

Pecyn Dogfennau Cyhoeddus

Cabinet

Man Cyfarfod
**Siambwr y Cyngor - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Gwener, 12 Mawrth 2021

Amser y Cyfarfod
2.00 pm

I gael rhagor o wybodaeth cysylltwch â
Stephen Boyd
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Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

Dyddiad Cyhoeddi

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
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Derbyn ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn unrhyw ddatganiadau o ddiddordeb gan Aelodau yn ymwneud ag eitemau i'w hystyried ar yr agenda.

3.	PRISIO GOFAL PRESWYL
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Ystyried adroddiad gan y Cyngorydd Sir Myfanwy Alexander, Aelod Portffolio ar faterion Gofal Cymdeithasol Oedolion.

(Tudalennau 1 - 8)

4.	PERFFORMIAD Y GWASANAETH LLYFRGELLOEDD DAN FFRAMWAITH SAFONAU LLYFRGELLOEDD CYHOEDDUS CYMRU, 2019/20
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Ystyried adroddiad gan y Cyngorydd Sir Rachel Powell, Aelod Portffolio ar faterion Pobl ifanc a Diwylliant.

5.	CYTUNDEB RHWNG AWDURDODAU- BARGEN TWF CANOLBARTH CYMRU
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Ystyried Cytundeb Rhwng Awdurdodau - Bargen Twf Canolbarth Cymru.
(I Ddilyn)

6.	EITEMAU WEDI'U HEITHRIO
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Mae'r Swyddog Monitro wedi penderfynu bod yr eitemau canlynol yn destun categori 3 y Rheolau Trefn Mynediad at Wybodaeth. Ei farn o ran prawf lles y cyhoedd (wedi ystyried darpariaethau Rheol 14.8, Rheolau Mynediad at Wybodaeth y Cyngor), oedd y byddai gwneud y wybodaeth hon yn gyhoeddus yn datgelu gwybodaeth ynglyn â materion ariannol neu fusnes unrhyw unigolyn penodol (gan gynnwys yr awdurdod yn cadw'r wybodaeth honno).

Yn ei farn ef, mae'r ffactorau hyn yn fwy pwysig na diddordeb y cyhoedd wrth ddatgelu'r wybodaeth. Gofynnir i Aelodau ystyried y ffactorau hyn wrth benderfynu ar brawf lles y cyhoedd, a dylent benderfynu hyn wrth iddynt ystyried eithrio'r cyhoedd o'r rhan hon o'r cyfarfod.

7.	ADOLYGIAD POLISI MRP
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Ystyried adroddiad gan y Cynghorydd Sir Aled Davies, Aelod Portffolio ar faterion Cyllid a Thrafnidiaeth.
(I Ddilyn)

8.	BRIFFIO AM Y GANOLFAN FYD-EANG RHAGORIAETH RHEILFFYRDD YNG NGHYMRU
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Derbyn briff am y Ganolfan fyd-eang Rhagoriaeth Rheilffyrdd.
(I Ddilyn)

CYNGOR SIR POWYS COUNTY COUNCIL.**CABINET EXECUTIVE****12 March 2021**

**REPORT AUTHOR: County Councillor Myfanwy Alexander
Portfolio Holder for Adult Social Care**

REPORT TITLE: Valuing Residential Care

REPORT FOR: Decision

1. Purpose

- 1.1. Cabinet approved the report of 15th September 2020, titled Valuing Care. That report requested Cabinet's agreement to undertake a review of the care home fees paid by Powys County Council for older persons' residential and nursing care homes.
- 1.2. The recommendations agreed were for officers to work with Rockhaven Healthcare Consulting to undertake a review of care home fees in Powys and for the Head of Commissioning in Social Services to return to Cabinet with proposals based upon the findings of the review for new fee rates for Cabinet's agreement for implementation.

2. Background

- 2.1. The beneficiaries of the services commissioned by the Council are Powys residents and meeting their needs is a principal concern. It is essential that services operate safely and effectively to promote the welfare of service users and carers, so that all parties can meet regulatory requirements.
- 2.2. In optimising benefits for residents, the Council is committed to working in partnership with social care providers to support adults to remain in their homes and to develop alternatives to registered care. This is a key element in the Health and Care Strategy and can be seen in the development of extra care schemes and the increased use of TEC (Technology Enabled Care).
- 2.3. However, registered care homes have a vital role in providing 24-hour care and support to residents with the highest level of needs. For them and for carers, choice is a vital component of planning for the provision of care and support. Powys County Council has a statutory duty to provide access to, and commission a range of social care services to meet the assessed care needs of residents. This includes ensuring that people living in registered care homes are safe, are treated with respect and dignity and are offered high quality support and care. It is imperative, therefore, that the price which the Council pays for

registered care is sufficient to ensure these core requirements are guaranteed.

- 2.4. As part of its wider responsibilities, the Council has a duty to help ensure that local care markets have sufficient capacity, stability, and appropriate service models to meet the communities' needs. Each year, it currently spends over £20m on residential and nursing care. With an increasingly ageing population, the overall challenge is to keep care cost at a manageable level in terms of the Council's revenue position while ensuring that residents continue to be supported in having access to a sustainable care market across the county
- 2.5. Successive court rulings have placed a requirement on councils to understand and consider the 'actual costs' faced by their local care home providers. Councils have also been required to ensure that the fee levels will support sufficient and sustainable capacity and choice of care home provision within the local market. In setting and reviewing providers' costs, Councils should have due regard to the actual costs of providing care and other local factors but also to achieving best value in the use of public monies.
- 2.6. On the 14th March 2018 Cabinet agreed to implement the results of a Fair Cost of Care review that was undertaken during the previous year. The report recommended new standard fee rates.
- 2.7. The intention was for the fee rates to be reviewed fully every three years and Cabinet approved in September 2020 for this work to be undertaken to consider findings and implementation for April 2021.
- 2.8. There are, currently, some care homes who state that they are on the verge of being unsustainable due to the fee rates provided by Powys County Council. The COVID-19 pandemic has not helped this situation with providers' fees in Powys based on an occupancy rate of 95% of their homes, while some of the care homes are now working with significantly higher vacancy rates. The Council has facilitated access to the Welsh Government's Hardship Fund to support these homes' sustainability over the past year.

The Fair Cost of Care Review Undertaken from October 2020 to February 2021

- 2.9. With support from finance and legal services, senior managers in Adult Social Care commissioned an independent specialist to examine the costs of providing care home services in Powys, to introduce sustainable care home fees for providing elderly residential and nursing care in the four relevant categories (general nursing, dementia nursing, general residential and dementia residential).
- 2.10. The review entailed conducting interviews with local older persons' care home providers. All Powys based independent residential and nursing care homes were invited to take part in the

review (this did not include the Powys County Council owned and Shaw Healthcare run care homes as this is subject to a separate contract). The review was completed using the Rockhaven worksheets with 16 of the 18 independent care homes in Powys participating. Within the review, the care homes taking part forwarded financial, timesheet and other relevant information and attended one-to-one meetings.

- 2.11. Officers gave clear guidance that this was a review of actual costs incurred by providers - i.e., not an opportunity for them to supply inflated costs, but to share with the authority evidence of what should be considered the reasonable weekly cost for care services within their home/s. This review was used to understand what prices should be, going forward, taking into consideration external factors that would have an impact upon providers' costs.
- 2.12. All aspects of a care home's operation and costs were taken in to account within the review - for example, the size of care home; 'hotel,' management, and staffing costs; occupancy levels; type of care home/organisation, profit margins, etc. The information and data provided by the care homes was aggregated and analysed to establish the actual costs of care, including costs related to the provision of dementia services. This analysis also included consideration of factors such as the size of the home and property costs, to determine their impact on provider costs and capacity.
- 2.13. Council officers gave due consideration to all the issues raised by providers so that future fee proposals continued to support a viable local market of provision that would meet future needs, reducing some care homes' plans to introduce additional top-up fees to residents. They looked also to ensure that the fee levels and the fee model continued to enable providers to maintain and improve the quality of care.
- 2.14. Given the wide range of different business and accountancy modus operandi used by providers, the criteria and rationale for deciding how to set out the costs (fixed and variable) costs were agreed in the Senior Management meeting. The main decision was to use the average cost of the Powys portfolio for the provision type (for example, staffing, catering, and utilities) less any outliers (i.e., care homes with exceptionally high or low costs). The analysis of data provided by homes was then considered alongside the Council's key priorities for health and social care services. It also considered the future needs for residential and nursing care across the County.
- 2.15. Senior Managers considered the occupancy rate that should be used to calculate a fair cost of care. In 2017/18 the rate used was 95%. However, it is recognised that this does not reflect the current reality for most homes as a result of the pandemic.

2.16. It was decided, therefore, to use 95% occupancy to calculate the rate, but for Powys County Council to provide an additional premium for the current period of the pandemic. This additional premium would be the difference between the 95% and 90% occupancy. This recognises that the Welsh Government’s Hardship Fund works on 90% occupancy rates and this is, therefore, being accepted nationally as a standard during this troubled time.

2.17. The premium would be reviewed on a regular basis and would only be implemented during the period of pandemic while Social Services in Powys County Council has invoked business continuity.

2.18. This information considered together informed the recommendation on fee levels in this report.

3. Advice

3.1. The external pressure on care home fees, and the adopted Rockhaven worksheets requires that the Council considers fees again.

3.2. It is recognised that not all care homes provide the same environmental standards. This has been made more apparent in Powys with recent development of purpose-built care facilities. To support the care home market to improve its property standards and to enable a better-quality care home offer to residents, it is recommended that the Council adopt Powys fee rate and a fee rate for “Silver” and “Gold Standard” rooms.

3.3. This standards system will reflect similar developments in domiciliary care fees and is aimed at supporting the care market in a proactive manner. The standards will relate to accommodation aspects of the provision, such as room size and en-suite facilities, and not the care element.

3.4. A suggested approach to the standards is set out in the table below:

	Standard Room	Silver Room	Gold Room
Room Size - useable floor space: <ul style="list-style-type: none"> • 12m² for single room & mobile resident • 13.5 m² for single room & wheelchair using resident • 16 m² for shared bedroom 		Yes	Yes
En-suite (lavatory and accessible wash hand basin in unit/room)		Yes	
En-suite (en suite bathroom which includes an accessible wash hand basin, lavatory and accessible shower.)			Yes

3.5. Officers will work with the care home market in Powys to set and refine the standards for the Silver and Gold Standards.

- 3.6. The intention would be for the premium (set out in 2.16-2.17 above) to continue for the Gold Standard rooms after it was removed for the purposes of the pandemic.
- 3.7. The Silver Standard rates will be set following a review at the time of removing the premium associated with the pandemic.
- 3.8. Cabinet needs to consider the recommended fees to agree implementation of the findings in April 2021. The fee rates recommended, following the review are:

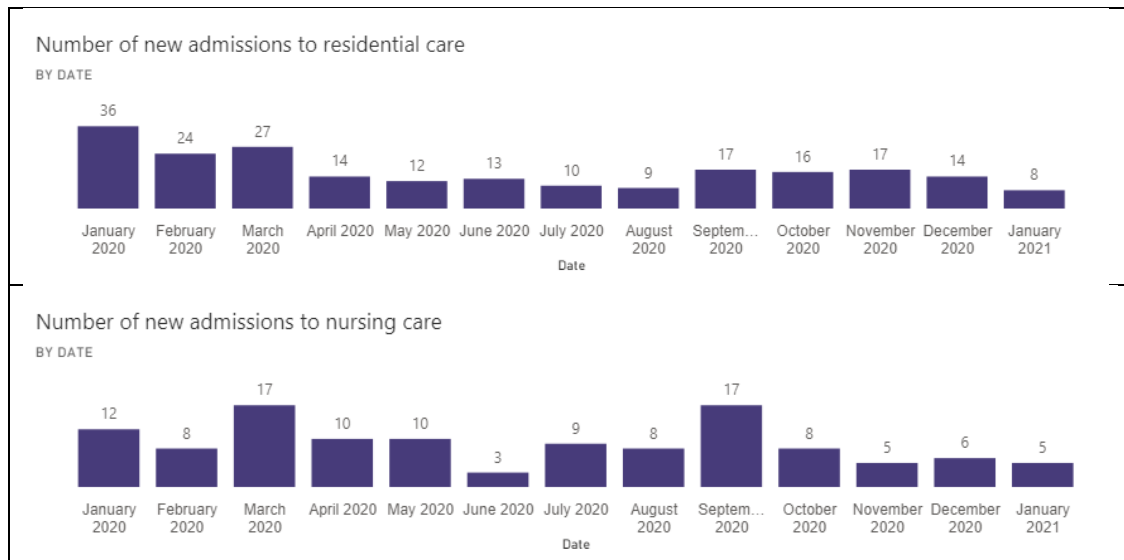
POWYS CARE HOME WEEKLY FEE RATES	Residential Care	Residential Care Dementia	Nursing Care (Not including health component of Funded Nursing Care)	Nursing Care Dementia (Not including health component of Funded Nursing Care)
Pandemic Rate & Continuing Gold Standard Rate	£694	£704	£695	£733
Standard Powys Rate	£659	£669	£660	£698

- 3.9. The fee rates would increase or decrease by annually according to consideration of:
- 3.9.1. The change in Consumer Price Index across homes' expenditure
- 3.9.2. The change in the National Living Wage for eligible staff
- 3.9.3. Consideration of the Bank of England Interest Rate and its impact on Return on Capital Employed
- 3.10. The fee rates will remain for 3 or 4 years (accepting the changes made by 3.6 above), at which point a full review would be undertaken (with recommendations to be implemented in April 2024 or April 2025).
- 3.11. For information, the current fees for 2020/21 are £539 (residential care), £559 (residential care dementia), £544 (nursing care – not including FNC (Funded Nursing Care)), £580 (nursing care dementia – not including FNC)
- 3.12. The new fees are comparable to fee rates of other Councils across Wales (as shared in previous report of 15 September 2020), and reflect the reality of the costs to the providers currently in Powys.

3.13. There are significant financial implications to the decision. However, all the costs will be contained within the increased Adult Social Care budget that will be in place for 2021/22.

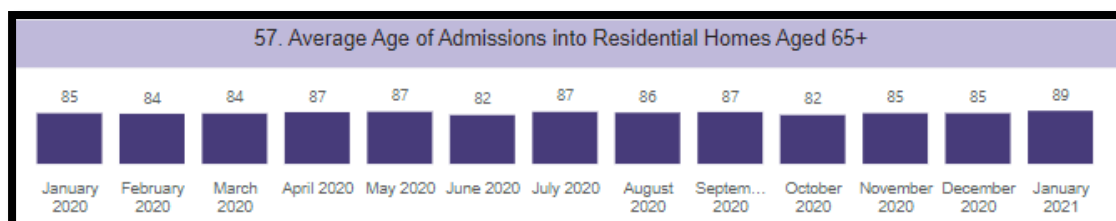
4. Resource Implications

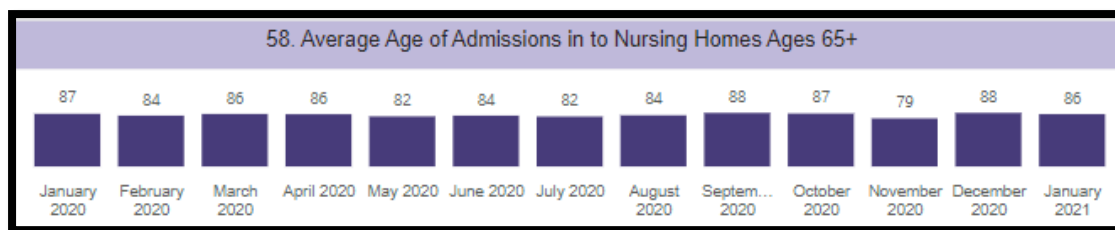
4.1. The number of individuals entering care homes has been reducing over the past year, as shown in the graphs below for residential and nursing care which reflect that there were 48 new care home placements in January 2020 in comparison to 13 in January 2021.



4.2. There were 763 people placed by Powys County Council in care homes on the 1st March 2020. This had reduced to 685 by January 2021. Of these 685, these fees will relate to 304 individuals who are placed in the independent care homes considered.

4.3. As can be seen in the tables below, the average age of admission into residential care has increased over the past year (85 years in January 2020 and 89 years in January 2021), and this has been similar for nursing care, but at a slower pace:





4.4. While this is, in part, because of COVID-19 and changing public perception and attitudes, it is also the Council's and national strategy to support more people to live independently with support at home.

4.5. The resulting potential increased annual cost, per bed, to the Adult Social Care service is shown in the table below.

	Res	Res EMI	Nursing	Nursing EMI
PCC's Weekly Fee Rates 2020/21	£539.00	£559.00	£544.00	£580.00
Proposed Weekly Fee Rates 2021/22	£659.00	£669.00	£660.00	£698.00
Difference	£120.00	£110.00	£116.00	£118.00
Increase (annual)	£6,257	£5,736	£6,048	£6,153

4.6. The premium to all weekly fees during the pandemic (as set out in 3.5), which could be in place for the full year, will have additional non recurrent financial implications of approximately £455k, which will be contained by use of identified grants within the Adult Social Care budget for 2021/22.

4.7. Therefore, the total additional cost to the Council of the increased fees will be approximately £1.9m for the first year and £1.7m for the second year (notwithstanding the potential for inflationary increases). However, as set out above, this cost is to be managed within the Adult Social Care budget.

4.8. This report has been considered by the Head of Finance (Section 151 officer), who has commented as follows: The Fair Cost of Care review was implemented to understand and consider the actual cost of providing residential care by the local care home providers and to calculate an appropriate fee structure to ensure that there is sufficient and sustainable capacity with the local markets. The review has been undertaken in a robust and systematic way based on the principles of the "Lets Agree to Agree" guidance commissioned by Welsh Government through the Institute of Public Care. The new fees are comparable to fee rates of other Councils across Wales and reflects the reality of the costs to the providers currently in Powys. There is a significant financial implication of implementing the proposed fees, this has been considered as part

of the budget setting process and the additional funding to support the decision is approved within the Council's budget for 2021/22.

5. Legal implications

5.1 Legal : The recommendation can be supported from a legal point of view.

5.2 The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report”.

6. Data Protection

6.1. The proposal does not involve any processing of personal data.

7. Comment from local member(s)

7.1. This is a pan-Powys issue and is not specifically relevant to local areas.

8. Integrated Impact Assessment

8.1. Undertaking this review work would not impact upon the public of Powys, other than in a positive manner in sustaining the care homes of the county and supporting local employment and care provision. No further impact assessment is required.

9. Recommendation

9.1. For Cabinet to approve the new fee rates for care homes in Powys as set out in paragraphs 3.8 – 3.10 of this report.

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