

## RECORD OF EXECUTIVE DECISION

Thursday, 20 February 2020

**Decision No:** (CAB 19/20 26140)

DECISION-MAKER:	DIRECTOR OF QUALITY AND INTEGRATION FOLLOWING CONSULTATION WITH THE JOINT COMMISSIONING BOARD
PORTFOLIO AREA:	Cabinet Member for Adult Care
SUBJECT:	Residential and Nursing Homes – Market Management update and commissioning strategy
AUTHOR:	Matthew Waters

### THE DECISION

Following consultation with the Joint Commissioning Board authority is sought to implement the proposals in this paper including:

- (i) The increase in the current published rate levels of care homes costs from April 2020 based on the likely impacts of the National Minimum Wage increases and the current inflation rate. The recommended increases are Residential care – 5% increase; Nursing homes – 6% increase;
- (ii) The strategy for responding to uplift requests from homes providing care at costs above the published rate levels; and
- (iii) The further reviews of the published rates to stratify these based on complexity of care.

### REASONS FOR THE DECISION

Failure to provide a clear approach to managing the local care and support market would produce significant risk in relation to:

- Fulfilment of the Council's duties under the Care Act to shape and manage the local care market maintaining sustainability.
- The frequency of care packages and contracts being 'handed back' to the Council, and provider failure or exits from the local care market.
- The ability to routinely facilitate timely movement of patients through the local system of health and social care services (i.e. impacting on Delayed Transfers of Care).

The proposals are designed to bring a level of stability to the residential and nursing home markets accessible to the council, and to maintain the council's market position in 2020/21. This will enable a more comprehensive review for 2020/21. This will be informed both by market insight and our strategic intentions particularly in relation to an increased focus on community led support and embedding prevention within the Adults' commissioning intentions and the operational delivery model within Adults

Social Care.

### **DETAILS OF ANY ALTERNATIVE OPTIONS**

To not increase the published rate levels – this will place the authority at risk of failing to meet its duties under the Care Act, by failing to adequately meet the needs of providers to ensure financial stability.

A number of options for fee increases have been considered including increases based on Retail Price Index and Consumer Price Index. In addition, we considered modelling different rises on different breakdowns of estimated staff costs and other costs. Although this means that an alternative set of proposals could be justified, this would do no more than transfer funding between providers on a zero-sum basis. The challenge would be whether this would make better use of the funding that is available. Since the assessment in this report has taken market-related considerations into account, the alternatives would not lead to better outcomes than the recommendations in this report will produce. For example, there are options to consider lower increases to the published rate levels but these would fail to adequately address concerns within the market and would risk Southampton finding it more difficult to access much needed care home places.

### **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None

### **CONFLICTS OF INTEREST**

None

### **CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 20<sup>th</sup> February 2020

Decision Maker:  
Director of Quality and Integration

Proper Officer:  
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*