

REPORT TO: Cabinet Member – Health and Social Care
Cabinet

DATE: 16th February 2011
17th February 2011

SUBJECT: Charging for Non-Residential Social Care Services

WARDS AFFECTED: All

REPORT OF: Robina Critchley, Adult Social Care Director

CONTACT OFFICER: Colin Speight, Principal Manager 3743

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To seek approval from the Cabinet Member for Health and Social Care to recommend to Cabinet to review Sefton's charging policy for non-residential services.

REASON WHY DECISION REQUIRED:

To comply with the Scheme of Delegation Section 3 Item B7.

RECOMMENDATION(S):

The Cabinet Member, Health & Social Care recommends that Cabinet approves:

- i. that all service users who have in excess of £23,250 (current threshold) in capital or those who refuse to divulge their financial details are charged the actual cost of their day centre place and other care services provided by the Council,
- ii. that the percentage of disposable income charged against as part of the financial assessment is increased from 65% to 85%.
- iii. that couples will only be offered two calculations either as a single person based on their own income, or as a couple based on their combined income.
- iv. the removal of the £5.00 per week transitional protection.
- v. that service users are charged for their reserved day centre and reserved transport place whether or not they use either facility.
- vi. that the highest rate of Attendance Allowance and the care component of Disability Living Allowance is taken into account as income for those service users who receive night-time services.
- vii. the amendments to the appeals process in relation to the revised charging policy.
- viii. it be noted that the proposal was a Key Decision but, unfortunately, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee - Health and Social Care

had been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet Member/Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the savings targets contained within the report are a component in achieving the setting of the Council's balanced budget for 2011/12. The item was not included on the Forward Plan because of the timescales dictated by the Transformation Agenda to achieve significant budget savings across the Council.

KEY DECISION: Yes

FORWARD PLAN: No. – Rule 15 authorised by the Chair of the Overview and Scrutiny Committee (Health and Social Care).

IMPLEMENTATION DATE: 11TH April 2011

ALTERNATIVE OPTIONS: None.

IMPLICATIONS:

Budge/Policy Framework: None

Financial: The estimated additional income totalling £661k as a result of the recommendations being agreed are outlined throughout the report. The actual savings target agreed for 2011-12 is £635,000.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			

How will the service be funded post expiry?	
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Legal:

Risk assessment: A Risk Assessment has been undertaken and this is given as Appendix B of the report

Asset Management: None

CONSULTATION UNDERTAKEN/VIEWS

The Head of Corporate Legal Services has been consulted and his comments have been incorporated into this report - LD00040/11'

The Interim Finance Director has been consulted and his comments have been incorporated into this report – FD636/11'

A consultation exercise via a written questionnaire was undertaken with all service users, the outcome of this exercise is detailed in this report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1.	Creating a Learning Community		√	
2.	Creating Safe Communities		√	
3.	Jobs and Prosperity		√	
4.	Improving Health and Well-Being		√	
5.	Environmental Sustainability		√	
6.	Creating Inclusive Communities		√	
7.	Improving the Quality of Council Services and Strengthening local Democracy	√		
8.	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Dept of Health – Fairer Charging guidance for non-residential services 2003

Review of charges for non-residential social services 9th March 2005

Review of Charging Policy for non-residential social services 22nd February 2006

Charging for non-residential social care services 18th March 2009

Transformation Programme Update, Prioritisation and Strategic Budget Review – 30th September 2010

BACKGROUND

1. In October 2002 the Government introduced the Fairer Charging policy which included guidance to Councils on how they should implement charges for non-residential services. The main points of the guidance are:
 - Service users with income of less than a buffer rate of basic Income Support or Guarantee Pension Credit plus 25% should be exempt from charges e.g. a person aged 60+ years with income below £165.75 per week would be exempt (2010-11).
 - Where disability benefits are counted as income then disability related expenditure should also be taken into account.
 - All service users should be offered a comprehensive welfare benefits check.

The Adult Social Care Director is required to make substantial efficiencies as part of the Councils major spending review. A potential figure of £661k has been identified that can contribute to the savings. This report gives the detail on how this amount can be found by increasing the charges levied as a contribution that users make to the cost of social care.

CURRENT POSITION

2. The current maximum charges for non-residential services in Sefton are:-

Day Care	£15.00 per day
Home Care	£11.00 per day
Meals taken at Day Centres or by the Community Meals Scheme	£3.25 per meal.
Transport	£1.50 per journey

3. In relation to non-residential services all service users receiving day care or home care are offered a financial assessment to ensure that they can afford to pay the current charge. 48% of Sefton's service users are deemed as not being able to afford to pay a charge following a financial assessment. Meals and transport are a flat rate charge and not subject to a financial assessment.
4. In addition to the governments' guidance, the main points of Sefton's charging policy are:
 - An extra £16.00 per week allowance is given for disability related expenditure to those service users who receive Attendance Allowance (any rate) or the middle/high rate care component of Disability Living Allowance. Where expenditure is in excess of this amount then the actual expenditure will be allowed.
 - Sefton increases the buffer figure (basic Income Support/Guarantee Pension Credit plus 25%) for service users who are in receipt of carers benefits.

5. Sefton's charges for non-residential services have been recently bench-marked against 12 other North-West Councils and this exercise demonstrated that Sefton's charges were considerably lower.
6. Each Council was asked to look at the same case studies and then calculate what each would charge. The exercise demonstrated the following:
 - Single older person – in this typical case study Sefton's charge was £34.00 per week, compared with the average figure for the other North-West Councils of £48.60 per week.
 - Couple older person – in this typical case study Sefton's charge was £8.70 per week, compared with the average figure for the other North-West Councils of £68.20 per week.

CONSULTATION

7. Cabinet on 30th September 2010 approved a consultation exercise to review Sefton's charging policy for non-residential services. A questionnaire was sent to service users who receive home care services and/or who attend day centres. The questionnaire asked for views on six proposed changes to Sefton's charging policy. The results of the survey are given in (Appendix A)
 - 2856 questionnaires were sent to service users.
 - The questionnaire was also available on the internet for the general public to complete, this was also advertised in the local press.
 - The questionnaire and a letter was also sent to the Carers Centre, Sefton Pensioner's Advocacy Service and Sefton Partnership for Older Citizens.

To ensure the fullest possible response could be obtained a reminder letter was given to all recipients of the questionnaire on 6th January 2011 asking them to return the completed form if they had not already done so.

8. In comparison with other consultation exercises there was a high response rate. 24% (690) of questionnaires were returned, the usual response rate is less than 10%. In a number of instances people did not give a response to each of the proposals

PROPOSALS

9. Below is a summary of the responses to each of the proposals, as well as details of the impact of each proposal on the Council's finances and on service users. All figures are based on the current benefit rates and policy.

Proposal 1 – Day Centre attendance

10. Users were asked whether or not they agreed that those people who can afford it should pay the actual cost of day centre attendance.
11. The result of the consultation was as follows:

- 21% either agreed or strongly agreed.
 - 18% indicated that they had no opinion.
 - 61% either disagreed or strongly disagreed.
12. Sefton currently subsidises the cost of day centre attendance. Whilst the maximum charge to service users is £15.00 per day, the actual cost to the Directorate for service users ranges from £30 to a maximum of £90.00 per day. Although the higher rate is that paid for users with highly complex needs the average actual cost is £45 per day.
 13. If the true cost was charged to all service users who have in excess of £23,250 (current threshold) in capital or those who refuse to divulge their financial details this would generate approximately £160,500 per annum.
 14. Those service users who have provided their financial details and who have capital less than £23,250 will still be charged a maximum of £17.50 per day for their day centre place from 11th April 2011, this was agreed by Cabinet in 2009.
 15. The Cabinet Member is therefore asked to recommend that Cabinet approves that all service users who have in excess of £23,250 (current threshold) in capital or those who refuse to divulge their financial details are charged the actual cost of their day centre place (ranging from £30 to £90 per day) and other care services (ranging from £11 to £15 per hour and £6 per journey for transport) that are provided by the Council.

Proposal 2 – Disposable income

16. Users were asked whether or not they agreed to an increase in the percentage we charge against from 65% to 95% of disposable income.

The result of the consultation was as follows:

- 12% either agreed or strongly agreed with the proposal.
 - 10% indicated that they had no opinion.
 - 78% either disagreed or strongly disagreed with this proposal.
17. Under Fairer Charging guidance Councils must ensure that service users are left with enough money for everyday living expenses, such as food, clothing and heating after they have paid any charges for non-residential services. The amount that is left is called “disposable income”.
 18. When calculating the maximum charge that service users can afford to pay Sefton currently takes into account 65% of disposable income. A high number of people disagreed with the proposal to increase the percentage of disposable income to 95% and in these circumstances it is considered appropriate to set a level 85% of disposable income rather than the 95% as originally propounded.
 19. The Cabinet Member is asked to recommend that Cabinet approves that the percentage of disposable income charged against as part of the financial

assessment is increased from 65% to 85%. This proposal will still generate approximately £227,250 per annum.

Proposal 3 – Couples

20. Users were asked did they agree in line with other Councils that in future couples will only be offered two calculations either as a single person based on their own income, or as a couple based on their combined income. Their charge will be the lowest amount.

The result of the consultation was as follows:

- 40% either agreed or strongly agreed with the proposal.
- 30% indicated that they had no opinion.
- 30% either disagreed or strongly disagreed with this proposal

21. In Sefton couples are offered three calculations and their charge is the lowest of the three. This can mean members of couples currently pay lower charges than single people The current Sefton calculations are predicated on:-

- Taking only service user's income/capital and then deducting a single person's buffer allowance.
- Taking both service user and their partner's income/capital and then deducting a higher couple's rate buffer allowance.
- Taking both service user and their partner's income/capital and then halving it and deducting a single person's buffer allowance.
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Most other Councils only use the first two calculations and therefore to maximise income is considered apposite to remove the third calculation.

22. It is difficult to assess the actual impact of this proposal. However using a sample of 10 cases, it is possible to project that 182 people will be affected by this recommendation. This will generate approximately £106,500 per annum.
23. The Cabinet Member is therefore asked to recommend that Cabinet approves, that couples will only be offered two calculations either as a single person based on their own income, or as a couple based on their combined income. Their charge will be the lowest amount.

Proposal 4 – Transitional protection

24. Users were asked whether or not they agreed to the removal of transitional protection in relations to charging for services
25. The result of the consultation was as follows:
- 23% either agreed or strongly agreed with the proposal.
 - 24% indicated that they had no opinion.
 - 53% either disagreed or strongly disagreed with this proposal

26. Members agreed in February 2006 following changes to the charging policy to limit any increase in charge for existing service users to £5.00 per week (assuming their services remained the same). It was agreed that this protection would last for three years but it has continued unchanged. As this now only affects approximately 59 people it is proposed to remove this £5 protection. This will generate approximately £24,750 per annum.
27. The Cabinet Member is therefore asked to recommend that Cabinet approves the removal of this transitional protection.

Proposal 5 – Day Centre attendance absences

28. Users were asked if people should be charged for their booked day centre and transport place whether or not they attended.
29. The result of the consultation was as follows:
 - 37% either agreed or strongly agreed with the proposal.
 - 15% indicated that they had no opinion.
 - 48% either disagreed or strongly disagreed with this proposal
30. When a service user is booked for a place at a day centre or on transport, the Council has to pay for the place regardless of whether the service user attends day care or for whatever reason does not use the transport facility. It proposed therefore that all service users are charged for their reserved day centre and transport place whether or not they attend. This will generate a maximum of approximately £82,500 per annum. There may be exceptions these will be addressed on a case by case basis in accordance with the appeals process.
31. The Cabinet Member is therefore asked to recommend that Cabinet approves that service users are charged for their reserved day centre and reserved transport place whether or not they use either facility.

Proposal 6 High rate Attendance Allowance (care component of Disability Living Allowance)

32. Users were asked whether or not they agreed to anyone who receives care services during the night such as people in supported living schemes, and who receive the highest rate of Attendance Allowance (and the care component of Disability Living Allowance), should have this rate taken into account when their charge is worked out.
33. The result of the consultation was as follows:
 - 28% either agreed or strongly agreed with the proposal.
 - 20% indicated that they had no opinion.
 - 52% either disagreed or strongly disagreed with this proposal

34. The highest rate of £71.40 per week is paid to service users who have health problems that affect them during the day and the night. When carrying out financial assessments Sefton only takes into account a lower rate of £47.80 per week, therefore disregarding an additional £23.60 per week income.
35. It is proposed that anyone who receives care services during the night such as people in supported living schemes, adult placements and who receive the highest rate of £71.40 per week, should have the full amount taken into account when their charge is calculated. This change is likely to affect 100 service users. There will be an increase in revenue of approximately £60,000 per annum.
36. The Cabinet Member is therefore asked to recommend that Cabinet approves that anyone who receives care services during the night such as people in supported living schemes, adult placements and who receive the highest rate of £71.40 per week, should have the full amount taken into account when their charge is calculated.

APPEALS

37. As part of this review of the charging policy, it is proposed to implement a new structure for dealing with appeals:
 - Stage 1 Appeal to the Team Manager (Welfare Rights, Finance & Financial Assessments)
 - Stage 2 Appeal to the Principal Manager (Adult Social Care - Corporate Finance)
 - Stage 3 Corporate Complaints procedure
38. The appeals process will look into individual cases where service users state that the changes to the charging policy has resulted in financial hardship.
39. The Cabinet Member is asked to recommend that Cabinet approves the amendments to the appeals process in relation to the revised charging policy.

FAIRER CONTRIBUTIONS GUIDANCE

40. With the introduction of self-directed support and the provision of personal budgets to support greater choice and control, the government has issued further guidance in relation to charging. This Fairer Contributions Guidance sits alongside Fairer Charging Guidance. A further report will be brought on this subject in due course.

Questions asked and summary of the consultation exercise

Number of questionnaires sent 2856
 Number of questionnaires returned 690 (of these 40 were left blank)

Below are the responses to each of the six proposals:

Proposal 1 - Day centre attendance

The current charge for day centre attendance is £15 per day. The actual cost to the council of providing this service is on average £45 per day, and can be up to £90 per day.

It is proposed that those people who can afford it should pay the actual cost of day centre attendance.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	36	6%
Agree	85	15%
Neither agree nor disagree	101	18%
Disagree	127	22%
Strongly disagree	218	39%

Proposal 2 – Disposable income

We must make sure that you are left with enough money for everyday living expenses, such as food, clothing and heating after you have paid any charges for adult social care services.

When calculating your charge, Sefton currently takes 65% of any income left over after allowances are made for everyday living expenses.

We are now proposing to increase the percentage we take to 95%.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	29	5%
Agree	42	7%
Neither agree nor disagree	56	10%
Disagree	132	22%
Strongly disagree	328	56%

Proposal 3 – Couples

In Sefton couples are offered three calculations and their charge is the lowest of the three. This can mean members of couples currently pay lower charges than single people.

In line with other Councils it is proposed that in future couples will only be offered two calculations either as a single person based on their own income, or as a couple based on their combined income. Their charge will be the lowest amount.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	61	12%
Agree	146	28%
Neither agree nor disagree	154	30%
Disagree	57	11%
Strongly disagree	97	19%

Proposal 4 – Transitional protection

In 2006 when we last made major changes to our charging policy we stated that no-one's charge should increase by more than £5 per week (assuming their services remained the same). We said that this protection would last for three years but it has continued.

We are now proposing to remove this £5 protection. This will affect approximately 75 people.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	39	7%
Agree	79	15%
Neither agree nor disagree	126	24%
Disagree	117	22%
Strongly disagree	163	32%

Proposal 5 – Day Centre attendance absences

When you have a place booked at a day centre or on transport, the council has to pay for your place whether you attend or not.

We are proposing that you are charged for your day centre and transport place whether or not you attend.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	67	13%
Agree	125	24%
Neither agree nor disagree	79	15%
Disagree	96	18%
Strongly disagree	157	30%

Proposal 6 - High rate Attendance Allowance (care component of Disability Living Allowance)

The highest rate of Attendance Allowance (and the care component of Disability Living Allowance) of £71.40 per week is paid if you have health problems that affect you during the day and the night. Currently when we work out your charge we do not include the highest rate, we only take into account a lower rate of £47.80 per week.

It is proposed that anyone who receives care services during the night such as people in supported living schemes, and who receive the highest rate (£71.40 per week), should have this rate taken into account when their charge is worked out.

Do you agree with this proposal?	Number returned	Percentage
Strongly agree	35	7%
Agree	111	21%
Neither agree nor disagree	104	20%
Disagree	93	17%
Strongly disagree	185	35%

EQUALITIES MONITORING

Below is a summary of the composition of those who completed the questionnaires.

ARE YOU A:	Total	Percentage
Service user	443	69%
Carer	156	24%
Member of the public	10	2%
Other	7	1%
Not disclosed	27	4%

POST CODE	Total	Percentage	POST CODE	Total	Percentage
L10	10	2%	L30	33	7%
L20	51	10%	L31	52	10%
L21	32	6%	L37	45	9%
L22	28	6%	PR8	113	22%
L23	49	10%	PR9	82	16%
Others	9	2%			

GENDER	Total	Percentage
Male	216	37%
Female	355	70%
Not disclosed	12	3%

AGE	Total	Percentage	AGE	Total	Percentage
Under 25	11	2%	65-75yrs	75	13%
25-50yrs	87	15%	75-85yrs	128	22%
50-65yrs	106	18%	85+yrs	117	20%
Not disclosed	63	10%			

ETHNICITY	Total	Percentage	ETHNICITY	Total	Percentage
White English	479	89%	White/ Asian	1	.2%
White Irish	9	2%	White/Caribbean	2	.4%
White Welsh	4	.7%	White/Maltese	1	.2%
White Scottish	3	.6%	Chinese	1	.2%
White Polish	2	.4%	Not disclosed	37	6.7%

SEXUAL ORIENTATION	Total	Percentage	SEXUAL ORIENTATION	Total	Percentage
Heterosexual	392		Lesbian	1	
Bisexual	13		Other	3	
Gay	2		Not disclosed	202	

RELIGION/ BELIEF	Total	Percentage	RELIGION/ BELIEF	Total	Percentage
Christian	478	78%	No religion	41	6%
Buddhist	3	0.5%	Other	3	0.5%
Jewish	5	0.8%	Not disclosed	85	14%

DISABILITY	Total	Percentage	DISABILTY	Total	Percentage
Physical	283	26%	Mental Health problems	106	10%
Hearing	115	11%	Long term illness	199	19%
Visual	120	11%	Other illness	37	3%
Learning Disability	132	12%	Not disclosed	81	8%

DO YOU CONSIDER YOURSELF TO HAVE A DISABILITY?					
	Total	Percentage		Total	Percentage
Yes	386	67%	No	114	20%
Not disclosed	72	13%			

SEFTON COUNCIL - RISK ASSESSMENT for: Charging for non-residential services

DEPARTMENT/SECTION: Health & Social Care

BUSINESS OBJECTIVE: Maximisation of Council's income

RISK REGISTER REF: ASC10

COMPLETED BY: Colin Speight (Principal Manager)

DATE: 25/01/2011

REVIEW REQUIRED: 26/07/2011

Ref No	Risk	Assessment of risk (assume no controls in place)			Risk Control measures	Assessment of Residual Risk (Control measures in place)		
		Impact (Severity)	Likelihood (Probability)	Risk Rating		Impact (Severity)	Likelihood (Probability)	Risk Rating
1	Loss of projected revenue if service users discontinue services.	4	4	16	Loss of revenue will be offset against the reduced cost of providing care.	3	2	6
2	The impact on service users of cancelling services.	4	4	16	Service user's social workers will be involved at an early stage to ensure users are aware of the consequences and their assessed eligible care needs are still met.	3	2	6
3	Hardship caused to service users by raising charges	4	4	16	As part of this review of the charging policy, a new mechanism will be implemented for dealing with appeals: This process will investigate cases where the changes to the charging policy have resulted in financial hardship.	2	2	4