

## **Abolition of Home Care Charges**

### **SUMMARY**

- 1.1 We wish to abolish Home Care charges and need to consider the implications this raises for the Council.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

### **RECOMMENDATIONS**

- 2.1 To recommend to Council the abolition of Home Care charges from 1 October 2005.
- 2.2 To agree to find savings equivalent to the net income losses of £913k as part of the 2006/7 budget process, above those already planned, and to fund the part year losses in 2005/6 from corporate under-spending.

### **REASON FOR RECOMMENDATIONS**

- 3.1 To ensure that vulnerable people in need are not deterred by the charges from accessing the service.
- 3.2 To enable a higher number of service users to receive this service, maximising their independence, enabling them to remain in their own home and reducing the need for residential care.
- 3.3 To eliminate the postcode lottery between Derby and Derbyshire residents who are already receiving a free service.

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### **SUPPORTING INFORMATION**

- 1.1 At the time of Local Government Review in 1997, when the Social Services function transferred to Derby City Council, home care was provided free of charge. This policy was maintained for the first two years after LGR.
- 1.2 In 1999, the Council agreed to implement home care charges. A flat rate charging scheme was introduced. People receiving less than 2 hours pw paid £3.00 pw. The highest charge was £12.00 pw for people receiving 15 hours and 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 2 hours pw, up to £13.30 for 15 hours and over).
- 1.3 In April 2003 the Government introduced Fairer Charging Guidance, which Local Authorities were expected to follow. Under the guidance provision a free service was permissible, but a flat rate charging system was questionable. 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.
- 1.4 The new system, which remains in place today, involves a full assessment taking into account the service user's financial resources, their 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 actually pay. All service users whose income is below Income Support plus 25% receive a free service.
- 1.5 The previous flat rate approach was abandoned and the new charging system used an hourly charging rate. This was more recently broken down into half-hourly bandings. The current rate is £4.84 per hour rising to a maximum of £33.88 pw for more than 6½ hours. Out of just over 2,900 service users receiving home care, approximately 920 receive a free service, while approximately 260 pay the maximum, which means they are receiving a minimum of 6½ hours of care per week.

- 1.6 Once a social care assessment is completed and provision of home care is approved there is a lead in time of approximately four weeks before actual charges are levied. Given this, it is proposed that financial assessments for new service users cease on 31 August 2005, as there is no point continuing to financially assess service users when no charge will be made.
- 1.7 The Social Services Department applies eligibility criteria to ensure that access to services is fair and consistent. These criteria comply with Government guidance on Fair Access to Care Services. In the context of a free service, it will be essential to ensure that demand for home care is managed even more robustly so that only those people assessed as being in need receive the service.
- 1.8 The current policy of the Council is that Social Services will meet needs across all of the levels of need within the eligibility framework, subject to the resources available within the cash limit for the Department. In practice, this means that people with low level needs are not eligible to receive a service with the Department concentrating its resources on Moderate, Substantial and Critical levels of need.
- 1.9 Should Council decide to abolish home care charges, a letter will be sent to all current service users informing them of the decision. Final accounts will be drawn up following this. Information on the abolition of home care charges will be placed on the Council's website and drawn to the attention of the media.

#### **OTHER OPTIONS CONSIDERED**

2. No other options have been considered.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 The loss of income net of savings in collection costs is estimated to be £696,000 in 2005/6. This represents the part year effect including an allowance for bad debts. The ongoing position is a net income loss of £913,000 per annum from 2006/7 onwards. It is proposed to fund the shortfall in 2005/6 from using corporate under-spends. A report elsewhere on this agenda outlines the current budget monitoring position.
- 1.2 The position for 2006/7 onwards is more difficult. The Council has a published budget strategy (22 February 2005) based on an example 5% per annum tax rise, which includes a funding gap of £1.8 million in 2006/7 rising to £3m by 2007/8. In addition Social Services is tasked with finding net savings in its budgets in each of the next 2 years of £500,000 per annum. The additional £913,000 was not planned for in this forecast and will therefore need to be added to the gap. Therefore significant savings are required to achieve a balanced budget position for 2006/7 and beyond in both Social Services and the Council as a whole.
- 1.3 A statement showing the current and revised budget for Home Care Services for 2005/6 and 2006/7 is shown in appendix 2, with a more detailed analysis of income loss and cost savings in the two years.

**Legal**

- 2.1 Fairer Charging Guidance allows Local Authorities to provide home care free of charge.

**Personnel**

- 3.1 Home care charging is supported by a team of 9 officers. Consultation is taking place with these officers about other options that are available to them in the Department and Council. The Trade Unions have been involved in this process as necessary.
- 3.2 It is anticipated that all of the officers affected will be successfully re-deployed.

**Equalities**

- 4.1 Home care is a vital source of support for a large number of vulnerable people in Derby.

**Corporate Themes and Priorities**

- 5.1 This accords with the Council's objectives of **healthy, safe and independent communities** and furthers the priority of **modernising social care, including adult home care**.

