

HEALTH AND ADULT SOCIAL CARE SCRUTINY PANEL	Agenda Item No. 5
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Report of the Director of Director of Adult Social Services and Performance

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REVIEW OF THE COUNCIL'S CHARGING POLICY FOR ADULT SOCIAL CARE SERVICES

1. PURPOSE

- 1.1 The Council's charging policy for non-residential Adult Social Care services has been in operation now for more than 5 years (implemented in its original form in April 2003), and has been subject to a number of reviews throughout this period. This report is submitted to the Scrutiny Committee to consider the impact of the charging policy, and its future in the context of the changing nature of social care.
- 1.2 The purpose of this report is to enable the Scrutiny Committee to review the current form of the Council's charging policy, look at alternative options, and consider a number of amendments to this policy.

2. LINKS TO CORPORATE PLAN, SUSTAINABLE COMMUNITY STRATEGY AND LOCAL AREA AGREEMENT

- 2.1 This report links to the Council's corporate priority to 'achieve the best possible health and well being'.

3. BACKGROUND

- 3.1 Peterborough Primary Care Trust commissions and provides a range of social care services for vulnerable people on behalf of Peterborough City Council, but is reliant on income from client charges to help pay for these services, and to extend and improve them. The amount of charges raised from social care service users has increased year on year since the introduction of the current Charging Policy, and approximately £5 million was raised from charges during the 2007/08 financial year including for residential and non-residential services. The cost of administering the charging policy is approximately £400,000. Approximately 1300 people are currently accessing homecare services, and of these, around 40% pay an assessed charge, 20% pay the full cost charge, and the remaining 40% pay no charge.
- 3.2 The Council's charging policy for Adult Social Care services was formulated in response to charging guidance issued by the Department of Health (DoH) in 2002, and was first implemented from April 2003. The DoH guidance contains a number of minimum requirements that Council's charging policies must comply with; including protected minimum income levels below which charges cannot be applied, but also allows Councils some discretion to tailor charging policies to their own design.
- 3.3 Local Authorities are not required by law to charge clients for their social care services, however the calculation methods used by central Government to determine Local Authority funding levels for Adult Social Care services assumes a certain level of income from charges. The vast majority (over 97%) of Local Authorities have decided to make charges for the social care services that

they provide, to ensure, where possible, that service levels are sufficiently funded and available to meet the needs of their local populations.

- 3.4 From 1st April 2004, at the commencement of the Greater Peterborough Primary Care Partnership, the operation of the charging and collection functions for social care services was delegated by the Council to the Peterborough Primary Care Trust. Responsibility for the charging policy itself is retained by the Council.
- 3.5 The charging policy has been the subject of a number of reviews during the past five years, and various changes have been made as a result of these reviews, including the up rating and increasing of standard allowances and standard charges, the introduction of charges for attendance at day care services, and the introduction of a capital tariff charge into non-residential financial assessments. A joint working partnership has also been formed with the Department of Work and Pensions, which has facilitated the financial assessment process through the sharing of data, and has helped to increase welfare benefit take-up among the client groups in receipt of Adult Social Care services.

4. IMPACT OF THE CHARGING POLICY

- 4.1 The years since the introduction of the current charging policy have seen a steady increase, both locally and nationally, in the numbers of people accessing non-residential social care services. This is due, in the main, to demographic trends and increasing life expectancy rates. The imposition of charges for social care services is often contentious, and rarely popular, however, feedback received from many contacts with service users over a number of years has shown that generally there is an acceptance that some form of client contribution is necessary to help meet the cost of the care services they receive - particularly so given that many service users receive Social Security benefits such as Attendance Allowance and Disability Living Allowance (Care) that are paid to help with the extra costs associated with disability.
- 4.2 Correspondingly, the numbers of people refusing services because of the requirement to pay a charge appears to be relatively low – less than 100 clients have been recorded as declining services in the 2007/08 financial year, and not all of these are solely due to cost. Charging for care services does not therefore seem to significantly deter members of the local population from taking up care services. Since the charging policy's introduction, the levels of many elements of the charges have been increased in line with inflation, and some have been increased above this. With the recent introduction of the charge for day care attendance, the number of services that are charged for has also increased.
- 4.3 Funding pressures and greater demand for services have increased the importance of income from charges in terms of meeting the care needs of the local population from a balanced budget. If the Council were to consider the abolition of charges for its social care services, the shortfall in funding would be significant, and would prompt the re-consideration of service levels/funding priorities and local taxation levels.

5. IMPACT OF RECENT CHANGES

- 5.1 The charge for day care services, introduced in April 2008, has generated a level of income that has so far been much lower than predicted - mainly due to the higher than expected number of day care service users who have been financially assessed as not needing to pay a charge. The original estimate of income from day care charges was in the region of £60k per annum, but the level of charges raised so far during the 08/09 year indicates that only a quarter of this figure will be realised.
- 5.2 Charges for day care have proved administratively difficult to collect, as patterns of service use have been unpredictable, and record-keeping has not been easy to obtain to a consistent standard. Many of these early difficulties have been overcome, although the charge still demands higher levels of administration resource than is necessary for other services where charges are made.

- 5.3 There has been some anecdotal evidence that service users have decided not to attend day care, or have reduced their number of attendances because of the imposition of a charge – however, attendance numbers overall have generally appeared to continue at the same levels as before its introduction. Of greater impact to the future of day care services will be the care personalisation agenda, where more service flexibility, choice and individual control are demanded. The forthcoming introduction of individual budgets will increase these requirements, and many clients may decide that the existing organised day care services do not meet their needs, and purchase services elsewhere.
- 5.4 The introduction of the tariff charge against capital from April 2008 has been administratively more straightforward to implement, and early indications are that the additional revenue this charge amendment will generate in the 2007/08 year are in line with the predicted figure of £30k.

6. CURRENT & FUTURE ISSUES

FUTURE OF SOCIAL CARE FUNDING

- 6.1 The Government has recently launched a pre-consultation on the future funding of adult social care. This is in response to widespread acknowledgement that the current system is in need of fundamental reform to cope with the demands placed upon it by increasing life expectancy, and service user's expectations of greater choice and independence. The consultation aims to obtain the views of the public about how the responsibility for funding should be shared between families, individuals and the state, and will culminate in the issue of a green paper next year which aims to take these views into account and present the Government's proposals for tackling the challenges.
- 6.2 The pre-consultation is due to end in November of this year. Many critics have said that the current system of means-testing is complex, and often unfair on the most vulnerable people, however it is unclear at this stage the extent to which radical change will be proposed. It appears likely that charging for social care services in some form will remain.
- 6.3 Changes to the Council's Charging Policy are likely to be required in response to any new guidance issued by the Department of Health in response to this, but these will be addressed separately to this report, at the appropriate time.

SELF DIRECTED SUPPORT / INDIVIDUAL BUDGETS

- 6.4 The implementation of Individual Budgets represents a new approach to meeting the care needs of clients. This initiative involves the payment of funds, calculated by cross-referencing a client's own assessment of their needs with a new resource allocation system, directly to the client - who can then decide how best use these funds to improve their lives. The forthcoming introduction of Individual Budgets in Peterborough, and the move away from commissioning traditional, organised care services towards a system of self directed support, raises a number of charging issues for Local Authorities who have historically designed their charging policies around defined care services.
- 6.5 The DoH has provided some early guidance about these issues to the 13 Local Authorities that have taken part in the Individual Budget pilot scheme - but further, more detailed guidance is due to be issued shortly in response to a consultation and wider review of Fairer Charging in the context of Individual Budgets.
- 6.6 The DoH has said that Councils who are looking at revising their charging regimes may want to await the outcome of this review before implementing permanent changes. In the interim however, the planned introduction of Individual Budgets in Peterborough from January 2009 requires an amendment to the Council's charging policy to accommodate the changes, and to prescribe the client contribution calculation method for Individual Budget holders.
- 6.7 It is therefore proposed that the Council's charging policy be amended with effect from January 2009 so that under Individual Budgets, as now, clients are subject to the standard fairer charging

assessment by the calculation method defined in the current charging policy. The figure resulting from the assessment is the charge that will be deducted from the Individual Budget payment to the client. It is also proposed that if the client's assessed charge exceeds the value of the Individual Budget, or if the client has capital assets that exceed the maximum capital limit (currently £22,250) - then the value of the Individual Budget will be zero. In this scenario the client may choose to make arrangements for their care independently or can opt for NHS Peterborough to arrange services for which they will be charged in accordance with the charging policy.

OTHER ISSUES

Charge levels

- 6.8 A recent extensive survey of Local Authorities and their social care charges by "Counsel and Care" (a national charity whose aim is to get the best care for elderly people) has identified that among the 34 Local Authorities that took part, the average full cost hourly rate for homecare is £12.84, and that figures (for those Councils that charge) range from £8.20 to £18.00 an hour. Peterborough's figure is below this average at £12.48 per hour, and is pegged to increase year on year by inflation – so this represents good value in comparison with many other Authorities. Other charge comparisons include Meals on Wheels (Average: £2.91, ranging from £1.60 to £3.99, Peterborough £3.20), and the charge for transport to day care (can be up to £2.60, Peterborough: £1.50).

Extra care schemes

- 6.9 A further two Extra Care supported housing schemes have opened in the past two years – Friary Court in Burton Street, and The Pavilions in Millfield. These schemes have been purposely designed and built to offer high levels of comfort, safety and security for their occupants, and to meet a range of differing care needs. The level of care provided within these schemes is personally tailored to meet individual tenants' needs during the day; with an on-call care service available throughout the night should it be needed. The charging policy already contains suitable provisions within it to accommodate such schemes and to ensure that the policy is fairly and consistently applied.

Disability related expenditure allowance

- 6.10 A standard disability related expenditure allowance is applied uniformly in all fairer charging financial assessments in respect of any additional expense that the client may incur as a result of their condition or disability. This figure is currently set at £32 for a single person and £64 for a couple - where a couple assessment applies. It has however become apparent that the doubling of the single person disability rate for couples is not equitable where both members of the couple do not have a disability. It is therefore proposed that the couple disability rate only be applied to the financial assessment where both members of the couple are in receipt of either Attendance Allowance (High or Low rate) or Disability Living Allowance Care Component (Middle or Higher rate).

Day care charge – voluntary funded day care provision

- 6.11 A charge for day care currently applies to service users of all day care services that are commissioned and funded wholly by the Local Authority. There are, however, a small number of day care services that are majority funded by voluntary organisations, but which receive a small amount of additional funding from the Local Authority. Day care charges have not been applied to service users of these schemes so far, in recognition of the fact that the majority of the cost of the service is met from sources other than the Local Authority, but confirmation of this approach is needed to ensure that this practice sits fairly within the charging policy.

Level of day care charge

- 6.12 The current daily charge for attendance at a day care service for a stay that exceeds three hours is £2. Comparison with other Local Authorities that charge for day care shows that this is amongst the lowest charge, with averages amongst Authorities grouped in comparator clusters ranging from £9.77 to £12.14. The range of day care charges is very wide, from as little as £1, up to £30.60. Given the relatively high administrative burden of collecting this charge, consideration needs to be given to increasing the level to a higher figure from April 2009, to £5 per attendance. This would still be well below the average figures quoted above, but would raise additional revenue to help protect and extend services. The charging policy would still continue to ensure that a charge would only pay if service users' income were sufficiently high to enable them to meet this. However, the significant amount of opposition to this charge when it was proposed will also need to be taken into account when deciding on this change. This would generate approximately an extra £19,000 per annum however this takes no account of the disincentive effect of an increased charge.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The Council can choose not to charge clients for social care services, but this option would place a significant strain on services and budgets. A range of other charging options are possible in accordance with Government guidance, but the Council's current charging policy, including the proposed amendments detailed within this report, is best felt to reflect the values of fairness, consistency and even-handedness, while at the same time raising sufficient revenue to help finance social care services.

8. IMPLICATIONS

- 8.1 There are no legal implications relating to the proposed changes.
- 8.2 The proposed changes, if implemented, should have a positive effect on income raised from charges for adult social care services.
- 8.3 Having a charging policy that is fair and fit for purpose is key to ensuring social care achieves its objectives of enabling vulnerable people to live safely and independently. The charging regime also plays an important part in ensuring the long-term sustainability of the financing of adult social care.

8. EXPECTED OUTCOMES

- 8.1 This report aims to consider the impact of the charging policy, obtain approval to make some relatively minor amendments to it in response to forthcoming changes to the provision of social care services, and seek Members views two specific issues relating to day care charges.

9. NEXT STEPS

- 9.1 The Scrutiny Committee is recommended to:
- i) Consider and comment on the content of this report
 - ii) Consider the proposed amendments to the charging policy contained in this report, namely:
 - a) Under Individual Budgets, as now, clients are subject to a standard fairer charging assessment by the calculation method defined in the current charging policy. For clients whose assessed charge exceeds the value of their Individual Budget, or where their capital assets exceed the maximum capital limit (currently £22,250) – the value of the Individual Budget will be zero however services may still be arranged by NHS Peterborough.
 - b) The couple rate for the disability related expenditure allowance be applied only where both members of the couple are in receipt of either Disability Living Allowance Care Component (Middle or Higher rate) or Attendance Allowance (Low or High rate)

- iii) Consider the issues of :-
 - a) charging for day care attendance at services which are majority funded by the voluntary sector, and
 - b) the level of the day care charge
- iv) Make any additional recommendations for consideration by Cabinet

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Fairer Charging Policy for Home Care and other Non-residential Social Care Services.
Counsel & Care's National Survey of Local Authority Care Charging & Eligibility Criteria 2008
Comparison of Local Authority Service User Contributions 2008-09