

EXECUTIVE DIRECTOR COMMUNITY SERVICES	
Report Title:	Changes to charges and contributions for Adult Social Care
Key decision:	YES Date: 05.02.15
Ward:	All
Contributors:	Head of Service for Strategy Improvement and Partnerships

1. Summary and Purpose

- 1.1 This report sets out the proposed changes to the adult social care charging and contributions policy and recommends to the Executive Director a number of changes to the policy. The attachments to the report include a copy of the consultation paper, the results of the associated consultation exercise and the equality impact assessment.

2. Recommendations

- 2.1 The Executive Director is recommended to:

- a) Reduce the income support buffer from 35% to 30% in 2015/16 and then to 25% in 2016/17 (Proposal 1)
- b) Agree to take 100% of net disposable income into account when calculating how much service users should contribute to the costs of their care (Proposal 2)
- c) Agree to remove the current maximum charge (£500) so that service users with high levels of capital would pay the full cost of their services (Proposal 3).
- d) Agree to introduce charging for supported accommodation (Proposal 4).
- e) Agree to introduce charges for respite care provided at home (Proposal 5).
- f) Agree to increase charges for day centre attendance by the rate of inflation. (Proposal 8)
- g) Agree to increase charges for meals provided by the Council by the rate of inflation. (Proposal 9)
- h) Agree to start charging service users for the adult social care services they receive from the first day they receive them (Proposal 10).
- i) Agree that proposals (a) to (h) be implemented from 1 April 2015.
- j) Agree that the proposals to introduce charges for transport (Proposal 6) and to introduce charges for services provided to carers (Proposal 7) should not be implemented.

3. Background

- 3.1 The detail of the budget situation was set out in the report: Lewisham Future Programme 2015/16 Revenue Budget Savings Report, which was presented to Mayor and Cabinet in November 2014.
- 3.2 The report set out the budget challenges faced by the Council and outlined the savings proposals which would enable a balanced budget for 2015/16 to be put forward to Council in February 2015. The report explained that the Council is now in the fourth year of an eight year long period of resource reduction and that over the period 2010 to 2014 the Council had made savings of over £100m.
- 3.3 The report further outlined a range of savings being brought forward in respect of the period 2015 to 2018 and included a savings proposal of £375k to be made through changing the charges and contributions to adult social care services policy. The Mayor agreed to delegate the decision on this saving to the Executive Director for Community Service, following a consultation on the proposals.

4. Policy Context

- 4.1 The focus for Adult Social Care services continues to be on the provision of safe and high quality care to those with eligible needs whilst achieving a reduction in spend. The Council also needs to ensure that it makes the best use of limited resources whilst offering residents access to high quality services that meet their eligible care or support needs in a personalised way.
- 4.2 In allocating resources to adult social care services, the Council seeks to ensure that those with the greatest need receive the community care services they need to maximise their independence and to enable them to live in their own homes in their local communities wherever possible.
- 4.3 If a client is deemed eligible for statutory social care services under FACS, a package of care may be put in place. In accordance with the Council's policy on charging and contributions, an assessment is carried out to determine whether or not the client has the financial means to contribute to the cost of their care.
- 4.4 In providing services to adults with social care needs, the Council must comply with the current legislation and guidance issued by the Department of Health and other relevant bodies.
- 4.5 This includes Fair Access to Care Services (FACS); Fairer Charging Policies for Home Care and other non-residential Social Services – Guidance for Councils with social services responsibilities and Fairer Contributions Guidance – calculating an individual's contribution to their personal budget. In accordance with guidance issued by the Department of Health, before deciding whether or not to implement a change to the charging policy, a consultation must be carried out. The consultation paper, containing background information, details of the proposals and a questionnaire, is attached at Annex 1.
- 4.6 From April 2015, the Council must also meet the new obligations and provisions introduced by The Care Act. The recently published Care and Support Statutory Guidance published under the Act sets out a new framework for charging for care.

5. Current Policy

- 5.1 Currently, a social care assessment is completed to decide what a person's needs are, and a means test (also called a financial assessment) is carried out to determine how much, if anything, they should pay towards the services identified to meet their needs. This financial assessment looks at the person's income, savings and expenses, and the cost of the services they receive. Currently the Council aims to protect people on low incomes and has introduced a level of financial protection. If the person's income is lower than the basic rate of income support levels plus 35% (the 'Income Support Buffer') they are exempt from charging, unless they have savings over a certain limit.
- 5.2 When calculating what someone should pay, our current approach is to take into account 90% of their "net disposable income" (income less expenses and allowances). When working out whether or not to charge for a service, we take into account any expenses they have because of a disability or frailty. This is known as disability related expenditure (DRE).
- 5.3 The Council's current rules mean that nobody is charged more than £500 each week, excluding meals on wheels which are charged for separately. If a person has more than £23,250 in savings or if they choose not to declare their finances to the Council, then they will be charged the full cost of their services up to a maximum of £500 each week plus the cost of any meals they receive from the Council.
- 5.4 Under our current rules, carers are not charged for any services provided to them. We also do not currently charge for transport we provide or for services provided in supported accommodation.

6. Consultation Proposals

- 6.1 The consultation paper attached at Annex 1 set out ten proposed changes to the Council's policy on contributions and charging for adult social care. In proposing these changes the aims were:
- To increase total income as a contribution to the Council's overall savings target
 - To remove anomalies in the charging policy where some services are charged for and some are not; and
 - To bring charging for care at home more in line with charging for residential care.
- 6.2 The proposals include changes to: the income support buffer; the net disposable income; the maximum charge; charging for supported accommodation, respite care provided at home and transport; introducing charges for services provided to carers; charges for day centre attendance and meals. The consultation also suggested that charges for services are implemented from the first day services are provided.

7. Consultation

- 7.1 The report on the results of the consultation undertaken from the 24th November 2014 to the 25th January 2015 is attached as Annex 2. A summary of the consultation results is set out under each of the proposals below.
- 7.2 In consulting on the proposed changes to adult social care the Council used a mixed methods approach including development of postal and online questionnaires, focus groups, home visits and public consultation.

- 7.3 A comprehensive programme of outreach was carried out over the entire course of the consultation. This ensured that those who might have difficulty in participating in the consultation had an opportunity to contribute their thoughts. This included home visits and interpreting and translation which were arranged on request. Both public consultation events were signed and accessible to all service users. Events were also hosted by Lewisham Speaking Up, Carers Lewisham and Pensioners Forum to hear and record the voices of adults with learning disabilities, older people and their carers.
- 7.4 Officers attended the Healthier Communities Select Committee on 14th January to present the proposals and seek members' comments. The minutes, which will be agreed at the next meeting of the Select Committee, note the following:
- 7.5 The Committee discussed the proposals and commented on proposal number 6 – transport charges. The Committee highlighted the discrepancy between people with lower and higher level needs. Members felt that if most people with lower level needs would be entitled to free public transport it might be problematic to charge users for higher level services.
- 7.6 The Committee also noted its concern about the cumulative impacts of the proposals on service users – Members were concerned about any individual service user who might be subject to all of the new charges being proposed.
- 7.7 The updates on savings proposals B1; A1; A2; A3 and A9 were noted.
- 7.8 Resolved: to note the update reports; the Committee also noted its concerns about the combined impact of the proposals on service users and asked to be kept updated about the development of other options for funding provision of transport.

8. Recommendations on Proposals and Impact

8.1 Proposal 1: The income support buffer should be reduced from 35% to 25%

- 8.1.1 The Executive Director is recommended to agree that this proposal be phased in. Officers recommend reducing the buffer to 30% in 2015/16 and then applying the further reduction to 25% in 16/17.
- 8.1.2 Of those consulted, 56.05% were not in favour of reducing the income support buffer from 35% to 25%. 18.47% of people supported the proposal. The remainder either did not respond to the proposal or neither agreed nor disagreed. During consultation it was recommended that if changes were to be introduced they should be phased in. Officers recommend that phasing be applied to this proposal.
- 8.1.3 Although the majority of those consulted were against the proposal, the proposed buffer of 25% brings the Council into line with the majority of other Councils. This means that around 300 service users who are not currently charged for their services will be charged in future. It will also increase charges for some service users who are currently charged. Over 700 current clients are likely to be affected.

8.2 Proposal 2: Assessing 100% of net disposable income

- 8.2.1 The Executive Director is recommended to agree this proposal.

8.2.2 Of those consulted, 48.73% of respondents were not in favour of increasing to 100% the amount of net disposable income taken into account, while just over a quarter of respondents 25.16% were in favour. The remainder of those consulted did not respond to this proposal or neither agreed nor disagreed.

8.2.3 Although nearly half of respondents were not in favour of this proposal, national guidance permits councils to assess the full value of a client's net disposable income and this change would bring us into line with many other councils.

8.2.4 The average increase for clients would be £7.94 p.w. Currently, ten clients would have an increase of more than £25 per week.

8.2.5 The estimated contribution to savings from implementing proposals 1 and 2 in 15/16 would be £232k and would provide a further saving of £230k in 16/17.

8.3 Proposal 3: Remove the maximum charge (£500) for Adult Social Care services

8.3.1 The Executive Director is recommended to agree this proposal.

8.3.2 Over half of the respondents, 56.69%, were opposed and 21.34% were in favour. The remainder either did not respond to the proposal or neither agreed nor disagreed. Twenty clients are likely to be affected by this change. There is no maximum charge applied to those in receipt of residential care and so this would be equitable regardless of place of residence.

8.3.3 This change would contribute £141k to the savings target.

8.4 Proposal 4: Charges should be introduced for supported accommodation.

8.4.1 The Executive Director is recommended to agree this proposal.

8.4.2 The majority of respondents 53.50% were against the Council introducing charges for supported accommodation. 21.66% (68) were in favour of the charges being introduced. The remainder either did not respond to the proposal or neither agreed nor disagreed.

8.4.3 Agreement to this proposal will remove the existing anomaly whereby home care and residential care are chargeable but supported accommodation is not. It was clear from the consultation that residents were unaware that this proposal would only be applied to their care costs and not to their housing costs. As this introduces a new charge to service users the impact of this will be monitored closely.

8.4.4 This change would contribute an estimated £100k to the savings target.

8.5 Proposal 5: Charges should be introduced for respite care provided at home.

8.5.1 The Executive Director is recommended to agree this proposal.

8.5.2 63.06% were opposed to introducing charges for respite care provided at home with only 13.06% in favour of the proposal. The remainder either did not respond to the proposal or neither agreed nor disagreed.

8.5.3 This proposed change removes the anomaly in the current policy where some forms of respite are chargeable and some are not. Agreement to this proposal will ensure that charging and contributions to respite is applied equitably. Approximately 100 users currently receive a respite service. Until a new financial assessment on each has taken place we cannot calculate exactly how many of these service users will be charged for this service. Modelling based on other services has shown that the

average annual charge is likely to be around £380 per user so the total contribution to the savings target would be £38k p.a.

8.6 Proposed Change 6: Charges should be introduced for transport that the Council provides.

- 8.6.1 The Executive Director is recommended to agree that this proposals is not implemented at this time.
- 8.6.2 Almost two thirds of respondents, 62.10% were opposed to the Council introducing charges for transport which is currently provided free of charge. 17.83% were in favour. The remainder either did not respond to the proposal or neither agreed nor disagreed.
- 8.6.3 There was considerable opposition voiced to this proposal during the consultation events. In undertaking further work on this proposal it has become clear that this would require further detailed work to determine the basis for charging e.g. should trips less than a mile be free or should certain users be exempt from transport charges. In addition officers are aware of proposed changes to the use of day services which account for much of the transport use. It would seem sensible to wait until this consultation has concluded and to give further consideration to the introduction of a charge for transport at that time.

8.7 Proposed Change 7: Charges should be introduced for services provided to carers.

- 8.7.1 The Executive Director is recommended to agree that this proposals is not implemented at this time.
- 8.7.2 Over half of those surveyed 60.51% were opposed to introducing charges for carers services, that are currently provided free of charge. 13.69% were in favour. The remainder either did not respond to the proposal or neither agreed nor disagreed.
- 8.7.3 There was strong support and recognition from those consulted for the valuable role undertaken by carers. Many cited the benefits both in terms of the reduced costs to the Council of care provision and in the quality of life and wellbeing of the service user. Most Councils do not charge for carers services. Officers therefore recommend that Lewisham does not introduce such a charge at this time.

8.8 Proposed Change 8: Charges should be increased for day centre attendance by the rate of inflation.

- 8.8.1 The Executive Director is recommended to agree this proposal.
- 8.8.2 Most people 51.91% disagreed with increasing charges for day centre attendance by the rate of inflation. 23.25% of people were in favour of the proposal. The remainder either did not respond to the proposal or neither agreed nor disagreed. However officers recommend that this proposal be implemented to reflect the increased costs to the Council of providing these services.

8.9 Proposed Change 9: Charges should be increased for meals the Council provides by the rate of inflation.

- 8.9.1 The Executive Director is recommended to agree this proposal.
- 8.9.2 Over half, 53.50%, opposed the proposal and 21.97% of respondents agreed with the proposal. The remainder either did not respond to the proposal or neither agreed nor disagreed. However, as stated for proposal 8, officers recommend that this proposal be implemented to reflect the increased costs to the Council of providing

these services. The number of users is reducing as more users find alternative meal providers.

8.10 Proposed Change 10: As from 1 April 2015, we propose to start charging service users for services they receive from the first day they receive them.

8.10.1 The Executive Director is recommended to agree this proposal.

8.10.2 Over half of the people surveyed 55.73% were against and less than a quarter 22.29% (70) agreed.

8.10.3 This change to the policy was misunderstood by a number of users who thought that the changes outlined above would all be applied retrospectively. This is not the case. This proposal applies to those who will start receiving services in the future and where there has been a delay in undertaking the financial assessment. This is sometimes the case when the service user is unable to meet the assessment officer for various reasons. This change would apply to all new clients and would ensure that charges applied from the first day they were in receipt of a service.

9. Equality Implications

9.1 A full Equalities Analysis Assessment (EAA) has been undertaken on the proposals within the consultation. The complete assessment is attached as Annex 3. A summary of the conclusion is given in the body of this report.

9.2 This EAA was conducted with due regard to legal requirements and has involved local residents and service users in considering the potential impact on current and potential service users. The overall assessment of this EAA is that the saving proposals will have an adverse impact across the following equality groups: age; gender and disability.

9.3 The EAA concludes that these proposals will have a high negative impact on women, those over the age of 65 and those with a disability.

9.4 Full mitigation will not be possible and, if adopted, the proposals will have a negative impact on some service users. However a number of measures have been proposed to minimise the impact. These include:

- Adopting a phased approach to the implementation of some changes.
- Ensuring that all clients are receiving the benefits to which they are entitled.

9.5 In addition, it should be noted that the Council has an appeals procedure which allows clients to dispute their assessment. Appeals deal with circumstances where the correct information and calculation have been applied, but users (or interested parties acting on their behalf) wish to appeal against the charge arising from a fairer charging assessment on the grounds that they believe that they have insufficient means or other circumstances that make it unreasonable for them to pay the charge as assessed.

10. Financial Implications

10.1 The Lewisham Future Programme 2015/16 Revenue Budget Savings Report set out the financial issues that need to be taken into account in order for the Council to set a balanced budget in 2015/16.

10.2 That report also outlined the savings proposals which were presented to enable a balanced budget for 2015/16 to be put forward to Council in February 2015.

- 10.3 The saving proposals allocated £375k of savings to be made through changing the charges and contributions to adult social care services policy.
- 10.4 The range of options recommended for approval would achieve savings in 2015/16 of £414k and would provide an increase in that income in 2016/17 of £324k. This could be taken as a further saving in 2016/17.

	2015/16 pye	2016/17	2017/18
	£000	£000	£000
Reduce IS buffer to 30%, increase income assessed to 100%	170	230	230
Remove maximum weekly charge	110	140	140
Introduce charge for respite provided at home	29	38	38
Introduce charge for supported accommodation	75	100	100
Start charging earlier	30	60	60
	<u>414</u>	<u>568</u>	<u>568</u>
Further reduce IS buffer to 25%		170	230
	<u>414</u>	<u>738</u>	<u>798</u>

11. Legal implications

- 11.1 Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA Act 1983) gives Local Authorities a discretionary power to charge adult recipients of non-residential services provided such charges are reasonable and they have regard to the Government's "Fair Access to Care Service" national guidance.
- 11.2 The Council must also comply with guidance issued by the Department of Health and other relevant bodies. This includes Fairer Charging Policies for Home Care and other non-residential Social Services – Guidance for Councils with social services responsibilities and Fairer Contributions Guidance – calculating an individual's contribution to their personal budget.
- 11.3 The guidance on Fairer Charging Policies recommends that consultation with users and carers about charging policies and increases or changes in charges should follow good practice advice.
- 11.4 The Care Act rewrites much of the existing adult social care legislation. The new requirements of the Care Act do not come into force until 2015. The consultation has followed current legislative requirements and all proposals are in line with the new requirements of the Care Act.

12. Environmental Implications

- 12.1 There are no environmental implications arising from this report.

Background Documents

Annex 1 - Charges and contributions to adult social care services – information and questionnaire.

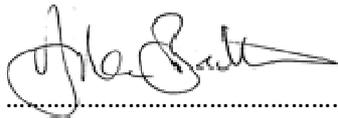
Annex 2 - Report on the consultation undertaken between the 24th November 2014 to 25th January 2015

Annex 3 – Equality Analysis Assessment

For Further information, please contact Sarah Wainer, Head of Strategy, Improvement and Partnerships: sarah.wainer@lewisham.gov.uk

Decision:

Acting in accordance with Standing Orders, I hereby agree to the recommendations contained within this report.



..... Date 06/02/15

Aileen Buckton – Executive Director for Community Services