

Summary Sheet

Council Meeting:

Cabinet and Commissioners' Decision Making Meeting - 13 February 2017

Title:

In- House Residential Care Charges 2017/18

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

AnneMarie Lubanski – Strategic Director of Adult Care and Housing

Report Author(s)

Mark Scarrott – Finance Manager – Adult Care and Housing

Ward(s) Affected

All

Summary

The Council has a statutory duty to set a maximum charge for residential care accommodation provided in Local Authority Homes. This charge can only be set up to the cost of providing the service.

This report recommends an increase to the charge to service users for the provision of in-house residential care for older people in 2017/18 in line with the increase in state pension and a reduction in charge for Learning Disabilities residential and respite care users based on the actual cost of providing the service.

Recommendations

1. That approval be given to an increase of 2.5% to the weekly maximum charge for In-House residential care for the Older People for 2017/18.
2. That approval be given to a reduction in charges for Learning Disabilities in-house residential and respite provision for 2017/18 as shown in Appendix A.

List of Appendices Included

Yes – Appendix A

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Title: In-House Residential Care Charges 2017/18

1. Recommendations

- 1.1 That approval be given to an increase of 2.5% to the weekly maximum charge for In-House residential care for the Older People for 2017/18.
- 1.2 That approval be given to a reduction in charges for Learning Disabilities in-house residential and respite provision for 2017/18 as shown in Appendix A.

2. Background

- 2.1 In accordance with its statutory duty, the Council is required to set a maximum charge for residential care accommodation it provides in Local Authority Homes for:
 - Those service users who have been financially assessed according to their ability to pay and as a result are required to pay the maximum charge i.e. have savings/assets of more than £23,250. Currently this affects 16 people.
 - Those service users who refuse to provide details of their financial circumstances.
 - Those service users who are placed and financially supported by another Local Authority. Currently this affects 1 person.
- 2.2 All other service users with savings of £23,250 or less will be financially assessed according to the income they receive which is generally made up of retirement pension and/or welfare benefits. This current upper capital threshold limit is a statutory level under the Care Act 2014 and below this level service users are financially assessed on a sliding scale. Where savings fall below the lower capital limit of £14,250, they will not be required to contribute towards the cost of providing their care and support. The average service user contribution is currently around £286 per week.
- 2.3 The Government announced as part of the Autumn Statement that state pensions were to increase by 2.5% from April 2017 in line with the highest figure of inflation, earnings growth or 2.5%.

3. Key Issues

- 3.1 The Directorate is required to review its fees and charges as part of the annual budget setting process, taking into account the current financial position and the relative cost of providing care.

4. Options considered and recommended proposal

4.1 Homes for Older People

4.1.1 Option 1 – no increase

The Council operates two residential care homes with a mix of residential and nursing care (67 beds) and intermediate care provision (53 Beds). The services are currently under review as part of the Adult Services development programme and the number of residential and nursing care beds has reduced to accommodate additional provision of intermediate care within both homes. Under the Care Act 2014 the Council cannot charge for intermediate care services as the funding for Intermediate Care provision forms part of the Better Care Fund. This option would maintain the maximum charge for all local authority residential care homes at £550 per week; no increase for the second successive year.

There are currently 17 service users who are required to pay the maximum charge.

4.1.2 Option 2 – increase by 2.5%

This option would increase the maximum charge in line with the increase in state pension by 2.5% from April 2017. The maximum chargeable would increase from £550 to £564 per week, which will contribute towards the increase in cost of running the residential care homes by generating approximately £12,400 additional income in a full year, based on the current number of service users who pay the maximum charge.

4.2 Homes for clients with a Learning Disability

4.2.1 The proposed revised charges for service users with Learning Disabilities as limited immediate impact as there are currently no service users who pay the maximum charge. Attached at Appendix A are details of the proposed revised charges. Parkhill Lodge is a 22 bed residential care unit. Quarryhill Road and Treefield Close are both 6 bedded units providing short term respite care. These charges reflect the actual unit costs of providing the services which have reduced due to service efficiencies and is therefore reflected in the revised charge for 2017/18.

5. Consultation

5.1 No consultation is required where charges remain the same, reduced or increased in line with annual benefits or state pension increases.

6. Timetable and Accountability for Implementing this Decision

6.1 The recommendations if agreed will be effective from April 2017.

7. Financial and Procurement Implications

- 7.1 The Council is required to review its fees and charges as part of the annual budget setting process. Under the Care Act 2014, the Council cannot charge more than the cost of providing the service. The current cost of in house residential care for Older People is £745 per week. The proposed increase in charge to £564 will mean a subsidy of £181 per week or £160k per annum, which is accounted for within the revenue budget. In previous years charges have been aligned with the increase in pensions/welfare benefits, which for older people will increase by 2.5% from April 2017. This increase has been considered as part of the Council's budget proposals.
- 7.2 All service users are subject to a financial assessment to determine the amount they will contribute to the cost of their service. The proposed increase for homes for Older People will fully affect 17 service users who pay the full charge and generate additional income of approximately £12,400 per year.
- 7.3 There are currently no service users who currently attend in-house Learning Disability residential and respite services who pay the full charge. The proposed charges reflect the actual cost of providing the service. In terms of short term respite care the average length of stay is currently between 3 and 4 days.

8. Legal Implications

- 8.1 Section 14 of the Care Act 2014 gives local authorities a general power to charge for certain types of care and support, at their discretion. However, if local authorities do exercise this power, they may not charge a person more than what it costs to provide or arrange the care and support. The recommendations in this report are consistent with that lawful exercise of that power.

9. Human Resources Implications

- 9.1 This report has no direct implications for human resources for Rotherham MBC.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 There are no implications for children and young people as a result of the recommendations made in this report.

11 Equalities and Human Rights Implications

- 11.1 The recommendations in this report if accepted contribute to supporting the viability of Rotherham's care homes that support vulnerable older people and the provision of high quality care.

12. Implications for Partners and Other Directorates

- 12.1 There are no implications for partners or other directorates.

13. Risks and Mitigation

- 13.1 In accordance with established practice, all the charges are based on estimated cost and budgeted occupancy levels, so that residents can be advised of the revised charges as near to the date they become effective. It should also be noted that the actual cost of providing the service can fluctuate dependent on the actual level of occupancy and the income received from service users paying full cost.

14. Accountable Officer(s)

Strategic Director of Adult Care and Housing: AnneMarie Lubanski.

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:-
Stuart Booth

Assistant Director of Legal Services:-
Neil Concannon

Head of Procurement (if appropriate):-
N/A

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