

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting22nd April 2021

1. Title of Item/Report

Older People's and Mental Health Care Home Services Fees

2. Record of the Decision

Cabinet noted that in order to review and decide on what the Council should set as its usual cost for the efficient and effective operation of the local market in care homes, an exercise to assess actual costs had been carried out, which sought to enquire into and develop a deeper understanding of what the actual costs of providing care home services in Stockton was, including the local factors that relate to the market.

The assessment of the actual costs of providing care within Stockton was aimed at establishing a fair fee for Council funded care home services. The Council may take into account local factors and any other relevant matters, as well as its own resources.

Proposals were submitted for approval which would bring about an increase in fees if adopted, whilst meeting providers' costs and seeing an overall increase in the rates paid. The Council had also taken the opportunity to review the fee structure and had updated the structure to reflect 'dependency' and associated levels of client care needs rather than purely environmental factors and whether the resident had a dementia diagnosis.

Cabinet noted that it was the Council's responsibility to ensure adequate provision of services to meet assessed need. The impact of COVID-19 had further reduced levels of occupancy across the market and as at 15 March 2021 the overall vacancy rate stood at 23%. It was therefore clear that occupancy was a factor where there were particular issues of concern in the Stockton market as there was currently and had been for some considerable time, a significant oversupply of residential capacity. As part of the Council's market shaping responsibilities, the rate should appropriately incentivise providers to achieve a high level of utilisation.

The Council's view based on its requirements was that 6% spare capacity was sufficient within the Stockton market and that 94% occupancy would, therefore, be an appropriate target for occupancy and market shaping

was planned to move over time towards this figure.

Cabinet noted that Council had a reduced means of managing the market to increase occupancy levels towards the target of 92% for this forthcoming year and the Council would therefore need to provide an Occupancy Support Scheme during 2021/22 to assist the market until the Bed Sufficiency Assessment was operational. The scheme would provide financial support to those individual care homes where occupancy levels had fallen significantly and would be targeted at the care home's fixed costs (minus profit). The Council expected care homes to be able to manage their variable costs in response to varying occupancy.

Prior to determining the proposals presented to Cabinet, officers had consulted all contracted providers, and the Stockton and Billingham Care Home Association about the proposed rates and the Council's approach to enquiring into actual costs. Comments were received from 6 individual providers and one coordinated response from the Association, who represented 10 care providers. Full details of those responses were provided.

RESOLVED that:-

1. Cabinet approve the proposed 6.6% average fee increase for older persons care home services set out in paragraph 61 of the report;
2. Cabinet approve the proposed 2.2% fee increase for mental health care home services set out in paragraph 62 of the report;
3. Cabinet approve the Older People's Occupancy Support Scheme for 2021/22 and delegate the scheme details, review and any necessary updates to the Director of Adults and Health and the Director of Finance, Development and Business Services in consultation with the Cabinet Member for Adult Social care.

3. Reasons for the Decision

The Council is required on an ongoing basis to promote the efficient and effective operation of the local market in care homes. It is important that the fees paid for this publicly funded care are sufficient to ensure that the care provided is safe, available at the right time and of the right quality. Provision should be sustainable on reasonable commercial terms. In order to review and decide on what the Council should set as its usual cost, an exercise to assess actual costs has been carried out.

4. Alternative Options Considered and Rejected
None
5. Declared (Cabinet Member) Conflicts of Interest
None
6. Details of any Dispensations
N/A
7. Date and Time by which Call In must be executed
Midnight - Friday 30th April 2021

Proper Officer
26 April 2021