

From: Graham Gibbens, Cabinet Member for Adult Social Care
Anu Singh, Corporate Director of Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 9 March 2018

Decision No: 17/00136

Subject: **PROPOSED REVISION OF RATES PAYABLE AND CHARGES LEVIED FOR ADULT SERVICES IN 2018-19**

Classification: Unrestricted

Past Pathway of Paper: Adult Social Care and Health Directorate Management Team – 24 January 2018

Future Pathway of Paper: Cabinet Member decision

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 Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make a **RECOMMENDATION** to the Cabinet Member on the proposed decision (Attached as appendix A) to:

a) **APPROVE** the proposed changes to the rates payable and charges levied for adult social care services in 2018-19 as detailed in Sections 2.5a, 2.5b, 2.9b, 2.10, 2.13, 2.16a, 2.16b, 2.18, 2.20, 2.21, 2.24 and 3 of the report; and

b) **DELEGATE** authority to the Corporate Director of Adult Social Care and Health, or other nominated officer, to undertake the necessary actions to implement the decision.

1. Introduction

1.1 This report is produced annually and seeks approval of the Adult Social Care and Health Directorate's proposed rates payable and charges levied for the forthcoming financial year, along with any potential changes to the Directorate's charging policy. It is proposed, however, that the rates may be reviewed during the course of the year.

- 1.2 All proposed rates payable and charges levied for 2018-19 are listed in the attached appendix (Appendix 1) and represent those published in the annual booklet and on the Kent.gov.uk website.
- 1.3 The pay award for 2018-19 is based on a single performance related payment rather than a separate cost of living award and performance reward element. The pay award for 2018-19 was confirmed by Kent County Council on 20 February 2018 as 2.8% **This report recommends some adult's rates to increase at the pay award rate of 2.8% or in line with CPI as at September 2017 which is 3.0%.**
- 1.4 The effective date, unless otherwise stated, for all proposed changes to Adult Social Care Services will be the week beginning 9 April 2018, which coincides with the date of inflationary increases to client related benefits.

2 Charges Levied and Rates Payable for Adult Social Care Services

- 2.1 All rates payable and charges levied proposed for 2018-19 in respect of Adult Social Care Services are shown in the attached appendix (Appendix 1).

Client Contributions for Residential Care

- 2.2 Since April 2015 the Council has exercised powers to charge under Section 14 of the Care Act 2014. The powers are further set out in the Care and Support (Charging and Assessment of Resources) Regulations 2014 and the associated statutory guidance. The way charges are being calculated following the means-testing assessment is broadly the same as pre-April 2015 as a Key Decision was taken to preserve the status quo and to continue to charge on the same basis. This remains the case.
- 2.3 Under current residential charging rules, people who have savings or investments of more than £23,250 will pay the full cost of their care.
- 2.4 The provision for residential care for adults falls into two categories:
 - The Council's own provision
 - Placements affected through the independent sector, purchased by the Council.
- 2.5 For those clients with the ability to meet the full cost of a placement in the Council's own provision, the proposals for the maximum contribution are as follows:

a) Older People

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The rate will be £480.80 for 2018-19.

b) People with Learning Difficulties

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The rate will be £655.42 for 2018-19.

c) Charges to Other Local Authorities

The charge to other Local Authorities for the use of in-house permanent or respite residential beds will be agreed by the operational service on an individual home basis, and will be calculated based on full cost recovery. This information is not published within the annual Rates and Charges booklet or on the Kent.gov.uk website

- 2.6 There is no maximum contribution for placements in independent sector homes, though the contract price is agreed between the 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 introduced a new Universal Payments Scheme which all Local Authorities had to 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 instituted 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. The rules allow interest and an administrative charge to be applied. It is proposed that both these aspects are treated in the same way as in 2015 and that the following applies:

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 Department of Health (DH) and published by the Office of Budget

Responsibility. In line with this requirement The County Council will update the interest rate every January and July, in line with the maximum that can be charged. Interest will be calculated and compounded daily. For information the estimated rate to be applied is for the period 1st January to 30th June 2018 is 1.65% (gilt rate 1.5% plus 0.15%).

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. At the start of the scheme it was originally agreed that the administration cost for the Council scheme would be £480 at the start of the agreement, with £65 charged per year thereafter. They were 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 includes 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.

It is recommended both the initial fee of £480 and subsequent annual fee of £65 be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%. The new rates will be:

| | |
|--------------------|----------------|
| Initial Fee | £498.37 |
| Annual Fee | £ 67.49 |

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 for 2018-19 is £24.90 per week which is unchanged from the allowance applied in 2017-18.**

Administration fee for self- funders – Non-Residential Care

2.11 This was a new annual charge introduced in 2017/18 and agreed by Cabinet on 9 February 2017.

2.12 The Care Act 2014 introduced powers for Local Authorities to charge clients with eligible needs and financial assets above the upper capital limit a fee for arranging their care needs and managing the contract with the care provider on the client's behalf. The relevant sections of the Act are Sections 14b, conditions 2 in Sections 18, and conditions 2 or 4 in Section 20.

2.13 The charge by KCC includes the following, cost of raising an invoice, cost of paying a provider invoice and the cost of negotiating and arranging a care package.

It is recommended that the annual arrangement fee be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The new charge will be £106.91 which equates to £2.06 per week.

Client Contributions for Non-Residential Care

2.14 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.

2.15 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.

Better Homes Active Lives (PFI) Schemes

2.16 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).

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The rate will be £15.58 for 2018-19.

b) Schemes for people with Learning Disabilities

This is the cost of the sleeping night support service.

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The rate will be £46.64 for 2018-19.

Blue Badges

2.17 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

2.18 A notional rate applies to both external and in-house 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.

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%. The rates will be as shown in the table below for 2018-19.

| Care Item | Unit | Proposed Unit Charge (notional cost) |
|--|---------|--------------------------------------|
| Learning Disability – day centre | Day | £39.08 |
| Learning Disability – Day Centre Half Day | Session | £19.54 |
| Older People – Day Centre | Day | £31.14 |
| Older People – Day Centre Half Day | Session | £15.58 |
| Physical Disability – Day Centre | Day | £37.17 |
| Physical Disability – Day Centre Half Day | Session | £18.59 |
| Older People with Mental Health Needs – Day Centre | Day | £36.81 |

Notional Home Care Rates

2.19 A decision was made in January 2016 to charge for homecare services provided by Kent Enablement at Home (KEaH) after the initial six-week period, in instances where external provision of homecare could not be obtained. These rates could also be applied in instances where an external provider has been commissioned to provide enablement services where external provision of homecare could not be obtained after six weeks. Work is currently underway to establish whether this needs to be considered.

2.20 In 2017/18 it was agreed that KCC would charge a blended rate based on charges by private providers as at January 2017. These are applied countywide. A provider uplift of 2.3% was applied in April 2017.

It is recommended that this rate be increased in line with the provider uplift which was applied in April 2017 – 2.3%. The rates for 2018-19 are as follows:

| | |
|---------------------|--------|
| Social (1/2 hour) | £7.95 |
| Social (3/4 hour) | £10.60 |
| Social (1 hour) | £13.75 |
| Unsocial (1/2 hour) | £9.01 |

| | |
|---------------------|--------|
| Unsocial (3/4 hour) | £11.92 |
| Unsocial (1 hour) | £15.25 |

Meals Charges/Other Snacks - Local Authority Day Centres

2.21 There are two meal charges: (i) meals (ii) meals and other snacks.

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%. The rates for 2018-19 are as follows:

| | |
|----------------------|-------|
| Meal Charge | £4.05 |
| Meals & other snacks | £5.05 |

2.22 For refreshments a flat rate charge of £1 is to be applied.

Voluntary Drivers/Escort Mileage Rates

2.23 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 Review and Assessment of Adult Services

2.24 Historically there was an Inter Authority Protocol in place in relation to Inter Authority charges. This hourly charge only applied to those Local Authorities who are signatories to the protocol.

It is recommended that this rate be increased in line with the KCC Pay Award figure as at April 2018 which will be 2.8%.

The hourly rate will be £72.24.

3. General Charges and Rates

Consultancy

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

- i) Middle Management (£85.30 per hour);
- ii) Senior Management (£158.13 per hour);
- iii) Director, when undertaking consultancy work (£255.91 per hour).

3.2 These rates are uplifted in line with CPI as at September which is 3.0% for September 2017.

Publications

- 3.3 In 2017/18 the charge for key publications was uplifted in line with CPI, after having remained at a flat rate of £10 since 2005. The charge for 2017/18 was £12.90.

It is recommended that this rate is uplifted in line with CPI as at September which is 3.0% for September 2017.

The rate for 2018/19 will be £13.29.

4. Legal Implications

- 4.1 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

5. Equality Implications

- 5.1 None

6. Recommendation

6.1 Recommendation: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make a **RECOMMENDATION** to the Cabinet Member on the proposed decision (Attached as appendix A) to:

- a) **APPROVE** the proposed changes to the rates payable and charges levied for adult social care services in 2018-19 as detailed in Sections 2.5a, 2.5b, 2.9b, 2.10, 2.13, 2.16a, 2.16b, 2.18, 2.20, 2.21, 2.24 and 3 of the report; and
b) **DELEGATE** authority to the Corporate Director of Adult Social Care and Health, or other nominated officer, to undertake the necessary actions to implement the decision.

6. Background Documents

None

7. Report Author

Michelle Goldsmith,
Finance Business Partner for Adult Social Care and Health
03000 416159
michelle.goldsmith@kent.gov.uk