

Forward Plan reference number: not applicable

Report title: Annual Adult Social Care Fees and Charges Uplift for 2024/25	
Report to: Nick Presmeg, Executive Director for Adults Social Care	
Report author: Steven Warren, Finance Business Partner	
Date: 22 February 2024	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out our strategy for a strong, inclusive, and sustainable economy, for a high-quality environment, for health, wellbeing, and independence for all and for making Essex a good place for children and families to grow.
- 1.2 Essex County Council (ECC) provides home care and day care services for many people who require support across the County as well as accommodation-based services which are not part of this decision. The fee rates applicable for the purpose of calculating charges for these Adult Social Care services are reviewed annually.
- 1.3 This report seeks approval to implement the uplift to the fee rates for non-residential care for the financial year 2024/25. There is no change in policy.

2. Recommendations

- 2.1 Approve the increase to the fee rates in line with providers' rates for Home Care and Night Waking as set out in Appendix 1, to take effect from 8 April 2024.
- 2.2 Approve the increase to the fee rate in line with the inflation for day care as set out in Appendix 1, to take effect from 8 April 2024.
- 2.3 Agree to retain the existing fee rate for Night Sleeping and 24-Hour Care.
- 2.4 Approve the increase to the Shared Lives rates in line with the uplift to the hosts as set out in Appendix 1, to take effect from 8 April 2024.
- 2.5 Approve the increase to the maximum cap to be applied to non-residential care in line with the increase to the working aged adults benefit rates as set out in Appendix 1, to take effect from 8 April 2024.
- 2.6 Approve an increase in the fee rate charged to other local authorities that place service users within the Council's Learning Disabilities residential homes in line with the cost of delivery of those services, as set out in Appendix 1, to take effect from 8 April 2024.

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 to arrive at the recommended rates to be applied in 2024/25, which are in line with the Medium-Term Resource Strategy (MTRS) inflation assumptions and the increasing cost of provision to ECC.
- 3.2 With the uncertainty around Care Charging Reforms, the Council's fees and charges policy, along with the impact on fee levels, will need to be reviewed and updated as necessary if implementation of reform is confirmed.

Fee rates for Non-Residential Care Services

- 3.3 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.
- 3.4 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.
- 3.5 The Council's practice is to set a County-wide rate for each of its non-residential services 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. Overall the Council cannot charge adults more than it costs the Council to deliver these services.
- 3.6 It should be noted that, as a result of taking this approach, the fees and charges for 2024/25 could appear to be greater than the inflationary increase built into the 2024/25 MTRS, as the fees catch up with actual rates paid in the Market in some instances.
- 3.7 It is proposed that hourly rates for Home Care services in 2024/25 (including Night Waking) 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 2024/25. This represents an increase of £2.40 (8%) to the Home Care hourly rate and £2.48 (12.9%) to the Night Waking hourly rate.
- 3.8 It is proposed that the rate for Night Sleeping and 24-Hour Care remains the same as 2023/24 to keep in line with the 2024/25 provider rates.
- 3.9 It is proposed that the rate for Day Care services is uplifted in line with the inflationary uplift to providers, acknowledging that this fee is still under the full cost of day care services. A full review of day opportunities is taking place in 2024/25 and this will incorporate a plan to make the fees more reflective of the costs.

- 3.10 It is proposed that each rate for Shared Lives is increased in line with the uplift to the hosts to keep in line with the 2024/25 host rates.
- 3.11 It is proposed that the maximum weekly cap for non-residential care services is increased from £1,995 per week to £2,128 per week (an increase of 6.7%) in line with the DWP benefits increase.
- 3.12 The proposed recommended rates for all care types are shown in Appendix 1 to this report.

Residential Accommodation Charges

- 3.13 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

- 3.14 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 14.7% to reflect the budgeted increased full cost of provision to the Council arising from staff pay, national insurance, pension costs and utility costs since these charges were set for 2023/24.

4. Links to our Strategic Ambitions

This report links to the following aims in the Essex Vision

- Enjoy life into old age
 - Strengthen communities through participation
 - Develop our County sustainably
 - Share prosperity with everyone
- 4.1 Approving the recommendations in this report will have no impact on the Council's ambition to be net carbon neutral by 2030.
- 4.2 This report links to the following strategic priorities in the Organisational Strategy 'Everyone's Essex':
- Health wellbeing and independence for all ages

5. Options

None of the options below include the increase of the fee for Day Care to ensure it matches the full cost of day care, as this would require a 500% increase in fee. It is not felt that this is a real option and including it would distort the merits or not of each option.

As per 3.9 above, a plan will be developed during 2024/25, to increase the charging of day care to be in line with the cost of it in a sustainable way over a longer period of time.

Option 1 – Set Non-residential Charges Based on 2023/24 Average Provider Rates

- 5.1 This option does not propose to uplift the rate by the level by which the Council has estimated that its costs will increase. It is estimated that this would result in additional income of £400,000 for the Council.

For home care services, further increases announced for the 2024/25 National Living Wage mean it is a certainty that rates will not remain at the 2023/24 average price, meaning this option would result in lower charges to service users than the actual cost of provision, which is not in line with the expectations of the Care Act and the requirement to recover costs incurred by the Council.

Therefore, this option is not recommended.

Option 2 - Set Non-Residential Charges Based on 2023/24 Average Provider Rates plus anticipated 2024/25 increases built into the MTRS to these rates (Recommended)

- 5.2 This option proposes to uplift the rate by the level the Council has estimated that its costs will increase by, and for which it has budgeted for in 2024/25. It is estimated that this would result in additional income of £1.5m for the Council.

This is recommended as the only option that takes account of both the current average rates paid to the market and the inflationary assumptions that have been built into the MTRS, in line with the expectations of the Care Act and the requirement to recover costs incurred by the Council.

For these reasons, this is the recommended option.

Option 3 - Set Charges Based on 2023/24 Average Provider Rates plus the benefits inflationary increase

- 5.3 This option takes the expected increases for both pensions and working age benefits in 2024/25 as a point of reference. It is estimated that this would result in additional income of £883,000 for the Council.

This option is not recommended. Increasing fees by this amount would be less than the anticipated actual costs for 2024/25 to the Council.

Option 4 – Leave Charges Unchanged

- 5.4 This option is not recommended as it would not reflect the actual cost to the Council of providing adult social care in 2024/25, would not generate any income and would not be in line with our fees and charges policy.

6. Issues for Consideration

6.1 Financial Implications

- 6.1.1 The 2024/25 MTRS income budget for Non-Residential Service charges is £36m. The 2024/25 MTRS does not include an inflationary increase in client income following the Autumn Statement announcement of the increase to Benefits with expected inflationary increase to the Minimum Income Guarantee (MIG) estimated to largely offset the increase in benefits.
- 6.1.2 If the current client profile remained unchanged throughout 2024/25 there is potential for an over recovery of income of £1.4m based on the recommended option set out in this decision. This would be achieved through those clients who have been financially assessed as being able to afford a contribution higher than their current cost of services. However, the profile will always change and so the Council does not know what the actual impact on income will be. Taking a prudent approach, this assumption was not built in to the MTRS, however there may be an increase in income during the year and further explanation is below in 6.1.4.
- 6.1.3 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 will not increase, as a result of this decision, following a financial reassessment for the 2024/25 financial year (which would incorporate the uplifted rates).
- 6.1.4 There is both a risk and opportunity that the income received during 2024/25 could be less or more than budgeted for. Although neither can 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 service users. Therefore, the financial impact stated in this report is our best estimate at this time and will change. The actual level of income from service users will be monitored throughout the year as part of the monthly budgetary control process.
- 6.1.5 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.
- 6.1.5 Learning Disability Residential Care Charges to Other Local Authorities have been uplifted by 14.7% to reflect the average anticipated increased cost of provision to the Council arising from staff pay, national insurance, pension costs and utility costs since these charges were set for 2023/24.

6.2 Legal Implications

- 6.2.1 The Council has previously exercised its discretion to decide to charge for meeting care and support needs under section 14 of the Care Act 2014. The Care Act states that the charge cannot exceed the cost to the local authority of making provision. There is a statutory means test for charges which the Council follows. The statutory means test is set out in the Care and Support (Charging and Assessment of Resources) Regulations 2014.
- 6.2.2 National guidance recommends consultation if the Council exercises its discretion and changes how it decides to charge or the level of charges. However, the proposed increase here is to reflect the increased cost of provision to the Council and therefore consultation has not been deemed necessary.
- 6.2.3 The decision sought in this Executive Director Decision complies with the governance requirement set out in the Council's Fees and Charges Policy.

7. Equality and Diversity Implications

- 7.1 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.
- 7.2 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).
- 7.3 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.

8. List of Appendices:

- 8.1 Appendix 1 – Proposed Adult Social Care Fees and Charges for 2024/25
- 8.2 Appendix 2 – Equality Impact Assessment

9. List of Background Papers

9.1 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	23.2.24

In consultation with:

Role	Date
Councillor John Spence, Cabinet Member for Health and Adults	12.2.24
Executive Director, Finance and Technology (Section 151 Officer)	14.2.24
Laura Davis-Hughes on behalf of Nicole Wood	

Appendix 1: Proposed Adult Social Care Fees and Charges for 2024/25					
Item	Unit	2023/24 Rates	2024/25 Rates	% Change	Basis
Non-residential social care					
Day Care	Per attendance	£12.76	£13.64	6.9%	23/24 rate plus forecast inflation for 24/25
Day Care with transport	Per attendance	£14.52	£15.52	6.9%	
Home Care (normal hours)	Per hour	£21.60	£23.92	9.7%	Average cost for 23/24 plus forecast inflation for 24/25
Night Waking	Per hour	£19.20	£21.72	11.6%	
Night Sleeping	Per hour	£12.84	£12.84	0.0%	No change
24-hour care	Per hour	£12.76	£12.76	0.0%	No change
Shared Lives – Low level of need	Per week	£301	£327.88	8.2%	Linked to increase for Childrens fosters carers payments
Shared Lives – Medium level of need	Per week	£420	£437.22	4.1%	
Shared Lives – High level of need	Per week	£462	£480.97	4.1%	
Maximum cap	Per Week	£1,995	£2,128	6.7%	Linked to the Adults with Disability benefits increase announced by Government.
Residential Accommodation Minimum Charges - indicative only, each person will be individually assessed					
Older People (65+)	Weekly Charge	£139.35	£tbc		
Working Age Adults (25-64)	Weekly Charge	£102.85	£tbc		
People under 25	Weekly Charge	£84.05	£tbc		
Charges to Other Local Authorities					
LD Residential Care	Per Week	£2,380	£2,730	14.7%	Budgeted full cost increase arising from staff pay, national insurance, pension costs and utility costs