

3 November 2022		ITEM: 12
Health and Wellbeing Overview and Scrutiny Committee		
Adults, Housing and Health - Fees and Charges Pricing Strategy 2023/24		
Wards and communities affected: All	Key Decision: Key	
Accountable Assistant Directors: Les Billingham – Assistant Director Adult Social Care and Community Development		
Accountable Directors: Ian Wake - Corporate Director Adults, Housing and Health		
This report is public		

Executive Summary

This report specifically sets out the fees and charges in relation to services within the remit of this Overview and Scrutiny Committee.

Charges will take effect from the 1st of April 2023, unless otherwise stated. In preparing the proposed fees and charges, Directorates have worked within the charging framework and commercial principles set out in Section Three of this report. We have also taken into account the effect that the increase in interest rates and the cost-of-living crisis has had on the Local Economy and our services and the continued implications from Covid-19.

Further Director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to changes in government legislation, all other changes in year will be brought back to Cabinet via the Service Director for transparency.

The full list of proposed charges is detailed in Appendix 1, and the proposed deletion of current fees and charges are detailed in Appendix 2 to this report.

1. Recommendation(s)

- 1.1 That Health and Wellbeing Overview and Scrutiny Committee note and agree that a consultation should be completed for the proposals to revise fees and charges for Adult Social Care and Libraries.**

1.2 That Health and Wellbeing Overview and Scrutiny Committee note that Director delegated authority will be sought from Cabinet to allow Fees and Charges to be varied within a financial year in response to legal or regulatory requirements.

2. Background

2.1 The report describes the fees and charges approach for the services within the remit of Health and Wellbeing Overview and Scrutiny Committee for 2023/24 and will set a platform for certain pricing principles moving forward into future financial years.

2.2 This fees and charges paper provides narrative for:

- Residential and nursing care
- Day Care
- Supported accommodation
- Libraries

3. Thurrock Charging Policy

3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that ensures that all discretionary services will fully cost recover wherever possible.

3.2 For future years, while reviewing charges, Services will also consider the level of demand for the service, the market dynamics and how the charging policy helps to meet other service objectives.

3.3 Rather than a blanket increase across all service lines, when considering the pricing for 2023/24 some key questions are considered.

- Where a tiered/premium pricing structure can be applied
- How sensitive are customers to price (are there areas where a price freeze is relevant)
- Consideration with regards to Covid-19 and the impact on fees and charges locally and nationally
- What new charges might we want to introduce.
- How Thurrock charges compare with neighbouring boroughs
- Can charges be set to recover full costs.
- How sensitive is demand to price
- Statutory services may have discretionary elements that we can influence
- Do we take deposits, charge cancellation fees, and charge an admin fee for duplicate services (e.g. lost certificates)?

3.4 Due to the nature of the services and service users, there is very limited scope for the creation of tiered service charges, as these services are provided under our statutory duties and responsibilities. Further, each service users' needs, and financial situation is assessed on an individual case basis and most charges are means tested within Adult Social Care.

- 3.5 The process to ensure that charges are fair and equitable within Adult Social care is as follows. When an individual is assessed under the Care Act 2014 and as a result of that assessment Adult Social Care provides care, a financial assessment takes place carried out by one of our Finance Assessment Officers. The assessment is to ascertain if the person will be required to make a financial contribution to the cost of their care and at what level that contribution will be.

The financial assessment is usually undertaken through a visit to the person at home an assessment form is completed detailing the person's financial circumstances, level of income and savings together with any other assets. The Finance Assessment Officer will also detail any Disability Related Expenditure (DRE) this is anything that is required as a result of the person's condition or care needs that helps or supports them within their daily life. The DRE is deducted from outgoings before the calculation regarding any contribution is undertaken. All our Finance Assessment Officers have national benefit training once a year to ensure they are up to date with benefit changes.

- 3.6 The key following points should be noted for 2023/24 fees and charges:

- **Blue Badge Application Fee** – This is a national maximum fee detailed in the Blue Badge Guidance. It is a legal requirement to charge no more than £10 per badge.
- **The internal service charges** - will be included within the consultation where they are not set through national guidance or contractual obligation.
- **The fees and charges for Libraries** - have been robustly reviewed and either remain the same or have slight increases, these are shown at Appendix 1. The area that will generate additional income is the provision of stationery. Residents have requested, whilst using libraries, that stationery is available when needed. This addition is a direct response to that request and will support both the community and the Library Service.

Please note that charges for placements are included for completeness in relation to service activities, but do not form part of the fees and charges budgetary line income as they are client contributions.

4. Proposals and Issues

- 4.1 The fees and charges for each service area within Health and Wellbeing have been reviewed and the main considerations are set out below:

- Statutory Duties under the Care Act (2014)
- Department of Health and Social Care (DHSC) guidance for residential care fees
- The need to ensure vulnerable adults access services in a timely manner

- The Adult Social Care market remains fragile after the COVID-19 Global Pandemic which has accentuated this fragility
 - The 3-year gradual increase in Charging for Domiciliary Care has been agreed and is currently being implemented to bring us to full cost
 - The increase in interest rates and the cost-of-living crisis has had an effect on our Local Economy and our services.
- 4.2 To allow the Council services to better respond to changes in the commercial environment for fees and charges, the Director of the Service Area jointly with the agreement of Cabinet may vary service charges within the financial year due to commercial considerations.
- This will allow service areas providing services on a traded basis, to vary their fees and charges to reflect commercial and operational considerations that impact the cost recoverability calculations.
 - Any changes to Fees and Charges due to commercial considerations will require consultation with, and agreement of, the relevant Portfolio Holder.
- 4.3 It should be noted that Adult Social Care currently externalises about 80% of its business activities into the independent sector using private, community and voluntary organisations.
- 4.4 In all areas of activity, be it residential care, nursing care, domiciliary care or supported accommodation, there is national acknowledgment of the financial pressure within the market.
- 4.5 Fees and Charges are either set as declared rates within local frameworks, individually negotiated or directed nationally.
- 4.6 In some cases, national guidance directs the level of charges, and individual contributions are set depending upon prescribed financial assessments, therefore full cost recovery is not always possible.
- 4.7 80% of services are commissioned within a commercial framework outside of the council, however there are a small number of fees and charges for services provided internally.

5. Reasons for Recommendation

- 5.1 The setting of appropriate fees and charges will enable the Council to generate essential income for the funding of Council services. The approval of reviewed fees and charges will also ensure that the Council is competitive with other service providers and neighbouring councils. The ability to vary charges within financial year will enable services to more flexibly adapt to changing economic conditions.

5.2 The granting of delegated authority will only apply to legal or regulatory changes. If there is a need to alter fees during the financial year to enable the Council to better respond to commercial challenges, additional reports may be brought to Cabinet for approval.

6. Consultation (including Overview and Scrutiny, if applicable)

6.1 Consultations will be progressed where there is specific need and the results of any consultation shared with HOSC and Cabinet. However, with regard all other items, the proposals in this report do not affect any specific parts of the borough. Fees and charges are known to customers before they make use of the services they are buying.

7. Impact on corporate policies, priorities, performance, and community impact

7.1 The changes in these fees and charges may impact the community; however, it must be taken into consideration that these price rises include inflation, and no profit will be made on the running of these discretionary services.

8. Implications

8.1 Financial

Implications verified by: **Jo Freeman**
Finance Manager

The effect of any changes to fees and charges on individual income targets will be determined as part of the 2023-24 budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs. Covid-19 has significantly impacted the Authority's ability to achieve current income targets, and this will be taken into consideration when setting future targets.

The Council wide draft budget report will include the 2023-24 income targets across all directorates.

8.2 Legal

Implications verified by: **Sarah Dawkins**
**Barrister (Consultant) on behalf of the
Assistant Director of Law and Governance &
Monitoring Officer**

I confirm on behalf of the ADLGMO that this paper and the appendix attached has been read in full.

Fees and charges generally fall into three categories – Statutory, Regulatory and Discretionary. Statutory charges are set in statute and cannot be altered by law since the charges have been determined by Central government and all authorities will be applying the same charge.

Regulatory charges relate to services where, if the Council provides the service, it is obliged to set a fee which the Council can determine itself in accordance with a regulatory framework. Charges must be reasonable and must be applied across the borough.

Discretionary charges relate to services which the Council can provide if they choose to do so. This is a local policy decision. The Local Government Act 2003 gives the Council power to charge for discretionary services, with some limited exceptions. This may include charges for new and innovative services utilising the Council's general power of competence under section 1 of the Localism Act 2011.

The income from charges, taking one financial year with another, must not exceed the cost of provision. A clear and justifiable framework of principles should be followed in terms of deciding when to charge and how much, and the process for reviewing charges.

A service may wish to consider whether they may utilise this power to provide a service that may benefit residents, businesses, and other service users, meet the Council priorities, and generate income.

Decisions on setting charges and fees are subject to the Council's decision-making structures. Most charging decisions are the responsibility of Cabinet, where there are key decisions. Some fees are set by full Council. Accordingly, I confirm that there appears to be no external adverse legal implications arising for the Council from the proposed recommendations set out under Part 1 of this report.

8.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**

**Community Engagement & Project Monitoring
Officer**

The Council is responsible for promoting equality of opportunity in the provision of services and employment as set out in the Equality Act 2010 and Public Sector Equality Duty. Decisions on setting charges and fees are subject to Community Equality Impact Assessment process and the Council's wider decision-making structures to determine impact on protected groups and related concessions that may be available.

8.4 **Other implications (where significant)** – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder or Impact on Looked After Children

None applicable

9. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright)

None

10. **Appendices to the report**

Appendix 1 – Schedule of Proposed Fees and Charges for 2023/24
Appendix 2 – Removed fees and charges 2023/24

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