

Notice of NON KEY Executive Decision

Subject Heading:	Approval of changes to charges for ASC day care and transport.
Cabinet Member:	Cllr Gillian Ford
SLT Lead:	Barbara Nicholls, Director of Adult Services
Report Author and contact details:	Caroline May, Head of Business Management Caroline.May@Havering.gov.uk 01708 433671
Policy context:	Charging policies for Non-Residential Care in terms of charges for day care and transport.
Financial summary:	The proposed changes will equate to additional income in the region of £15,000 in year one and £17,000 in year two, based on current clients.
Reason decision is Key	N/A
Date notice given of intended decision:	01/08/22
Relevant OSC:	People
Is it an urgent decision?	No
Is this decision exempt from being called-in?	Yes, it is a Non Key Decision by Officer.

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering

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Connections making Havering

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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

To consider the proposed changes to the Non-Residential Charging policy, which is required to bring Havering customer charges in line with costs the council incurs for day care provision and associated transport.

1. For the year 1 April 2022 to 31 March 2023 to increase charges for day care from £40 to £45 and for transport from £10 to £15 return.
2. For the year 1 April 2023 to 31 March 2024 to increase charges for day care from £45 to £55 and transport from £15 to £20 return.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 Section 3 Para 2.5

(j) To consider and recommend plans in respect of the portfolio allocated.

(q) To agree minor matters and urgent or routine policy matters

STATEMENT OF THE REASONS FOR THE DECISION

Currently the charge for day care is a flat £40 for the day, and transport is £10 for a return journey. These charges were put in place as a result of a Cabinet Decision in 2011. The charges have remained static since. However, costs to providers have increased and we now find ourselves in a position whereby the Council is underwriting a subsidy. This is not in the spirit of the fees and charges principle of cost recovery, which is part of the MTFS assumptions.

The change will affect those who pay the full cost of their day care and transport provision, it will not impact those who contribute, as client contributions will remain the same. Based on current numbers we expect this to impact on 17 people.

We are proposing to increase the charge for day care services from £40 to £45, and for transport from £10 return to £15 return. This will apply for the financial year 2022/23.

However, the actual costs we incur are still in excess of this. The rates we pay for each centre are shown in the table below:

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Day Centres	Cost per Day	Transport - Return	Total Cost
Avelon Road	£45.00	£15.00	£60.00
Hopwa	£55.00	£20.00	£75.00
Paines Brook	£55.00	£20.00	£75.00
Yew Tree	£45.00	£15.00	£60.00

Therefore, to bring us in line with the cost recovery principle, we are proposing to further increase charges in line with the table above in 2023/34.

The proposed approach is intended to lessen the impact in year one on those that fund their own care and use Paines Brook or Hopwa day centres, which carry a higher cost, by introducing a standardised charge in 2022/23, then moving to full cost recovery from 2023/24. For day care, moving from £40 to £45 represents a 12.5% increase, whereas moving from £40 to £55 would be a 37.5% increase, which is felt to be a high impact in one year. Although 12.5 is still relatively high, given that charges have remained static for a significant number of years, and given that we now pay more than we recoup, it is felt that this £5 per session increase is reasonable.

Likewise, for transport, moving to £15 from £10 represents a 50% increase, which although not insignificant, has actually been underwritten by the council for a period of years.

The proposed changes are designed to ensure that we move to a full cost recovery model thus ensuring we demonstrate best value for money, and help to address the significant budget pressures that Adult Social Care is facing.

The Council's current Charging for Non-Residential care policy gives the policy framework for this decision, with the annual fees and charges schedules giving the amounts to be charged each year as part of the annual budget setting process.

The Council's approach to fees and charges is that these should be raised on a cost recovery basis. This decision moves the area of Adult Social Care day care and transport in line with that principle. The additional income will also contribute towards the overall ASC and Council wide budget pressures that we are experiencing.

This approach is permissible under relevant legislation.

It should be noted that there are other day centres used by Havering residents who are in receipt of a direct payment. These centres cost a range of rates.

Full cost assessed charges are currently only incurred by self-funders who use the centres listed above; Avalon Road, Yew Tree, Hopwa and Paines Brook.

In terms of wider day care options, work is underway to consider a banding system based on client needs, and a block contract system based on client needs. Both options will allow for set rates to be applied to each banding level, meaning we have better control of costs. Charging will need to be considered as part of this work. This is not expected to impact on this decision, which is to apply inflationary increases to existing self-funder rates.

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It should be noted that the charges quoted in this decision relate to Havering residents only. There are different charges for out of borough use of Havering day centres.

OTHER OPTIONS CONSIDERED AND REJECTED

In total 3 options were considered, the 2 options rejected were;

OPTION 1: No change.

If no change is made to the current charges, we will not be moving towards a cost recovery basis, which is what the Council should be working to. Also we will continue subsidising day care services for those who are financially assessed as being able to afford to pay for their own care and support. This does not help address the ASC (and Council wide) budget pressures.

OPTION 2: Move to full cost in year one, rather than the stages approach as proposed.

This would mean that some people would experience a sharp increase in what they pay in the space of one year, as charges would rise from £40 to £55 in some instances, and from £10 for a return journey to £20 in some cases. These increases were felt to be excessive if applied as they stand. A phased approach of moving to a flat charge of £45 and £15 for transport was felt to be a more digestible approach, with further increases in year 2. It is also noted that charges have not been increased for a considerable amount of time, so the proposed phased approach seems tenable.

PRE-DECISION CONSULTATION

This decision will impact on 17 people, based on current numbers. They will be notified of the change prior to it being rolled out. Charging booklets and fees and charges schedules will also be updated.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Caroline May

Designation: Head of Business Management

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A handwritten signature in black ink, consisting of several overlapping loops and a central vertical stroke, positioned in the upper right area of the signature box.

Signature:

Date: 14/4/2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The proposed increases are to achieve costs recovery and therefore are lawful. Given these are simply inflationary increases it is considered there is no need to consult service users before implementation although as mentioned those affected will be advised in advance of the changes being implemented.

There are no other apparent legal implications.

FINANCIAL IMPLICATIONS AND RISKS

The proposed changes will generate additional income in the region of £15,210 in year one and £17,420 in year 2.

It should be noted that these estimates are based on service users affected at the time of writing this report who attend only the day centres shown in this report. Further, the rate increase impacts full cost clients, 17 in total for the all-day centres listed in this report. Client numbers do fluctuate, so income will rise and fall in line with actual attendance at day centres.

Day centres and transport budget have faced considerable budget pressures in 21-22, foreseen to increase in 22-23.

Any other inflation rises and changes to direct payment rates will be considered under separate decisions.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no additional duties being incurred by the Financial Assessment and Benefits Team as a result of this decision. Systems will need to be updated to reflect the new rates.

There may be customer queries as a result of the change, and individuals will need to be notified, so there are some resource implications in terms of the work to implement the change. All duties are within current job descriptions.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

We will be notifying people on an individual basis as the policy changes are rolled out, and will be mindful that a full EqHIA may well be needed dependant on the impact. Individuals will have the choice to procure alternative day care, should they choose to do so.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

(i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;

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(ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;

(iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

BACKGROUND PAPERS

None

APPENDICIES

None

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Barbara Nicholls
Director of Adult Services

Date: 12/8/2022

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____