

Meeting: CABINET
Date: TUESDAY 25 AUGUST 2015
Title of report: **REVISED INDEPENDENT SECTOR RESIDENTIAL AND NURSING HOME FEES 2015/16**

Is it likely to result in spending or a saving of £250k or more, or to have a significant effect on two or more electoral wards?	No
Is it in the Council's Forward Plan ?	No
Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by Director and Name Is it signed off by the Director of Resources? Is it signed off by the Assistant Director for Legal, Governance & Monitoring?	Richard Parry – 17 July 2015 David Smith – 22 July 2015 Julie Muscroft – 31 July 2015
Cabinet member portfolio	Prevention, Early Intervention & Vulnerable Adults

Electoral [wards](#) affected: All
Ward Councillors consulted: Consultation with Ward Councillors is not applicable to this report
Public or private: Public

1. PURPOSE OF REPORT

This report seeks approval to increase the fees paid to independent sector residential and nursing home providers to reflect the impact of the 2015 increase in the national minimum wage.

2. KEY POINTS

- 2.1 The current fees paid to independent sector residential and nursing home providers were agreed by Cabinet on 10 March 2015. As in previous years, it was noted that should there be an increase in the national minimum wage in 2015 another report would be submitted which would propose a further increase in the fees to reflect the impact on independent sector providers.
- 2.2 From 1 October 2015 the hourly rate of pay for workers aged:
- 21 and over will increase from £6.50 to £6.70 per hour
 - 18 to 20 will increase from £5.13 to £5.30 per hour
 - 16 to 17 will increase from £3.79 to £3.87 per hour
- The rate for apprentices will increase from £2.73 to £3.30 per hour
- 2.3 In recognition of the impact of these increases in the national minimum wage on independent sector providers it is therefore proposed to increase the fees paid to them as set out in Appendix 1.

2.4 The government announced a new National Living Wage which will come into effect from April 2016. Fees paid to independent sector providers will need to rise further in April 2016 to take account of this.

2.5 Link to the Maximum Weekly Charge for Non-residential Adult Social Care

2.5.1 On 7 February 2012 Cabinet agreed that the maximum weekly charge for non-residential adult social care support would be the same as that agreed for a Council funded place in an independent sector residential care home.

2.5.2 If the proposed increases are agreed this would, in turn, increase the maximum weekly charge for non-residential adult social care support from £458.51 per week to £465.69 (an additional £7.18) with effect from 5 October 2015.

3. IMPLICATIONS FOR THE COUNCIL

3.1 The Council has given a commitment to independent sector providers that the impact of increases in the national minimum wage would be reflected in the level of fees paid to them.

3.2 The proposed increases were taken into account when preparing the 2015/16 Revenue Budget and the Budget Strategy for the following 2 years which was approved by Council on 18 February 2015.

3.3 The impact of the new National Living Wage on Council contracts, to be paid from April 2016, will need to be assessed as part of the 2016/17 budget. The Council itself currently pays above the proposed National Living Wage and this cost is reflected in our plans. The Local Government Association has already indicated that it expects that Government considers this cost pressure as part of the debate on future council spending.

4. CONSULTEES AND THEIR OPINIONS

Representatives from independent sector residential and nursing homes meet with officers on a regular basis. The proposed fees are in line with discussions held with local providers, and reflect areas of cost raised by them.

5. NEXT STEPS

The proposed fees would be implemented with effect from 5 October 2015.

6. OFFICER RECOMMENDATION AND REASONS

That the proposed revised independent sector residential and nursing home fees for 2015/16 as set out in Appendix 1 be approved.

7. CABINET PORTFOLIO HOLDER RECOMMENDATION

The Portfolio Holder for Prevention, Early Intervention and Vulnerable Adults recommends that the proposed revised independent sector residential and nursing home fees for 2015/16 as set out in Appendix 1 be approved.

8. CONTACT OFFICER

Keith Smith, Assistant Director for Commissioning and Health Partnerships

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RELEVANT PAPERS

- Personnel Committee Report 16 March – The introduction of a Living Wage for Kirklees Council staff
- Cabinet Report 16 June – West Yorkshire Living Wage
- Council Report 24 June – West Yorkshire Living Wage

9. ASSISTANT DIRECTOR RESPONSIBLE

Keith Smith, Assistant Director for Commissioning and Health Partnerships

PROPOSED REVISED INDEPENDENT SECTOR RESIDENTIAL AND NURSING HOME FEES 2015/16

	Current Fee (Homes not participating in the Dementia Care Fee Rate Scheme)	Current Fee (Homes participating in the Dementia Care Fee Rate Scheme)	Proposed Fee from 5 October 2015 (Homes not participating in the Dementia Care Fee Rate Scheme)	Proposed Fee from 5 October 2015 (Homes participating in the Dementia Care Fee Rate Scheme)
	£ per week	£ per week	£ per week	£ per week
<u>Residential Care</u>				
Base fee	429.77	449.77	436.95	456.95
Single Room Supplement	14:37	14:37	14:37	14:37
En-Suite Supplement	<u>14:37</u>	<u>14:37</u>	<u>14:37</u>	<u>14:37</u>
Maximum Rate	<u>458.51</u>	<u>478.51</u>	<u>465.69</u>	<u>485.59</u>
<u>Nursing Care</u>				
Base Fee	448.00	468.00	454.23	474.23
Single Room Supplement	14:37	14:37	14:37	14:37
En-suite Supplement	<u>14:37</u>	<u>14:37</u>	<u>14:37</u>	<u>14:37</u>
Maximum Rate	<u>476.74</u>	<u>496.74</u>	<u>482.97</u>	<u>502.97</u>

Notes

1. Care homes located within the Kirklees boundary and contracted to the Council are eligible to join the Council's Dementia Care Fee Rate Scheme. The scheme enables providers to receive an additional £20 per eligible resident per week.
2. In addition to the fees set out above, in respect of residents who are assessed as needing the help of a registered nurse, a nationally agreed funded nursing care payment is paid by the NHS.