

Report of Chief Officer, Resources & Strategy

Report to Director of Adult Social Care

Date: 19th February 2015

Subject: FN31 – Standard Charges, Contributions, Rates and Allowances 2015/16

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks approval for the Adult Social Care standard charges, contributions, rates and allowances for 2015/16 included within Financial Staff Instruction FN31.
2. The proposal for most charges is an increase of 3% in accordance with the provision made in the 2015/16 budget.
3. Rates and allowances have mainly been increased by 3%, except for those that are based on Department for Works and Pension rates.
4. When Executive Board approved new charges to be introduced from 1st January 2014 for mental health day services, Shared Lives services, telecare and Care Ring it was agreed that the charges would not be increased before April 2015. This report proposes increases of 3% from April, except for Care Ring and Telecare services for which the increase will apply from 1st July to coincide with the annual billing cycle.
5. Deferred Payment Agreements to allow care home fees to be deferred in certain circumstances pending the future sale of a person's home become mandatory in April 2015 in accordance with the Care Act 2014. The associated Adult Social Care administration charges and interest rates are included in FN31.
6. In the Care Act regulations charging for residential services is a power, whereas previously it was a duty. This statutory change means that a decision on whether

to charge for residential care from 1st April 2015 now needs to be taken and it is proposed that charges continue to be made for this service.

7. Some Housing Associations contract with the Council's Care Ring service to provide an alarm call monitoring service on their behalf and the charges for this service have not previously been included in FN31. It is proposed that the charge to Housing Associations for 2015/16 matches the charge to the Council's Care Ring customers.

Recommendations

8. That the proposed standard charges, contributions, rates and allowances for 2015/16 for the Adult Social Care Directorate are approved.
9. That charges continue to be made for residential care services from 1st April 2015 when the statutory basis for these charges becomes a power rather than a duty.
10. To note that the standard charges, contributions, rates and allowances for 2015/16 are implemented by 13th April 2015 by the Head of Finance, Adult Social Care.

1 Purpose of this report

- 1.1 This report seeks approval for the Adult Social Care standard charges, contributions, rates and allowances for 2015/16 included within Financial Staff Instruction FN31.

2 Background information

- 2.1 These charges, contributions, rates and allowances are included within the financial element of the Directorate's Staff Instructions, and are referred to collectively as FN31. They are updated annually and most are effective from the start of April.

3 Main issues

- 3.1 The table attached at Appendix 1 lists the various charges and allowances comprising FN31. It gives reasons for any major variations to the 2014/15 rates and details any changes to the way in which charges have been calculated year on year.
- 3.2 It is proposed that most charges will increase by 3% in accordance with the provision made in the 2015/16 budget.
- 3.3 The proposed rates and allowances have mainly been increased by 3%, except for those that are based on Department for Works and Pension rates.
- 3.4 The standard charges, rates and allowances are normally applicable from the first Monday in the financial year, which for 2015/16 is 6th April 2015. Where they are based on central government benefits rates, the benefits increase date is applied, which for 2015/16 is 13th April 2015.

- 3.5 The weekly charges and contributions for accommodation services are calculated to be divisible by seven to give a daily charge rounded to the nearest 10p.
- 3.6 Executive Board approved new charges to be introduced from 1st January 2014 for mental health day services, Shared Lives services, telecare and Care Ring, with a 50% reduction in the charge applying for the first six months. It was also agreed that the charges would not be increased before April 2015. This report proposes increases of 3% from April, except for Care Ring and Telecare services for which the increase will apply from 1st July to coincide with the annual billing cycle.
- 3.7 Deferred Payment Agreements to allow care home fees to be deferred in certain circumstances pending the future sale of a person's home become mandatory in April 2015 in accordance with the Care Act 2014. The regulations set clear guidance for charging of interest and administrative costs.
- 3.8 Administrative charges can be levied to cover the full costs to the local authority and it is proposed that the charges in Leeds are set on this basis. The proposed Adult Social Care charges are set out in FN13. Legal fees and charges and property valuation fees will be charged separately, again on a full cost recovery basis.
- 3.9 The Care Act regulations and statutory guidance set out the maximum interest rate chargeable, which is derived from the 15-year average gilt yield, as set out by the Office for Budget Responsibility twice a year in their Economic and Fiscal Outlook report. It is proposed that the maximum interest rate is charged for the duration of the Deferred Payment Agreement.
- 3.10 In the Care Act regulations charging for residential services is a power, whereas previously it was a duty. This statutory change means that a decision on whether to charge for residential care from 1st April 2015 now needs to be taken. It is proposed that a formal decision to continue to charge for residential care is taken as part of this delegated decision. The charges for residential care provided by the Council are included in FN31.
- 3.11 Some Housing Associations contract with the Council's Care Ring service to provide an alarm call monitoring service on their behalf and the charges for this service have not previously been included in FN31. Billing for this service initially took place using the charges in place when the Care Ring service was the responsibility of the Environments and Housing directorate which had some variation between Housing Associations. The current charges are all substantially below the full economic charge and below the charge to the Council's Care Ring customers. Most Housing Associations are currently paying £1.20 per unit per week.
- 3.12 In August 2014 the Housing Associations received letters indicating the Council's intention to move to a full economic charge. A charge of £2.60 per week is proposed from April 2015, which is the same as the Council's proposed charge to its own Care Ring customers from July 2015. This includes a small element of subsidy, but the unit costs will be updated once the revised structure for the Telecare Service has been fully implemented, with the full economic charge being applied to Housing Associations from April 2016.

- 3.13 It is proposed that the maximum weekly charge for non-residential services remains unchanged at £215 per week, representing 50% of the cost of residential care. A customer consultation process will begin in February 2015 to consider a proposal to remove the maximum weekly charge. The timescales for the consultation and subsequent decision making mean that no changes will be made before 1st July 2015.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Customer consultation regarding the proposals set out in this report is not required as this is an operational rather than a policy matter which applies annual inflationary increases in accordance with the Adult Social Care Charging and Contributions Policy Framework.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening document has been completed and is attached at Appendix 2. This has determined that it is not necessary to carry out a full assessment.

- 4.2.2 Within the Adult Social Care Charging and Contributions Policy Framework the Director of Adult Social Services has the discretion to waive charges or service user contributions in individual circumstances if considered appropriate.

4.3 Council policies and City Priorities

- 4.3.1 The proposals in this report are in accordance with the Department of Health's Care and Support Statutory Guidance (October 2014) and the Adult Social Care Charging and Contribution Policy Framework.

4.4 Resources and value for money

- 4.4.1 Provision has been made within the 2015/16 budget for the charges, contributions, rates and allowances proposed in this report.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no legal or access to information implications in this report and the decision is not subject to call in.

4.6 Risk Management

- 4.6.1 The proposals in this report are in accordance with the 2015/16 Budget and the associated risk management arrangements.

5 Conclusions

- 5.1 The annual updating of FN31 makes small changes to most charges, contributions, rates and allowances.

6 Recommendations

- 6.1 That the proposed standard charges, contributions, rates and allowances for 2015/16 for the Adult Social Care Directorate are approved.
- 6.2 That charges continue to be made for residential care services from 1st April 2015 when the statutory basis for these charges becomes a power rather than a duty.
- 6.3 To note that the standard charges, contributions, rates and allowances for 2015/16 are implemented by 13th April 2015 by the Head of Finance, Adult Social Care.

7 Background documents¹

- 7.1 Leeds City Council Fees and Charges Policy
- 7.2 Adult Social Care Charging and Contribution Policy Framework

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.