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| Item No. | Classification Open | Date: 11 March 2011 | Meeting Name: Cabinet Member for Health and Adult Care |
| Report title: | | Adults Social Care – Fees and Charges 2011/2012 | |
| Ward(s) or groups affected: | | All | |
| From: | | Chief Executive of the Primary Care Trust and Strategic Director of Health and Community Services | |

RECOMMENDATION(S)

1. That the Cabinet Member agrees the proposed non-Statutory fees and charges for 2011/12, with an implementation date of 11th April 2011. This date is in line with the national uplift date of benefits & pensions from DWP.
2. That the Cabinet Member notes information on Statutory fees and charges.

BACKGROUND INFORMATION

3. This report sets out proposals for the fees and charges to be set for Health and Adult Social Care for 2011/12.
4. The Medium Term Financial Strategy (MTFS) 2011/12 – 2013/14 and the corporate income policy require that:
 - Income generation is maximised by seeking income streams in line with council policies and priorities.
 - All fees and charges capped by statute are increased to the maximum level the cap allows.
5. Only where it can be demonstrated that adverse financial implications might arise or where increases are not considered realistic due to demand and local circumstances, can fees or charges increases be set at a lower level than that set by the MTFS.
6. The Council's constitution requires that all fees and charges increases are agreed by the relevant Cabinet Member through an Individual Decision Making report. An Individual Decision Making report is also required where no increase or a reduction in fees and charges is proposed.

KEY ISSUES FOR CONSIDERATION

7. Fees and charges are those charges where there is a schedule of rates for services provided. There are various types, namely mandatory and discretionary i.e. where the Authority must charge or where there is a choice of charging or not. Whether mandatory or discretionary, the charges will be either:
 - Fixed – where the level of charges is set by Statute and the Authority has no discretion.
 - Capped - where a maximum level is set, generally by Statute and so charges cannot be set above this level, or
 - Flexible – where there is full discretion on the level of charges to be set.
8. Where the Authority has a choice about charging, any decision not to charge must be agreed by the relevant Cabinet Member. This will be reviewed annually and will be considered within the context of the overall budget position.
9. This report only seeks approval for fees and charges for which there is discretion or where fees are capped. This relates to non-residential community care services, as charges for residential and nursing care homes are fixed by government. Appendix C shows the inflation increased levels of charge payable for residential accommodation from April 11th 2011 for a typical resident.
10. In arriving at the proposed fees and charge levels, consideration has been given to a number of factors, including volume assumptions, benchmarking data, market forces and sensitivity i.e. the impact that increases will have on its customers' ability to pay and the take-up of services. Another factor taken into account is that, whilst Southwark may have discretion over the level of fees set, in many cases, this is on a cost recovery basis or must have due regard to the cost of service and be reasonable. The cost of service provision has also been a consideration in arriving at the proposed fees.
11. A schedule of current and proposed fees and charges for non-residential services is attached in Appendix A.
12. It is proposed that all fees and charges be increased in accordance with the Medium Term Financial Strategy MTFs, with the exception of;
13. Welfare catering Meals at Home, where the proposal is to align the charge to the client of both frozen meals and hot meals. (currently there are two separate prices). A separate report on this matter has previously been considered and agreed.

Service Area / Income Stream

Financial Assessments Formula

14. The Fairer Charging Guidelines state that an individual must be left with at least Income Support levels plus a 25% buffer before a charge is applied. The Council currently makes a charge equal to 80% of the balance of available income after the buffer is applied.

15. This percentage was agreed at 60% for 2008/09 along with a decision to increase the percentage by 10% in each of the subsequent two years to bring Southwark closer to the London average by 2010/11 following consultation. For 2010/11 therefore this increased to 80% of the balance available.

Personalisation

16. In November 2010 the Department of Health published the Fairer Contributions Guidance, which is to be used by councils alongside the existing Fairer Charging Guidance and CRAG (for residential placements). It is to be used specifically where direct payments are made as part of a personalised budget.
17. An increasing number of clients have been allocated personal budgets during 2010/11, and this is set to continue. The personal budget is paid net of any contribution by the client, this contribution being calculated in accordance with the above mentioned Guidance.
18. Appendix A shows the current charges for 2010/2011 and the proposed charges for 2011/2012 arising from the anticipated fees and charges increases.

Budget assumptions and implications

19. Appendix B shows the fees and charges budgetary information.

Staffing implications

20. There are no staffing implications.

Community Impact Statement

21. There is minimal impact on Community. Although this policy affects older people and disabled service users in particular, the impact is of an inflationary nature. Pensions and Benefits are increased from 11th April 2011 and this policy decision is timed to coincide accordingly. The Council will continue to charge for non-residential services at a level of 80% of 'net available income' and therefore there is no additional burden placed on service users.

Consultation / Notification of fee increases

22. No further client consultation has taken place.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

23. The Cabinet Member is being asked to note the charges for services, the level of fees and charges set in 2010/11 and agree the proposed increases for 2011/2012 for non-statutory fees and charges.
24. The approval sought under this report is a matter reserved to the Cabinet Member for individual decision making under paragraph 3, Part 3D of the Constitution and is therefore within the remit of the Cabinet Member for Health and Adult Care to approve the recommendations.

25. Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 (“HASSASSAA”) allows a local authority to make reasonable charges for non-residential services which are provided under specified enactments. The power is subject to the qualification that an authority shall not require a person to pay more for a service than it is reasonably practicable for a person to pay

Finance Director

26. This report seeks authority for approving the fees to be charged by Adult Social Care in 2011/12. It is only concerned with fees and charges where the Council has discretion about the level to be charged.
27. As outlined in this report, it is proposed to increase fees and charges by 2.0%. Appendix B shows current year budgets and projected income for 2011/12. Although charges will increase by 2.0%, the level of income for the Council will remain constant because of the impact of means testing, this proposal seeks to avoid any adverse revenue implications.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|----------------------------|-----------------------|----------------|
| Welfare Meals – CMT report | Level 1 Tooley Street | Mike Watson |

APPENDICES

| No. | Title |
|------------|---|
| Appendix A | Schedule of Health & Community Services Fees and Charges 2010/11 and 2011/12 |
| Appendix B | A Schedule of Health & Community Services Fees and Charges 2010/11 Budget and Projections & 2011/12 Budget. |
| Appendix C | Benefits payable from 11.4.2011 – typical charge for a residential client |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Lead Officer | Carl Rushbridge – Departmental Finance Manager | |
| Report Author | Jim Lo | |
| Version | Final | |
| Dated | 8 March 2011 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| Strategic Director of Communities, Law & Governance | Yes | Yes |
| Finance Director | No | No |
| Cabinet Member | | |
| Date final report sent to Constitutional Officer | 8 March 2011 | |

Appendix A

ADULTS SOCIAL CARE – FEES AND CHARGES 2010/11 AND PROPOSED FEES AND CHARGES 2011/12

| Division/ Income Stream | Charges 2010/2011 £ | Proposed Charges 2011/2012 £ | % Increase* | Comments |
|------------------------------------|------------------------------------|---|------------------------|---|
| Home Care (per Hour) | 14.72 | 15.00 | 2.0 | Charge based on average cost of all Home Care providers |
| Day Centre Attendance | 33.15 | 33.80 | 2.0 | |
| Alarm Scheme | 4.00 | 4.10 | 2.0 | |
| Welfare Meals – Hot frozen | 3.41 2.93 | 2.93 2.93 | (14.0) 0.0 | From 2011, same charge for frozen and hot meals applies |

ADULTS SOCIAL CARE – FEES AND CHARGES 2010/11 – 2011/12 BUDGET AND PROJECTIONS

| Division/ Income Stream | 2010/2011 Projected out turn £ | Increase/(Decrease) In Income % | 2011/2012 Proposed Budget £ | Comments |
|--|--|---|---|---|
| Community Care Charges – Home Care | 840,000 | 2% | 857,000 | |
| Community Care Charges – Day Centre Attendance | 76,000 | 2% | 78,000 | |
| Welfare Meals | 432,000 | | 387,000 | The charge to recipients is being reduced, and 'match' funding has been allocated from elsewhere within the budget. |

Residential accommodation – charge to client on minimum benefit income.

| | 2010 | 2011 | comments |
|--|-----------------|-----------------|--|
| Basic State Retirement Pension | £132.60 | £137.35 | Increasing from 11.4.2011 by 3.6% |
| Personal allowance for client | (£22.30) | (£22.60) | Increasing from 11.4.2011 by 1.5% |
| Net funds = weekly charge to client | £110.30 | £114.75 | Increasing by 4% |

The above demonstrates the increase chargeable to a residential client in receipt of minimum levels of income, aged 65 or over. Charges vary if clients have capital or savings over £14,250, or are in receipt of (some) additional pensions and benefits.