

**DERBYSHIRE COUNTY COUNCIL**

**CABINET MEMBER**

**6 August 2020**

**Report of the Executive Director for Adult Care**

**REVIEW OF DIRECT CARE RESIDENTIAL RATES FOR SELF-FUNDERS  
IN HOMES FOR OLDER PEOPLE AND COMMUNITY CARE CENTRES**

**ADULT CARE**

**1. Purpose of the Report**

To agree an increase in the weekly rate charged to Self-Funders at Homes for Older People and Community Care Centres.

**2. Information and Analysis**

Currently self-funding residents in Homes for Older People (HOPs) and Community Care Centres (CCCs) are charged at a weekly rate which is below the true cost of the provision.

However, due to increasing budget pressures, and a budget savings target of £21.346m over the next four financial years, it is no longer feasible to subsidise self-funding clients in HOPs and CCCs and so it is proposed that the full cost of these placements should be passed on to these residents.

The change in rates for the remainder of 2020-21 would be as follows:-

	Current Rate	Proposed Rate
Home for Older People	£587.44	£751.73
Community Care Centres	£1,082.83	£1,217.79

As this will mean an increase in the fee of between 12.5% and 28.0%, it is intended to phase the change in as follows:

“Preserved rights”, with the weekly rate being permanently pinned to the current bed rate, will be retained for the following self-funding clients:-

- Current Residents
- Clients currently in the process of moving to, or considering moving to, a HOP or CCC (and who move into the home before 1 September 2020)

- Current respite clients i.e. clients who have had respite in a HOP or CCC in the last 12 months
- Respite clients that subsequently move in as permanent residents
- Current non-self-funding clients who subsequently become self-funders

The full rate will apply to the following self-funding clients:-

- All new permanent residents from 1 September 2020
- All new respite clients from 1 September 2020
- All new residents who were admitted after 1 September 2020 as non-self-funders who subsequently become self-funders

### **Annual Uplift**

These charges will be uplifted in future years based on the actual unit cost at the end of December in the previous financial year with a CPI inflation increase.

### **3. Financial Considerations**

There are currently 114 self-funding clients in HOPs and 27 self-funding clients in CCCs (17 of the CCC residents still have preserved rights from a previous uplift in charges and contribute based on the current HOP rates). As a result of the subsidy currently paid, this costs the Council £1.606m per year. The gross cost of these placements is £6.183m and the self-funders currently pay a total of £4.577m towards this total.

It is difficult to accurately assess the level of self-funders after the increase in charges, but if the level of new self-funders is assumed to be 50% of the current level, then the increase in income would be £0.583m p.a.

### **4. Legal Considerations**

The Local Authority is mindful of its duty under the Care Act 2014 to promote an effective local market with a view to ensuring that there is a variety of providers and high-quality services to choose from.

Consideration has also been given as to whether or not it is appropriate to enter into consultation prior to the introduction of the proposed increases.

Taking into account

- the staggered nature of the introduction of the increase and
- that no current resident or other person who can be reasonably anticipated would be affected by the increase will be subject to the new rate and
- that potential future residents cannot be readily identified it is considered reasonable to proceed without entering into a formal consultation process.

The changes will however be appropriately publicised in advance of the introduction of the increased charge.

## **5. Other Considerations**

In preparing this report the relevance of the following factors has been considered: human resources, Legal and Human Rights, equality of opportunity, health, environmental, transport, property, social value and crime and disorder considerations.

## **6. Background Papers**

None

## **7. Key Decision**

No

## **8. Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?**

No

## **9. Officer's Recommendation**

That approval be given to increasing the rates for self-funders at Homes for Older People and Community Care Centres to the full cost rate with effect from 1 September 2020, with preserved rights for all current and transitional clients.

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