



From the Chief Executive, Rory Mair

12 March 2008

Directors of Social Work

Dear Director

NATIONAL CARE HOME FEE SETTLEMENT & QUALITY AWARD 2008/09

We have now concluded negotiations with Scottish Care, BUPA and Crossreach representing care home providers. This includes both the terms of a “headline deal” and the technical detail underpinning the conditions.

The headline deal is as follows:

We have agreed that the entire inflation payment would be made to all care homes (this includes inflation of the 07/08 quality payment of £18.13) In addition we have agreed that the additional £6 million quality payment for 08/09 will be distributed in a way that gives a greater increase to nursing home care as a response to the eroding differential between nursing and residential rates.

We have also agreed to continue working with care providers on sector development issues, and have specifically agreed that during 2008/09 we will jointly look at:-

- i) The scoping of a review of care costs and current models of funding, in year, in order to assist future negotiations between government, councils and providers.
- ii) Providers and councils, with COSLA and Scotland Excel, reviewing and applying identified efficiency gains, including purchasing arrangements, access to training and procurement.
- iii) Work commencing on the national benchmarking of additional charges.
- iv) COSLA and councils working with providers on the development and use of a common service user and stakeholder survey placing emphasis on the importance of the service user experience.
- v) Providers, the Care Commission and councils meeting locally to agree a joined up approach to data collection and information sharing consistent with the existing Memorandum of Understanding between councils and the Care Commission.

The funding agreement results in a rate of **£523.35 per week for nursing care provision** and **£450.45 for residential care**.

The overall uplift is £21.98 (nursing) and £15.15 (residential) and comprises inflation (2.7%) on the 07/08 base fee plus DWP increase and an element of the £6 million (£10.87 + £4.30 + £6.81 for Nursing and £9.09 + £4.30 + £1.76 for Residential).

In both cases the 'quality award' element of the full fee (which relates to the achievement of audited quality targets) is £18.62.

The element of the full fee which relates to the 08/09 'additional quality funding' is £6.81 (Nursing) and £1.76 (Residential.)

The pre-conditions from 07/08 will be consolidated into the NCHC for 07/08, and the contract extended to the end of the 08/09 period, through a 'letter of variation'.

Care homes will have to evidence compliance with the following criteria as a pre-requisite for receiving either element of the 2008/09 'quality award' and/or the 2008/09 'additional quality funding'.

- The care home will provide a single brochure outlining its fees and charges in such a way that this information is clear to elderly clients and their families.
- Individual residency agreements (compliant with NCHC requirements) will be in place for each client.
- Providers will be content for information on care home fees across Scotland being held on a COSLA database. This will be held initially on a secure basis with further discussions to take place with providers' representatives on any more public use.
- Care Home providers will continue to provide care for self funders under Contract Route 3 if and when client's money runs out subject to 'route 3' accommodation being available.
- The 07/08 target of 40% of care being delivered by staff, excluding registered nurses listed on the Care Commission staffing notice, who are qualified at SVQ2 (or above), and a further 10% of care being delivered by staff, excluding registered nurses listed on the Care Commission staffing notice, who are registered for a recognised SVQ2 in Care and actively working towards the award within an appropriate timescale.
- Unless Registered with another Regulatory body (e.g. Care Home Managers who are nurses are registered with the Nursing & Midwifery Council) all Care Home Managers must have registered with the SSSC by 30th September 2007. Managers registered with other Regulatory bodies, must either hold or be working towards an appropriate Management qualification as specified by the SSSC for those Managers required to register with them

The elements of the 2008/09 'quality award' are:-

- On 30th September 2008 all care homes will have to provide evidence that all **supervisory staff** are registered with the SSSC (or another appropriate body) and that arrangements are in place for appropriate training to take place (if necessary and as defined by the SSSC.)
- On 31st March 2009 all homes will have to provide evidence that 55% of care is being delivered by staff, excluding registered nurses listed on the Care Commission staffing notice, who have achieved 'SVQ2 in Care' (or above), and a further 10% of care is being delivered by staff, excluding registered nurses listed on the Care Commission staffing notice, who are registered for a recognised 'SVQ2 in Care' and actively working towards the award within an appropriate timescale.

The elements of the 2008/09 'additional quality funding' are:-

- Accept a system, whereby a low grading (i.e. 1 or 2) on the Care Commission's Quality Assessment Framework (QAF) will trigger a review/discussion by a local authority with the care home which could include a review of funding.
- Demonstrate that it has a programme of dementia awareness training for staff.

- Working with councils to ensure that information from complaints / concerns raised by or on behalf of residents is used to improve services.
- Working with councils to ensure that information about independent advocacy services is regularly provided and that service users / relatives / representatives are encouraged to access such services where appropriate.
- Ensure that a 'nutrition policy' is in place which complies with the recommendations of the 'Eating Well for Older People' report by the Caroline Walker Trust (<http://www.cwt.org.uk/>), and specifically that there are i) nutrition assessments on admission, ii) individualised nutrition care plans in place (where appropriate) and iii) six monthly reviews.

While all care home providers will receive the entire uplift from 7th April 2008 (or where otherwise agreed by local arrangement):-

- The element that relates to registration of supervisory staff and is given in the first 6 months to fund the achievement of that measurable quality standard will be withdrawn if that standard is not met.
- The element that relates to care staff working towards and/or achieving qualifications is given for the whole year; failure to meet the target on 31 March 2009 will result in any care staff training element of the 2009/10 award being withheld.
- 30% of the quality payment (£5.59) will be dependent on the supervisory staff registration and training requirement, and 70% (£13.03) will be dependent on the care staff qualification and training requirement.

N.B. In September 2007 COSLA Leaders agreed that councils could apply local discretion when considering continued payment of the quality element of care home fees. This local discretion continues to be applicable.

Multi occupancy rooms remain outwith the national contract (as in 07/08) and as such are not eligible for any element of the quality payments(s); this gives a rate for such rooms of £456.54 (nursing) and £388.80 (residential.)

Decisions on any reduction for shared rooms (dual occupancy) are a matter for local discretion but where a reduction is to be made we recommend a standard reduction of £25.

In the national contract, the human rights clause remains unresolved. We will be pursuing a way forward that is acceptable to both parties and will include this in variations to the National Contract that may arise as part of joint ongoing work with provider representatives agreed as part of the 08/09 negotiations.

With regard to rates, there are three main rates:

- 1) Below the national contract (i.e. where the national contract is not in place by the deadlines, or enforcement action is being taken, or for rooms for three or more.)
- 2) The national contract is in place but there is no quality award because homes have failed to meet the pre-conditions or targets.
- 3) The national contract rate with Quality Award.

For each level there is a rate for residential and for nursing care, and levels 2 & 3 then also have shared room rates. This gives the following rates:-

Nursing Care for Older People

1)	Below the National Contract fee level	£456.54
2)	National Contract fee level but without the quality award	£504.73
	Dual Shared room with National Contract fee but without the quality award	£479.73
3)	National Contract fee level with the quality award	£523.35
	Dual shared room with National Contract fee and the quality award	£498.35

Residential Care for Older People

1)	Below the National Contract fee level	£388.80
2)	National Contract fee level without the quality award	£431.83
	Dual Shared room with National Contract fee but without the quality award	£406.83
3)	National Contract fee level with the quality award	£450.45
	Dual shared room with National Contract fee and the quality award	£425.45

The headline conditions outlined in this letter are supported by some detailed and technical definitions. This work is attached as Annex 1 to this letter. Annexes 2, 3 and 4 set out pro-formas and a standard letter for providers.

Yours sincerely,



Rory Mair
Chief Executive