

LONDON BOROUGH OF BRENT

**Meeting of the Executive
29th March 2004**

Report from the Director of Social Services

For action

Wards affected All

REPORT TITLE: Charges for Social Services 2004/2005

FP Ref: SS-03/04-18

1.0 Summary

- 1.1 This report seeks approval for charges for Social Services for the year 2004/2005.
- 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 12th April 2004. 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 agree:-
- (i) Increases in charges for existing Residential and Nursing Care from 12th April 2004 as set out in paragraph 3.7
 - (ii) The setting of a 'usual cost' of residential and nursing care costs
 - (iii) A rise in the subsidised hourly charge for home care to £4.22 per hour from 12th April 2004
 - (iv) A rise in the hour charge for self funded home care clients to £13.66 per hour from 12th April 2004
 - (v) To agree the increase in charges for Meals on Wheels at home in a Day Centre or Luncheon Club to £2.60 as set out in paragraph 3.10
 - (vi) The charges for Extra Care Sheltered Accommodation Care as set out in paragraph 3.9
 - (vii) The charges for Adult Home Finding as set out in paragraph 3.12
 - (viii) The introduction of charges for Home Improvement Agency services as set out in paragraph 3.14.

3.0 Financial Implications

This is an annual report seeking to raise charges in line with the Council's budget setting and charging policies. Charges for services are normally

increased annually.

The increase in charges for meals is estimated to recover £14,600 which is in line with budget expectations.

The estimated income from increased charges for residential and nursing fees is £95,000 and again this level of increase has been assumed in the Social Services base budget for 2004-5.

The estimated income from the introduction of the board and lodgings changes and full financial assessments is £179,894.

Any failure to increase charges in line with base budget assumptions will require alternative savings to be found in the overstretched social services budget and are likely to require a reduction in service levels.

4.0 Staffing Implications

4.1 There are no staffing implications arising from this report.

5.0 Legal Implications

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) is 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, relative 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 Detail

6.1 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.

6.2 Members are asked to approve the proposed residential care charges across adult and older people’s services for 2004/2005, which are based on current unit costs, plus up rating for inflation, as set out in **Appendix 1**. This will enable the annual financial assessment of clients in residential care to be undertaken in April and a review of our charges to other local authorities with effect from 12th April 2004 for their clients based in our establishments.

6.3 From 12th April 2004 the level of personal expenses allowance (PEA) will rise from £17.50 to £18.10 to reflect the rise of average earnings of 3.3% over the last 12 months.

6.4 The Capital limits will rise from £12,000 and £19,500 to £12,250 and £20,000 respectively to reflect the anticipated GDP deflator of 2.59%. (The new capital limits will automatically apply to home care charges as minimum requirements).

6.5 Choice of Accommodation

The Department of Health has been consulting on updating the guidance on the National Assistance Act 1948 (Choice of Accommodation Direction 1992) and its update is intended to ensure that when a council with social services responsibilities make a placement in a care home or care homes providing nursing care, that within reason, individuals are able to exercise genuine choice over where they live.

The National Assistance (Additional payments and Assessment of Resources) (Amendment) (England) Regulations give individuals the right to enter into more expensive accommodation than they would otherwise have been offered in certain circumstances, these are outlined below

The guidance set out in paragraphs 4.2 to 4.5.11 of the guidance on the National Assistance Act 1948 (Choice of Accommodation) Directions 1992 and the National Assistance (Residential Accommodation) (Additional Payments and Assessment of Resources) (Amendment) (England) Regulations 2001 applies only where a resident explicitly chooses to enter accommodation other than that which the council offers them and where that preferred accommodation is more expensive than the council would usually expect to pay.

In certain circumstances, 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 will to make up the difference (to top-up). The most common arrangement is that a third party is providing the top-up. A third party in this case might be a relative, a friend or any other sources.

One of the conditions associated with the provision of preferred accommodation is that such accommodation should not require the council to pay more than they would usually expect to pay, having regard to assessed needs (the 'usual cost'). This cost should be set by councils at the start of a financial or other planning period or in response to significant changes in the cost of providing care to be sufficient to meet the assessed care need of supported residents in residential accommodation.

When setting its usual cost(s) a council should be able to demonstrate that this cost is sufficient to allow it to provide residents with the level of care services that they could reasonably expect to receive if the possibility of resident and third party contributions did not exist.

The location of the preferred accommodation need not be limited by the boundaries of the funding council. Councils are obliged to cater for placements falling within the Directions or the Regulations in any permitted care home within England and Wales. Funding councils may refer to their own usual costs when making placements in another council's area. However, because costs vary from area to area, if in order to meet a resident's assessed need it is necessary to place an individual in another area at a higher rate than the funding council's usual costs that council should meet the additional cost itself.

6.6 Usual Cost for Residential and Nursing Care

Fair Access to Care Services allows councils to set cost-ceilings for care, but these should be used as a guide. Decisions on the actual level of funding of care should always be based on the assessment of a particular individual's needs. The decisions on the actual costs of care are taken by the placement panels having considered how best the care needs can be met.

6.7 NHS funded Free Nursing Care

Section 49 of the Health and Social Services Act, 2001 makes care provided by registered nurses in care homes an NHS responsibility. From 1 April 2003 NHS funding was extended to residents of care homes providing nursing care who receive financial support from local councils.

The NHS will pay for the costs of a registered nurse for existing and future residents according to their needs, following an assessment by a NHS nurse: Following assessment an individual will be awarded a weekly grant of either low £40pw from 1 April 2003, medium, £75pw from 1 April 2003 and high £120pw from April 2003. Payments are made direct to the nursing homes because the NHS cannot reimburse individuals directly.

- 6.8 Below are detailed the usual cost gross for new placements for Brent Council for the year 2004/2005 for long and short term care in a residential or nursing home, these costs are inclusive of Free Nursing Care Grant where applicable and are based on the current placement costs and market rates.

Older Adults

- Residential Care for Older Adults with physical frailty or sensory impairment £595 gross per week
- Residential Care for Older Adults with Dementia, Mental Health or Learning Disability £707 gross per week
- Nursing care for Older Adults with physical frailty or sensory impairment £675 gross per week
- Nursing Care for Older Adults with Dementia, Mental Health or Learning Disability £799 gross per week

Younger Adults with Physical Disabilities or Sensory Impairment

- Residential Care for Younger Adults with Physical Disabilities or Sensory Impairment £795 gross per week
- Nursing Care for Younger Adults with Physical Disabilities or Sensory Impairment £995 gross per week

Younger Adults with Learning Disabilities

- Residential care £770 gross per week

Younger Adults with Mental Health Problems

- Residential Care £800 gross per week

6.9 Fee Increases for Residential and Nursing Care

For the financial year 2004/05 it is proposed to increase the gross unit cost for existing placements using the formula agreed in the Charging Report 2003/04 and as recommended by the North West London Strategic Health Authority Purchasing Group as follows:-

- 75% of the gross weekly fee to increase by the NJC agreed pay increases. The proposed levels for 2004/05 is 2.5%
- 25% of the gross weekly fee to increase by the rate of RPI as defined in the November to November published rate of 2.5%

All increases to be applied following deduction of the Free Nursing Care Grant. Member have discretion to vary the percentage increase to be applied to existing placements however any increase which is below the RPI figure will result in providers asking for clients to be moved to alternative placements which officers consider will not be available at the current rate.

6.10 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. The Council's usual costs for accommodation will apply.

6.11 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 £4.10 per hour to £4.22 and the maximum hourly charge should increase to £13.66. This represents an increase of 3% in line with average benefit increases.

Client Profile:-

Assessment	Number of clients	Percentage of total
Nil Charge	522	38%
Disposable income less than charge	340	25%
Charge equal to disposable income	87	6%
Disposable income greater than charge	384	28%
Full cost	54	4%
Total	1387	

Members have discretion to change the subsidised hourly rate and the maximum charge this will affect around 32% of current service users. Further modelling work will need to be undertaken by Officers to provide Members

with a range of option. This will have to be the subject of a further Executive report.

6.12 Extra Care Sheltered Accommodation

Social Services in partnership with the Housing Department and Willow Housing have opened two new 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. It is proposed to set a scheme charge as follows:

Flat rate weekly scheme charge £95.62, maximum subject to financial assessment under Fairer Charging for non-residential social services. This is a better option for clients than charging for 24 hour care.

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

Charges for meals are normally set in Brent and elsewhere on a flat rate basis that subsidises the full cost of the meal and are applied without the use of a means test. This approach is justified as the service substitutes for ordinary living costs as is recognised under the Fairer Charging Guidance.

The current cost of providing a meal and delivering it hot to an individual in their own home, luncheon club or day centre is £4.65, the charge to the recipient is £2.50 this represents 54% of the cost. Brent Council's charge for a meal is the 6th highest in London, the higher charges range from £2.60 to £3.70 per meal.

It is proposed that the charge for a meal should rise to £2.60; this represents 54% of the new full cost including delivery charge.

6.14 Direct Payments

The Direct Payments regulations came into force on 8th April 2003, they require all local councils to make direct payment to all individuals who are eligible and want them.

Direct payments create more flexibility in the provision of social services. Giving money in place of social care services means people have greater choice and control over their lives, and are able to make their own decisions about how care is delivered.

An individual receiving a Direct Payment who is asked to make a financial contribution to the cost of their care package will need to be treated in the same way as an individual who is receiving services from the Local Authority. Charges will be assessed and made in all respects in accordance with the Fairer Charging Guidance.

The hourly rate paid for a Direct Payment will rise in line with inflation to £9.75 per hour.

Reference should be made to the Community Care (Direct Payments) Policy and Practice Guidance for specific guidance on direct payments including making direct payments net or gross of any financial contribution.

6.15 Adult Placement Service

6.15.1 Brief background to present charging arrangements

There are currently 47 service users placed with Adult Placement carers. Just over 60% have learning disabilities, 40% have either mental health problems or are above 60/65 years. The service has historically charged service users a flat rate of £25.00 per week. Service users, who are working, contribute ½ of their wages/salary. The rationale behind the charging has been to allow service users to retain maximum income and to improve the quality of their lives. There have been several attempts in the past to review charging within the service with a view to specifically increasing income to pay towards the placements.

6.15.2 Present charging arrangements

The change in rules regarding residential allowance (October 2003) has meant that the majority of service users are now contributing just £25.00 per week towards the cost of their placement. Under the present charging system, service users are not currently being financial assessed for their contributions nor are they currently contributing to their board and lodgings expenses. New guidance on Adult Home Finding Schemes is due shortly and further guidance may become available on charging arrangements. Once published it may be necessary to revise the way in which charges are being calculated any changes will be the subject of a further Executive report.

The majority of placements (40 out of 46) are unregistered and the service receives Housing Benefit on behalf of each service user in these placements. In addition, we receive a block contract with Brent Supporting People for 31 service users and from Ealing Supporting People for 2 service users.

Benchmarking of user contribution as part of the Adult Placement Scheme review in 2002 showed that the average user contribution nationally was £33 per week compared to only £25 in Brent.

6.15.3 New Charging arrangements for unregistered homes

All clients in unregistered homes have been assessed under Fairer Charging for non-residential Social Services which require an individual to be allowed to keep their income support plus 25%. This is £113.69 per week for younger adults and £131.81 per week for adults over pension age.

In normal household circumstances this money would be used to pay for living costs, food, utilities, etc. It is therefore proposed that from 12th April 2004 a new charge for board and lodgings is introduced as follows:-

Board and Lodgings fee of up to £90 depending on financial ability to pay under Fairer Charging for non-residential social services, this is in line with other local authority charging procedures.

Personal Allowance £37

Users whose income is above the £113.69 or £131.81 threshold or capital and who have assets above £20,000 will then be financial assessed to contribute towards the cost of their support and care using the Fairer Charging for non-residential social services guidance.

6.15.4 Charging arrangements for registered homes

Clients who are placed in registered homes will be assessed under the Charging for Residential Care Guidance (CRAG). Paragraph 5.005 gives local authorities the power to allow a different amount of personal expenses allowance (PEA) in circumstances when an individual needs to retain more of his income in order to help the person to lead a more independent life. The PEA set in CRAG for 2004/05 is £18.10 it is suggested that this should be increased to £37.

6.15.5 Carer and User Consultation

Consultation meetings with Adult Placement carers and service users about possible changes in user contribution were held in 2000 and 2002.

In the meeting with service users, carers/relatives on 5th September 2002 they were informed that their contribution would be reviewed and they would be informed of a the new charges. It was explained that for most of the users there would be financial assessment undertaken using the statutory guidance Fairer Charging for non-residential social service. For users in registered home CRAG would be used. Members were informed of these consultation meetings on 2nd October 2000, and 17th September 2002.

As part of the consultation process for this report, Adult Placement carers were informed in a meeting on 4th March 2004 that a report about charges would be going to the Executive on 29th March 2004, with proposals for changes in user contribution and that these proposals were in line with the consultations held with them as described above. Letters have also been sent to the users and carers to inform them of the report to the Executive.

6.16 Home Improvement Agency

The Access and Systems Capacity Grant for 2003/04 under section 5.2 of Guidance on Conditions stipulated that a proportion of the grant is to be used for home improvement services provided by Home Improvement Agencies (HIAs). Brent Council does not have its own HIA and to ensure that the grant is spent in line with the conditions Officers have agreed with Staying Put who are currently the HIA working with Westminster and Kensington and Chelsea to provide similar services for Brent Residents. This work has been undertaken jointly between Housing, Social Services and Supporting People.

Members are asked to agree to the introduction of charges for the new HIA service as follows:

6.16.1 Clients in receipt of means tested benefits.

- Free labour, actual cost of materials and parking where appropriate.

6.16.2 Clients not on means tested benefits.

- Labour cost £6 per hour, plus actual cost of materials and parking where appropriate.

6.17 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.

6.18 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.

7.0 Background Information

Social Services Charging Report 2003/04 dated 10th February 2003

Charges for Residential Accommodation Guidelines (CRAG).

DSS benefits information 2004/2005

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

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