

Time began: 6.00pm  
Time ended: 7.02pm

## **COUNCIL CABINET 21 FEBRUARY 2012**

Present Councillor Hickson (Chair)  
Councillors Carr, Holmes, Ingall, Jones, Poulter, Skelton, Williams  
In attendance Councillor Bayliss

### **151/11 Commissioning Independent Sector Care Homes for Older People**

The Council Cabinet considered a report on Commissioning Independent Sector Care Homes for Older People. Care homes needed to provide safe, sustainable, good quality care to the vulnerable older people who lived there. A number of Local Authorities had faced legal challenges from care home providers who have successfully argued that they were not mindful of the real costs of care when setting their fee rates.

Council officers had been engaging with Derby's care home providers since August 2011 with the aim of understanding the local costs of care. This consultation and subsequent analysis had informed a fee rate model that was proposed for 2012-13.

The approach taken to establish and populate the fee rate model was presented in Appendix 2 of the report.

#### **Options Considered**

1. Adopting the Laing and Buisson funding model established to support the commissioning of NHS Continuing Healthcare would tie the Council to a methodology that was not properly reflective of Derby costs of care.
2. Not engaging with the city's care home providers in the way described above would run the risk of the Council being unprepared to manage its local market through having insufficient details about local costs and pressures.

#### **Decision**

1. To invest an extra £1.425 million in Derby's independent sector care homes for older people by increasing current fee rates between 9.0% and 23.1% from April 2012 dependent on the type of care delivered as set out in Appendix 1 of the report.
2. To allocate £0.925m of the increase from the corporate contingency budget to the Adults. Health and Housing revenue budget.

#### **Reasons**

1. The recommendation was supported by the analysis of actual costs and substantiated pressures within financial information shared by care home providers in Derby.
2. The Council's cost model had been revised following further consultation with care home providers. The feedback from this consultation was contained within the report.