

Southend-on-Sea Borough Council
Report of the Corporate Director for People
to
Cabinet
on
17th September 2013

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**Agenda
Item No.**

Charging for Adult Social Care Services
People Scrutiny Committee
Executive Councillor: Councillor L Salter
A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 This report sets out options for reviewing the existing charges that apply for some adult social care services. Councils can only charge for adult social care services in accordance with the national guidelines set down by the Department of Health.
- 1.2 This report was considered as a pre Cabinet scrutiny item by the People Scrutiny committee on 9th July 2013 (minute 134 refers).
The scrutiny committee resolved to note the draft report and endorsed it for submission to Cabinet, with the inclusion of information about current income, potential income and actual costs which is attached as appendices 1 and 2.

2. Recommendation

- 2.1 **That the Committee Members views are sought on the options available to increase income from charging and to note that Officers will be asking Cabinet to agree that statutory consultation on these options should commence.**

3. Background

- 3.1 Income from charges for social care services makes a significant contribution to the overall budget for adult social care. The power to charge for services is laid down under Section 17 of the Health and Social Services and Social Security Adjudications Act 1983. Further regulations are set out under the Charging for Residential Accommodation Guide, (CRAG) and for non-residential services the Fairer Contributions 2010 guidance applies. All current charges meet the requirements of both regulation and guidance. Apart from Meals on Wheels and

transport to day care, all charges are subject to a financial assessment in accordance with the criteria set out in the above guidance and regulations.

- 3.2 Although required to act according to CRAG and Fairer Contributions, local authorities have flexibility to refine their own charging policies and to make decisions on the limited areas where discretion can be applied. The aim of Adult Social Care has always been to provide a clear and reasonable charging framework for all adults receiving social care support. In order to maximise income, officers have identified potential changes to existing charges, or new areas where a charge could apply, whilst remaining within the legal guidance.

Options

- 3.3 Southend currently operates a maximum charge for non-residential services of £295.00 per week. The charge made is an integrated charge across home care, day services, community support or Direct Payments. Home care, community support and Direct Payments are charged at £14.10 per hour, with no subsidy. Day services are charged at £20.50 per day against the average cost of £45 per day.

The options are:

- To remove the maximum charge and charge the full cost of community services whilst keeping the subsidy for day services.
 - To remove the maximum charge and charge the cost of service with no subsidy for day services
 - To retain maximum charge whilst removing subsidy for day services.
- 3.4 Within the financial assessment for non-residential services, the Council is required to make reasonable allowances for Disability Related Expenditure (DRE). This allowance reflects additional living costs relating to age, disability and illness. Within the allowances made in the Southend it has been considered reasonable that, if an individual pays an agency for housework or gardening, 2 hours housework and 1 hour gardening would be sufficient to keep them safe and well at home.
- 3.5 If the service user chooses to pay for additional housework or gardening it is regarded as a personal choice and therefore would not be treated as Disability Related Expenditure. At present, in determining the hourly rate to apply, we take the price from 3 local agencies and apply the average. The Council could choose to apply the lowest price available in the area, as choosing another agency would be a matter of choice. This might result in the following example:-
- Currently allowed housework £12.50 per hour
 - Available in the area from Good Neighbours £11.00 per hour
 - A saving of allowance of £1.50 X 2 hours = £3.00 per week
 - Currently allowed gardening £13.00 per hour
 - Available in the area from Steve's Garden Services £12.00 per hour
 - A saving of allowance of £1.00 per week.

It is difficult to estimate the actual additional income this approach would achieve as DRE is calculated on an individual basis relating to that person's disability and personal disability related expenditure.

- 3.6 In respect of transport to day services, the Council currently charges a flat rate fee of £1.00 per day for transport regardless of the number of journeys made in any given day. There are a number of options the Council could consider in respect of this charge including:
- Raising the flat rate charge to a higher figure
 - Charging £1 per trip rather than £1 per day
 - Including the cost of transport within the integrated service charge (Paragraph 3.3) and the actual charge applied would be based upon the outcome of the financial assessment.
- 3.7 As part of the consultation, the Council will ask service users and their families which of the above options they would prefer. Charging per trip appears to be the fairest approach as the contribution paid would depend upon how often someone used the service.
- 3.8 The regulations for charging for residential care state that if someone has a property but little other capital or savings they can request a Deferred Payment. Under a deferred payment the service user makes a small contribution towards their care, based upon their actual income, with the remainder of the costs being deferred against the value of the property. A legal charge is placed on the property to ensure the Council recovers the deferred payment upon the sale of the estate.
- 3.9 Unlike some other Councils, SBC does not apply a charge for the administration of the scheme. Oldham currently charge £175.00 for the initial administration and Hertfordshire charge up to £475.00 dependant on amount of initial work needed. The Council could apply an administration fee, and if this was set at £475, this would generate an additional £28,500 per year (based upon 60 deferred payments per year).

4.0 Other Options

- 4.1 The Council could decide not to review the current charging policy and identify other ways to achieve the savings that would be required as a result of the failure to achieve the additional income set out in this report.

5. Reasons for Recommendation

- 5.1 In light of the increasingly challenging financial outlook, Cabinet may consider it appropriate to review all existing charges for adult social care services with a view to maximising income where there is appropriate.
- 5.2 Any significant changes or increases in charges must be the subject of statutory consultation as set out in the NHS and Community Care Act (1992).

6. Corporate Implications

- 6.1 Contribution to Council's Vision & Corporate Priorities

The proposals contained in this report will contribute to the corporate aims of a healthier and excellent Southend.

6.2 Financial Implications

The proposals contained in this report have the potential to generate a maximum additional income in the region of £150,000 in 2014/15.

6.3 Legal Implications

The proposals are in line with Department of Health guidance 'Fairer Charging' and Department of Health 'Charging for Residential Accommodation Guide.'

6.4 People Implications

There are no direct Human Resources or staffing implications arising from this report. Although the process may require reassessments and/or new financial assessments this can be contained within the current resources allocated to the Financial Assessment Team.

6.5 Property Implications

There are no property implications arising from this report.

6.6 Consultation

These proposals will be the subject of statutory consultation within the meaning of the NHS and Community Act (1992). A minimum of 3 months formal consultation will be required.

Any increase in charges for adult social care is likely to be contentious and therefore, as part of the consultation, the Council will need to clearly set out the rationale for any increases and the mechanism for service users to challenge or appeal the outcome of their financial assessment. As stated in paragraph 6.8, in certain circumstances, the council will waive charges if a refusal to receive a service would place a service user at risk of significant harm.

6.7 Equalities and Diversity Implications

Full Equality Impact Assessments will be undertaken as part of the consultation process.

6.8 Risk Assessment

Individual risk assessments will be undertaken should any significant changes or increases be agreed. The Council cannot withdraw a service solely due to the non-payment of any charges. In certain circumstances, the council will waive charges if a refusal to receive a service would place a service user at risk of significant harm.

6.9 Value for Money

If the Council fails to maximise income from charging this could result in a reduction in some adult social care services or require additional savings to be found in other Departmental budgets.

6.10 Community Safety Implications

There are no community safety implications arising from this report.

6.11 Environmental Impact

There are no environmental impacts arising from this report.

7. **Background Papers**

None

8. **Appendices**

8.1 Appendix 1 – Proposed Breakdown of Adult Social Care Charges

Proposed Breakdown of Adult Social Care Charges

Report Point	Option	Current Charge	Proposed Charge	Additional Annual Income	No. Of Service Users Affected	% increase
3.3	Maximum Charge	£295	£320	19,212.00	15	8.47%
		£295	£350	42,721.00	15	18.64%
		£295	£400	64,651.00	12	35.59%
		£295	£500	82,098.00	8	69.49%
		£295	No max charge	90,982.00	4	Variable
3.3	Day Services	£20.50	£25.00	10,621.00	45	21.95%
		£20.50	£30.00	20,169.00	41	46.34%
		£20.50	£45.00	42,415.00	33	119.51%
3.9	Deferred Payment Admin Fee	£0.00	£175.00	10,500.00	60	New Charge
		£0.00	£200.00	12,000.00	60	New Charge
		£0.00	£300.00	18,000.00	60	New Charge
		£0.00	£400.00	24,000.00	60	New Charge
		£0.00	£475.00	28,500.00	60	New Charge
	Maximum Savings			£161,897.00		

