



Formal details of the paper

1.1. Annual Review of Adult Social Care Charging Policy 2016

1.2 General Public

1.3 Date of Health & Wellbeing Board meeting 31st January 2017

1.4 Author of the Paper and contact details **Angie Emerson, Head of Financial Assessments** **2nd Floor, Bartholomew House, Brighton, Telephone 295666** angie.emerson@brighton-hove.gcsx.gov.uk

2. Summary

- 2.1 People eligible for social care services are means tested to establish whether they must contribute towards the cost. There are around 2300 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.
- 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 Care Act.
- 2.3 Most care services, funded by the council, are provided by private organisations and the maximum charge depends upon the fees charged by them. However, where the council provides in-house services there are 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 recommends uprating these charges.



- 2.4 It is the policy of the council to assist people who are able fund their own care services. Although we are permitted to charge self-funders for joining the council's home care contracted services we have not charged for this service to date This report seeks approval to introduce a charge for "brokerage" services due to the additional and increasing administrative tasks involved.

3. Decisions, recommendations and any options

With effect from 10th April 2017

- 3.1 To agree that the council continues with the current charging policies for non-residential care services and residential care homes which comply with the requirements of Section 17 of the Care Act 2014. The full charging policy is attached at Appendix 1.

- 3.2 To agree to this table of charges with effect from 10th April 2017

Maximum Charges	2016/17	Proposed for 2017/18
Means Tested Charges		
In-house home care/support	£22 per hour	£23 per hour
In – house day care	£35 per day	£36 per day
Fixed Rate Charges		
Fixed Rate Transport	£3.60 per return	£3.70 per return
Fixed Meal Charge /Day Care	£4.40 per meal	£4.50 per meal

- 3.3 To agree to retain the existing fees for the council's Carelink Plus Service and to agree to apply the same fee rates to customers who currently have a protected lower charge of £17 per month. This will increase to £18.50 per month from April 2017.

- 3.4 To continue with the policy that no charges should apply to carers for any direct provision of care and support to them.

- 3.5 To increase the fee charged for setting up Deferred Payment Agreements for residential care home fees by 2% to £495 plus any additional costs for property valuations.

- 3.6 To introduce a new charge for arranging and contracting non-residential care for self-funders. (people with savings over £23,250).
£260 for the initial one-off set-up fee with effect from April 2017:



£80 per year from April 2017 for annual review, administration and amendments

4. Relevant information

4.1 Where a person is assessed as 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 appeal in exceptional circumstances.

4.3.1 Charging for care services for people living at home in the community

Non-residential services include personal care at home, community support, day activities, direct payments, adaptations, money management and other support.

There are around 2300 service users in their own homes with eligible needs and around 40% 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 shown in Section 3.

4.3.2 Around 47% 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 shown in 3.2 will not affect charges for these people but they may be affected by the increase in the fixed rate charges.

4.3.3 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 fee for standard home care with an approved agency is £17.24 per hour but rates can vary. People who have over £23,250 in savings will be required to pay the full fees charged by private agencies.

4.3.4 Around 13% 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, or a low cost care package.

4.3.5 The council provides intermediate care and reablement services (either at home or in residential care) free of charge for up to 6 weeks.



If, in exceptional circumstances, a service continues beyond 6 weeks then the service user is means tested and may be charged up to £23 per hour for home care. Most people use private agencies where fees are generally lower.

- 4.3.6 The averaged actual cost of the council's day care provision is £94 per day. The maximum charge is now £35 per day and it is recommended to increase the maximum charge to £36 per day. This increase will only affect people who are assessed as able to pay this amount.

4.4 Fixed Rate Charges – (non means tested)

- 4.4.1 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 by 3% to £3.70 in April 2017

- 4.4.2 It is recommended that the fixed charge for meals provided in the council's day centres should be increased from £4.40 per meal to £4.50. This charge includes beverages and small snacks during the day.

4.4.3 CareLink Plus Services:

In 2016/17, the charging structure changed for new CareLink Plus customers to two bandings:

Standard Package: £18.50 per month (includes basic telecare devices)

Enhanced Package: £22.17 per month (includes enhanced telecare devices and for people with no key holders)

Existing customers had a small increase to a protected charge of £17 per month (from £16).

The 2017/18 proposal is for all customers on a protected charge of £17 per month to increase to the standard CareLink Plus package charge £18.50. This will enable CareLink Plus to remain competitive and to support the continued growth of CareLink Plus and telecare users. A report to the Health & Wellbeing board in June 2016, showed the significant preventative value of the service.

4.5 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.



4.6 Residential Care

4.6.1 The Care Act specifies the charging regulations for residential care and these are included in the council's charging policy.

4.6.2 Deferred Payment Agreements: (DPA)

The Care Act requires council's, in specified circumstances, to "loan fund" care home fees, where the resident is assessed to pay the full fees because they own a property but they are not immediately able or willing to sell it. The Act permits council's to charge for this service. It is proposed to increase the set up fee for Deferred Payments by 2% to £495. This is based on the estimated average administrative cost for a DPA during the lifetime of an agreement including a legal charge on property, ongoing invoicing costs and termination costs.

4.7 Home Care Brokerage Charge

4.7.1 People with savings and assets in excess of £23,250 are required to "self-fund" their own care costs. However, they may need advice and assistance from the council to help them make arrangements with a care provider. General advice must always be free of charge. However, for non-residential care, if the person asks the council to contract with the care agency on their behalf, then the council is empowered to make a charge for this service.

4.7.2 At present there are 260 self-funders included in the council's home care contract and this "brokerage" service has traditionally been provided free of charge. Where a self-funding person chooses to use the Council to contract a care service on their behalf, there is additional work for council staff, to procure and set up the contract with the home care agency, set up financial arrangements and provide contract monitoring. The Council's contract guarantees the self-funder a set fee rate and a quality monitoring service. Also, the council is responsible for ensuring the care agency is paid for services provided if the service user fails to pay the fees to them direct. This can lead to an additional council billing and debt recovery processes. If the person fails to pay, the council will need to take legal action or write off any accrued debts.

4.7.3 In several neighbouring councils, they have introduced brokerage fees and many authorities are currently looking to update their charging arrangements for this service. All those who do charge have an initial set up fee, some have additional monthly charges to cover billing costs



and some have an additional charge for contract amendments, eg. Change of care needs. See chart below:

	Set up fee for non-res	Ongoing	
Surrey	295	5pw	
Bucks	250	70pa	
Oxfordshire	500	0	
Hampshire	296	6pw	
West Sussex	157.25 + 157.25 per change	5.05pw	
Kent	Not commissioning services		
East Sussex	0	0	

4.7.4 It is recommended that BHCC should introduce brokerage fees as follows:

- a) £260 for the initial one-off set-up fee for new service users
- b) £80 per annum for review, amendments and administration during the year. This fee will affect existing service users.

Based upon current numbers, we can estimate around 80 new cases per year and the income would be estimated at $80 \times £260 = £20,800$
 If the current numbers stay at around 260, subsequent annual fees at £80 per person would provide additional income of £20,800
 Whilst the estimated income is fairly low, the introduction of this charge may reduce the numbers of self-funders requesting brokerage services which would reduce the existing burden of administration on social workers, care matching team, commissioning team, and the risk of bad debt to the council.

Important considerations and implications

5.1 Legal -

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 exercise of Powers are recommended the Board must make a decision as to whether the Power should be exercised.

Sandra O'Brien

11/01/17



5.2 Finance

5.2.1 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 £5.1million. It is anticipated that the proposed charges will deliver the level of income assumed in the 2017/18 budget strategy including an inflationary increase.

5.2.2 If agreed, the introduction of a charge for arranging and contracting non-residential care for self-funders will bring additional income to the council of £0.042m as set out in paragraph 4.7.4

5.2.3 Client income for the Carelink Plus service totals £0.501m per year. Increasing the charge from £17 to £18.50 per month will bring additional income of £0.025m which is above the 2% inflationary increase expected.

5.2.3 The costs of providing in house services are higher than the proposed charges. The 2015/16 unit costs are:

- Home Care £76 per hour compared to the proposed charge of £23 per hour
- Day Care (Older People) £110 per day compared to the proposed charge of £36 per day

Finance Officer consulted: Sophie Warburton

Date 21/12/16

5.3 Equalities

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.

5.4 Sustainability

There are no sustainability issues.

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

There are No identified issues

6. Supporting documents and information

The Charging Policy is a separate appendix 1



