Issues for clarification

1. **How are the needs of people with dementia taken into account in residential assessment tool?**

The group (which comprised of care home managers and health and social care staff) considered the two residential care banding tools in current use: one for general residential care and the other for mental health and dementia care. These have been used in addition to the full assessment of a person's need to reflect their overall needs in a number of different domains. Each tool captured the range and depth of care a person required across key areas related to their general physical health or their dementia/mental health needs. However the group concluded that neither tool reflected the entire range of a client's needs across all possible physical, emotional and psychological domains, where as for example the national framework for NHS Continuing Healthcare Decision Support Tool does. Additionally it was recognised that the mental health/dementia tool did not capture skin integrity and the 'general' tool did not record behavioural issues.

The group therefore agreed that it would be better to have a single tool which could capture all aspects of an individual's physical, emotional and psychological needs. To achieve this it was agreed the domains set out in the general assessment tool would be incorporated into the mental health tool to cover all aspects of care requirements.

Having amalgamated and refreshed each of the needs domains the group tested the new assessment tool against current practice by using two client scenarios to match them to current residential care bands. Additional meetings were set up to continue work on the revised assessment tool.

We are therefore confident that the needs of any individual are taken into account, including, those with dementia.

2. **Why the Bishop Fleming Report was not accepted?**

The Council and the Trust acknowledge the Bishop Fleming report contains a number of useful cost analyses for the costs within various cost heads. However the report is based on analysis of the financial reports of only 21 homes. Additionally the figures are set out in four cost categories, similar to the Laing and Buisson model, and we do not accept that model on the basis of its treatment of the cost of capital.

Whilst the Trust and the Council have taken account the cost of capital, the approach taken is different to the Laing and Buisson model and therefore different to the Bishop Fleming report. We have noted the figures for the cost of care contained within the Bishop Fleming report but believe that only limited confidence can be placed in these as the sample sizes are small and the standard deviations high.

For these reasons we do not accept the Bishop Fleming report and created our own model for care home fees. We have been able to do so without commissioning Bishop Fleming.

3. **Is the Council relying on cross subsidisation from private residents?**

The Council is proposing a usual cost, or price it will pay, for care. In doing this it is taking a market based approach in recognition of the fact it is not the only purchaser of care home bed spaces in Torbay and the historical tendency for home owners to charge different fees for privately and publicly funded residents.

4. Why is the capital value of a home abated in the costing model?

It is important to recognise the actual capital invested in a home (for the purposes of assessing the required return on that investment). These values are difficult to ascertain from published accounts. The actual capital invested in most homes is unlikely to be the newly built or acquired cost, as many of the homes have been in the same ownership over a period of time. To better reflect the actual capital invested in the home we have taken the new build/acquired costs and abated these by a factor which is based on the average period of ownership (17 years) for homes in the authority.

It is important to note that these capital estimates are not used to determine the usual cost (as that is determined through our market based approach) but to inform it, when taking into account what return might be reasonably required by a care home owner.

5. Will CQUIN be paid for the whole of this year (as homes have already incurred costs for undertaking CQUIN developments this year)?

CQUIN is included in the fees currently in payment. It is proposed to provide transitional protection until 31st March 2014 for existing residents. If, between the time of the decision on care home fees and 31st March 2014, someone eligible for CQUIN is discharged or dies then any new publicly funded resident will be funded at the new rates.

6. Why is there no allowance for return on investment in the fees (ie cost = £341 & fee = £341)?

There is an allowance built into the costs (under capital maintenance and expenditure) and is therefore already included in the £341.

The following statement was in the information sent to providers after the open meeting which sets out the capital maintenance figure which is included in the cost of care.

To use the following figures for repairs and maintenance in the Torbay 2012 model:-

• Maintenance capital expenditure	£19
• Repairs and maintenance (revenue costs)	£12
• Contract maintenance of equipment	£ 3
	£34

7. How are pensions (and forth coming changes) accounted for in the model?

No allowance has been made for employers' pension contributions for nursing, care and domestic staff within the model for 1 April 2012 – 31 March 2014 because we do not believe that the forthcoming changes will impact until after April 2014.

This assumption was based on information was obtained from The Pensions Regulator leaflet 'An introduction to work-based pension changes':- When do the changes come into effect? Our understanding is that each employer will be given a date from which the changes will have to be in place. This is known as your staging date.
The first staging dates will be in October 2012 and will continue through to 2016. Staging dates will be broadly based on the number of people you have in your PAYE scheme. Employers with the largest number of workers will have the earliest staging dates. The smallest employers will have later staging dates from 2014.'

Information was also obtained from the GOV.UK website – Workplace pensions – what your employer can and can't do:- which stated that 'Your employer must automatically enrol you into a pension scheme and make contributions to your pension if you:

Are aged between 22 and State Pension age
Earn at least £8,105 a year
Work in the UK'

It was considered that the majority of the nursing and residential care homes in Torbay would fall into the small employer's category and that the work-based pension changes would not affect them before 2014. It was also considered that many of the nursing, care and domestic staff would be part-time workers earning less than £8,105 a year and that they would not have to be enrolled into a work-based pension scheme under the current qualifying conditions.

8. **Will there be an appeal process if homes don't agree with the outcome of the banding?**

If needs of an existing resident are unchanged but you think they have been allocated to the wrong band in the revised fees structure please contact our Contracts Team and they will discuss the situation with you.

If you think that the needs of a resident have changed and that as result of this they are currently allocated to the wrong band of care please contact the Zone Team to request a review.

9. **Why won't you allow top ups and third party payments?**

The Trust and the Council do allow 3rd party top ups in accordance with Government Guidance, and are legally obligated to include them when agreed as an addendum to an Individual Service Contract. The guidance on top up payments is clear and there are circumstances in which it is not legally possible to accept or arrange a top up payment.

Where a 3rd party top up is arranged the guidance requires that the Council pays the full fee and then re-claims the top up from the agreed 3rd Party.

10. **There don't seem to be any on-cost on management costs?**

It was considered that managers and admin/reception staff would be paid an annual salary rather than an hourly rate and that holiday and sick pay would be included in annual salary costs.

The on-costs for managers and admin/reception staff would be employer's national insurance contributions and employers' pension contributions are included in the model on the following basis:.

Salary	Employers NI – opted in	Employers NI – opted out
£37,000 pa	11.17%	8.0%
£18,500 pa	8.5%	5.9%

Assuming that most employers would have a pension scheme for management and admin/reception staff, it was decided that a weighted average of the opted out rate of employers NI% of 7.3% would be a reasonable on-cost rate to cover employers' national insurance contributions for managers and admin/reception staff.