

NORTH SOMERSET COUNCIL DECISION

**DECISION OF: EXECUTIVE MEMBER FOR ADULT SOCIAL CARE
WITH ADVICE FROM: DIRECTOR OF ADULT SOCIAL SERVICES
DIRECTORATE: ADULT SOCIAL SERVICES**



DECISION NO: ASC71 (2022/23 Scheme)

SUBJECT: ADULT SOCIAL CARE FEES AND CHARGES UPLIFTS AND MINIMUM INCOME GUARANTEE – 2023/24

KEY DECISION: NO

REASON: Not a material financial or service impact across multiple communities

BACKGROUND

Fees and charges represent an important source of income, providing finance to assist in achieving the council's broad objectives. Some of our fees and charges are effectively set by legislation but many are locally determined. The amount that adult social care service users pay towards the cost of their care is determined by a financial assessment (means test).

In general terms, income derived from charging is used to offset the costs of providing the service being charged for, including support service costs. In setting an appropriate level of fees and charges, managers also take into account their client groups and corporate objectives.

The proposed increases in fees and charges are necessary to meet increased costs and budgetary pressures to which the council is subject and will ensure that the contribution made by fees and charges to the council's overall income budget is maintained.

The revised charges have been set in accordance with the principles and guidance in relation to the setting of fees and charges approved by the Executive in February 2016.

Directors are empowered to make decisions to increase fees and charges up to and including increases of 5%; Executive Members are empowered to make decisions to increase fees and charges up to and including increases of 10%.

This decision also relates to the approval of the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) to be used in financial assessments, following publication of the rates by the Department of Health and Social Care on 9 February 2023. The MIG and the PEA represent the amount that clients are allowed to keep, to cover their daily living expenses before making a contribution to their care costs.

DECISION

To agree the 2023/24 fees and charges as set out in the report and in Appendix 1, to apply from April 2023, together with the Minimum Income Guarantee (non-residential) and Personal Expenses Allowance (residential) to be applied in financial assessments.

DETAIL / REASONS

The amount that service users contribute towards their adult social care and support is determined by four principal factors:

- The cost of care (determined by, for example, the hourly rate for home care or the weekly cost of a residential care package)
- The individual's income and capital
- The minimum income guarantee (MIG) or personal expenses allowance (PEA), i.e., the amount of income that service users are entitled to keep, for their daily living expenses, before they have to contribute towards their care
- Any other allowances or disregards, such as disability related expenditure (DRE) and / or disregarded benefits and / or income, which are determined in their financial assessment

The proposed fee increases for adult social care are detailed in Appendix 1. The proposed increases are reflective of corresponding cost increases / inflationary pressures, particularly driven by the increase in the National Living Wage of 9.7%, which will increase the cost of externally contracted care provision.

Respite rates are updated in line with benefit entitlements and are based on the government's published Personal Expenses Allowance.

In general terms, those who make a contribution to their care have that contribution capped because of limited income or capital and increases in fee levels have a lesser on the amount they have to contribute. Rather, any annual increases in the amount that service users pay is predominantly driven by the extent to which clients' income increases when compared with increases in the amount that they are allowed to keep (the MIG or the PEA).

The council does arrange care and support for a small number of "self-funders" (those who pay the full cost of their care) and, when fees rise, these are passed on in full to these service users.

Each year the Department for Health and Social Care (DHSC) publishes the capital limits, the PEA and the MIG. For 2023/24 the DHSC has increased the PEA and the MIG by an average of 10.1%. Capital limits (£14,250 lower limit and £23,250 upper limit) are unchanged. It is worth noting that the more fundamental changes to capital limits and the introduction of the "care cap", which were set to be introduced from October 2023, have now been delayed by the Government until 2025.

The council is proposing to adopt the published MIG and PEA rates to apply to financial assessments, noting that:

- Published MIG rates differ according to age and level of disability and allow those with higher needs to keep more of their income

- Some people have to pay for equipment or services or have higher than average outgoings because they have a disability or long-term health condition. These costs can be allowable as Disability Related Expenditure (DRE) when working out how much service users need to pay towards the cost of their support arranged by the council.

With the above announced increases in MIG and PEA at 10.1% and with benefits and state pensions also rising by 10.1%, it is expected that the average service user will have to make an increase contribution of around 9%.

OPTIONS CONSIDERED

No significant alternatives were considered as the proposals are considered appropriate to reflect increasing costs / cost recovery. Client contributions are determined by a financial assessment, and we find no compelling reason to apply levels of MIG / PEA in excess of those published by the DHSC.

FINANCIAL IMPLICATIONS

The Medium-Term Financial Plan includes an increase in budgeted income for 2023/24 across Adult Social Care of £1.195m. The proposed revision of fees and charges is designed to meet this income target and reflect increasing costs and, given the proposed increases in benefits, pensions and MIG, this should be achievable.

There are risks associated with the revised fees as some of the service users who are impacted are the most vulnerable in community. Unrecoverable non-payments could increase the levels of debts held by the council. However, this is mitigated by the existence of financial assessment, which means that service users only have to pay what they can afford.

LEGAL POWERS AND IMPLICATIONS

Various legal powers allow the council to make a charge for certain services. Charging decisions are fettered by a complex series of statutes and regulations. Services fall into five main categories for charging purposes. These categories are set out in the table below.

Charges for Adult Social Care Services are governed by the Care Act 2014 and the associated Care and Support Statutory Guidance.

Category	Examples
No charge permitted	Service assessment for community care
Charges or charging scheme set by government – little or no local input	Client contributions for social services residential provision
Charging scheme set locally but must be in accordance with government prescribed principles	Client contributions for social services non-residential provision
Charge set locally, but essentially income cannot exceed the cost of providing a service	Charge for a discretionary service with no other charging rules Charge for a service provided using the general power of competence

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None identified

CONSULTATION

These general proposals were included in the medium-term financial plan published in December 2022 and February 2023 and as such has been subject to review, scrutiny and consultation by a wide range of internal and external stakeholders. The uplifts contained here are consistent with the council's fees and charges and care charging policies.

RISK MANAGEMENT

In social care, fee increases are a particular risk, as the client group are vulnerable and ability to pay or collect is often constrained. The risks associated with the Adult social care charges amendments include:

- potential negative impact on the take up of services
- increased risk of non-payment
- increase in bad debt

However, the fact that service users are subject to a Financial Assessment, which determines affordability, mitigates this risk.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes / No

Over-arching income EIA included within MTFP budget report, and a separate EIA has been completed for client contributions to adult social care. Whilst the increases impact directly on disabled and older adults, this is mitigated by the existence of a financial assessment, which ensures that the actual charge levied is commensurate with their available resources. As described above, any annual increases in the amount that service users pay is predominantly driven by the extent to which clients' income increases when compared with increases in the amount that they are allowed to keep (the MIG or the

PEA). With the above announced increases in MIG and PEA at 10.1% and with benefits and state pensions also rising by 10.1%, it is expected that the average service user will have to make an increase contribution of around 9%.

CORPORATE IMPLICATIONS

None, other than those identified above

APPENDICES

Appendix 1 - Proposed Changes to Fees and Charges 2023/24

Appendix 2 – Proposed MIG and PEA rates 2023/24

BACKGROUND PAPERS

Revenue Budget & Medium-Term Financial Planning reports - Executive December 2022 and February 2023

Fees and Charges Policy – Executive February 2016

Appendix 1 – Proposed Changes to Fees and Charges

	2022/23	2023/24 proposed	Increase
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Adult Social Care

Community Meals:-			
- Weekday	£6.30	£6.70	6.35%
- Weekend	£6.30	£6.70	6.35%
- Tea	£3.70	£3.95	6.76%

Day Care (session)	£26.00	£28.00	7.69%
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Home Care (hour)	£20.90	£22.80	9.09%
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Respite Care (day)			
- Pensionable age and over	£20.95	£23.00	9.79%
- 25 to pensionable age	£11.05	£12.15	9.95%
- 18 to 24	£8.80	£9.65	9.66%

Deferred Payments Scheme			
- Administration fee	£760.00	£810.00	6.58%
- Annual charge	£135.00	£145.00	7.41%

Minimum Income Guarantee (MIG) (non-residential care) and Personal Expenses Allowance (PEA) (residential care) 2023/24 compared with 2022/23

<u>Table 1a - Single Adults MIG</u>	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
	18-24		25 - Pension Age		Over Pension Age	
Not entitled to any premium	£ 74.60	£ 82.15	£ 94.15	£ 103.65	£ 194.70	£ 214.35
Entitled to Carer's Premium (CP)	£ 119.15	£ 131.20	£ 138.70	£ 152.70	£ 239.25	£ 263.40
Entitled to Disability Premium (DP)	£ 116.15	£ 127.90	£ 135.70	£ 149.40	N/A	N/A
Entitled to CP and DP	£ 160.70	£ 176.95	£ 180.25	£ 198.45	N/A	N/A
Entitled to DP and Enhanced Disability Premium (EDP)	£ 136.45	£ 150.25	£ 156.00	£ 171.75	N/A	N/A
Entitled to DP and EDP and CP	£ 181.00	£ 199.30	£ 200.55	£ 220.80	N/A	N/A

<u>Table 1b - Single Adults MIG</u>	2022/23	2023/24	2022/23	2023/24
	Lone Parent		Child Allowance	
Not entitled to any premium	£ 94.15	£ 103.65	£ 86.20	£ 94.65
Entitled to Carer's Premium (CP)	£ 138.70	£ 152.70		
Entitled to Disability Premium (DP)	£ 135.70	£ 149.40		
Entitled to CP and DP	£ 180.25	£ 198.45		
Entitled to DP and Enhanced Disability Premium (EDP)	£ 156.00	£ 171.75		
Entitled to DP and EDP and CP	£ 200.55	£ 220.80		

Table 2 - Couples MIG	2022/23	2023/24	2022/23	2023/24
	Under Pension Age		Over Pension Age	
Not entitled to any premium	£ 73.95	£ 81.40	£ 148.65	£ 163.65
Entitled to Carer's Premium (CP)	£ 118.50	£ 130.45	£ 193.20	£ 212.70
Entitled to Disability Premium (DP)	£ 103.55	£ 114.00	N/A	N/A
Entitled to CP and DP	£ 148.10	£ 163.05	N/A	N/A
Entitled to DP and Enhanced Disability Premium (EDP)	£ 118.15	£ 130.05	N/A	N/A
Entitled to DP and EDP and CP	£ 162.70	£ 179.10	N/A	N/A

	2022/23	2023/24
<u>Personal Expenses Allowance</u>	£ 25.65	£ 28.25

	2022/23	2023/24	2022/23	2023/24
	Single		Couples	
<u>Savings Credit disregard</u>	£ 5.90	£ 6.50	£ 8.85	£ 9.75

SIGNATORIES:

DECISION MAKER(S):

Signed:

A handwritten signature in black ink that reads "Mike Bell". The letters are cursive and connected.

Title: Executive Member for Adult Social Care

Date: 3 March 2023

WITH ADVICE FROM:

Signed:

A handwritten signature in black ink, appearing to be initials or a stylized name, possibly "JEW".

Title: Director of Adult Social Services

Date: 3 March 2023

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: