



# Item No. 6

Meeting Date **Wednesday 26<sup>th</sup> April 2017**

## Glasgow City Integration Joint Board

**Report By:** Sharon Wearing, Chief Officer, Finance and Resources

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<b>INCREASES FOR CARE HOME FEES, FREE PERSONAL AND NURSING CARE AND PERSONAL EXPENSES ALLOWANCE FOR 2017/18</b>
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<b>Purpose of Report:</b>	The purpose of this report is to update the IJB on a one-year National Care Home Contract (NCHC) settlement for 2017/18 and to note the Free Personal and Nursing Care payment rates and Personal Expenses Allowances for 2017/18.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"><li>a) Agree the increased rates from 10 April 2017, as outlined in Appendix 1, in line with the commitment to deliver on the Scottish Living Wage outcome;</li><li>b) Note the issues around the 2017/18 negotiations and the requirement to plan for changes in future years;</li><li>c) Note the Free Personal and Nursing Care payment rates and the increase in the Personal Expenses Allowance (PEA) from 1 June 2017;</li><li>d) Note that the increase to Social Work Services expenditure of £2m is funded by the additional monies provided to integration authorities in 2017/18 for social care;</li><li>e) Note that the Scottish Government has provided funding in respect of disregarding the value of War Disablement Pensions and Armed Forces Compensation Scheme payments from financial assessments for residential accommodation; and,</li><li>f) Approve the budget allocation to the Council to fund uplift.</li></ul>
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**Relevance to Integration Joint Board Strategic Plan:**

Contributes towards the sustainability of quality services.
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**Implications for Health and Social Care Partnership:**

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	Not applicable
<b>Personnel:</b>	None
<b>Carers:</b>	None
<b>Provider Organisations:</b>	Providers of Residential Care Homes will receive the agreed NCHC uplift of 2.8%
<b>Equalities:</b>	None
<b>Financial:</b>	The cost of the uplift amounts to £2m for 2017/18 and has been funded within additional monies provided to integration authorities for social care.
<b>Legal:</b>	GCC Legal services will be required to draft a variation to the current NCHC contract to extend to 2018.
<b>Economic Impact:</b>	None
<b>Sustainability:</b>	Contribute towards the sustainability of quality services.
<b>Sustainable Procurement and Article 19:</b>	None
<b>Risk Implications:</b>	With a significant proportion of Scottish Care members voting to reject the offer, councils may see some push back locally when getting the contract variation signed.
<b>Implications for Glasgow City Council:</b>	The cost of the uplift amounts to £2m for 2017/18 and has been funded within additional monies provided to integration authorities for social care.

<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None
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<b>Direction Required to Council, Health Board or Both</b>	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	✓
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

## 1. Purpose of Report

- 1.1 To update the IJB on a one-year National Care Home Contract (NCHC) settlement for 2017/18, and to note the Free Personal and Nursing Care payment rates and Personal Expenses Allowances for 2017/18.

## 2. Background

- 2.1 Following a difficult period of negotiation between COSLA and providers, a 2.8% rate increase has been agreed from 10 April 2017.
- 2.2 The increase in rates meets the commitment given by the Scottish Government within the additional funding provided to integration authorities in 2017/18 for social care to deliver the living wage of £8.45 per hour for all social care workers from 1 May 2017.

## 3. Implications of 2017/18 Fee Uplift

- 3.1 The cost of the uplift to Social Work Services of £2m is funded by the additional monies provided to integration authorities in 2017/18 for social care.
- 3.2 The rates attached at Appendix 1 are applicable from 10 April 2017. The 2.8% inflation uplift has been applied to the care home and commissioned service rates.
- 3.3 Other commitments offered (with the support of IJBs) in support of the financial settlement and led by Scotland Excel and COSLA include:
- Completion of the cost of care calculator in partnership with providers
  - Jointly developing a dependency tool to support the calculator
  - Co-producing a national framework for the local variation of the care home contract
  - Prioritising test of change activity in areas where there is a shared concern around sustainability for example in terms of skill mix, and remote and rural areas
  - Providing a summary of progress for open consideration in October so as to confirm by December whether to progress negotiations for 2018/19 on a new basis or to manage a move to local negotiations

- Working with IJBs to consider ways to support good quality individual providers who face local sustainability issues, where this contributes to the local commissioning plans
- Reinvigorating the National Contingency Planning Group for issues of sustainability which go beyond the auspices of individual partnerships
- Agreeing that providers open a dialogue with the COSLA negotiating team to consider significant changes in the operating environment during the life of the contract
- Agreeing to provide shared clarity around issues highlighted by Scottish Care in respect of self-funders

#### **4. Report on 2017/18 Negotiations and Planning for Future Years**

- 4.1 While providers have indicated acceptance of this offer, it should be noted that negotiations were particularly difficult this year. Scottish Care, the representative organisation for residential, nursing and domiciliary care providers in the private sector, have been clear that this year has divided their membership more than any other with votes to reject the offer across small, medium and corporate members.
- 4.2 With a significant proportion of Scottish Care members voting to reject the offer, councils may see some push back locally when getting the contract variation signed. It was made clear, however, that while each provider can make their own decisions about whether or not to participate in this contract, they would not be receiving publicly funded places if they did not sign up to the terms agreed nationally.
- 4.3 Providers and councils need to be in a place to agree reforms between October and December 2017 so that if one or both partners wish to move to local negotiation it can be done in a managed and timeous way.
- 4.4 Councils will need to develop their local capacity for delivering these contracts for next year, regardless of whether we have a new national arrangement with local variation or it is agreed to move to local negotiations. This will have some resource implications which need to be planned for at the same time as the new arrangements are being designed.

#### **5. Free Personal Nursing Care**

- 5.1 The Scottish Government revise the Free Personal and Nursing Care Payment Rates annually in line with the most recent GDP deflator. The Scottish Government has decided that the 2017/18 rates will be held at the 2016/17 rates of £171 and £78 respectively.

## **6. Personal Expenses Allowance**

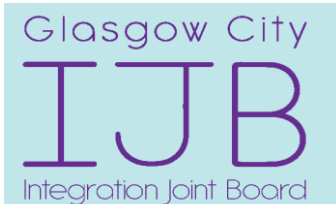
- 6.1 The Department of Work and Pensions have increased the minimum Personal Allowance from £25.80 to £26.40 from 1<sup>st</sup> June 2017.

## **7. War Disablement Pension and Armed Forces Compensation Scheme**

- 7.1 Section 8 of the Charging for Residential Accommodation Guidance details how a resident's income should be treated. Currently a £10 disregard is applied to both the war disablement pension and armed forces compensation scheme. From 1 April 2017 the war disablement pension and armed forces compensation scheme payments should be fully disregarded. The Scottish Government has provided funding for the implications of this change.

## **8. Recommendations**

- 8.1 The Integration Joint Board is asked to:
- a) Agree the increased rates from 10 April 2017, as outlined in Appendix 1, in line with the commitment to deliver on the Scottish Living Wage outcome;
  - b) Note the issues around the 2017/18 negotiations and the requirement to plan for changes in future years;
  - c) Note the Free Personal and Nursing Care payment rates and the increase in the Personal Expenses Allowance (PEA) from 1 June 2017;
  - d) Note that the increase to Social Work Services expenditure of £2m is funded by the additional monies provided to integration authorities in 2017/18 for social care;
  - e) Note that the Scottish Government has provided funding in respect of disregarding the value of War Disablement Pensions and Armed Forces Compensation Scheme payments from financial assessments for residential accommodation; and
  - f) Approve the budget allocation to the Council to fund uplift.



## DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	260417-6-a
2	Date direction issued by Integration Joint Board	26 <sup>th</sup> April 2017
3	Date from which direction takes effect	26 <sup>th</sup> April 2017
4	Direction to:	Glasgow City Council only
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	Residential and nursing care for adults and older people, including the commissioned services stated in the report appendix.
7	Full text of direction	Glasgow City Council is directed to apply the 2017/18 rates for NCHC residential, nursing and commissioned services as outlined within this report, and to draft and implement the requisite variation to the current NCHC contract to extend to 2018.
8	Budget allocated by Integration Joint Board to carry out direction	As per 2016/17 allocation, plus an additional £2m of the additional monies provided to integration authorities in 2017/18 for social care.
9	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
10	Date direction will be reviewed	April 2018

## APPENDIX 1

### 2017/18 RATES

	<u>2016/17</u>	<u>2017/18</u>
<b><u>NCHC Nursing Care</u></b>		
National Contract rate	£648.92	£667.09
Dual shared room with National Contract	£623.92	£642.09
Below the National Contract fee level – Default Rate	£601.03	£617.86
<b><u>NCHC Residential Care for Older People</u></b>		
National Contract Rate	£558.77	£574.41
Dual shared room with National Contract rate	£533.77	£549.41
Below the National Contract fee level – Default Rate	£510.83	£523.13
<b><u>Commissioned Services</u></b>		
<b>Enhanced Residential Care</b>	£588.15	£604.61
<b>Specialist Residential Dementia</b>	£836.21	£859.63
Craigbank Care Home	£814.20	£836.99
<b>Nursing Dementia</b>	£989.77	£1,017.48
Craigbank Care Home	£962.85	£989.81
<b>Mental Health - Older People</b>		
Mungo Foundation - Annandale	£929.42	£955.45
<b>ARBD</b>		
Mungo Foundation - Crannog	£861.96	£886.10