

Brighton & Hove City Council

Adult Social Care & Public Health Sub-Committee

Agenda Item 28

Subject: Adult Social Care Charging Policy – 2023/2024

Date of meeting: 10TH January 2023

Report of: Executive Director, Health & Adult Social Care

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 The Care Act 2014 provides councils with a power to charge for care and support services subject to a means test which is set down in government regulations with prescribed limitations. The DHSC updates the statutory national minimum rates for savings thresholds and allowances in April of each year and we await confirmation of these revised rates. At present, people with funds over £23,250 must pay the full cost or maximum charge for care services.
- 1.2 People eligible for adult social care services are means tested to establish whether they must contribute towards the cost. The current charging policy is attached. There are around 2300 service users with non-residential care services and approximately 1200 in residential care homes. These include older people; working age adults with physical disabilities, mental health difficulties and learning disabilities and most people have care services from external providers.
- 1.3 Most care services, funded by the council, are provided by private organisations and the maximum charge depends upon the fees charged by them. **There are very few chargeable in-house services but where these services are provided by the council there are maximum charges set by the Council which are usually reviewed in April each year to align with the date the Department of Work and Pensions increase state benefits.** Most charges are subject to a financial assessment to determine individual affordability, but the charging policy also includes several, low cost, fixed rate charges and additional one-off fees.
- 1.4 This report recommends an inflationary increase in the current maximum charges of 10% for all services except Carelink which is a vital preventive service. Carelink saves a significant drain on other services for example when vulnerable fall and it is likely that people will cancel this service if the charges increase significantly. The proposal for Carelink is to increase the set fees by 6%.

2. Recommendations

- 2.1 That Committee agrees with the current charging policy for care and support services which includes an individual financial assessment to determine affordability and complies with the requirements of Section 17 of the Care Act 2014.
- 2.2 That Committee agrees to a 10% increase (rounded) on the following maximum charges from **10th April 2023** (when state benefits increase):

Maximum Charges	2022-2023	2023-2024
Means Tested Charges	Maximum	Proposed Maximum
In-house home care/support	£28 per hour	£31 per hour
In-house day care	£42 per day	£46 per day
In-House Residential Care	£133 per night (£931 per week)	£146 per night (£1022 per week)
Fixed Rate Charges		
Fixed Rate Transport	£4.30 return	£4.70 return

- 2.3 That Committee agrees to an increase for miscellaneous fees at 10% as follows:

	2022-23	2023-24
Deferred Payment set up fee (see 2.13)	£561 single charge	£617 one off charge
Initial fee for contracting non-residential care for self-funders	£296 single charge	£325 one off charge
Ongoing fee for contracting for non-residential care for self-funders	£92 per year	£101 per year

- 2.4 That Committee agrees to increase Carelink Service fees by 6% as follows:

	2022-23	2023-24
Standard Carelink Plus	£20.30 per month	£21.50
Enhanced Carelink Service	£24.30 per month	£25.80
Exclusive Mobile Phone	£26.30 per month	£27.90

- 2.5 That Committee agrees to continue with the existing policy not to charge carers for any direct provision of support to carers.

2.6 If the above recommendations are not agreed, or if the committee wishes to amend the recommendations, then the item will normally need to be referred to the Policy & Resources Committee meeting on 9 February 2023 to be considered as part of the overall 2023/24 budget proposals. This is because the 2023/24 budget proposals are developed on the assumption that fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget proposals, which means it needs to be dealt with by Policy & Resources Committee as per the requirements of the constitution. This does not fetter the committee's ability to make recommendations to Policy & Resources Committee.

3. Context and background information

- 3.1 Where a person is assessed as eligible for care and support under sections 18 to 20 of the Care Act, the Council may charge the service user subject to the financial assessment set out in Section 17 of that Act (subject to certain limited exceptions).
- 3.2 The council must provide reablement services (either at home or in residential care) free of charge for up to 6 weeks, and any services provided under Section 117 of the Mental Health Act 1983 must be free of charge.
- 3.3 Financial assessments determine a fair contribution towards care costs and are subject to appeal in exceptional circumstances. People with very limited income will not be charged. People with additional disability benefits and other income are usually charged a contribution towards the cost of their care service and the amount varies according to their personal financial circumstances. Currently people with savings over £23,250 must pay the full cost of services but the Government may increase this rate in April 2023.
- 3.4 **Most people have care provided by an external provider** where fee rates are often set and agreed under the council's contracted terms and conditions. People with savings over £23,250 or with high incomes will be assessed to pay the full fees charged by their care provider. Fee rates can vary depending upon individual needs and availability of carers. The maximum charge for in-house home care is recommended to increase to £31 per hour. Day Care attendance is recommended to increase to £46 per day. People who have savings of less than £23,250 will usually pay less than the full cost of care, in line with their financial assessment.

3.5 Charging for care services for people living at home

- 3.5.1 Services include personal care, community support, support costs in extra care housing, day activities, direct payments, money management and other support, and there are around 2300 service users living at home. About 44% of service users, who have minimal savings and limited income from state benefits, will continue to receive free means tested care services as their

income is too low to afford a charge. They will only be affected by the increases in this report if their service includes transport.

3.5.2 Around 46% are assessed to contribute an average of around £45-£75 per week, usually based upon their entitlement to additional disability benefits and benefit premiums paid by the Department for Work and Pensions.

3.5.3 A further 10% of service users are assessed to pay the full cost or maximum charge for care where they have savings over the threshold of £23,250, or very high incomes, or low cost care packages.

3.6 Fixed Rate Charges (not means tested)

3.6.1 Where the council provides or funds transport to and from day services or other services it is recommended to increase the fixed contribution to £4.70 per return journey. This increase will affect around 43 people who currently receive this service. The income from transport charges is currently around £19,600 per annum.

3.6.2. Fees for contracting care services at home on behalf of self-funding service users

Where people have savings over £23,250 and they ask the council to contract with a non-residential service provider on their behalf, the council charges an arrangement fee for this service. This covers the additional work to procure care and set up the contract with the care provider, to set up financial arrangements and provide contract monitoring and amendments on an ongoing basis. It is recommended to increase the initial arrangement fee to £325 and to increase the ongoing annual charge to £101 per year.

3.7 CareLink Plus Services

The Council's Carelink Plus service is well-used and welcomed by vulnerable people in the city. This preventive service can often reduce the need for additional care services, ambulance call outs etc. Most people pay the fixed charges listed in the table above. An increase of 6% is recommended and around 2150 people will be affected by this increase. It is not recommended to increase carelink charges by 10% as this may deter people from taking up or cancelling this cost-saving preventive service. Carelink is a relatively economical way to support vulnerable people in their own homes and it is felt that a high increase in the charge would alienate customers, leading to cancellation of the service, and potentially leading to any crises requiring significant interventions from another part of HASC that is far more costly. Some councils install an equivalent service free of charge to encourage a greater take up and reduce critical intervention costs.

6% is anticipated to increase income by around £2,500 per month and a 10% increase would potentially raise a further £1,700 per month unless people cancel the service.

3.7.1 Where people consider cancelling the service for financial reasons, the Carelink team will assist with claiming any potentially eligible state benefits. They will also consider whether a free service may be available due to exceptional needs and financial difficulties.

3.8 Charging Carers for carer services

3.8.1 The Care Act empowers councils to charge for the direct provision of care and support to carers. The recommendation is to continue with the current policy not to charge carers in recognition of the significant value they provide to vulnerable people. (Note that where the service is provided direct to the service user in order to give the carer a break, then the service user is means tested and charged in the usual way)

3.9 Residential Care

3.9.1 People with over £23,250 in savings and property pay the full cost for residential care. All other residents contribute a variable amount towards the care home fees mainly from their income. The majority of residential care is provided by the independent sector and fees for self-funders can vary significantly. The council has limited provision of inhouse residential care, and it is mainly used as a respite service, for hospital discharges, or an emergency service as well as longer term for people with mental health issues. It is proposed to increase the maximum charge to £146 per night (£1022 per week). There are currently 14 people who would be affected by this increase.

3.9.2 Deferred Payment Agreements (DPA)

The Care Act requires councils, in specified circumstances, to “loan fund” care home fees where the resident is assessed to pay the full cost because they own a property but are not immediately able or willing to sell it. Councils may charge for this service and it is recommended to increase the setup fee for DPAs to £617. This is based on the estimated average administrative cost for a DPA during the lifetime of the agreement including a legal charge on property, ongoing invoicing costs and termination costs.

4. Analysis and consideration of alternative options

4.1 It is customary to increase these charges on the same day that the DWP increase state benefits. This is because we re-assess most people on this date to take account of increased benefits and allowances. It could be possible to increase some of these charges earlier, from 13th February having given people a one month notice period. This would raise a limited amount of income for this financial year.

There are currently 147 people using in-house services and most will not be affected by the increase in charges due to having a lower financial assessment than the costs involved in providing their care package.

However, those who are affected amount to 7 people with home care and 14 with residential care

4.2 In house Home Care:

It is not recommended to bring forward the increase in charges for existing home care service users as this would cause additional administration and estimated additional in-year income would be limited at around £700 for an 8 week period.

4.3 In house Residential Care

For the 14 people paying the full cost in the council's residential homes, an additional 8 weeks in this financial year would bring around £11,000 to this year's budget. There are currently 14 people who have the means to pay the full cost and early implementation of an increase in charges by 10% would be straightforward to administer and could be achieved.

4.4 Transport charges

43 people are currently paying the fixed transport charge and an early implementation of 8 weeks would increase in-year income by around £300. However, the cost of dealing with the administration and subsequent issues with service users, who would be expecting an increase in April rather than February, would outweigh the benefit. This is not recommended.

4.5 Carelink

Carelink customers have previously been advised that the charges may increase from April 2023 and the logistics of notifying around 2150 people, alongside the risks of cancellation is of such significance it is not recommended to bring in the increased charges earlier than April.

5. Community engagement and consultation

5.1 Relevant councillors and officers have been consulted

Community engagement has not been carried out for this report as this is a fiscal matter.

6. In-year budget position (additional information)

6.1 In response to recommendation 2.7 of the Targeted Budget Management (TBM) 2022/23: Month 7 (October) report to Policy & Resources Committee on the 1st December 2022, the actions that the Health & Adult Social Care Directorate have been taking and plan to take to support the in-year budget position are as follows:

- 1) All vacancies are scrutinised to determine whether or not they can be filled through redeployment, covered by alternative arrangements (e.g. increasing part-time hours, overtime or acting positions), delayed or left unfilled. However, the directorate has a wide range of exemptions for care workers and social work staff to maintain statutory services, which means that there are limitations to the level of impact this measure can have.

- 2) The Executive Director for Health & Adult Social Care sent a message to all managers on 1st December requesting that all non-essential spend stop.
- 3) All care placement and packages are appropriately authorised as per the scheme of delegation, and high-cost care plans are presented to a weekly authorisation panel.
- 4) Proposal to increase certain fees & charges for the directorate prior to 1st April as outlined in this report, which equates to £0.006m.
- 5) Recovery measures have been identified and further options are regularly explored by the Directorate Management Team. At present measures totalling £0.104m have been identified and are contributing to a reduced TBM forecast, including increasing the number of reablement beds and ensuring appropriate funding for packages of care.
- 6) Seeking alternative funding sources where appropriate.

6.2 The current projected position for the directorate is an overspend of £0.691m. In particular the key significant cost pressures are as follows:

- £1.067m on 65+ Physical Support;
- £0.225m on Community Equipment Services;
- £0.153m on Life Events

6.3 There are estimated recovery measures totalling £0.104m. These, together with other favourable variances totalling £0.754m result in the net forecast overspend of £0.587m as at Month 7 (0.8% of the net budget).

6.4 The rising cost of services and the increasing cost pressures experienced by many providers means that ensuring the right services are provided at a sustainable price remains challenging. This is a national picture being faced by many local authorities with Adult Social Care responsibilities. From a budget strategy perspective, the impact of rising inflation and the impact of the pandemic on our unit costs for both residential and nursing care confirms that the current pricing framework, which was already significantly strained, remains challenged.

6.5 Following the impact of Covid-19 and potentially of EU Exit, care providers have been dealing with difficulties in workforce recruitment. This has impacted all care sectors across the country but has been particularly acute for home care providers. The direction of travel is still to enable people to receive care in their own homes rather than for them move to residential care, though this has been challenging over the past year due to there being currently higher demand for home care than availability, which has also impacted on the ability to achieve in-year savings.

7. Conclusion

7.1 It is recommended to increase rates by 10% for all services except for the preventive service of Carelink at 6%

It is not recommended to increase at an earlier date with the exception of Residential care.

8. Financial implications

- 8.1 Charges for Adult Social Care services within this report have been reviewed in line with the Corporate Fees & Charges Policy and budget guidance. This is to ensure that fees and charges are appropriately benchmarked to comparative services and recover the full cost of service wherever possible.
- The Adult Social Care in-house council services are significantly subsidised through Council funding.

It is anticipated that the proposed charges will deliver the level of income assumed in the 2023/24 budget strategy, approximately £0.090m. However, the level of income is variable as it will be determined on a means tested basis.

Where any change (or rejection of proposals in whole or in part) is likely to have a negative impact on the service's budget and/or will affect a budget saving proposal negatively, and is approved by the Board (either via amendment or by voting against the recommendations), the item will normally need to be referred to Policy and Resources Committee meeting on 9 February 2023 to be considered as part of the overall 2023/24 budget proposals.

Name of finance officer consulted: Sophie Warburton Date consulted (dd/mm/yy): 14/12/2022

9. Legal implications

- 9.1 The legal basis for charging for services is explained in the body of this report as is rationale for the recommended percentage increase.

Name of lawyer consulted: Sandra O'Brien Date consulted 14.12.2022

10. Equalities implications

- 10.1 There are no equalities issues with these recommendations. The charging policy is not changing and the rates charged are proposed to increase by inflation.

11. Sustainability implications

- 11.1 There are no sustainability implications

12. Other Implications

12.1 There are no other implications.

Supporting Documentation

Appendices

1 Charging Policy 2022-23

