

Question to People & Health Overview Committee on 8 September 2022

1. Question from Mike Newland and response from Cllr Peter Wharf, Portfolio Holder for Adult Social Care and Health

I note the conclusion in Appendix 1 of your paper on the Fair Cost of Care that it is currently not affordable to move to paying the full Fair Cost of Care for residential care. I also note the 'new position' and proposed level of FCoC identified in your slide titled 'The Results in Numbers', i.e. 22/23 for dementia care £743 and the equivalent FCoC £868.

Council contracted Blocked Booked Bed fees at all of Buxton House's beds (64) and about half the beds at Fairlawns and Maiden Castle are in excess of £1200 (openly available information) and are contracted to escalate further. Also the fee is paid if beds are unoccupied. These fee levels have been paid for two decades and the contracts last for up to another 2 decades without review. One would normally expect very large long term low risk inflexible contracts like these placed with a single provider to be set at a lower rate. The contracts are a very significant fraction of Council spend on residential care. The full fee rate is also passed onto residents becoming self-funders and occupying block booked beds at the relevant care homes.

My questions are:

1. Are these contracted blocked booked beds fees fair and affordable for Dorset Council/ratepayers and likewise fair to other providers?

The last few years have been extremely challenging for adult social care provision, and measures to support hospital discharge have driven up the costs of beds across the market. The Council has initiated work on understanding the 'Fair Cost of Care' early, to help to stabilise the market and to position the Council's purchasing ahead of the 2025 deadline for all councils to implement the findings of their FCoC exercises. It should be noted that the 'Fair Cost' is not an absolute limit on potential prices for care, and where there are additional services incorporated above and beyond a 'standard' offer, this may be reflected in the prices charged.

Since we concluded the 2021/22 exercise, commissioners have met with key providers such as Care South who manage the beds referenced, to discuss the findings. The history of the Care South block contracts was set out in an answer to a question raised at Full Council on 14 December 2021. The contracts arose following the transfer by the Council of 18 of its own residential homes to a charitable trust now known as Care South. A number of these homes were then replaced by Care South in return for long-term block contracts with the Council that formed an income stream upon which they could raise the funds needed to invest in the building programme.

Notwithstanding this, commissioners have reviewed the Care South contracts and started discussions to address the cost differentials. Discussions are ongoing but the Council's position is that we are working to align fees with the findings of the FCoC exercise which were developed with providers and follow the Government's reform agenda.

2. If not fair and affordable, what are you doing about them?

Commissioners have started the process to re-negotiate the contract with Care South. The Fair Cost of Care work is an important tool now available to commissioners to support these negotiations with Care South and other providers.