



*Although a formal committee of the city council, the Health & Wellbeing Board has a remit which includes matters relating to the Clinical Commissioning Group (CCG), the Local Safeguarding Board for Children and Health Watch. Papers come from a variety of sources. The format for Health & Wellbeing Board papers is consequently different from papers submitted to the city council for exclusive city council business.*

## **1. Annual Review of Adult Social Care Charging Policy 2016**

- 1.1 The contents of this paper can be shared with the general public
- 1.2 This paper is for the Health & Wellbeing Board meeting on the 2nd February 2016
- 1.3 Author of the Paper and contact details:

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## **2. Summary**

- 2.1 People eligible for adult social care services are means tested to establish whether they are required to contribute towards the cost. There are around 2500 service users with non-residential care and around 1300 in residential care homes. This includes older people, working age adults with physical disabilities, learning disabilities and mental health difficulties and charges are determined by legislation and policy.
- 2.2 Under the Care Act 2014 charging policies are discretionary but subject to certain regulations and limitations. This report seeks approval of the council's charging policy which is compliant with the requirements of the Care Act 2014.
- 2.3 Most social care services, funded by the council, are provided by private organisations and the maximum charge a person may have to pay depends on the fees charged by them. However, where the council

provides in-house services there are set maximum charges which are reviewed in April of each year. Most charges are subject to a financial assessment to determine affordability but the charging policy also includes several, low cost, fixed rate charges. This report provides recommendations to uprate our maximum and fixed rate charges.

### 3. Decisions, recommendations and any options

#### With effect from 11<sup>th</sup> April 2016

- 3.1 That the council continues with the current charging policies for residential care and non-residential care services which are compliant with the requirements of Section 17 of the Care Act 2014, (subject to 3.2). The policy is attached at Annexe 2.
- 3.2 To amend the charging policy to stop providing an income disregard for the night rate element of Attendance Allowance and DLA(care) for new service users see 4.6.7 below
- 3.3 To continue with the current decision that no charges should apply to carers for any direct provision of care and support to them.
- 3.4 The fee charged for setting up Deferred Payment Agreements should be increased by 2% to £485 plus any additional costs for property valuations.
- 3.5 The council continues to charge the maximum interest rate as set by the government for loans provided under the mandatory Deferred Payment Scheme. (See 4.5 below).
- 3.6 That the table of charges below are agreed with effect from 11<sup>th</sup> April 2016

<b>Maximum Charges</b>	<b>2015/16</b>	<b>Proposed for 2016/17</b>
<b>Means Tested Charges</b>		
In-house home care/support	£21 per hour	<b>£22 per hour</b>
In – house day care	£34 per day	<b>£35 per day</b>
<b>Fixed Rate Charges</b>		
Fixed Rate Transport	£3.50 per return	<b>£3.60 per return</b>
Fixed Meal Charge /Day Care	£4.30 per meal	<b>£4.40 per meal</b>

## CareLink Plus

2015/16	Proposed 2016/17
<b>New Service Users</b>	
£16.00 month – with 2 key holders,	<b>Band 1 - £18.50 - Two key holders *</b>
£18.50 month – with 1 key holder	<b>Band 1 - £18.50 - One key holder *</b>
£22.17 month – with key safe	<b>Band 2 - £22.17 - No key holders, *</b>
<b>Existing service users</b>	
£16.00 month – with 2 key holders,	<b>*£17 per month (protected charge)</b>
*See details 4.7.3 and in Annex 1.	

### **Please note:**

If the above recommendations are not agreed, or if the board wishes to amend the recommendations, then the item will need to be referred to the Policy & Resources Committee meeting on 11<sup>th</sup> February to be dealt with as part of the overall budget. This is because the budget is being developed on the assumption that the 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, which means it needs to be dealt with by the Policy & Resources Committee as per the requirements of the constitution. This will not stop the board from making recommendations to P&R.

## **4. Relevant information**

- 4.1 Where the council has determined that a person is eligible for care and support under sections 18 to 20 of the Care Act, the Council can charge the service user subject to the financial assessment set out in Section 17 of the Act.
- 4.2 Financial assessments determine a fair contribution towards care costs and are subject to an appeals procedure for exceptional circumstances.
- 4.3 **Charging for Carer's services**  
The Act empowers councils to charge for the direct provision of care and support to carers. The recommendation above is not to charge carers in recognition of the value of care provided to vulnerable people. During the first year of the Act referral numbers have not increased but will be monitored.



#### 4.4 **Residential Care:**

The Care Act repealed the national mandatory means test for residential care creating a new, but almost identical, discretionary framework for charging. The council continue to charge for services taking account of the new regulations.

#### 4.5 **Deferred Payment Agreements: (DPA)**

Under current legislation, the council has discretion to “loan fund” care home fees, where the resident owns a property and does not want to sell it during their lifetime or where they are not immediately able or willing to sell. The Care Act requires the council to operate this mandatory scheme, subject to some discretionary conditions, including compound interest on the loan from the start date. The government have set a maximum interest rate which is currently 2.25% and will be reviewed in April 2016. The council could charge a lower interest rate or none at all but cannot charge more than this. It is recommended that the council continues to charge the maximum interest rate on the debts that accrue.

The administration costs for setting up and managing a Deferred Payment were set in 2015/16 at £475 and it is proposed that this fee is increased by 2% to £485. This is based on the estimated average administrative cost for a DPA during the lifetime of an agreement including ongoing invoicing costs and termination costs.

#### 4.6. **Non-residential Services**, including direct payments, personal care at home, community support, day activities, adaptations, money management and other support.

##### 4.6.1 **Charging for people with eligible needs for care in their own home.**

There are around 2500 service users in their own homes with eligible needs and around 45% of them, who have minimal savings and limited income from state benefits, will continue to receive **free** means tested care services. They will only be affected by the fixed rate charges in the list above at 3.6.

##### 4.6.2 Around 45% of service users are assessed to contribute an average of around £50-£60 per week, usually based on their entitlement to disability benefits.

The proposed new maximum charges in the list at 3.6 will not affect the assessed charge for these people but they may be affected by the fixed rate charges.

##### 4.6.3 Most people receive home care services from the independent sector where lower fee rates are set and agreed under the council’s contracted



terms and conditions. The unit cost for in-house home care is £67 per hour. The current 2015/2016 fee for standard home care with an approved agency is £15.10 per hour but rates can vary with other agencies. People who have over £23,250 in savings will be required to pay the full fees charged by private agencies.

4.6.4 Around 10% of service users pay the maximum charge for in-house home care and day care. This affects people with savings over the threshold of £23,250 and also affects a small minority of people with very high income, and those with a very small care package, e.g. One day centre attendance per week.

4.6.5 The council provides intermediate care and reablement home care and residential care services free of charge for up to 6 weeks. If, in exceptional circumstances, the home care service continues beyond 6 weeks then the service user is means tested and may be charged up to £22 per hour. Most people use private agencies where fees are generally lower.

4.6.6 The averaged actual cost of council provided day care is £94 per day. The maximum charge is now £34 per day and it is recommended to increase the maximum to £35 per day. Many councils have more recently reduced or removed their subsidy for day care and now charge the actual cost. Any increase in charge will only affect people who are assessed as able to pay this amount as set out in para 4.6.4.

4.6.7 **Proposed change to the financial assessment policy:**

Attendance Allowance and DLA (Care) are income benefits provided by the DWP for people with disabilities. The highest rate of payment is £82.30 per week which includes a payable element of £27.20 per week for night time needs. These benefits are taken into account when calculating the amount a person can pay towards the cost of their care package but with the exception, in some cases, of the extra £27.20 per week. Previous regulations required us to disregard this £27.20 for night time needs where the council does not provide any night services. However, under the Care Act, it is no longer a requirement to disregard this sum, other than protecting those people who already have this allowance. The Department of Health say that DLA(care) has been replaced by PIP (Personal Independence Payment) which does not have night rate element. It does still have a rate of £82.30 per week which can be taken fully into account in the calculations. It is therefore recommended that the charging policy for new service users is amended to take full account of all 3 disability benefits where the



rate of £82.30 is in payment. (AA, DLA(care) and PIP). This means that charges will be higher for new service users who receive this benefit than under the current policy.

#### 4.7 **Fixed Rate Charges – (not means tested)**

4.7.1 Flat rate charges for transport to day centres or other activities have fallen behind inflationary increases in travel costs. It is, therefore, recommended that the return journey charge is increased from £3.50 to £3.60 in April 2016.

4.7.2 It is recommended that the fixed charge for meals provided in the council's day centres should be increased from £4.30 per meal to £4.40. This charge includes beverages and small snacks during the day.

#### 4.8 **CareLink Plus Services:**

- There are almost 3000 carelink plus service users in the city, excluding sheltered housing. Almost 2500 people pay the charges listed in this report whilst a minority get a free service as explained below.
- The CareLink Plus net budget for 2015/16, after charges and revenue generated from out of hours, contractual work and better care funding is only £10,000. It is expected that further funding from better care bids for 16/17 to support further delivery of the telecare living well programme will result in all operating costs being financially self sufficient.

4.8.1 Under the Care Act charges made for preventive services must be reasonable and must not exceed the actual cost. Where someone has eligible care needs under Sections 18-20 of the Care Act, they will have a mainstream financial assessment to determine any charges and if this shows a nil contribution they will be eligible for a free Carelink Plus service. Otherwise, everyone will pay a reasonable flat rate charge for CareLink Plus services unless they appeal against the charge if they feel they are in hardship.

#### 4.8.2 **Comparator information**

- CareLink Plus charges have historically been low compared to other councils but over several years, increases have placed us about midway in the country and the proposed pricing points are in line with national averages. The largest service in Sussex



“Wellbeing” costs £15.96 per month, with an additional one off set up fee of £37 and extra telecare devices are chargeable.

The largest national service Age UK costs £15.03 per month+£129 setup fee.

There is a vast range of different charging policies with no national standard approach e.g. Hillingdon has a free service for people over 80 and Merton’s charges exceed £30 per month.

4.8.3 A review of our current charging policy has taken into account:

- The ability of CareLink Plus services to provide cost effective (and preventative) social care and support
- Telecare devices have so far been free of charge. However, given the growth in the range of telecare, the number of people who use this and the cost, this position has become unsustainable.
- People may cancel and face greater risks if the service becomes unaffordable
- The recent evaluation of the telecare living well programme showed preventative savings of £5-6k per year per person, in line with similar studies.
- CareLink Plus has a business plan which seeks to become financially self sufficient. The proposed charges will generate more income which represents progress towards this aim.

4.8.4 **The proposal for 16/17 is:**

- a) To continue providing a 4 week free trial for hospital discharge, carers and the living well project.
- b) To provide a free service for those with eligible needs under S.18 of the Care Act and a financial assessment of nil contribution.
- c) **New customers** (or following a change in need) who are required to pay to be charged one of the 2 new bandings as described in Annex 1.
- d) **Existing customers** who pay £16.00 per month will have an element of protection for one year against the new bandings and it is proposed to increase their charge to £17.00 per month.
- e) Existing customers who currently receive a free service under the old Supporting People policy should be reviewed and brought into line with these proposals (see further details below\*).



\*There are still 450 people receiving a free service under the old Supporting People funding policy and they will be reviewed during the first 6 months of 2016/17. They may still be eligible for a free service under the new policy but if not they will be charged under the new bandings proposed here. This may lead to cancellations and risk assessments will be carried out to encourage access to welfare benefits (to help pay for the service) and to review ASC support.

## 5. Important considerations and implications

### Legal

- 5.1 It is a function of the Health and Wellbeing Board to oversee and make decisions concerning Adult Social Care. Within the body of this report references are made to the relevant powers and duties in relation to Charging contained in the Care Act 2014. Duties must be adhered to. Where the exercises of Powers are recommended the Board must make a decision as to whether the Power should be exercised.

Sandra O'Brien

12/1/2016

### Finance

- 5.2 Charges for Adult Social Care services are reviewed annually in line with the Corporate Fees and Charges policy. The annual income from charging for in-house non residential services is approximately £1 million, out of the estimated total for non-residential services fees across Adult Social Care of £4.9million. It is anticipated that the proposed charges will deliver the level of income assumed in the 2016/17 budget strategy including an inflationary increase.
- 5.3 The costs of providing in house services are higher than the proposed charges. The 2014/15 unit costs are:
- Home Care £67 per hour compared to the proposed charge of £22 per hour
  - Day Care ( Older People) £94 per day compared to the proposed charge of £35 per day
- 5.4 The proposed charges take into account the cost of running the services (albeit with subsidy) and are benchmarked against other local authorities

Finance Officer consulted: Anne Silley

Date 15/01/16



#### Equalities

- 5.5 All service users are subject to the same means test and will only be affected by this revised policy if they are able to pay. People will not be treated in any way less favourably on the grounds of personal differences such as age, race, ethnicity, mobility of lifestyle, religion, marital status, gender, sexual orientation, physical or mental impairment, caring responsibilities and political or other personal beliefs.

#### Sustainability

- 5.6 There are no sustainability issues.

#### Health, social care, children's services and public health

- 5.7 There are No identified issues

### **6. Supporting documents and information**

- 6.1 The proposed Charging Policy is attached as appendix 1 and it is intended to update the Board at its meeting in relation to the information that is awaited from the Department of Health.

Proposed new charging bands for new customers from April 2016:

Band 1: £18.50 per month for a Standard CareLink Plus package with:

- a) Two key holders
- b) One key holder plus key safe (No change to the charge for key safes at £50.00)

This includes pendant alarm button, 24/7 monitoring, installation costs, 24/7 response to NSR (if key holders can't respond), service and maintenance and standard telecare devices following assessment, as follows:

Medication prompt / well-being check (initiated by unit)

Pendant or IVI pendant

Smoke detector

Co2 detector

One from: Shower pendant/skirting trigger/bogus caller/pull cord

Band 2: £22.17 per month for an Enhanced telecare package with:

No key holders, key safe only (No change to the charge for key safes at £50.00)

This includes all the standard options for Band 1 (as assessed) and in addition specialised telecare devices such as:

Carelink unit via mobile network (GSM),

GPS locator unit

PIR

Chair sensor

Bed sensor, with or without X10 lamp

Epilepsy sensor

Pressure mat

Pillow shaker

On site carer system

Door entry/exit sensor

Heat sensor

Flood detector

If 2 or more required: Shower pendant/skirting trigger/bogus caller/pull cord

(The phoned based Anywhere service at £12.50 to remain the same)