

**NORTH LANARKSHIRE COUNCIL
REPORT**

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| To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE | | Subject: PROPOSED INCREASE TO VOLUNTARY ORGANISATION RATES 2009/2010 FOR ESTABLISHMENTS WITHIN NORTH LANARKSHIRE AND PROPOSED INCREASE TO INDEPENDENT CARE HOME FEES 2009/2010 |
| From: HEAD OF HOUSING AND SOCIAL WORK RESOURCES | | |
| Date: 25 FEBRUARY 2009 | Ref: MD/EM | |

1. Purpose of Report

To seek Committee approval for uplifts to the 2009/2010 maintenance rates for the voluntary organisations providing services located in North Lanarkshire and to provide an update on national care home rate negotiations for independent sector care homes for 2009/2010.

2. Background

- 2.1 The rates paid to voluntary sector service providers represent a charge for each individual's use of that service. For registered residential care home and day services this charge is calculated weekly; for supported living services this charge is usually calculated as an hourly charge.
- 2.2 COSLA has previously agreed that each host local authority would set the rates applicable for voluntary sector services it uses, such as day services and dementia services, which are also used by other Councils.
- 2.3 Negotiations on care home costs and fee levels are negotiated annually via COSLA, Scottish Care and the Government.

3. Proposals

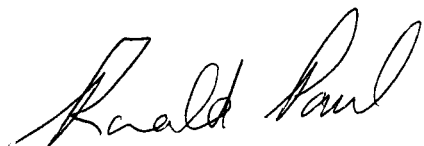
- 3.1 It is proposed that, with the exception of supported living services, for 2009/2010 the maintenance rates for voluntary sector services operating in North Lanarkshire are uplifted by 2%. That uplift will cover all costs, including staffing. Any further increases sought by voluntary sector services will be subject to a full financial review of their service and reported separately to Committee.
- 3.2 Supported living services are currently the subject of a tendering exercise which is due to conclude on 1 July 2009. The outcome of that exercise will determine supported living costs for the remainder of the financial year 2009/2010.
- 3.3 National negotiations regarding independent sector care home fees are ongoing. Cosla has proposed an above inflation 2.7% increase with quality conditions attached for 2009/10. There remains a significant funding gap between the Cosla offer and that being put forward by providers.

4. Financial Implications

- 4.1. The extra cost of the inflationary increase to voluntary sector services will be incorporated into Housing & Social Work's budget for 2009/2010.
- 4.2. Cost implications of the supported living tender exercise will not be known before July 2009. Any additional costs will require to be met from within the 2009/2010 budget.
- 4.3. The funding for care home fee increases will minimally be 2.7%. Any deviation from that position will be reported to Committee. These costs will require to be met from within the 2009/2010 budget.

5. Recommendations

- 5.1. Committee is asked to
 - (i) approve a 2% increase in maintenance rates payable to voluntary sector services, excluding supported living services, for 2009/2010
 - (ii) seek future update reports on the outcome of the supported living tender and national independent sector care home fee negotiations



Ronnie Paul
Head of Housing and Social Work Resources
12 February 2009

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