

SCRUTINY COMMISSION FOR HEALTH ISSUES	Agenda Item No. 8
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Report of the Executive Director of Adult Social Services

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ADULT SOCIAL CARE - CHARGING POLICY REVIEW

1. PURPOSE

- 1.1 The purpose of this report is to consider a number of proposed changes to the Council's charging policy for non-residential social care services as part of a consultation process.

2. RECOMMENDATIONS

- 2.1 The Scrutiny Commission is asked to consider and comment on the proposed changes to the Charging Policy for adult social care as part of the consultation.

3. LINKS TO THE SUSTAINABLE COMMUNITY STRATEGY

- 3.1 Ensuring that the charging policy complies with government guidance and is consistent with the principles of personalisation is an essential element in promoting and increasing the take up and use of personal budgets. The proposals contained in this report will help to achieve better performance in National Indicator 130 – social care clients receiving self directed support.

4. BACKGROUND

- 4.1 NHS Peterborough commissions and provides a range of social care services for vulnerable adults on behalf of Peterborough City Council and relies on service user contributions to help fund and improve these services. The operation of the charging and collection functions for social care services is delegated by the Council to NHS Peterborough under the terms of the Partnership Agreement but responsibility for charging policy direction is retained by the Council.
- 4.2 The delivery of adult social care in England is being transformed through the implementation of a personalised approach, which allows service users to have greater choice and control in how they meet their support needs. A personal budget can be taken as a cash payment paid directly to the bank account of an individual (known as a direct payment) so that the service user can arrange and pay for their own support in a way that best suits their own needs, or it can be held and used by NHS Peterborough on behalf of the individual to purchase support services.
- 4.3 Increasing numbers of personal budgets for social care are now being offered and taken up in Peterborough to fund creative and innovative support solutions. Therefore, the Council's charging policy for non-residential social services needs to be reviewed so that it can properly accommodate this change and to ensure that it complies with new charging guidance.
- 4.4 This new charging guidance builds on the original Fairer Charging guidance issued in 2003 on which Peterborough's current charging policy is based, but throws up some irregularities

within Peterborough's existing charging policy, which in its current form does not support the implementation of personal budgets.

- 4.5 The main principles of Fairer Charging continue to apply, in that the charge should be assessed on a fair and transparent basis and service users who are least able to pay are protected, and should not be required to pay more than they can reasonably afford, taking into account the income available to them, and allowing for their reasonable expenses.
- 4.6 Many councils, including Peterborough, choose to subsidise the charges for some care services by setting the chargeable amount for each service at a level below its true economic cost. This approach has resulted in the application of subsidy in inconsistent and inequitable ways over time and councils have been advised to consider this aspect of their charging policies when reviewing them to take account of the new guidance.

5. PROPOSALS FOR CONSIDERATION

i) Compliance with new Department of Health Fairer Contributions Guidance

- 5.1 The new guidance states that, in deciding what contribution an individual will make towards their personal budget, councils first need to agree on the maximum possible contribution a person can be asked to make to their personal budget - subject to the levels of their income and savings. There is a requirement, therefore, to set a percentage figure to be applied to all personal budgets to determine the proportion of the budget that will be subject to a charge.
- 5.2 Under the current charging policy, up to 100% of the cost of the service is collected. It is proposed that the same principle applies in that up to 100% of the personal budget amount can be collected as a charge, depending on the result of the financial assessment, and how much the service user can reasonably afford to pay. This means that people who have savings/capital with a higher value than the upper capital limit (currently £23,250), or who have a very high income will not receive a personal budget, as their contribution will be equal to or greater than the value of the personal budget.

ii) Removing subsidy from Adult Social Care charges

- 5.3 Some social care service charges are currently subsidised so that service users do not pay the actual cost of these even if they can afford to do so. It is proposed that this subsidy be removed, so that service users will pay what they can afford to, up to a maximum of the full true cost of the service. Charges for different types of non-residential social services are not applied to individuals separately but are combined and taken into account so that the service user only pays up to what they can afford to pay for all the services that they may receive. This change will affect the maximum charge that a service user might pay for:
- Day care / day opportunities - currently limited to £2 per day, but the actual cost could be up to £35 per day.
 - Homecare where two carers are required - currently limited to £13.16 an hour, but the actual cost could be £26.32 per hour.
 - Short term stays in residential care homes (known as respite) – currently limited to £241.50 per week, but the actual cost could be in the region of £400 per week depending on the cost of the home providing the respite care.
 - Standard charges for meals and transport will continue to apply.

iii) Consider the introduction of a form of transitional protection to limit the increases described above in the first financial year (2011/12)

- 5.4 These proposals may mean that some people will experience increases in the charges that they pay for their care, so some form of temporary arrangement to protect people from such large increases is being considered. Charges for day care and respite will increase up to the levels that service users can afford to pay, but self-funding residents will face significant

increases, and could have a detrimental effect on attendances on in-house day care and respite services, and may encourage people to choose other forms of care services to meet their needs based on value for money and suitability. Consideration, therefore, needs to be given to some form of transitional protection to mitigate against the effects of significant charge increases for individual service users.

iv) Make two minor technical changes to the charging policy to simplify its operation and make it consistent with guidance for residential care charges.

- 5.5
- Clarify the criteria for the inclusion of housing costs as an allowable expense in the financial assessment calculation so that the definition of housing cost is consistent with the Housing Benefit definition of rent / housing costs.
 - Include provision within the charging policy for the use of notional capital and notional income (i.e. capital or income that is available if applied for) and take income from charitable payments into account in the same way as set out in residential charging guidance.

6. IMPLICATIONS

- 6.1 Financial - income from care charges is an essential component of the revenue budget for adult social care. The proposed changes will rebalance charges so that they are more consistent in their application, but this will mean that some service users will see reductions in their charges, while some will see increases – but accurate forecasts about the impact of these changes is made difficult because many service users' financial circumstances are not known, and some significant assumptions need to be made. The demand for non-residential care services continues to increase and the new personalised approach to delivering care is changing the way that people are choosing services to meet their care needs, further adding to the difficulties of estimating future revenue from charges. Budgets will, therefore, need to be closely monitored to ensure that any adverse variances are identified at an early stage.
- 6.2 The proposed changes to the charging policy will simplify its operation and administration, but if the policy remains unchanged, then the financial assessment process will become more time-consuming.
- 6.3 The City Council is seeking to raise at least £80,000 in additional income from these changes in accordance with its published budget proposals.
- 6.4 Legal – there is a statutory requirement to carry out consultation prior to making changes to the Council's Charging Policy. The Council is also required to comply with DoH guidance, and review its charging policies from time to time to ensure that they are equitable, fair and reasonable. Charging for non-residential services is discretionary whilst charging for residential services is mandatory and based on a national framework.

7. CONSULTATION

- 7.1 Consultation is taking place currently on the overall City Council budget proposals which includes changes to the adult social care charging policy. Consultation with stakeholders, specifically on these proposals, is being carried out and will include meetings with relevant groups, circulation of a consultation document and use of the website to gather views.

8. NEXT STEPS

- 8.1 Consultation will take place as outlined above following which the new Charging Policy will be drawn up and approval sought for its adoption.

9. BACKGROUND DOCUMENTS

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

9.1 Department of Health Guidance:

- Fairer contributions guidance: calculating an individual's contribution to their personal budget (July 2009)
- Fairer charging policies for home care and other non-residential social services: guidance for Councils with Social Services Responsibilities (September 2003)
- Department of Health Ministerial Concordat - Putting people first: a shared vision and commitment to the transformation of adult social care (December 2007)

10. APPENDICES

10.1 Appendix 1 - Benchmarking comparison of other Councils' charges for ASC services

APPENDIX 1

Comparison of non-residential care charges

Council	Full cost day care charge £	Full cost respite charge £	Meals charge £
Brighton & Hove	22.00	Not known	2.90
Cambridgeshire County Council	2.20	372.93	3.80
Croydon	27.13	Actual cost of care	2.80
Dorset County Council	22.41 <i>proposed</i>	Actual cost of care	
London Borough of Enfield	33.85	Actual cost of care	3.47
Hertfordshire County Council	38.40	459.83	3.30
Lincolnshire County Council	3.20	Actual cost of care	
Luton Borough Council	13.50	Actual cost of care	3.25
Milton Keynes	15.40	Actual cost of care	3.30
Peterborough	35.00 - proposed	Actual cost of care - proposed	3.20
Stockport	32.20	Actual cost of care	3.80
Swindon Borough Council	11.20	Not known	
London Borough of Waltham Forest	36.48	108.15	3.66
Warwickshire County Council	Actual cost of care - proposed	Actual cost of care - proposed	

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