

LONDON BOROUGH OF BRENT**EXECUTIVE - 14 MARCH 2005****Report from Director of Social Services**

For action/information

Wards affected:
All**Report Title: ANNUAL REVIEW OF FEES AND CHARGES
FOR ADULT SERVICES**

Forward Plan Ref: SS-04/05-25

1.0 Summary

- 1.1 This is an annual report notifying Members of non-discretionary increases in charges and seeking approval to raise discretionary charges in line with the Council's budget setting and charging policies for the year 2005/06.
- 1.2 Charges relating to long and short-term residential and nursing care as defined under the Charging for Residential Accommodation guidelines (CRAG) will be applied from 11th April 2005. All other charges will apply from this date as it coincides with the new benefit year.

2.0 Recommendations

- 2.1 Members are asked to note the changes to non discretionary charges identified in section 3.1.1.
- 2.2 Members are asked to approve the changes to discretionary charges summarised in section 3.2.11.

3.0 Detail

3.1 Non Discretionary Charges

3.1.1 Residential and Nursing Care Charges

The policy and procedure for determining charges for residential and nursing accommodation to clients are standardised across authorities as set out in the Charging for Residential Accommodation Guidelines (CRAG) published and updated annually by the Department of Health. Members do not have discretion over setting these fee levels.

From 11th April 2005 the level of personal expenses allowance (PEA) will rise from £18.10 to £18.80 in accordance with the uplift notified by the Department of Work and Pensions.

The upper capital limit will rise from £20,000 to £20,500 and the lower limit from £12,250 to £12,500 in accordance with the CRAG guidelines.

3.1.2 Respite Care

There are no changes proposed to the current system of assessing client contributions in respite care. All client contributions will continue to be assessed under CRAG guidelines.

3.2 Discretionary Charges

3.2.1 Charges for Community Care Packages

Charges for Community Care packages are assessed under the statutory guidance "Fairer Charging for non-residential Social Services. It is proposed that the hourly charge should rise from £4.22 per hour to £4.35 for clients with less than £12,500 and from £13.66 to £14.07 for those with income exceeding £20,500. Those clients with income between £12,500 and £20,500 will be charged at the £4.35 per hour plus a tariff relating to their savings. This represents an increase of 3% in line with average benefit increases.

Currently 63% of clients in receipt of homecare are either exempt or receive a subsidy from the council due to the low level of income. This figure will not change with the proposed fee increases.

Clients in receipt of Direct Payments will be charged at the same rate as those in receipt of community care packages, but with the maximum rate being £10.05 per hour.

Clients placed in Adult Placement Service will also be assessed under the homecare criteria, however these clients will be entitled to a

personal allowance disregard of £38 per week (increased from £36 in 2004/05).

3.2.2 Extra Care Sheltered Accommodation

Social Services in partnership with the Housing Department and Willow Housing have two Extra Care Sheltered blocks of flats at Rosemary House and Tulsi House. Twenty four hour care services are provided on site by a team of community care workers. Social Service eligibility for the scheme requires the individual to have assessed needs for personal care.

The weekly charge for this scheme will increase from £95.62 to £98.49 subject to financial assessment under Fairer Charging for non-residential social services. This is a more financially viable option for clients than charging for 24 hour care.

3.2.3 Meals on Wheels at Home, in a Day Centre or in a Luncheon Club.

The current charge for providing a meal and delivering it hot to an individual in their own home, luncheon club or day centre is currently £2.60 and this is proposed to increase to £2.70 per meal. This is a flat rate charge that is not subject to means testing.

3.2.4 Home Improvement Agency

Following the introduction of charging for Home Improvement costs from April 2004, It is proposed to maintain a free service for clients in receipt of means tested benefits. For clients not on these benefits labour costs should be increased from £6.00 to £6.20 per hour and materials and parking should be charged at actual cost as per the current policy.

3.2.5 Charging for Services to Carers

With the implementation of the Carers and Disabled Children's Act 2000 and the Carers (Equal Opportunity) Act 2004 to be implemented on 1st April 2005, officers will be working on a charging system which will be in line with the guidance under fairer charging for non residential social services.

3.2.6 Day Care Services

Day Care services will continue to be provided without a charge levied on service users.

3.2.7 "Usual Charges"

In certain circumstances, the council can make placements in more expensive accommodation that they would usually expect to pay for, provided a resident or third party is able and willing to make up the

difference. To do this, the Council must state the usual charge that it would expect to pay for care.

It is proposed to increase this rate by 3.06% from the rates applied in 2004/05. This is consistent with the inflation rate paid to independent homes based on 75% of the Local Authority pay award and 25% of the RPI at November 2004 prices.

3.2.8 Unit Prices for In house Services

Where placements are made by Other Local Authorities into services operated by London Borough of Brent, a recharge will be made at the unit cost of these placements. These unit costs will be calculated once the detailed 2005/06 budget setting exercise is completed.

3.2.9 Information about charges

Clear information about charges and how individuals are assessed is readily available to users and carers. Information is made available at the time a person's financial situation is being assessed. This information can be provided in a number of translated languages by request.

3.2.10 Reviews and Complaints

Section 17(3) of the HASSASSA Act 1983 gives a user the right to ask the Council for a review of the charge which has been assessed, if the user considers that he/she cannot afford to pay it. Under the legislation the Council must be satisfied that the user's means are insufficient to pay the amount they would otherwise be charged, before deciding to reduce or waive a charge.

Information for charge payers should make clear that they may either seek a review of their assessed charge, or they may make a formal complaint if they are dissatisfied with any aspect of the assessment.

3.2.11 Summary of Discretionary Charges

Detailed below are the current and proposed unit charges for discretionary charges for Social Care services available to the London Borough of Brent.

Service:	2004/05 Rate	2005/06 proposed	%age increase
Homecare - subsidised rate	£4.22	£4.35	3.1%
Homecare - Maximum charge	£13.66	£14.07	3.0%
Direct Payment Maximum Charge	£9.75	£10.05	3.1%
Extra Care Supported Accommodation	95.62	£98.49	3.0%

Meals on Wheels	£2.60	£2.70	3.8%
Home Improvement Agency - Clients on means assessed benefits	Nil	Nil	-
Home Improvement Agency - Other clients	£6.00 for labour plus full cost of materials	£6.20 for labour plus full cost of materials	3.0%
Day Care Services	Nil	Nil	-

4.0 Financial Implications

- 4.1 The estimated impact of fees and charges is set out in the table below, this has been incorporated into the 2005/06 base budget for Social Services through inflation adjustments.

Service	2004/05 Budget (£000)	Increase in Income 2005/06 (£000)	Projected Income 2005/06 (£000)
Residential & Nursing Care	6,863	138	7,134*
Homecare and Direct Payments	967	29	996
Extra Care Housing	234	7	241
Meals on Wheels	246	8	254
Home Improvement Agency	Negligible	Negligible	Negligible
Total	8,310	182	8,625

* Note that Residential and Nursing Care Income includes an adjustment of £134k for improved charging mechanisms in the Department.

- 4.2 Any failure to increase charges in line with base budget assumptions will require alternative savings to be found from within the social services budget and are likely to require a reduction in service levels.
- 4.3 Within 2004/05, a debt collection rate of 94.3% is currently being achieved for residential and nursing care services. The current rate of income collection is not as clear for homecare as significant sums have been successfully recouped from prior year debts. Debt collection in 2004/05 is currently greater than 100% of the home care charges invoiced due to this recovery of outstanding debt in previous years.
- 4.4 Whilst all debt is pursued, the Department also holds a bad debt provision for writing off debts that are considered either uneconomic to pursue further or where all avenues of collection have been addressed without success.

5.0 Legal Implications

- 5.1 Pursuant to Section 22 (1) of the National Assistance Act 1948, the local authority has a duty to charge for residential accommodation (to include nursing care) provided under Part III of that Act.

The Charges for Residential Accommodation Guide (known as CRAG) guidance that has been issued by the Secretary of State under section 7(1) of the Local Authority Social Services Act 1970. CRAG offers local authorities guidance on the procedure for charging adults placed by local authorities in residential accommodation. This guidance must therefore be followed in all but the most exceptional of circumstances.

The local authority is required to charge service users at “standard rate”, to be fixed by the authority or, if the resident does not have the resources to pay at the standard rate, a lower means tested rate. The authority is responsible for the full cost of the placement and the service user then makes a contribution to the authority.

In some circumstances, relatives may choose to contribute to fees to enable a resident to stay in a home of his or her choice when the local authority is not prepared to meet the fees of that home in full. See: the National Assistance Act 1948 (Choice of Accommodation) Directions 1992.

The power of local authorities to charge for non-residential community care services is contained in section 17 of the Health and Social Services and Social Security Adjudication’s Act 1983 (HASSASSA). This provision gives the authority discretion to impose a charge on the person in receipt of the service. This includes meals on wheels. The authority may impose such charge as it considers reasonable in all the circumstances.

Section 17 of HASSASSA does not specifically require the local authority to have regard to the cost of the service or the means of the recipient in determining the level of charge. However, such considerations will be among those that it would be prudent for the authority to take into account in determining what level of charge is reasonable.

Guidance for local authorities when charging for home care and other non – residential community care services, known as “Fairer Charging Policies for Home Care and Other Non-Residential Social Services”, has been issued by the Secretary of State under section 7 of the Local authorities Social Services Act 1970.

It is to be noted that there is no power for local authorities to charge for services to recipients of aftercare under section 117 Mental Health Act 1983 even when such aftercare includes residential accommodation or for Intermediate Care or Assessment and Care Management.

6.0 Diversity Implications

- 6.1 The charging policy is applied equitably to all sectors of the community and in accordance with the appropriate statute.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no staffing or accommodation implications arising from this report.

Background Papers

Charges for Residential Accommodation Guidelines (CRAG).
DSS benefits information 2005/2006
Fairer Charges for Home Care and other non-residential Services.
Department of Health November 2001
<http://www.doh.gov.uk/publications/coinh.html>.
National Assistance Act 1948(Choice of Accommodation Direction 1992)
National Assistance Act 1948(Choice of Accommodation Direction 1992)
consultation
document September 2003
Intermediate Care Circular (HSC2001/01 LAC (2001)1
Report to Executive – Review of Adult Placement Scheme and Charges –
17th
September 2002
Report to social Services Scrutiny Committee – Adult Home finding
Consultation 2nd October 2000

Contact Officers

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