

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

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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.

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- 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.

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- 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

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	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.

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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

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- 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 –

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	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:

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(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.

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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.

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- 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.***

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