

From: Graham Gibbens. Cabinet Member for Adult Social Care and Public Health
Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing

To: Adult Social Care and Health Cabinet Committee – 14 March 2017

Decision No: 16/00132

Subject: **PROPOSED REVISION OF RATES PAYABLE AND CHARGES LEVIED FOR ADULT SOCIAL CARE SERVICES IN 2017-18**

Classification: Unrestricted

Past Pathway of Paper: Social Care Health and Wellbeing DMT – 18 January 2017

Future Pathway of Paper: Cabinet Member decision

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 **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 2017-18, as detailed in Appendix 1 and;

b) **DELEGATE** authority to the Corporate Director of Social Care, Health and Wellbeing, 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 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 2017-18 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 2017-18 is based on a single performance-related payment rather than separate cost of living award and performance reward elements; as was the case for 2016-17. As there is no identifiable increase rate, it is proposed that some adults' rates either remain unchanged or increase in line with the Consumer Price Index (CPI) figure as at September 2016 of 1.0%.
- 1.4 The effective date, unless otherwise stated, for all proposed changes to Adult Social Care Services will be the week beginning 10 April 2017.

2. Charges and Rates Payable for Adult Social Care Services

- 2.1 All rates and charges proposed for 2017-18 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 CPI figure as at September 2016 which was 1.0%. **The rate will be £467.70 for 2017-18.**

b) People with Learning Disabilities

It is recommended that this rate be increased in line with the CPI figure as at September 2016 which was 1.0%. **The rate will be £637.57 for 2017-18.**

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 on the basis of full cost recovery.

- 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 Those clients that do not have the ability to meet the full cost of their placement, 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 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 2.05% from 1 January to 30 June 2017.

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 Council scheme should continue to be £480 at the start of the agreement, with £65 charged per year thereafter. These were the charges recommended and agreed before the start of the scheme in April 2015. And 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 CPI figure as at September 2016 which was 1.0%. The new rates will be:

Initial Fee	£484.80
Annual Fee	£ 65.65

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 2017-18 is £24.90 per week which is unchanged from the allowance applied in 2016-17.**

Arrangement Fee for Self- Funders – Non Residential Care

- 2.11 This is a new charge to be introduced for 2017/18. It should be noted the introduction of this charge has been reflected in the 2017/18 Budget presented to and approved by the County Council 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, an arrangement 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 secondary regulations - The Care and Support (Charging and Assessment of Resources) Regulations 2014 also sheds light on the 'costs of putting in place arrangements to meet needs. Regulation 5 states that: **"Where a local authority is meeting needs because Condition 2 in section 18, or Condition 2 or 4 in section 20, of the Act is met, the charge the authority may make under section 14(1)(b) of the Act may only cover the cost that the authority incurs in putting in place the arrangements for meeting those needs."**
- 2.14 Chapter 8.58 of the Care and Support Statutory Guidance states: **Arrangement fees charged by local authorities must cover only the costs that the local authorities actually incur in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred.**

- 2.15 It is proposed that based on the power conferred on Local Authorities via the Care Act 2014 that the Council charge non-residential clients with eligible needs and financial assets above the upper capital limit a flat rate arrangement fee for arranging care on their behalf. The proposed charge by the Council includes the following: cost of raising an invoice £24.42, cost of paying a provider invoice £22.83, and cost of negotiating and arranging a care package £56.00.
- 2.16 The cost of raising an invoice and cost of paying a provider invoice is the same amount the Council charges Deferred Payment Clients. The cost of negotiating and arranging a care package is based on the hourly cost of an OPPD purchasing officer and average time spent in arranging a domiciliary care package. The current hourly rate is £13.70 whilst the average time spent in arranging a package is about 4 hours. These figures are based on the recent analysis undertaken as part of the Phase 3 Transformation Programme. Applying 2.2% staffing inflationary award, the revised hourly cost comes to £14.00.
- 2.17 The annual arrangement fee being proposed is £104. This is made up of (£22.42 + £22.83 + £56.00) which totals £103.25 but has been approximated for convenience as it equates to a weekly charge of £2.

Client Contributions for Non-Residential Care

- 2.19 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.
- 2.20 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

- 2.21 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 CPI figure as at September 2016 which was 1.0%. The rate will be £15.16 for 2017-18.

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 CPI figure as at September 2016 which was 1.0%. The rate will be £45.36 for 2017-18.

Blue Badges

2.22 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, the Council has charged £10 and it is recommended that this rate continues.**

Notional Charges for Day Care

2.23 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.

It is recommended that this rate be increased in line with the CPI figure as at September 2016 which was 1.0%. The rates will be as shown in the table below for 2017-18.

Care Item	Unit	Proposed Unit Charge (notional cost)
Learning Disability – day centre	Day	£38.02
Learning Disability – Day Centre half day	Session	£19.01
Older People – Day Centre	Day	£30.29
Older People – Day Centre Half Day	Session	£15.15
Physical Disability – Day Centre	Day	£36.16
Physical Disability – Day Centre Half Day	Session	£18.08
Older People with Mental Health Needs – Day Centre	Day	£35.80

Notional Home Care Rates

2.24 The following rates will be applied to people who complete a period of enablement and then continue to be supported by the KEaH service as another form of domiciliary care.

Social (1/2 hour)	£7.77
Social (3/4 hour)	£10.36
Social (1 hour)	£13.44
Unsocial (1/2 hour)	£8.81
Unsocial (3/4 hour)	£11.65
Unsocial (1 hour)	£14.91

Meals Charges/Other Snacks - Local Authority Day Centres

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

It is recommended that this rate be increased in line with the CPI figure as at September 2016 which was 1.0%. The rates for 2017-18 are as follows:

Proposed Rate for 17/18

Meal Charge	£3.94
Meals & other snacks	£4.94

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

Voluntary Drivers/Escort Mileage Rates

2.27 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 Social Care Services

2.28 It is proposed to increase the rate by 2.2% which represents the assumed increase for the pay award for 2016-17. **It is proposed to apply an hourly rate of £70.27** which allows for the assumed percentage increase for the pay award uplift.

3. General Charges and Rates

Consultancy

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

- i) Middle Management (£82.82 per hour);
- ii) Senior Management (£153.52 per hour);
- iii) Director, when undertaking consultancy work (£248.46 per hour).

Publications

3.2 The charge for key publications has not been updated since 2005. The proposal is uplift the charge using the cumulative CPI as at 2005 through to September 2016. This will result in a charge of £12.90 an increase of £2.90 for 2017-18

4. Equality Implications

None.

5. Legal Implications

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.

6 Recommendation

6.1 Recommendation: The Adult Social Care and Health 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 2017-18, as detailed in Appendix 1 and;

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

7. Background Documents

Care Act 2014

http://www.legislation.gov.uk/ukpga/2014/23/pdfs/ukpga_20140023_en.pdf

Care Act Support Statutory Guidance

<https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

8. Report Author

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