 In the unlikely event that any call off assessments are not fully completed by the end of January 2015, these will be seen through to completion by the provider. The assessment process takes a maximum of 6 months and new assessments start on a weekly basis. It would be most disruptive to the assessment process and not in the best interests of NCC, those being assessed or children in care therefore, if Social Work Choices (SWC – the current provider) were not allowed to see the assessments they had started through to completion. As such, SWC's contract needs to be extended for a further 6 months up until the end of January 2015 to enable them to wind the service down and complete all their assessments.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Nottingham City Council (NCC) are required by law to carry out assessments of people who formally express a desire to foster or adopt so as to ascertain whether or not they are suitable to look after children/young people. These assessments must be carried out within specific timescales and failure to do so carries serious sanctions, including the threat of responsibility for these functions being entirely removed from the Council by central Government.

- 2.2 When the original pilot was set up with Social Work Choices in 2011 to deliver adoption and fostering assessments, it was agreed that a value for money (VFM) evaluation (including extensive consultation with internal and external stakeholders and the current provider) would take place to assess this new way of delivering assessments in Nottingham. The VFM evaluation found that “this contract has provided a cheaper solution (in comparison to internal delivery) to delivering assessments for prospective adoptive parents and foster carers.”
- 2.3 The VFM evaluation also found, however, that “both parties, largely because of the initial contract specification, compromise the quality of assessment delivery. A performance framework over arching the whole contract to provide clarity for both the client and the contractor on what is expected throughout the duration of the contract period would be essential in any contract going forward”.
- 2.4 The broad conclusion, therefore, is that a contracted external model of provision provides a value for money solution provided that it is carefully contract managed against a comprehensive specification.
- 2.5 The current contract was produced and managed by the Fostering and Adoption team who are not best placed to create service specifications/manage the contract as they need to have an operational (rather than a contract management) relationship with the provider. The new contract however, will be produced and performance managed by Quality and Commissioning (in partnership with the Fostering and Adoption team) who are best placed to do this.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

Alternative options available to the Sub-Committee are included in the exempt appendix to the report.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 It is proposed to extend the existing contract for the assessment of prospective foster carers and adopters for six months from 1 August 2014 to 31 January 2015. This will enable all assessments commenced prior to August 2014 to be completed. This will require dispensation from Contract Procedure rules (5.1.2) in accordance with Financial Regulation 3.29 and is appropriate in these circumstances.
- 4.2 It is also proposed that the new framework contract for Fostering and Adoption Assessment will be in place with effect from 1 August 2014, for a period of three years.
- 4.3 In order to meet the number of assessments planned, it is estimated that the annual cost of the contract will be £0.400m (£1.2m over the three years of the contract).
- 4.4 The 2014/15 budget contains provision of £0.216m for the Fostering and Adoption assessment service. This means there would be an annual shortfall in the budget of £0.184m (£0.552 over the three years of the contract).

- 4.5 The drive of this contractual arrangement is to increase the number of internal foster carers and adopters. The contract is paid on a 'nil business' basis however, if this service was provided internally, costs would still be incurred regardless of performance.
- 4.6 Spend included in this report is based on an estimated performance and could decrease as well as increase; based on current estimates the budget is £0.184m per annum lower than the estimated contract value. The mitigation of this cost would need to be from an increase in internal foster carers and adoptions which incur lower rates than other external options. Comparable rates are shown in the exempt Appendix to the report..

An example of how the £0.184m might be achieved is, a full year reduced cost of moving 7 children from external fostering to internal fostering.

- 4.7 Performance of this contract needs to be reviewed annually to enable quantification of the savings generated and to inform a future decision about the provision of the service.
- 4.8 **Chief Finance Officers Observations on Dispensation**

Dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1. This report and its recommendations will ensure the continuation of fostering and adoption assessments, hence managing the risk of assessments not happening when the current contract ends. The procurement timescales are tight but this process will be closely managed to ensure against slippage.
- 5.2 This report does not raise any crime and disorder implications
- 5.3 The outgoing provider will need careful managing to ensure that the quality of their assessment work is maintained throughout the extension of their contract.
- 5.4 The existing contract expires in August 2014. However, it is possible to commence the assessment process for a prospective foster carer or adoption right up to the expiry date. Currently there is no exit strategy to deal with assessments which have not been completed as at the expiry date. Ensuring continuity of an assessment mitigates against the risk of the assessment process failing. By extending the contract for six months that will provide a run-off period to ensure those assessments can be finalised. Legal services can assist the commissioning team to draw up the terms of the contract extension and to provide for exit provisions in the new contract to overcome this issue in the future.

Andrew James, Team Leader, Contracts and Commercial. 1st April 2014.

- 5.5 Further legal comments regarding employment law can be found in the exempt copy of the report.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 This report and its recommendations have considerable social value as they better allow us to recruit local foster carers and adopters. Many foster carers consider the role as their job and so it will enable a positive impact on the local economy.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 None

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 9.1 "Value for money review of commissioned service assessments of fostering applicants and adopters" – Exempt CPB paper 20th January 2014.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 10.1 None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 John Bernard-Carlin (Team Leader (Housing, Employment & Education Team (Legal Services))
- 11.2 Andrew James, Team Leader, Contracts and Commercial

QUALITY AND COMMISSIONING – STRATEGIC PROCUREMENT

APPENDIX 1

Adoption & Fostering Assessment service

V1

Draft Procurement Timetable

Key date	Activity	Responsible Lead Officer / Section	Risks / Dependencies
March 2014	DDM to gain approval to proceed with commissioning / procurement and commitment of revenue budget and request delegated authority to award outcome of tender and contract	Commissioning	Proposal not accepted by members
March 2014	Legal to comment on TUPE and requested to provide suitable contract	Procurement/Commissioning	
March 2014	Making market aware of opportunity	Market development and Placements	
March 2014	PQQ questionnaire and evaluation to be finalised. Employer HUB exemption to be requested	Procurement	Exemption not granted
21 March 2014	Release Advert and PQQ through Pro Contract system	Procurement	
April 2014	Finalise service specification	Procurement / Commissioning / Operational	Info not provided by 3 rd parties
1-14 th April 2014	Draft and finalise Tender specification and other documentation Decide on Panel composition to mark tender	Procurement	
17 th April By 30 April	PQQ closing date Marking	Procurement	
1 May 2014	Invitation to Tender out – Deadline for return 30 May 2014 @ 12 noon	Procurement	
31 May to 13 June 2014	Evaluate Tenders	Panel	Dependent upon how many tenders we have in and the panels capacity to mark
18 June 2014	Tender Clarification as appropriate	Procurement / Commissioning / Operational	
29 June 2014	Approval to award outcome of tender notify providers	Procurement	

QUALITY AND COMMISSIONING – STRATEGIC PROCUREMENT

Adoption & Fostering Assessment service

V1

July 2014	Award contracts outcome	Procurement	
July 2014	Issue contract and arrange signing	Procurement	
Aug 2014	Contract Commences	Procurement	

Equality Impact Assessment Form

Name and brief description of proposal / policy / service being assessed
Proposal to re-commission an assessment service (framework) for prospective foster carers and adopters
 When someone/a couple expresses to NCC a desire to be a foster carer and/or adopter NCC must ensure that they are assessed as to their suitability to foster and/or adopt children. The assessments have been being provided under a pilot with Social Work Choices. The new framework will appoint up to four providers who can carry out the assessments. The new service will be specified to a higher level of quality and will incorporate a new requirement to encourage “fostering for adoption”

Information used to analyse the effects on equality
 Specifications of old/new services

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	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups			The service will be provided to prospective foster carers/adopters. Because of the obvious difficulties in having their own children, lesbian and gay couples (or indeed singles) are increasingly turning to fostering/adoption and so the improved quality of the service will be of benefit. Children, and specifically those in care, will benefit from the inclusion of 4 organisations within the framework as this should allow a greater number of assessments to be undertaken which will provide more adopters/fosters locally. Also, because the new service will actively seek people prepared to “foster to adopt”, the number of instances when children are fostered prior to adoption by the same people will increase. This is of benefit to the child as they do not then have to transfer from a foster carer to a different adopter (they would initially only be fostered whilst the assessment/decision to completely take the child away from their birth parents was taken).	The specification (still in development) will ensure that: 1. Quality is raised 2. “Fostering to adopt” is promoted in an appropriate manner so as to amplify the positive impacts as best as possible 3. Providers will reflect/take into consideration the needs of BME communities
Men, women (including maternity/pregnancy impact), transgender people				
Disabled people or carers				
People of different faiths/beliefs and those with none.				
Lesbian, gay or bisexual people	X			
Older or younger people	X			
Other – Children in Care	X			

Outcome(s) of equality impact assessment:
 No major change needed Adjust the policy/proposal Adverse impact but continue Stop and remove the policy/proposal

Arrangements for future monitoring of equality impact of this proposal / policy / service:
 The new service provision will be monitored (as per the detailed specification) to ascertain any positive and negative impacts. If any negative impacts are identified commissioners will seek to modify services to mitigate this.

Approved by (manager signature): Antony Dixon Date sent to equality team for publishing:

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