

REPORT TO: Cabinet Member – Health and Social Care
Cabinet

DATE: 2nd March 2011
3rd March 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

EXEMPT/CONFIDENTIAL: No

PURPOSE/SUMMARY:

To request that the Cabinet Member for Health and Social Care recommends to Cabinet revised charges for users of non-residential services.

REASON WHY DECISION REQUIRED:

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

RECOMMENDATION(S):

The Cabinet Member is asked:-

- i) to consider which day centre charge is to be used as a basis for users of non-residential services who have in excess of £23,250 capital or who refuse to disclose their financial details, and to charge the actual cost for other care services,
- ii) to consider which disposable income figures contained within the body of the report are to be used in charges for users of non-residential services, and,
- iii) to recommend that Cabinet approves the implementation, from 11th April 2011, of the chosen day centre charge, the chosen disposable income level and to charge the actual cost of other care services to people who have in excess the relevant capital limit, (currently £23,250) or who refuse to disclose their financial details.
- iv) to note 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 actual savings target already taken for 2011-12 is £635,000 and the implications of not achieving income are outlined in the original report and will have to be met from within other budget areas available to the Council.

	2011/ 2012 £	2012/ 2013 £		
<u>CAPITAL EXPENDITURE</u>				
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?				

- Legal:** None
- Risk assessment:** A Risk Assessment has been undertaken and this was included in the previous report dated 16th Feb 2011
- Asset Management:** None

CONSULTATION UNDERTAKEN/VIEWS

The Head of Corporate Legal Services has been consulted and his comments were incorporated into the previous report dated 16th Feb 2011 - LD00040/11'

The Interim Finance Director has been consulted and his comments were incorporated into the previous report dated 16th Feb 2011 – FD636/11'

A consultation exercise via a written questionnaire was undertaken with all service users, the outcome of this exercise was incorporated into the previous report dated 16th Feb 2011.

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

Report entitled Charging for Non-Residential Social Care Services considered by the Cabinet Member for Health and Social Care 16th February 2010.

BACKGROUND

1. The Adult Social Care Director is required to make substantial efficiencies as part of the Councils major spending review. A potential figure of £635k was agreed by Cabinet on the 27th September 2010 that would contribute to the savings. A previous report detailing how this amount can be found by increasing the charges levied as a contribution that users make to the cost of social care was considered by the Cabinet Member for Health and Social Care on the 16th February 2010.
2. Cabinet, at its meeting held on the 17th February, resolved that a further report be submitted to a Special Meeting of the Cabinet Member - Health and Social Care to:
 - (i) agree the maximum amount to be charged for day centre placements and other care services provided by the Council;
 - (ii) agree the increase in the percentage of disposable income from the 65%; and
 - (iii) consider the financial implications of (i) and (ii) above to the budget target saving of £635,000.
3. This report provides the Cabinet Member with information that indicates the impact upon savings achieved if different average day centres charges and the percentage of disposable income are implemented. Members are advised that the current split between the 2875 users who are charged and who are not is 52% / 48%

Day Centre Charges

4. In the report considered on the 16th February an average figure of £45 per day was used to determine the additional income of £160,500 that would be generated, from those with capital in excess of £23,250 or those who refuse to divulge their financial details. Out of a total number of 2875 service users there will be 83 people or 3 % affected by any changes to any of the day centre or other charges. The following table shows the difference in income if lower average amounts are used.

Average Day Centre charge	Income generated	Loss from original proposal
£30	£80,460	£80,040
£32.50	£93,870	£66,630
£35	£107,280	£53,220
£37.50	£120,690	£39,810
£40	£134,100	£26,400
£45	£160,500	£0

Disposable Income

5. In the report considered on the 16th February the difference in income was derived by increasing the current percentage figure of 65% to 85% of disposable income, thus generating an additional income of £227,250. The Cabinet Member is advised that the result of Independent benchmarking research conducted with 18 North West Councils has determined that the range of disposable income goes from 65% with 7 Councils taking 100% and that the average percentage figure used by these Councils is 86%. The research also indicated that 13 of the 18 Councils were currently revising the percentages for 2011 onwards. This will be monitored and reported on accordingly.
6. The following table shows the difference in income if other percentages than 65% are used.

Percentage of disposable income	Income generated	Loss from original proposal
70%	£61,975	£165,275
75%	£120,125	£107,125
80%	£174,425	£52,825
85%	£227,250	£0

7. The Cabinet Member is made aware that if the recommendations (i) and (ii) contained in the report of 16th February were adopted the total increase in income would be £387,750. Conversely if the two lowest figures given in the tables above were used then the additional income would only be £142,435, a potential reduction of £245,315.
8. The Cabinet Member is requested to consider which of the figures in the tables given in paras 4 and 5 above are to be used and recommend that Cabinet approves these for implementation from 11th April 2011. It must be noted that any shortfall in projected income will have to be met from within other efficiency areas available to the Council in 2011/12.
9. To ameliorate concerns in relation to service users being charged for non attendance at day centres, the Cabinet Member is advised that every opportunity will be allowed for exceptions e.g. hospital appointments, emergency medical appointments, emergency situations, before a charge is levied.
10. In addition all users or people coming to the Council for a social care service, regardless of financial footing will be offered a full and comprehensive benefits entitlement check as part of their financial assessment.