

From: Graham Gibbens. Cabinet Member for Adult Social Care and Public Health

Andrew Ireland, Corporate Director for Social Care, Health and Wellbeing

To: Adult Social Care and Health Cabinet Committee –
3 March 2015

Decision No: 15/00013

Subject: PROPOSED REVISION OF RATES PAYABLE AND CHARGES
LEVIED FOR ADULT SERVICES IN 2015-16

Classification: Unrestricted

Past Pathway: Social Care Health and Wellbeing DMT - 11 February 2015

Future Pathway: Decision report to Cabinet Member

Electoral Division: All

Summary: This paper sets out the proposed rates and charges for Adult Social Care Services for the forthcoming financial year, along with any potential changes to the Adult Social Care charging policy, and sets out officer recommendations to the Cabinet Member for decision.

Recommendation: The Adult Social Care and Health Cabinet Committee is asked to:

- a) **CONSIDER** and **ENDORSE** a recommendation to the Cabinet Member on the proposed decision set out below.

The Cabinet Member for Adult Social Care and Public Health will be asked to:

- a) **APPROVE** the proposed increase to the rates payable and charges levied for adult services in 2015-16.
- b) **APPROVE** the introduction of the Deferred Payment Scheme as detailed in paragraphs 2.8 -2.9 of the report.
- c) **AGREE** that the Corporate Director for Social Care, Health and Wellbeing, or other suitable delegated officer, undertake the necessary actions to implement this decision.

1. Introduction

- 1.1 This report is produced annually and seeks approval of the Directorate's proposed rates and charges levied for the forthcoming financial year, along with any potential changes to the Adult Social Care charging policy. It is proposed, however, that the rates may be reviewed during the course of the year.
- 1.2 All proposed rates and charges levied for 2015-16 are listed in the attached appendix (Appendix 2) and represent those published on the annual booklet and on the Kent.gov.uk website.

- 1.3 The report distinguishes between those rates and charges over which the County Council can exercise their discretion and those which are laid down by Parliament.
- 1.4 The pay award for 2015-16 is based on a single performance-related payment rather than separate cost of living award and performance reward elements; as was the case for 2014-15. As there is no identifiable increase rate, some adults' rates are proposed to increase at 0%, or 1.58% in line with Consumer Price Index (CPI) at September 2014, which is in line with the benefits uplift.
- 1.5 The effective date, unless otherwise stated, for all proposed changes to adult services will be the week beginning 6 April 2015. This has been confirmed with the Department of Health.

2. Charges and Rates Payable for Adult Services

- 2.1 All rates and charges proposed for 2015-16 in respect of Adult Services are shown in the attached appendix (Appendix 2).

Client Contributions for Residential Care

- 2.2 Clients placed in residential care by the County Council are required to contribute to the cost of their care, as laid down by the National Assistance Act 1948, as amended by the National Health Service and Community Care Act 1990. The amount of contribution is based upon an assessment of their income and capital.
- 2.3 Under current residential charging rules, people who have savings or investments of more than £23,250, which has remained the same since April 2010 will pay the full cost of their care.
- 2.4 The provision for residential care for adults falls into two categories:
- The County Council's own provision
 - Placements affected through the independent sector, purchased by the County Council.
- 2.5 For those clients with the ability to meet the full cost of a placement in the County Council's own provision, the proposals for the maximum contribution are as follows:
- a) Older People
- It is proposed to increase this rate in line with the CPI figure as at September 2014 of 1.58%, to £463.07.**
- b) People with Learning Difficulties
- It is proposed to increase this rate in line with the CPI figure as at September 2014 of 1.58%, to £631.26.**
- 2.6 There is no maximum contribution for placements in independent sector homes, though the contract price is agreed between the County Council and the care home.
- 2.7 For those clients that do not have the ability to meet the full cost of their placement, they will be re-assessed using the Care Act 2014 rules and their contribution towards residential care will rise in accordance with either their pension or benefits.

Deferred Payments

- 2.8 The Care Act 2014 introduces a new Universal Payments Scheme which all local authorities must introduce from April 2015. The relevant sections of the Act are sections 34 and 35. Further details are provided in The Care and Support (Deferred Payment) Regulations 2014 and in the statutory guidance, the final versions of which were issued in October 2014. The Act confers a duty on local authorities to develop a mandatory scheme based on national regulations. In addition to the mandatory scheme, the Act gives the local authority the power to offer Deferred Payments to a wider group of people on a discretionary basis.
- 2.9 Kent will institute a new Deferred Payments scheme (with both mandatory and discretionary elements) from April 2015, in accordance with the criteria in the Care Act and accompanying regulations and guidance. Decisions are needed on two aspects of the scheme, namely the rate of interest to be applied and the administrative charge, both of which are permitted under the Care Act.
- (a) **Interest to be applied**
Under section 35 of the Care Act and Regulation 9 of The Care and Support (Deferred Payment) Regulations 2014, interest can be charged on the amount deferred for the purposes of a Deferred Payment agreement. Regulation 9 states that the maximum interest that can be charged is based on the “relevant rate” plus 0.15%. The “relevant rate” is the weighted average interest rate on conventional gilts. This is updated twice a year (1 January and 1 July) by the Office of Budget Responsibility. On this basis, the maximum annual interest rate that can be charged on 1 April 2015 will be 2.65%. The County Council intends to adopt this rate from 1 April and to update the interest rate every January and July, in line with the maximum that can be charged. Interest will be calculated and compounded daily.
- (b) **Administrative charge to be applied**
Under section 35 of the Care Act and Regulation 10 of The Care and Support (Deferred Payment) Regulations, an amount for administration costs can be charged to people entering a Deferred Payment agreement. This amount can be added to the amount deferred or paid separately. It is proposed that the administration cost for the County Council scheme will be £480 at the start of the agreement, with £65 charged per year thereafter. The charges have been calculated based on the following costs: legal services and fees, staff, printing and postage costs involved in the invoicing process and staff costs involved in the financial assessment process. The staff costs used include the employer’s National Insurance and employer’s pension contributions. The costs associated with the role of case management have not been included and there is no amount included for overheads.

Personal Expenses Allowance

- 2.10 This is part of the pension identified as being for a client’s personal use and is set by the Department of Health; **the allowance will increase from £24.40 to £24.90 per week.**

Client Contributions for Non-Residential Care

- 2.11 Under current non-residential charging rules, people who have savings or investments of more than £23,250, which has remained the same since April 2010, will pay the full cost of their care.

- 2.12 People who have savings under £23,250 will be assessed to see if they are able to make a contribution to the cost of their support. The contribution is based on their weekly income (including pensions and benefits), and any savings/ investments between £14,250 and £23,250. Full details are in the “Charging for Homecare and Other Non-Residential Services Care” booklet.

Wellbeing Charge - Better Homes Active Lives (PFI) Schemes

- 2.13 Non-residential charging rules will also apply to these schemes. However, when working out the cost of the care and support, an additional cost will be added to the cost of any hours of care and support.
- a) **Extra-care schemes for older people**
This is the cost of the 24 hour emergency cover available (for example if a person falls). A meeting of this Committee on 26 September 2014 endorsed a Cabinet Member decision **to set the rate for older people the at £15.00**
- b) **Schemes for people with Learning Difficulties**
This is the cost of the sleeping night support service. It is **proposed to increase this rate in line with the CPI figure as at September 2014 of 1.58% to £44.92.**

Blue Badges

- 2.14 With effect from 1 April 1983, this charge was introduced to cover the administration of the application. The regulations governing the Blue Badge scheme give local authorities the discretion to charge a fee on the issue of a badge. **This fee currently cannot exceed £10. As from 1 January 2012, KCC has charged £10 and it is recommended that this rate continues.**

Notional Charges for Day Care

- 2.15 A notional rate applies to day care charges, however if the cost of care is lower than the notional charge then the lower charge will apply. People who have savings under £23,250 will be assessed to see if they are able to make a contribution to the cost of their day care. **An increase of 1.58% is proposed, in line with the CPI figure as at September 2014, as shown below.**

Care Item	Unit	Proposed Unit Charge (notional cost)
Learning Disability – day centre	Day	£37.64
Learning Disability – Day Centre half day	Session	£18.82
Older People – Day Centre	Day	£29.99
Older People – Day Centre Half Day	Session	£15.00
Physical Disability – Day Centre	Day	£35.80
Physical Disability – Day Centre Half Day	Session	£17.90
Older People with Mental Health Needs – Day Centre	Day	£35.45

Meals Charges/Other Snacks - Local Authority Day Centres

2.16 There are two meal charges: (i) meals (ii) meals and other snacks. An increase of 1.58% is proposed, in line with the CPI figure as at September 2014 (rounding to the nearest 5p):

	Proposed rate for 15/16
Meal Charge	£3.90
Meals and other snacks	£4.90

2.17 For 2015-16 there is an additional rate to be applied for refreshments only. This is set at a flat rate charge of £1.

Voluntary Drivers/Escort Mileage Rates

2.18 The current rate is usually reviewed in line with the Chancellor of the Exchequer's annual budget announcement. This rate is currently set at 45p per mile and is not expected to change in the near future.

Other Local Authority Charges for Adult Services

2.19 The Inter-Authority charges in 2014/15 were as follows, for any need-related assessments or reviews:

- £100 for a review
- £150 for an assessment
- £25 per hour for an assessment (if more than six hours work)

2.20 It is proposed that the above flat rates are removed in favour of an hourly rate which is in line with the charging policy for Children's services and other local authorities. **It is proposed to apply an hourly rate of £67.74** which allows for the percentage increase for the pay award uplift, excluding any performance reward element for 2015-16.

3. General Charges and Rates

Consultancy

3.1 County Council Finance dictates the rates to be levied for:

- i) Middle Management (£82 per hour);
- ii) Senior Management (£152 per hour);
- iii) Director, when undertaking consultancy work (£246 per hour).

3.2 These rates have not been uplifted since April 2009; the above rates are reflective of today's prices.

Publications

3.3 The proposal is to leave the charge for key publications at £10, the same level as 2014-15.

- 4. Recommendation:** The Adult Social Care and Health Cabinet Committee is asked to:
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- a) **APPROVE** the proposed increase to the rates payable and charges levied for adult services in 2015-16.
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- c) **AGREE** that the Corporate Director for Social Care, Health and Wellbeing, or other suitable delegated officer, undertake the necessary actions to implement this decision.

5. Background Documents

None

6. Report Author

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