

FN31 – Standard Charges, Contributions, Rates and Allowances 2024/25

Date: 21st February 2024

Report of: Chief Officer Resources and Strategy

Report to: Director of Adults and Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

The directorate raises charges for services and makes certain allowances against costs. Many of these are means tested so do not necessarily equate to increased charges to individuals.

This report seeks approval for the adult social care standard charges, contributions, rates, and allowances for 2024/25 included within what is collectively called **Financial Staff Instruction FN31**.

The proposal for most charges is an increase of 8.5% in accordance with the uplift to basic and new state pension of 8.5% from April 2024.

Recommendations:

The director of Adults and Health is recommended to:

- a) Approve the proposed standard charges, contributions, rates, and allowances for 2024/25 for the Adults and Health Directorate.
- b) And to note that the standard charges, contributions, rates, and allowances for 2024/25 are implemented from Monday 1st April 2024 by the Head of Adult Operational Services.

What is this report about?

- 1 The table attached at Appendix 1 lists the various charges and allowances comprising FN31. It gives reasons for any major variations to the 2023/24 rates and details any changes to the way in which charges have been calculated year on year. Financial Staff Instruction FN31 is attached at Appendix 2.
- 2 It is proposed that rates and allowances will increase by 8.5%, in line with the basic and new State Pension which will increase by 8.5% from April 2024.
- 3 The standard charges, rates and allowances are normally applicable from the first Monday in the financial year, which for 2024/25 is 1st April 2024. Where they are based on central government benefits rates, the benefits increase date is applied, which for 2024/25 is 8th April 2024.
- 4 Adult Operational Services staff have worked closely with the services to ensure relevance to services provided and several descriptions have been refreshed, such as Help to Pay booklets for customers, both online and in hard copy, including price increase notifications.
- 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 5p.
- 6 The Government announced the National Living Wage and National Minimum Wage which would apply from 1st April 2024 as below, which represents a 9.8-14.8 %increase for those who are of working age.

	NMW Rate	Increase in pence	Percentage increase
National Living Wage (21 and over)	£ 11.44	£ 1.02	9.8%
18-20 Year Old Rate	£ 8.60	£ 1.11	14.8%

[Minimum wage rates for 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

The Leeds Living Wage for 2024, is £12, which will apply from April 2024.

[Living Wage Foundation Responds to Announcement of the Government's National Living Wage Rise in April 2024 | Living Wage Foundation](#)

- 7 Personal Assistant and Agency rates are to be lifted to £14.48 for 2024/25 - which includes Employers National Insurance, and pension contribution (where people opt out of a pension scheme, the rate is £14.11).
- 8 It is proposed that homecare charges are altered from the current rate to charge customers the actual amount charged by providers. This of course will only be passed on in its entirety where the individual is a full cost payer, for all others, the amount charged will be based on the overall cost to LCC, capped by their financial assessment, and the amount they are assessed as being able to pay for their care and support – the local authority will pay the remainder.
- 9 Day opportunities are recommended to increase by 8.5%. This may alter in year since there is a cost of care exercise ongoing.
- 10 It is also recommended that transport charges for those accessing day opportunities have an increase of 8.5% applied. A review of costs and transport services provided is underway, this is

based upon increasing costs that appear out of line with the charges to individuals receiving transport.

- 11 The local authority circular (LAC) has announced that the personal expense allowance this year will be £30.15.
- 12 Charges for Deferred Payment Agreement Administration Charges and Fees have been increased by 8.5%. The guidance from the Care Act, Care and Support Statutory Guidance, Chapter 9, states that the charges should be based on:
 - Staff costs to administer the loan agreement
 - Postage, printing, photocopying
 - Land registry fees
 - Legal fees
 - Valuation fees
 - Land search fees
 - Costs incurred at the end of the agreement, e.g. providing a statement of account twice per year
- 13 The respite rate calculation has changed. The calculation used in previous years was linked to income support. Income support (and other benefits), work on the presumption that everyone needs a certain minimum level of income to live well. Income support has been superseded by Universal Credit. The calculation to determine an amount that everyone can afford to pay has always been based on benefit amounts.
- 14 This is the first year that income support isn't being claimed. It is also acknowledged that Universal Credit is more generous. In turn, this means that the calculation for respite when calculating minimum amounts have increased. For example, in 2023/24, respite for a person aged 25 and under was £96.40. This year, the calculation is £137.80. This is representative of the increase in benefits provided to individuals and is deemed affordable.
- 15 This does represent an increase in the amount charged for respite, because income support no longer exists for new claims, and the legislation pertaining to this is soon to be repealed.
- 16 The above does not affect individuals of pension age and over. The calculation applied in these instances is the DWP pension amount, less personal expense allowance.
- 17 The same methodology for respite is also applied to Short Breaks.
- 18 The Leeds Living Wage has also been applied where applicable e.g. Day Support per hour.
- 19 During the next 12 months, and forming a part of the directorates budget plans for 2024/25 it has been agreed that the following areas will be reviewed, with consultation likely for one or more elements:
 - Day services
 - Passing on costs for kennelling and catteries beyond "emergency stays"
 - Transport to day opportunities
 - Introducing administration fees for full cost payers

What impact will this proposal have?

- 20 The proposal will impact upon and deliver the income and allowances budgets set for 2024/25.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 21 As a charging and allowances paper this does not impact upon the three pillars of the Best City Ambition.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

22 Customer consultation regarding the proposals set out in this report is not specifically required as the decision to uplift fees by 8.5% is in line with the budget strategy that has already been the subject of consultation. This is therefore an operational rather than a policy matter, which applies annual inflationary increases in accordance with the Adult Social Care Charging and Contributions Policy Framework.

What are the resource implications?

23 Provision has been made within the 2024/25 budget for the charges, contributions, rates and allowances proposed in this report.

What are the key risks and how are they being managed?

24 The key risk is that charges become too expensive for client's; this may lead to hardship and a reduction in services received which may contradict their support plan; in mitigation most charges are means tested against nationally set criteria, to ensure no-one is asked to pay more than they can afford. Where those charges are not means tested, they are unlikely to form part of a care plan, but there are processes in place to ensure that a reduction in services is fully understood and in final mitigation, the Director of Adults and Health has the authority to waive charges.

25 A secondary risk is that the allowances awarded are insufficient to maintain a service; in mitigation should this occur the Social Work function can amend allowances accordingly.

What are the legal implications?

26 This is an Administrative Decision and is not subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

Options, timescales and measuring success

What other options were considered?

27 In light of the need to recover costs against a means tested background only an uplift in line with the Government announcement on the Triple Lock was considered. Setting fees above this would run the risk of over recovering against cost; which the Care Act does not permit; setting fee uplifts below this would mean that the costs of services would be subsidised by the directorate; which is something the directorate has determined to move away from.

How will success be measured?

28 Success will be measured through the delivery of income targets. Though acknowledging that the charges are subject to both means testing and there is uncertainty of the delivery mix, it is anticipated that the targets set for 2024/25 will be delivered.

What is the timetable and who will be responsible for implementation?

29 The standard charges, contributions, rates, and allowances for 2023/24 are to be implemented from 1st April 2024 by the Head of Adult Operational Services.

Appendices

- Appendix 1: Fees and Charges Summary
- Appendix 2: Fees and Charges Detail
- Appendix 3: Equality, Diversity, Cohesion and Integration Screening document

Background papers

- none