

Item No.	Classification Open	Date: 23 January 2014	Decision Taker: Cabinet Member for Health, Adult Social Care & Equalities
Report title:		Annual fees and charges for non-statutory adult social care services 2014/15	
Ward(s) or groups affected:		All	
From:		Strategic Director of Children's and Adults' Services	

RECOMMENDATION

1. That the Cabinet Member agrees the proposed non-statutory fees and charges for 2014/15 as set out in Appendix A, week commencing 5 May 2014, as follows:
 - To increase the home care charge rates to £13.46 to reflect current CPI of 2.4%;
 - To maintain the existing day centre attendance rates;
 - To reduce the alarm scheme weekly fee reduction to zero for FACS eligible clients, all those over 85, individuals assessed with dementia and moderate needs clients;
 - To maintain the charge for Welfare Meals at the reduced rate.

BACKGROUND INFORMATION

2. This report sets out proposals for the fees and charges for Adult Social Care services in 2014/15.
3. The Medium Term Resources Strategy (MTRS) and the corporate income policy require that:
 - Fees and Charges are increased to a level, at a minimum, that is equal to the most appropriate London average (e.g. inner London, family, groupings etc) except where this conflicts with council policy, would lead to adverse revenue implications or would impact adversely on vulnerable clients.
 - 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.
4. 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 MTRS.
5. 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

6. 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.
7. 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.
8. This report only seeks approval for fees and charges for which there is discretion or where fees are capped.
9. 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 been a consideration in arriving at the proposed fees.

Home Care Charge

10. It is proposed that the Home Care charge rate be increased by the current CPI index of 2.4%. This revised Home Care charge rate is lower than the average rate of our neighbouring local authorities. This rate has remained static for the previous three years. The revised rate will impact on 2% of the total number of individuals in receipt of care packages at home. However, the impact will be offset by any increase in the individual's income such as inflationary increases in state benefits and private pensions.
11. A person's ability to pay towards their care is individually assessed in accordance with the national guidance. An individual's contribution towards their care is dependent on their ability to pay. In Southwark 71% of individuals that are receiving care packages make no contribution towards their care and 27% make partial contribution towards their care. Individuals that make no or partial contribution towards their care will be unaffected by this increase in Home Care rates.

Financial Assessments Formula

12. National Fairer Charging Guidelines are used to calculate how much an individual pays towards their home care; these state that an individual must be left with at least Income Support levels plus a 25% buffer before a charge is applied. Since 2010/11, the Council has made a charge equal to 80% of the balance of available income after the buffer is applied. This is favourable to clients, as their assessment is based on lower available income levels. Southwark's income disregard is higher than our neighbouring boroughs. For 2014/15 we are continuing to maintain this discretionary level to ensure any increase to customers is kept to a minimum.

Day Care Services

13. There are no increases proposed for current Day Care Services, reflecting the benchmarking undertaken.

Welfare Meals (Meals on Wheels)

14. There are no changes proposed for the price for Welfare Meals. An existing policy commitment to reduce over a 4 year period the cost to clients of home delivered welfare catering meals by 50% by 2014 has now been fully implemented. There was a reduction at the start of the current financial year and a further reduction to £1.71 has been implemented from 30th September 2013, in effect seeing an early fulfilment of the four year plan. This maintained reduction in charges will continue to help people on low income.

Alarm Scheme

15. Subject to the outcome of the "Expanding Telecare" decision, to be taken during January 2014, it is proposed to extend Adults' Social Care preventative services. From 1 April 2014, free telecare/assistive technology to adult social care clients will be provided for:
 - adults with critical and substantial needs under FACS (Fair access to care services);
 - adults with dementia, regardless of FACS eligibility;
 - adults over 85, regardless of FACS eligibility;
 - adults following reablement identified as having moderate needs.
16. Extensive information regarding this is presented in the decision report "Expanding Telecare. Approximately 820 people receive an alarm service via Adult Social care, 270 of these receive no other community care service and are currently being charged £4.10 per week for the service. From April 2014 they will no longer be charged for their telecare service.
17. The schedule of current and proposed fees and charges is attached in Appendix A.

Budget assumptions and implications

18. These proposals will overall reduce the overall net income for Adults' Social Care by £51,000 (decrease in income for Alarms £58,000; increase in income

for Home Care rate of £7,000; the welfare meal reductions are already in place); this will be met within existing budgetary resources.

Staffing implications

19. There are no staffing implications.

Community impact statement

20. There were not considered to be any adverse impacts upon the community as a whole or in particular in relation to race, gender, disability, sexual orientation and gender identity, religion and faith, marriage, pregnancy and child care responsibilities, alongside that of age. Clients of the welfare catering service would benefit financially from the maintenance of the reduced charge they currently pay. Clients are individually assessed for their ability to pay for home care in accordance with national guidance.

Consultation / Notification of fee increases

21. No further client consultation has taken place.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

22. The Cabinet Member for Health, Adult Social Care and Equalities is requested to approve the 2014/15 non-statutory fees and charges as outlined in this report. The recommendations will take effect on 5th May 2014 if approved.
23. The approval of the fees and charges sought in this report is a matter reserved to the Cabinet Member for individual decision making in accordance with Part 3D paragraph 3 of the council's constitution.
24. The proposed increases are intended to be consistent with corporate policy, in particular the Medium Term Resources Strategy and will apply to the existing non-statutory fees and charges.
25. Section 93(1) of The Local Government Act 2003 enables the council to charge for providing discretionary services. The power in the Act is subject to the requirement that the council is not prevented from charging for the services by virtue of any other legislation. The Director of Legal Services is not aware of any specific legislative provision which would prevent the council from relying on these powers to charge.
26. The power to charge for a service under the Act is also subject to the duty to make sure that, taking one financial year with another, the income from charges made from a service does not exceed the cost of the provision of the service.
27. The council is therefore allowed to set the level of the charge for each discretionary service that it thinks fit and considers reasonable, subject to those charges not exceeding the costs of the provision.
28. The report confirms that no formal consultation on the proposed fees and charges has taken place since the recipients of the welfare catering service will benefit

from the maintenance of the reduced charge they currently pay.

Departmental Finance Manager (1034/FH)

29. This report seeks authority for approving the fees to be charged by Adult Social Care in 2014/15. It is only concerned with fees and charges where the Council has discretion about the level to be charged. As set out in paragraph 18 the estimated income reduction will be met within the overall budget for Adults' Services.
30. Currently the Medium Term Resource Strategy (MTRS) is to generally increase discretionary fees and charges to a level that is equal to the most appropriate London average (except where this conflicts with Council policy or would lead to adverse revenue implications) and to reflect current cost.

APPENDICES

No.	Title
Appendix A	Schedule of Adult Social Care Fees and Charges 2013/14 and proposed fees and charges 2014/15
Appendix B	Adult Social Care Fees and Charges – case studies on Impact of charging position

AUDIT TRAIL

Lead Officer	Sarah McClinton, Director Adult Social Care	
Report Author	Fay Hammond, Departmental Finance Manager	
Version	Final	
Dated	23 January 2014	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	No
Departmental Finance Manager	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team	23 January 2014	