



Havering
LONDON BOROUGH

Notice of Non-key Executive Decision

Subject Heading:	Readjustment and introduction of brokerage charge for those assessed as paying full-cost and have their homecare package brokered by the Council.
Decision Maker:	Barbara Nicholls, Director of Adult Services
Cabinet Member:	Councillor Gillian Ford, Cabinet Member for Health and Adult Care Services
SLT Lead:	Barbara Nicholls, Director of Adult Services
Report Author and contact details:	Sophie Barron, Commissioner and Project Manager T: 01708 431082 E: sophie.barron@havering.gov.uk
Policy context:	The Care Act 2014 permits the local authority to charge a fee to cover the costs of arranging non-residential care and support for a person. This charge covers the administration and management of care packages and supports the sustainability of the service provided.
Financial summary:	The brokerage charge rate has been revised considering current homecare data to an amount of £210.98 for this financial year. Based on eligibility estimates, there are currently 209 clients that are liable for the charge, which will produce a maximum of £44,094.82 of annual income (this is dependent on whether all 209 clients wish to continue to

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	have their care brokered by the Council)
Relevant OSC:	People
Is this decision exempt from being called-in?	Yes, the decision will be exempt from call in as it is a Non key decision

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

People - Things that matter for residents [x]

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Place an X as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Senior Leadership Team Director with responsibility for Adult Social Care agrees:

1. To approve the new brokerage charge to the non-residential care charging policy to cover staffing costs.
This charge is applicable to those who are considered as paying full cost and have their care package brokered by the Council.

AUTHORITY UNDER WHICH DECISION IS MADE

The Havering Constitution:

3.3 Powers of Members of the Senior Leadership Team

General powers

(a) To take any steps necessary for proper management and administration of allocated portfolios.

(c) To make arrangements to secure continuous improvement in the way the Council's functions are exercised having regard to a combination of economy, efficiency and effectiveness etc. as required by external regulatory agencies.

STATEMENT OF THE REASONS FOR THE DECISION

Havering Council currently manages approximately 209 full cost payers receiving homecare packages. The Care Act 2014 gave the Council the ability to charge an 'arrangement fee' for brokering these services. The statutory guidance confirms that the arrangement fee must only cover the costs of arranging care and not exceed the costs the local authority incurs. The guidance suggests that it may be appropriate to charge a flat rate fee for arranging care, as this helps people have clarity about the costs they will face if they asked the Council to arrange their care.

The annual non-refundable fee was agreed at Cabinet on the 25th July 2018 and set at £243.30. This fee was based on estimated officer time spent on tasks associated with providing homecare brokerage and arrangement services. This included brokering the placement, negotiating rates and times for care, data input, paying the provider, raising invoices and answering queries. The Council must have the staff resources in place to meet demand for arranging homecare services on behalf of those who pay the full cost of their care throughout the year and these resources and associated costs cannot be removed when an individual package may end. The annual fee is

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calculated to cover the actual costs of the arrangements and does not suggest any profit. Although the no. of eligible clients has remained steady, the total no. of clients receiving homecare has decreased making the total percentage of officer time spent on managing self-funded homecare packages drop from 22% to 18%.

Therefore, it is proposed that this fee is readjusted to an annual figure of £210.98 in line with current home care data.

OTHER OPTIONS CONSIDERED AND REJECTED

Proposal One – Do nothing and continue to broker and arrange homecare services for full cost payers free of charge

This option was rejected due to the level of reduction in central government funding and rising demands presenting a significant financial challenge to the Council. Unlike health services, social care is means tested. The clients impacted by the proposal are financially assessed as having the ability to pay for the full cost of their care and support and have a choice as to whether to ask the Council to arrange their homecare on their behalf.

Proposal Two – Keep the brokerage charge but without changing the amount in line with current wage and homecare data

This option was rejected as the old rate (which was not fully introduced) is higher than what is currently calculated. The Council would be open to legal challenge if introduced at this rate as would suggest profit.

PRE-DECISION CONSULTATION

Whilst no formal consultation is required, the Council, on the 26th of July 2019, sent 200 letters to known full cost payers who would be impacted by the proposal. The letter gave information on the proposed changes, outlined that individuals have the choice to arrange their homecare services without the involvement of the Council or to continue with the Council's involvement, and asked for feedback on any concerns relating to the proposed changes that the Council should consider. This letter also detailed that the figure would be revisited each year to ensure the chargeable amount is correct.

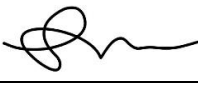
If the readjustment is agreed, all eligible clients will be contacted in advance to inform them of the upcoming charge. A telephone line will be made available for clients to make contact if they wish to take over the management of their care package. Any formal complaints received will follow the corporate complaints route. Communications will also be circulated to Adult Social Care staff to ensure they are aware of the upcoming charge and its new rate. The Financial Charging Form in LiquidLogic, the Non-Residential Charging Policy and brokerage charging page on the Havering Website will also be updated to reflect the new cost. The aim is to include this charge as part of the Council's fees and charges schedule to be reviewed annually.

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

Name: Sophie Barron

Designation: Commissioner and Project Manager

Signature: 

Date: 26/06/2023

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Section 2(3)(a) of the Care Act 2014 permits the Council to make a charge for providing and arranging the provisions of services.

Section 2(5) of the Care Act 2014 stipulates that the Council may only cover the cost it will incur in providing and arranging for the provisions of the services.

The Council has the power to apply a new brokerage charge under s111 of the Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council may also apply a new brokerage charge in pursuance to its general power of competence under Section 1 of the Localism Act 2011, which allows the Council to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision save for the limitations already described as detailed in the Care Act 2014.

Officer confirms that the non-residential charging policy containing the arrangement fee with the new rate will be updated.

FINANCIAL IMPLICATIONS AND RISKS

This report is seeking approval of a new brokerage charge. This charge is applicable to those who are considered as paying full cost for their care and who have their care package brokered by the Council.

The Care Act 2014 gave the Council the ability to charge an 'arrangement fee' for brokering these services. The statutory guidance confirms that the arrangement fee must only cover the costs of arranging care and not exceed the costs the local authority incurs.

The brokerage charge has been calculated at £210.98 per annum. This has been calculated based on the actual cost of the staff time endured in brokering care which conforms to the statutory guidance.

The charge had previously been calculated at £243.30 in 2019 but this charge was never implemented. The charge has been recalculated since 2019 using the 2023/2024 pay scales and it has reduced as the percentage of self-funders that care is brokered for has reduced. This charge will be reviewed annually.

There are currently 209 clients that are liable to be charged, this will generate income up to £44,094.82 per annum. This figure could go up or down depending on the

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number of clients that choose to continue having their care brokered and whether any new self-funding clients choose to have their care brokered.

There is no savings target attached to this income generation for 23/24.

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

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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;
- (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

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

No environmental implications

BACKGROUND PAPERS

1. [Paying for non-residential care services \(havering.gov.uk\)](https://www.havering.gov.uk/care-services/care-services-for-non-residential-care-services)
2. [Care arranged by the Council but paid in full by you | Paying for care | The London Borough Of Havering](#)

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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

Delete as applicable

Details of decision maker



Signed

Name: Barbara Nicholls

Cabinet Portfolio held:
SLT Member title: Director of People
Head of Service title
Other manager title:

Date: 05.07.23

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

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