

Forward Plan reference number: not applicable

Report title: Annual Adult Social Care Fees and Charges Uplift for 2022/23	
Report to: Nick Presmeg, Executive Director for Adults Social Care	
Report author: Steven Warren, Finance Business Partner	
Date: 22 February 2022	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 Essex County Council (ECC) provides home care and day care services for many people who require support across the county. The fee rates applicable for the purpose of calculating charges for these Adult Social Care services are reviewed annually. The Council's budget for the current financial year, which covers the uplift in fees and charges for non-residential care as set out in this report, has been approved, FP/015/03/21.
- 1.2 This report seeks approval to implement the uplift to the fee rates for non-residential care for the financial year 2022/23. There is no change in policy and there is no change to adult social care charges.

2. Recommendations

- 2.1 Approve the increase to the fee rates in line with providers' rates for Home Care, Night Waking and 24-Hour care as set out in Appendix 1 to take effect from 11th April 2022.
- 2.2 Approve the increase to the fee rate in line with the benefit uplift for day care as set out in Appendix 1 to take effect from 11th April 2022.
- 2.3 Agree to retain the existing fee rate for Night Sleeping.
- 2.4 Approve the increase to the maximum cap to be applied to non-residential care as set out in Appendix 1 to take effect from 11th April 2022.
- 2.5 Approve an 8.2% increase in the fee rate charged to other local authorities that place service users within the Council's Learning Disabilities residential homes to take effect from 11th April 2022.

3. Summary of Issue

- 3.1 Each year it is necessary to make a decision about the level of rates applicable under various categories of provision of Adult Social Care services. Appendix 1 to this report sets out the approach taken in reviewing rates and arriving at the recommended rates to be applied in 2022/23 which are in line with the

Medium-Term Resource Strategy (MTRS) assumptions and the anticipated cost of provision to ECC.

Fee rates for Non-Residential Care Services

- 3.2 The Council has a duty to provide social care services to those individuals who have eligible needs regardless of their financial ability to pay care charges for these services.
- 3.3 The Council is permitted to charge individuals for care services, subject to a financial assessment of how much an individual can afford to pay, under s14 and s17 of the Care Act 2014.
- 3.4 The Council's practice is to set a county wide rate per hour of Home Care and a rate per session of Day Care to form the basis of the charge made to the service user. The charging rates are based on the average cost of service across the County. The Council cannot charge adults more than it costs the Council to deliver these services overall.
- 3.5 It is proposed that hourly rates for Home Care services in 2022/23 (including Night Waking and 24-Hour Care) are uplifted to reflect actual and inflationary changes to the cost of care paid by the Council, in line with the assumptions within the MTRS for 2022/23. This represents an increase of 88p (4.6%) on the Home Care hourly rate, £1.00 (5.8%) to the Night Waking hourly rate and 44p (3.6%) for 24-Hour Care rate.
- 3.6 It is proposed that the rate for Night Sleeping remains the same as 2021/22 to keep in line with the 2022/23 provider rates.
- 3.7 It is proposed that the rate for Day Care services is uplifted by 3.1% in line with the uplift to benefits, which is different to the approach taken to other care services but it is recommended as the actual cost of care is substantially above what is currently charged.
- 3.8 It is proposed that the maximum weekly cap for non-residential care services is increased from £1,757 per week to £1,813 per week (an increase of 3.1%) in line with the benefits increase.
- 3.9 The proposed recommended rates are shown in Appendix 1 to this report.

Residential Accommodation Charges

- 3.10 In relation to the cost of residential care services, it is not practical to publish a complete set of rates as each residential placement will be priced on an individual basis and the charge to the service user will vary depending on their financial circumstances.

Residential Charges to Other Local Authorities

- 3.11 In some instances other local authorities may use the Council's services for Learning Disabilities residential homes. Where arrangements occur, the Council can recoup the costs from the other authorities. The rate for these charges to other local authorities is therefore proposed to be increased by 8.2% to reflect the average anticipated increased cost of provision to the Council arising from staff pay, national insurance, pension costs and utility costs.

4. Options

Option 1 – Set Non-residential Charges Based on 2021/22 Average Provider Rates

- 4.1 This option would be expected to result in additional income of £418,000 for the Council. This would mean increasing fees for Day Care Services by over 500% reflecting the current level of subsidy the Council provides between the cost of service provision and recovery of costs through the current level of charges. This level of charge increase, in one go, is not considered reasonable for the service user.

For home care services further increases in the National Living Wage mean that it is highly unlikely that rates will remain static at current prices meaning that charges will be less than the cost of provision.

This option is not recommended. Increasing fees by this level would significantly disadvantage service users of day care services and mean we are not recovering fair cost of home care services.

Option 2 - Set Non-Residential Charges Based on 2021/22 Average Provider Rates and Anticipated 2022/23 increases to these rates except for Day Care (Recommended)

- 4.2 This option proposes to uplift the rate by the level that the Council has estimated that its costs will increase by and budgeted for in 2022/23. It is estimated this would result in £496,000 additional income.

This is recommended as this is the only option which takes account of both the current average rates paid to the market, and the inflationary assumptions that have been built into the MTRS and therefore complies with relevant legislation and guidance except for in the provision of Day Care where it is felt the increase is too large and there is need for a separate review.

For this reason, this is the recommended option.

Option 3 - Set Charges Based on 2021/22 Average Provider Rates and 3.1% in line with benefits inflationary increase

- 4.3 This option takes the expected 3.1% increase for working age benefits in 2022/23 as a point of reference and would be expected to result in additional income of £342,000.

Similar to option 1 above this would mean increasing the charges for day care services by nearly 500%.

This option is not recommended. Increasing fees this significantly will disadvantage those receiving day care services and would mean that the cost of home care is not recovered.

Option 4 – Leave Charges Unchanged

- 4.6 This option is not recommended as it would not reflect the actual cost to the Council of providing adult social care.

5. Issues for Consideration

5.1 Financial Implications

- 5.1.1 The MTRS for 2022/23 income budget for Non-Residential Service charges is £29.6m. The MTRS for 2022/23 does not include an inflationary increase in client income following the Comprehensive Spending Review announcement of the inflationary increase to the Minimum Income Guarantee (MIG) which is expected to largely offset the increase in benefits.
- 5.1.2 Whilst the rates set out in Appendix 1 are used to calculate the cost of care, a separate financial assessment is carried out for each service user and the service user will only contribute what the law says they can afford following that assessment. Therefore, some service users' charges may not increase at all following a financial reassessment for 2022/23, which would incorporate the uplifted rates.
- 5.1.3 There is a risk that the budgeted income will not be achieved, although this cannot be quantified, as the nature of the collection of the client contributions has many variables including individual financial assessments, levels of service provided and turnover of clients. Therefore the financial impact stated in this report is our best estimate at this time.
- 5.1.4 Any changes to an individual's financial circumstances will be considered as part of the normal review process. A new financial assessment will be carried out where appropriate, to ensure the charges levied remain fair and affordable in line with the Council's Client Charging policy.
- 5.1.5 Learning Disability Residential Care Charges to Other Local Authorities has been uplifted by 8.2%. This rate does not impact Service Users.

5.2 Legal Implications

5.2.1 The fee inflationary uplift described in this report does not amount to a change to care and support charges levied pursuant to s14 of the Care Act 2014.

5.2.2 The decision sought in this Chief Officer Action report complies with the governance requirement set out in the Council's Fees and Charges Policy.

6. Equality and Diversity Implications

6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. Whilst the Equality Impact Assessment identified that the services are generally only available to people with disabilities or people suffering from a medical condition and that a significant proportion of service users are older people, the extent of the impact is considered low since the charge is capped at the service user's assessed financial ability to pay.

7. List of Appendices:

7.1 Appendix 1 – Proposed Adult Social Care Fees and Charges for 2022/23

7.2 Appendix 2 – Equality Impact Assessment

8. List of Background papers

8.1 None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Nick Presmeg, Executive Director Adult Social Care	07.02.22

Annual Adult Social Care Fees and Charges Uplift for 2022/23

In consultation with:

Role	Date
Councillor John Spence, Cabinet Member for Health and Adults	22.02.22
Executive Director, Finance and Technology (Section 151 Officer)	22.02.22
Laura Davis-Hughes on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	22.02.22
Jeane Rosa Mellani on behalf of Paul Turner	

Appendix 1: Proposed Adult Social Care Fees and Charges for 2022/23

Item	Unit	2021/22 Rates	2022/23 Rates	% Change
Non-residential social care				
Home Care (normal hours)	Per hour	£19.12	£20.00	4.6%
Night Waking	Per hour	£17.20	£18.20	5.8%
Night Sleeping	Per hour	£12.84	£12.84	0.0%
24-hour care	Per hour	£12.32	£12.76	3.6%
Day Care	Per attendance	£11.44	£11.80	3.1%
Day Care with transport	Per attendance	£13.04	£13.44	3.1%
Maximum cap	Per Week	£1,757	£1,813	3.2%
Residential Accommodation Minimum Charges - indicative only, each person will be individually assessed				
Older People (65+)	Weekly Charge	£112.70	£tbc	
Working Age Adults (25-64)	Weekly Charge	£84.90	£tbc	
People under 25	Weekly Charge	£69.40	£tbc	
Charges to Other Local Authorities				
LD Residential Care	Per Week	£2,170	£2,345	8.2%