

23 January 2020		ITEM: 7
Health and Wellbeing Overview and Scrutiny Committee		
Adult Social Care - Fees & Charges Pricing Strategy 2020/21		
Wards and communities affected: All	Key Decision: Key	
Accountable Assistant Directors: Les Billingham – Assistant Director of Adult Social Care and Community Development		
Accountable Directors: Roger Harris - Corporate Director Adults, Housing and Health		
This report is Public		

Executive Summary

This report specifically sets out the charges in relation to services within the remit of Health and Wellbeing Overview and Scrutiny Committee. Any new charges will take effect from the 1 April 2020 subject to Cabinet approval 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 the report.

Further director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within financial year in response to commercial requirements or legal requirements.

The full list of proposed charges is detailed in Appendix 1.

1. Recommendation(s)

- 1.1 That Health and Wellbeing Overview and Scrutiny Committee note the revised fees and that Health and Wellbeing Overview and Scrutiny Committee comment on the proposals currently being considered within the remit of this committee.**
- 1.2 That Health and Wellbeing Overview and Scrutiny Committee note that Director delegated authority will be sought via Cabinet to allow Fees & Charges to be varied within a financial year in response to commercial and legal requirements.**

2. Background

- 2.1 The paper describes the fees and charges approach for the services within the Health and Wellbeing Overview and Scrutiny Committee remit for 2020/21 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 the Adult Social Care areas:
 - Residential and nursing care
 - Domiciliary care and Day Care
 - Supported accommodation

3. Thurrock Charging Policy

- 3.1 The strategic ambition for Thurrock is to adopt a policy on fees and charges that is aligned to the wider commercial strategy and ensures that all discretionary services will cost recover wherever possible.
- 3.2 Furthermore, 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 strategy for 2020/21 some key questions are considered.
 - Where can we apply a tiered/premium pricing structure
 - How sensitive are customers to price (are there areas where a price freeze is relevant)
 - What new charges might we want to introduce.
 - How do our charges compare with neighboring boroughs
 - How can we influence channel shift
 - Can we set charges to recover costs
 - How sensitive is demand to price
 - Statutory services may have discretionary elements that we can influence
- 3.4 Due to the nature of the services and clients, there is very limited scope for the creation of tiered service charges, as these services are provided under our statutory responsibilities. Further, each client's needs and financial situation is assessed on an individual case basis and most charges are means tested.
- 3.5 The following key changes are under consideration for 2020/21 fees and charges:
 - Attendance Charge for Day Care – This is currently set at £10 per session (a session being a half day) and it is proposed to remain unchanged.
 - Domiciliary Care hourly rate – the charge is £13 per hour and is currently not shown as increasing for 2020/21. However, the rates

we pay our providers currently stands at £16.25 per hour whereas the amount we charge service users remains at £13ph and has not increased for five years. If we increased the charge to £ 16.25 this would generate approximately an additional £250k for Adult Social Care services.

- With regard Placement charges, the declared rates have been adjusted to reflect inflationary increases, this in line with the agreed nationally set process.
- All other charges have remained unchanged.

4 Proposals and Issues

4.1 The fees and charges for each service area have been considered and the main considerations are set out below.

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

4.2 To allow the Council services to better respond to changes in the commercial environment for fees and charges; delegated authority will be sought through Cabinet to permit the Director of the Service Area jointly with the Director of Finance to vary service charges within 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 the consultation with, and agreement of, the relevant Portfolio Holder.

4.3 It should be noted that Adult Social Care currently externalises over 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, or individually negotiated.

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 As 80% of services are commissioned within a commercial framework outside of the council, there is a small number of fees and charges for

services provided internally.

4.8 For 2020/21 our current fees and charges are as follows:

- **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.
- **Day Care Charge** (per session) – for residents aged over 65, it is proposed the charge remain at £ 10 per session.
- **Concierge charges - Extra Care** - this charge is linked to the Elizabeth Gardens “core charge” which was agreed for the term of the current contract.
- **Domiciliary Care** – as of April 2018 this service was commissioned at a higher hourly rate to the Council, which is currently not fully reflected in the £13 per hour charge to service users. A consultation exercise would need to be undertaken to review the current charge, in order to bring it into alignment with the actual operational cost model. If the event that a full commercial cost recovery model was adopted this would result in a direct increase to the hourly charged rate, and corresponding income.
- **Direct Payments – Agency Rate** - Direct Payments enable individuals to arrange and purchase care themselves. These charges mirror the charges for in-house domiciliary care and externally commissioned care to provide consistent charging, and would be subject to the same consultation exercise if undertaken.
- **Meals on Wheels** –This service was brought in-house as of 01/04/19. The charge of £4 per meal will remain for 2020/21
- **Pendant Alarms Private Housing** – A Council decision through Cabinet 2018 was made that all assistive technology including the Call Centre response, is provided free of charge due to its preventative care benefits. As such, charges for Pendant Alarms for private housing residents will remain unchanged for 2020/21.
- **Residential Homes for Older people** - This is the declared rate for our in house residential care home for older people (Collins House); service users are financially assessed to ascertain the amount they pay per week up to £600.
- **Respite Adult Disability** - The current charge of £20 per session will remain unchanged for 2020/21. Although there is the option to increase charges to be more in line with a full cost recovery model, this would risk the much needed support for informal carers and is a Care Act 2014 priority. The impact of losing support from informal carers is high risk financially, as such, a balance has to be struck between cost recovery and de-stabilising the informal care model. Further, by applying the CRAG (charging for residential guidance) this would inhibit increasing the charge for 2020/21, as it would unduly impact the most financially vulnerable.
- **Elizabeth Gardens - Support per household** - £40 per week is the agreed rate under the current contract.
- **Transport per journey** – the current charge of £2 per journey will remain unchanged for 2020/21; this is due to the fact that this is only used by residents attending the Day Care services.
- **Deferred Payments (DPA)** – this is an administrative function charge of

£144 per year charged to service users who are living in residential care, who own their own property, but who chose to pay for their residential place charges from their estate once deceased.

- **Placement**

- **Collins House – Interim beds** are provided to service users discharged from medical care, but who require a period of additional supported accommodation before being able to return to their own residency.
- **Collins House – Re-enablement Beds** – are provided to service users to regain life skills to enable their return to their own residency.

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.

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 neighboring 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 to vary these charges within financial year will allow the Council to better respond to commercial challenges.

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

- 6.1 Consultations will be progressed where there is specific need. 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 2020-21 budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs. Future reports will set out the 2020-21 targets across all directorates.

8.2 Legal

Implications verified by: **Tim Hallam**

Acting Head of Law, Assistant Director of Law & Governance

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 have to 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.

8.3 Diversity and Equality

Implications verified by: **Becky Price**

Community Development 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, Sustainability, Crime and Disorder)

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 2020/21

Appendix 2 - Schedule of Removed Fees and Charges for 2020/21

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