



DERBY CITY COUNCIL

COUNCIL CABINET
21 MAY 2008

Report of the Corporate Director of Corporate and Adult Services

Fairer Charging - Introduction

SUMMARY

- 1.1 This report sets out the possible options for charging for adult social care community care services in 2008/9.
- 1.2 The budget agreed by council for adult social care requires an additional £2m income to be achieved. The additional income is required to maintain existing adult social care service levels.
- 1.3 The impact of personalisation of adult social care, with the introduction of Individual Budgets in particular, is not yet fully apparent. This may result in a further increase in demand for adult social care services and emphasises the need to introduce charging as part of the strategy to support the continued delivery and development of adult social services.
- 1.4 The model and level of charging for 08/09 now needs to be confirmed. There is a 7 month run in period to enable the assessment and collection systems to be set up, and the public consultation to take place.
- 1.5 The adult social care budget requires additional income of £500,000 to be achieved in 08/09, rising to a full year income of £2m in 09/10.

If the chosen option does not yield £2m additional income (fye) further increases of income would need to be found from other sources to make up any deficit. It should be noted that the estimated income from various charging levels are based on patterns from the previous charging period in 04/05. It is possible that this will not be exactly mirrored in 08/09, the actual amount which will be realised will not be known until all the individual financial assessments are completed.

RECOMMENDATIONS

- 2.1 To agree a charging policy which comprises an hourly rate for home care services, a rate per day for day care support, and a rate per day for transport in connection with day activities. There would be one fairer charging assessment for each individual which takes account of all the services provided for that individual and levies a charge accordingly, with a specified maximum charge.

- 2.2 To confirm the level at which it is proposed to establish charges in line with 2.1 above. The income generated by the various combinations are detailed at appendix 2 and 3
- 2.3 To approve the commencement of the public consultation process, to commence in June 2008, in order to allow implementation of charging to commence from January 2009.
- 2.4 Whichever specific option is chosen, to approve the proposal to remove an upper limit on charges where the service user has savings or assets above the current residential capital allowance (£21,700 in 2007/08).
- 2.5 As Community Meals are already chargeable outside of the fairer charging process, to charge for any meal provided either in a person's own home, or in a community or day service setting (excluding residential care), separate to any charge payable for the service itself, at £3.00 per meal provided in 08/09. This is in line with the adult social services budget agreed. .
- 2.6 To approve the introduction of charging for care within Supported Living schemes subject to a Fairer Charging financial assessment with the actual rate to be charged for Supported Living for younger adults being the subject of a separate report.

REASON FOR RECOMMENDATIONS

- 3.1 Members will recall the paper tabled in December 2007 detailing the increased pressure on adult social care budgets in recent years, and the potential upward step change in demand for social care services with the introduction of personalisation and individual budgets. This will bring added pressure to existing budgets, which are already finely balanced.
- 3.2 Owing to the difficult budgetary pressures facing the Council it has been necessary to identify all potential income generation possibilities. Charging for Community Care Services is required to generate a minimum income of £2m per annum in 2009 / 10 to balance the adult social care budget (£500,000 in 08/09 based on a projected start date of January 2009)
- 3.3 Derby is one of only two local authorities in England which do not charge for community based social care services. An hourly rate of £8.00 or under would position Derby as having the lowest home care charges of all East Midlands authorities which do charge for services.
- 3.4 The introduction of charging for community based services removes the anomaly of such services being free whilst charges are made for residential care. The current situation creates perverse service decision incentives in the system for service users and carers, and is perceived as unfair by those requiring residential level short or long stay care.

- 3.5 The level of charging will need to be subject to annual review. There is a national review of funding for adult social care services under way, and together with the introduction of personalisation of adult social care services in the coming years, there is likely to be an impact on charging for services.



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SUPPORTING INFORMATION

Personalisation

- 1.1 The onset of personalisation and individual budgets means adult social care services will be required to make provision for a range of needs with a greater focus on using preventative approaches to promote people's independence and wellbeing. This requires a focus on enablement and early intervention. The inevitable consequence of this is a significant increase in public expectation and demand for services.
- 1.2 This change of strategic direction for social care coupled with the growth in the population will be unsustainable unless resources and efficiencies are maximised. Advances in public health, healthcare and changes in society mean that we are living longer, and as communities become more diverse, the challenges of supporting that diversity becomes more apparent. People have higher expectations of what they need to meet their own particular circumstances, wanting greater control over their lives and the risks they take. They want choice and control, dignity and respect to be at the heart of any interaction, so that they can access high-quality services and support closer to home at the right time, enabling them and their supporters to maintain or improve their wellbeing and independence rather than relying on intervention at the point of crisis. Social care cannot meet these challenges without radical change in how services are delivered.
- 1.3 There will be a 50% increase in the over 85's population and a 29% increase in the over 65's population in Derby by 2025.
- 1.4 All this indicates that, faced with long-term demographic change, the current system of social care delivery will need to be re-engineered and modernised to respond to the pressures on the system, the increased expectations placed upon it and tackle substantial culture change. It will also need to be set in the context of the recognition of the need to explore options for the long term funding of the care and support system. The Government has announced its intention to produce a Green Paper in 2008, to identify the major challenges, the key issues and setting out options for reform, to ensure any new system is fair, sustainable and unambiguous about the respective responsibilities of the state, family and individual.

- 1.5 The Government's vision of the future for all individuals eligible for publicly-funded adult social care paints a picture where everyone will have a personal budget (other than in circumstances where people require emergency access to provision); a clear, upfront allocation of funding to enable them to make informed choices about how best to meet their needs, including their broader health and well-being. Having an understanding of what is available will enable people to use resources flexibly and innovatively, no longer simply choosing from an existing menu, but shaping their own menu of support. A person will be able to take all or part of their personal budget as a direct payment, to pay for their own support either by employing individuals themselves or for purchasing support through an agency or otherwise. Some people may wish, once they have decided on their preferred care package, to have the council continue to arrange and pay for this directly. The approach, which may be a combination of both, will depend on what works best for them. The term personal budget will describe this transparent allocation of resources.

Fairer charging

- 2.1 At the time of Local Government Re-organisation in 1997, when the Social Services function transferred to the Council, home care was provided free of charge. This policy was maintained for the first two years after LGR. The Council has the discretion to charge for community services in law and further to determine the level of charges locally. The Fairer Charging framework guidance exists to ensure Councils set and operate charging policies responsibly and fairly.
- 2.2 In 1999, the Council agreed to implement home care charges. A flat rate charging scheme was introduced. People receiving less than two hours pw paid £3.00 pw. The highest charge was £12.00 pw for people receiving 15 hours or over. With this policy all service users on Income Support received a free service but there was no financial assessment. These arrangements continued unchanged to 2003, by which time the charges had only increased slightly (£3.35 for less than two hours pw, up to £13.30 for 15 hours and over).
- 2.3 In April 2003 the Government introduced Fairer Charging Guidance, which Local Authorities were required to follow. The guidance required a fairer charging assessment to be undertaken wherever charges were to be introduced or continued. After taking legal advice, drawing up proposals and consulting widely with service users and relevant local organisations during 2003, the Council implemented a new system of charging from December 2003 which was compliant with Fairer Charging guidance. The consultation indicated overall support for charging. The previous flat rate approach ceased and the new charging system was based on an hourly rate.
- 2.4 Council decided to cease charging in October 2005. At this time charges were set at £4.84 per hour with a maximum payable of £33.88 pw (the equivalent of 6.5 hours). Of 2,900 service users receiving home care at the time, approximately 920 received a free service, while approximately 260 paid the maximum, which means they were receiving a minimum of 6.5 hours of care per week.

If charges had continued to be in place and subject only to inflationary rises the charging rate in 08 / 09 would be £5.30 per hour with a £37.10 maximum per week by 2008/9 for home care.

- 2.5 The Fairer Charging system involves a full assessment taking into account the service user's financial resources, their housing and disability related expenditure and a welfare benefits assessment to maximise income. This is intended to ensure that only those that can afford to pay do so. All service users whose income is below Income Support plus 25% receive a free service. In addition allowances are made for disability related expenditure and other key areas of expenditure (such as housing costs).
- 2.6 The fairer charging guidance to local authorities is clear about what should and should not be taken into consideration as income for charging purposes. There is also detail on what is allowable expenditure against income, thereby legitimately reducing available income for charging purposes. Couples are treated as separate entities unless they are in receipt of joint income such as welfare benefits.
- 2.7 All earnings from employment of a spouse or a service user are disregarded in the fairer charging assessments. This is because disabled people should be encouraged to seek employment and participate fully in society. The government view is that anything which may create a disincentive for people to seek work should be disregarded in charging assessments.
- 2.8 Disability related benefits such as Attendance Allowance (AA) and Disability Living Allowance (DLA), can be taken into account as income. In the previous charging arrangements Derby did include these benefits as income in the fairer charging assessments. To balance this position, disability related expenditure is recognised as an allowance within the charging guidance. In addition, the mobility component of DLA is disregarded for charging purposes by law. It is also recognised within the guidance that the higher rate of both DLA and AA is only paid if the individual needs care during the day and night. It is not reasonable to take the whole of the higher rate into account as chargeable income in circumstances where the authority is only providing services during the day, or conversely only at night. The majority of people will only receive services during the day. In order to address this day/night issue the guidance stipulates that it is reasonable for authorities to only take the lower rate for AA and middle rate for DLA into account for charging purposes, even when the individual is actually in receipt of the higher rate. The example below illustrates the point:
- 2.9 **EXAMPLE:** Single person aged 65 with disability related benefits and £25 per week of disability related expenditure, in receipt of Housing Benefit and Council tax.

Income Per Week 2007/8 Benefit Rates

Occupational Pension	£140.50
Higher Rate DLA	£64.50
Higher Rate Mobility Component	£45.00
Total Income	£250.00

Allowances

Income Support Minimum Guarantee +25%	£148.81
Disability Related Expenditure	£25.00
Housing Related Expenditure e.g. Rent Council Tax	£00.00
Higher Rate DLA Disregard	£21.35
DLA Mobility Component Disregard	£45.00

Total Allowances **£240.16**

Assessable Income Remaining **£9.74**

Maximum charge for all services received by this individual would be £9.74 per week regardless of the volume of service. The person would be left with a disposable income of £240.16 per week after charges.

Home Care Services

- 3.1 In December 2007 we had 1928 service users in receipt of a home care service. The profile is detailed below.

Profile of current Service User Hours

Count of Client Name	Client		
Hours	Total	Proportion	Cumulative
0-2 Hrs	251	13.0%	13.0%
2-5	572	29.7%	42.7%
5-10	528	27.4%	70.1%
10-15	266	13.8%	83.9%
15-20	111	5.8%	89.6%
20-30	96	5.0%	94.6%
30-40	50	2.6%	97.2%
40+	54	2.8%	100.0%
Grand Total	1928		

Please note that a significant number of those in receipt of packages of care above 15 hours are joint funded with Health and/or in receipt of Independent Living Fund (ILF) contribution. This profile includes individuals in receipt of in-house, independent sector, learning disability home care and direct payments services. Any potential charge would apply equally to all of these domiciliary service areas, but charges would not be levied for any part of a care package funded by NHS.

- 3.2 For reference please see below rates charged by our neighbouring authorities in 2007/8 and proposed charges for 2008/9.

Authority	2007/08		Proposed 2008/09	
	Charge Per Hour	Maximum Charge per week	Charge Per Hour	Maximum Charge per week
Leicestershire	7.60	180.00	8.40	180.00
Leicester City	8.00	200.00	8.20	200.00
Rutland	11.00	110.00	11.50	125.00
Nottinghamshire	8.50	75.00	8.50	75.00
Nottingham City	7.30	55.00	8.50	75.00
Stoke	12.00	120.00	Tba	Tba
Staffordshire	13.50	135.00	Tba	Tba

Currently the regional hourly charge ranges from £7.60 to £13.50 per hour. Likewise the maximum charge ranges from £55 to £200 per week for 2007/8. Proposed charges for 2008/9 range from £8.20 per hour to a high of £13.50 at the minimum.

- 3.3 Appendix 2 contains the detailed calculations of various possible charging rates applied to the charging model for homecare. The rates applied and the net revenue (after collection costs) they would yield is summarised below.

3.4

Hourly Rate	Max Charge	2008/9 Income*	2009/10 Income*
£6.50	£65	£200k	£1963k
£8	£80	£325k	£2466k
£10	£100	£493k	£3136k
£5.30	£37.10	£ - 35k	£1028k

*This amount is net of the anticipated cost of introducing and administering the system of 345k in 08/09, and 215k in subsequent years. The amount is higher in year 1 as a full financial assessment has to be undertaken for each individual. The lower the charge the greater the % cost of administration. The % of cost of administration (fye) would be as follows

Level of charge	Administration and collection	% of income needed for administration
£5.30	£215k	17.3
£6.50	£215k	9.9
£8	£215k	8.0
£10	£215k	6.4

The rates applied to the charging model range from £5.30p/h with a maximum of £37.10p/w, which is the 2005 rate uplifted for inflation, to £10p/h with a maximum of £100p/w. The £10p/h rate is the average rate being charged regionally by those authorities that are charging.

The 2008/9 income levels assume three months of charging in 2008/9. A rate of £6.50 would yield just under £2.0m per annum in a full year. The £5.30 rate would be insufficient to yield the minimum level of income (£2m) required to balance the budget, and would actually incur a cost in 2008/9 of 35k as the cost of collection would be greater than the income achieved.

A rate of £8 per hour compares to an average cost per hour delivered of £12.73 (2007/08) which equates to a significant subsidy of 37%. For this purpose the average cost excludes overheads as recommended by Fairer Charging guidelines.

The capital limit (£21,500 2007/8) would require those individuals with liquid savings of more than this amount, to pay for all hours provided at the prevailing hourly rate. These individuals will still continue to receive a subsidy of 37% for every hour in their care package. The capital valuation for people in receipt of home care services would exclude owner occupied property and personal property. This would be in line with the national charging rules for residential care which requires individuals to fully fund their own care if their capital assets are above £ 21,500. If after a period of charging individuals fall below this capital level they would revert to the maximum charge if applicable.

- 3.5 We expect approx 33% of service users will receive a service free of charge based on previous experience. In line with Fairer Charging guidelines individuals will be allowed a minimum disposable income, after all allowable expenditure such as housing/disability related costs are met, of £155.06 (aged over 60) or £123.69 (aged under 65) before they start to pay for care. Most people with the highest level needs will be protected by the maximum rate, which is equivalent to the average care plan of around 10 hours per week, the only exception being people with capital over £21,500.

The examples at Appendix 4 show how the charging would operate under fairer charging guidelines. In all cases, despite charges, the council would continue to subsidise the cost of providing the service. Those people whose income is below the fairer charging threshold will obviously receive a free 100% subsidised service. It is estimated from residential charging profiles that approximately 10% of service users will have savings in excess of £21,500, the upper limit. However, these service users would still enjoy a significant subsidy as the hourly rate charged is considerably below the actual cost of providing that service. .

Day Care Services

- 4.1 The Council currently operates a policy of a notional client contribution of £2.50 for day care. Over time this has become synonymous with day service meal provision in the absence of a charging policy. The current charging regime for day care is a legacy situation that goes back many years and has no particular basis

or connection with the cost of provision or ability to pay. Attendance at a day service entails the cost of transport to the day service for most people, a meal at lunchtime and two sessions of day care, morning and afternoon, per day.

It is important in terms of fairness and equality that charges apply to all community based care and support services. It would be perceived as being unfair that an older person requiring support in their own home for 5 hours per week would be charged £40.00 (at £8.00 per hour for example) but an older person attending a day service for 2 days per week would be not charged. The cost to the Council of providing 2 days of day service is far in excess to that of providing 5 hours of home care.

Equality of treatment for all sections of the community is an important issue for the public, particularly where there is no robust rationale for charging one group of service users and not another group. It is therefore strongly recommended that a charge for day services and transport services is levied, bearing in mind of course that many will not be required to pay as their income will be below threshold levels.

In a January 2008 Mori conducted for the Audit Commission a poll on charging. Some of the findings oppose traditional thinking and are detailed below:

- Councils' perceptions of local opposition to charges are not always backed up with robust evidence.
- The public is more receptive to charging for some services than is often assumed.
- People are more willing to pay charges where they can see what they are getting for their money and have a degree of choice.
- People believe they get value for money from almost all of the local authority services for which they pay charges.
- A lack of public understanding about the levels of subsidy Councils provide or the purpose of charges undermines public confidence that charges are being used well.

There are important lessons in these findings for the construction of the public consultation exercise which will be required following acceptance of any charging policy by members.

4.2 The cost to the Council of day care is £46.45 per day for older people and £75.35 per day for learning disabled adults. These unit costs are based upon direct costs only as recommended in the fairer charging guidelines.

4.3 If we consider older people initially, there are currently 117 people attending Morleston Street day centre and 123 people in attendance at Whitaker Road (including 28 older people with Dementia using the Chatsworth room). Morleston and Whitaker Road are the main day service centres for older people, operating five days per week Monday to Friday. Virtually all of the service users attending the two main centres also access a transport service to the centres provided under a council contract with a third party.

4.4 There are also 7 satellite sites in the neighborhoods for older people, operating on a one day per week basis. The satellite sites cater for a further 98 older people. In addition, three older peoples residential homes provide day services for a further 74 older people. In total 412 older people access day care at one of the various sites in the city at least once a week.

4.5 The frequency of attendance for day service users is detailed below.

No. of days	No of People Attending					% of Total
	Morleston	Whitaker	Satellites	Residential Homes	Total	
1	53	62	98	66	279	67.7%
2	47	43		3	93	22.6%
3	17	17		1	35	8.5%
4				2	2	0.5%
5		1		2	3	0.7%
Total	117	123	98	74	412	100%

The vast majority of older day service users only attend the service once or twice a week. This accounts for 372 (90%) of all service users. On average approximately there are 100 older people attending day services daily.

4.6 Members will be aware that learning disability day services are in a state of transition. The Humbleton View Day centre in Mickelover is to close in May 2008. This is being replaced by three community satellite sites in the neighbourhoods. In addition, there is the Wetherby Day Centre located on Wetherby Road off Ascot Drive. There is also some high needs provision at Birdcage Walk and Porter Road, due to be replaced by the new site in Derwent.

4.7 Presently we have 119 LD service users attending Humbleton View at some stage in the week and 176 registered at Wetherby, totaling 295 service users. The pattern of attendance is illustrated below.

The difference in the frequency of attendance between LD people and older people is marked but not surprising. Approximately just over one third of LD people attend once or twice a week but over a half of LD people attend four or five times a week. Approximately 200 service users attend LD day services per day.

No of Days	No. of People Attending			% of Total
	Humbleton	Wetherby	Total	
1	24	52	76	25.8%
2	6	27	33	11.2%
3	12	12	24	8.1%
4	19	14	33	11.2%
5	58	71	129	43.7%
Total	119	176	295	100.0%

- 4.8 It is proposed to introduce a charging structure that separates out the various services associated with a day service i.e. transport, meal and day service provision.

The intention is to introduce a flat rate fixed daily fee for day service meals which will be outside of the fairer charging assessment and hence payable by everyone.

Additionally, there will be a transport charge and a day service provision charge, both of which will be assessed under the fairer charging regime. This will ensure that only those who can afford to pay for the service will actually pay. Those on low income shall be protected with a minimum income threshold of income support or minimum credit income guarantee +25%.

Those individuals with savings of above £21,500 would pay for all day service usage at the prevailing rates. The upper capital threshold will move annually in line with the residential upper capital threshold set nationally. These individuals will continue to receive a significant subsidy from the Council towards their care, 83% in the case of older people and 90% for Learning Disabled people. The capital valuation for day services will exclude primary residential property and personal chattels.

- 4.9 Appendix 3 illustrates some of the charging rates that may potentially be applied to components of the day care charge.

It is recommended that we introduce a meals charge of £3 per day fixed. This is comparable to a meals charge for someone receiving a hot meal in the community.

The transport rate should also be set at a low rate of £3 per day which covers two journeys. This is significantly below the provision cost of this type of specialist transport and comparable with public transport rates.

For the day service itself it is proposed to introduce a charging rate of £6 per day. This is significantly below the unit cost of this type of provision i.e. £46.45 per day for older people and 75.35 per day for learning disabled people.

In every case people would be afforded the protection of a fairer charging assessment which would ensure a minimum level of disposable income beyond which all services would be free at point of delivery. All primary disability related expenditure would be assessed and taken into account before the scope for paying service charges was ascertained. Example calculations for day service charges are detailed at Appendix 4.

- 4.10 If the proposal for day services are accepted this would generate an estimated additional income for Adult Social Services of £310k in a full year.

- 4.11 The number of learning disabled clients accessing day care who also access some form of home care amount to 48 day service clients from a total of 295 (16%). Similarly for the older day service client population, 30% of the day service user base also access some form of home care, 124 people.

Cost of Collection

- 5.1 Collection costs will be higher in year one due to all existing service users requiring a full financial assessment. In subsequent years only new people will require a full assessment. Total costs of collection in year 1 will be £345k reducing to £215k per annum thereafter.
- 5.2 Project timeframe suggests a period of 6/7 months from approval to income commencement. This allows time for a public consultation period of 3 months, staff recruitment, and for approx 2450 fairer charging assessments to be carried out (plus new clients). The Fairer Charging Assessment will also include a welfare benefit check for service users to maximise their income.
- 5.3 The consultation process should include the following: whether or not charges should be introduced, the rate of charges, whether or not capital should be taken into account, whether or not there should be a maximum charge, whether the same charges should apply to 'supporting people' services, and how disability related expenditure should be assessed.

OTHER OPTIONS CONSIDERED

- 6.1 The option of continuing free services at point of delivery were considered but due to budgetary pressures was discounted. Equity of treatment issues were also considered.
- 6.2 Various charging rates are presented for consideration, but to assist the council to balance its budget in 2009/10 a minimum income figure of £2m is required.
- 6.3 Options reviewed included inflating the previous charging rate in 2005 of £4.84 per hour with a maximum of £33.88. This however, generates only approx £1m of income in a full year, and is inefficient in terms of administration and collection costs.
- 6.4 A banded charging approach was also considered but Fairer Charging guidelines recommends against this – "can create perverse incentives and spread subsidy unfairly". It would also leave the Council vulnerable to swings in client allocations within bands.

For more information contact:

Background papers:

Appendix 1 – Implications
Appendix 2 – Home Care Charging rate options
Appendix 3 – Day care charging Rate options
Appendix 4 – Examples
Appendix 5 – Benefit Rates

IMPLICATIONS

Financial

- 1.1 The full year income from this recommendation is approx £2m. The effect in 2008/09 is expected to be £500k. It is impossible to be more precise than this as actual individual income of service users is unknown until financial assessments are carried out.
- 1.2 Our estimates are based on our knowledge and experience from when we previously charged.

Legal

- 2.1 Local authorities have the discretionary legislative power to charge for community services under the HASSASSA Act 1983 and Local government Act 2003.
- 2.2 The fairer charging guidance provides advice about how to apply charges fairly.

Personnel

- 3.1 Additional staff will be required to administer the charging system.

Equalities impact

- 4.1 All individuals in receipt of services will be treated consistently and fairly.
- 4.2 An equalities impact assessment of this policy will be undertaken to ensure fair treatment for all.

Corporate priorities

- 5.1 The modernisation programme supports the Council's objectives of healthy, safe and independent communities and furthers the priority or modernising social care, including adult home care.

Appendix 2

**Derby City Council
Adult Social Services
Fairer Charging
2008/09**

2005
Rate
Inflated

Description	Note	2008-09 £6.50 - £65	2008-09 £8 - £80	2008-09 £10 - £100	2009-10 £6.50 - £65	2009-10 £8 - £80	2009-10 £10 - £100	2009-10 5.30 - 37.10
Total Income		544636	670322	837902	2178546	2681288	3351608	1243447
Cost of Collection	1	345000	345000	345000	215000	215000	215000	215000
Net Proceeds		199636	325322	492902	1963546	2466288	3136608	1028447

Income Projection		2008-09 £6.50 - £65	2008-09 £8 - £80	2008-09 £10 - £100	2009-10 £6.50 - £65	2009-10 £8 - £80	2009-10 £10 - £100	2009-10 5.30 - 37.10
Cost Per hour		6.5	8	10	6.5	8	10	5.3
Max hours		10	10	10	10	10	10	7
Free of charge	2	0	0	0	0	0	0	0
Part Pay 1	3	170707	210101	262626	682828	840404	1050504	389737
Part Pay 2	4	373929	469221	575276	1495718	1840884	2301104	853710
Total Income		544636	670322	837902	2178546	2681288	3351608	1243447

Notes

1. See Home Care 1 Sheet
2. assumption than 33% of users will not pay any charge
3. 21% will pay 50% of potential income.
4. 46% will pay 50% of potential income.

Assumptions

1. Year 1 income will be 25% of total achievable due to implementation run in time, this assumes a start date for actual income collection of January 2009.

2. Assume max chargeable is for 10hours.

December 2007 Home Care Monitoring Report			
Client Category	No of Clients	Hrs per week Dec-07	Avg per client per week
Moderate	792	5720	7.22
Substantial	813	7819	9.62
Critical	248	4566	18.41
Other	71	741	10.44
Total	1924	18846	9.8

Use overall average of 10 hours per client.

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Fairer Charging
2008/09**

Day Services

Description Rate Per Day	Service Users Per Day	Total Days	% Collectible	2008/09 £6 £000's	2008/09 £8 £000's	2009/10 £6 £000's	2009/10 £8 £000's
Older People	83	20833	50	£15,625	£20,833	£62,499	£83,332
Physical Disability	16	3935	50	£2,951	£3,935	£11,805	£15,740
Learning Disability	160	39583	50	£29,687	£39,583	£118,749	£158,332
Total	259	64351		£48,263	£64,351	£193,053	£257,404

Transport

Description Rate Per Day	Service Users Per Day	Total Days	% Collectible	2008/09 £3 £000's	2008/09 £4 £000's	2009/10 £3 £000's	2009/10 £4 £000's
Older People	60	15060	80	£9,036	£12,048	£36,144	£48,192
Physical Disability	16	3935	75	£2,214	£2,951	£8,854	£11,805
Learning Disability	120	30000	80	£18,000	£24,000	£72,000	£96,000
Total	196	48995		£29,250	£38,999	£116,998	£155,997

Meals

Description Rate Per Day	Service Users Per Day	Total Meals	% Collectible	2008/09 £3 £000's	2009/10 £3 £000's
Older People	60	15060	80	£9,036	£36,144
Physical Disability	16	3935	75	£2,214	£8,854
Learning Disability	120	30000	80	£18,000	£72,000
Total	196	48995		£29,250	£116,998

Assumptions

1. Income in 2008/09 will be 25% of that achievable in a full year due to start date
2. Day Service 50% assumed collectible due to clients not being assessed to pay - 33% + estimate additional 17% FOC due to other charges e.g. Home Care.
3. Assume 120 LD service users and 60 older people use transport, assume similar number purchase meals. Please note not all meal income will be additional, as it replaces the current day service charge

Fairer Charging Examples

Home Care

a) Service User Over 65 Older person

Income: Combined State and Occupational Pension & Care Allowances- £300 per week.
Service: 15 hours of Home Care per week

Charge: £ per week

Total Income	300.00
Disability & Housing Spend (say)	50.00
Net Income	250.00
Minimum Income re Charging	155.06
Available for Charging	94.94

Charge to Service User (10 hrs max * £8ph) 80.00 p/w Residual Income = £170

Cost of Service to DCC @ £12.73 p/h x 15 = £191 p/w

Therefore DCC subsidy to client = £111 p/w

b) Service User Under 60

Income: Various Benefits - £180 per week.
Service: 10 hours of Home Care per week

Charge: £ per week

Total Income	180.00
Disability & Housing Spend (say)	50.00
Net Income	130.00
Minimum Income re Charging	123.69
Available for Charging	6.31

Charge (10 hrs max * £8ph) 6.31 p/w Residual Income = £123.69 p/w

Cost of Service to DCC @ 12.73 p/h x 10 = £127 p/w

Therefore DCC subsidy to client = £ 120 p/w

Fairer Charging Examples

Day Care

a) Service User Over 65

Income: Combined State and Occupational Pension & Care Allowances- £250 per week.
Service: 5 hours of Home Care per week and Two Day Centre Attendances with transport

Charge: £ per week

Total Income	250.00
Disability & Housing Spend (say)	50.00
Net Income	200.00
Minimum Income re Charging	155.06
Available for Charging	44.94

Charge to Service User (5 hrs * £8ph) = £40 p/w + 2 (£6 + £3) = £58 limited to £44.94. Residual Income = £155.06 p/w

Cost of Service to DCC @ £12.73 p/h x 5 + (2* 46.45) = £157 p/w

Therefore DCC subsidy to client = £112 p/w

b) Service User Under 60 with a Learning Disability

Income: Various Benefits - £210 per week.
Service: 5 Day Care Attendances per week with transport

Charge: £ per week

Total Income	210.00
Disability & Housing Spend (say)	70.00
Net Income	140.00
Minimum Income re Charging	123.69
Available for Charging	16.31

Charge (5 days @ £6 per day + £3 transport per day) £45 p/w limited to £16.31
Residual Income = £123.69 p/w

Cost of Service to DCC @ 75.35 p/d x 5 = £377 p/w

Therefore DCC subsidy to client = £ 360 p/w

2007/8 Benefit Rates

Income Support

Personal Allowances £p/w

Single Claimant	Age Under 18 (lower rate)	£35.65
	Age Under 18 (higher rate)	£46.85
Couple	Age 18-24	£46.85
	Age 25 & Over	£59.15
	Age 18 & Over	£92.80

Premiums

Pensioner (60+)	Single	£59.90
	Couple	£88.90
Disability	Single	£25.25
	Couple	£36.00
Enhanced Disability	Single	£12.30
	Couple	£17.75
Severe Disability	Child	£18.76
	Single	£48.45
Carer	Couple (both entitled)	£96.90
		£27.15

Pension Credit Std Minimum Guarantee

Severe Disability	Single	£119.05
	Couple	£181.70
	Carer	£27.15
	Single	£48.45
	Couple (both entitled)	£96.90

Disability Benefits

Attendance Allowance

Higher Rate	£64.50
Lower Rate	£43.15

Disability Living Allowance

Care Component	Higher	£64.50
	Middle	£43.15
	Lower	£17.10
Mobility Component	Higher	£45.00
	Lower	£17.10

Severe Disablement Allowance

	Basic	£49.15
Age related addition	Under 40	£17.10
	40 – 49	£11.00
	50 – 59	£5.50
Carers Allowance	Claimant	£48.65
	Adult Dependant	£29.05
	Child Dependant	£11.35