

**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS - EXEMPT**

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member for Adult Social Care and Health</b>
<b>2.</b>	<b>Date:</b>	<b>Monday 26<sup>th</sup> January 2015</b>
<b>3</b>	<b>Title:</b>	<b>Setting In House Residential Accommodation Charges 2015/16</b>
<b>4</b>	<b>Directorate:</b>	<b>Adult Services</b>

**5. Summary**

- 5.1 The Council has a statutory duty to set a maximum charge for residential accommodation provided in Local Authority Homes. This charge has to reflect the costs of providing residential care which includes expenditure such as running costs and management overheads.
- 5.2 This report details the proposals for increasing the charge to service users for the provision of in-house residential care for the 2015/16 financial year to take account of inflation.

**6. Recommendations**

- **That the charges set out Appendix 1 are agreed with effect from April 2015.**

## **7. Proposals and Details**

### **7.1 General**

7.1.1 In accordance with its statutory duty, the Council is required to set a maximum charge for residential accommodation it provides in Local Authority Homes for:

- Those service users who refuse to provide details of their financial circumstances.
- 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 17 people.
- Those service users who are placed and financially supported by another Local Authority. Currently this affects 1 person.

7.1.2 All other service users with savings of less than £23,250 will be financially assessed according to the income they receive which is generally made up of retirement pension and/or other welfare benefits. Their charges will increase in line with welfare benefits increases of 2.5%. The average charge is currently around £247 per week.

### **7.2 Homes for Older People**

7.2.1 It is proposed that the maximum charge for all local authority residential care homes is increased by 2.5% in line with the increase in welfare benefits.

7.2.2 As Members will note from the attached appendix 1, the proposed charge based on this approach will be £550 per week. This is an increase on the current charge of £13.00 per week (2.5%). For information the maximum charge for residential care in the independent sector from April 2015 is likely to be £401 per week.

7.2.3 Currently 18 people are required to pay the maximum charge. The proposal to increase the maximum charge by 2.5% is to align the percentage increase with the increase applied to service users in receipt of welfare benefits.

### **7.3 Homes for Other Service User Groups**

7.3.1 The proposed revised charges for other service user groups has limited immediate impact as there is currently only 1 client paying the full cost. Attached at Appendix 1 are details of the proposed revised charges. These charges reflect the actual unit costs of providing the services.

## **8. Finance**

- 8.1 The Directorate is required to review its fees and charges as part of the annual budget setting process. The proposed increase of 2.5% is in line with the increase in welfare benefits which is based on CPI inflation as at September 2014, with a minimum guarantee of 2.5%.
- 8.2 This would mean an increase in charge of £13 per week from £537 to £550 from April 2015 for In House Elderly Residential care. This would generate additional income of £12,170 in a full year.

## **9. Risks and Uncertainties**

- 9.1 In accordance with established practice, all the charges are based on estimated cost and occupancy levels, so that residents can be advised of the revised charges as near to the date they become effective as possible. Members should note that the actual full costs may be higher than those proposed due to further reductions in occupancy levels or due to a change in the number of service users paying full cost.

## **10. Policy and Performance Agenda Implications**

- 10.1 These recommendations are consistent with the Commissioning and Use of Resources outcome contained in the Social Care Outcomes Framework in that services are commissioned and delivered to clear standards of both quality and cost, by the most effective, economic and efficient means available and so demonstrate value for money.

## **11. Background Papers and Consultation**

- 11.1 This report has been discussed with the Director of Adult Social Services.

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**Neighbourhoods and Adult Services**

**IN HOUSE RESIDENTIAL ACCOMMODATION CHARGES – 2015/2016**

1.1 Maximum Charge for People Accommodated in residential care homes

<b>SERVICE</b>	<b>Budgeted Occupancy Levels</b>	<b>Charges 2014/2015</b>	<b>Charges 2015/2016</b>	<b>Change in Maximum Charge from 2014/15</b>
	<b>%</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Homes for the Elderly</b>	<b>96</b>	<b>537.00</b>	<b>550.00</b>	<b>+13.00</b>
<b>Non Elderly :-</b>				
<b>Parkhill Lodge</b>	<b>98</b>	<b>638.01</b>	<b>672.17</b>	<b>+34.16</b>
<b>Quarryhill Road</b>	<b>95</b>	<b>1493.41</b>	<b>1453.57</b>	<b>-39.84</b>
<b>Treefield Close</b>	<b>95</b>	<b>1493.41</b>	<b>1453.57</b>	<b>-39.84</b>

**NB. The maximum charges for Non elderly homes are based on the economic costs of providing the service.**