

FAIRER CHARGING CONSULTATION ON CHARGES FOR NON-RESIDENTIAL COMMUNITY CARE SERVICES

Report of the Director of Social Services

SUMMARY OF REPORT

- 1.1 This report seeks approval for the next stage of the Council's consultation on the introduction of new arrangements for charging for non-residential community care services.

A first stage of consultation took place between October and December 2002, when user groups and service users were informed of the changes that were needed.

It is proposed that a second stage of consultation should take place between 1 June and 31 July 2003, which will again include user groups and all current service users. Draft consultation documents are attached as Appendix 2 for approval of the content. These will then be converted into format and language suitable for consultation with a wide range of service users

The report also sets out a proposed charging policy for the Council and the details of the assessment process.

1.2 **Options Considered**

This consultation is required by statutory guidance from the Department of Health.

1.3 **Recommendations**

To agree, subject to there being no change to the Department of Health Guidance:

- the proposed charging policy
- the proposed consultation document and process
- the proposed scale of charges for home care
- the transitional arrangements for existing services users
- the assessment framework.

1.4 **Reasons for the Recommendations**

Cabinet needs to agree the proposals to be included in the consultation process.

MATTER FOR CONSIDERATION

- 2.1 The Department of Health has issued statutory guidance on 'Fairer Charging Policies for Home Care and other Non-Residential Social Services'.
- 2.2 The guidance covers charging for all non residential services. Besides home care, this includes day care, laundry, meals on wheels, disability equipment and adaptations.
- 2.3 The impetus for change comes from the very wide variations in charging regimes between Councils and a desire to create greater equity between service users in different parts of the country. It places great emphasis on the needs of disabled people.
- 2.4 The key elements of the Department of Health's guidance include requirements that:
- the assessment of a Service User's ability to pay charges should take into account the effect of the charge on the Service User's disposable income.
 - charges should not reduce Service Users' income below basic levels of Income Support, plus a margin of 25%
 - a specific assessment of each Service User's disability related expenditure is made if it is proposed that disability benefits are taken into account as income.
 - councils should provide benefits advice at the time of an assessment of ability to pay charges.
 - earnings should be disregarded in assessing ability to pay a charge, as a means of removing a barrier to work for disabled people.
 - where a person is receiving a number of services to which 'Fairer Charging' is being applied, charges for all these services must be brought together for the purpose of a financial assessment.
 - with the exception of ordinary daily living costs, e.g. Meals, charging for services on a flat rate basis is disallowed.
 - banded charges need be considered carefully to avoid perverse effects of stepped charges.

There is no requirement that charges must be made for any non-residential services.

2.5 Supporting People Implications

It is expected that charging for home care should be consistent with charges for housing support under the Supporting People initiative. The minimum implication of this is that there should be sufficient co-ordination between the

processes to ensure that people receiving both home care and housing-based support are only assessed once and are not excessively charged.

- 2.6 Under separate legal guidance, services provided under Section 117 of the Mental Health Act cannot be charged for.
- 2.7 To enable the Council to comply with the guidance and retain a policy of charging for home care services, we have to consult on and agree proposals that meets the new requirements.
- 2.8 The Cabinet has agreed at its meeting on 4 March 2003 an interim approach to charging which is compliant with the statutory guidance. It now wishes to consult further on its proposals for further implementation of the guidance from 1 September 2003.
- 2.9 The following is our proposed policy statement in relation to charging:

Derby City Council Charging Policy for Non-Residential Community Care Services

Derby City Council provides non-residential care services for people assessed as needing those services to enable them to live safely in the community and prevent their admission to residential or nursing home care. The Council's policy is to make a modest charge for these services, based on the service users ability to pay and the amount of services received in accordance with Government Guidance.

- 2.10 The proposals on which the Council intends to consult are set on in appendix 2. This consultation will cover all of the issues on which the Council is required to consult.
- 2.11 In summary these are:
- whether to charge at all
 - what maximum charge to set
 - whether to take capital into account
 - what level of charges to set for home meals and day care meals
 - what level of charges to set for those who are assessed as having sufficient income to pay a charge for home care
 - whether to make an allowance to offset the cost incurred of disability, where people do not have disability related benefits
 - about the impact of fixed charges for meals at home and similar day care costs on the individuals income
- 2.12 Within the consultation the issue most difficult to resolve is the level of charges to be paid by those assessed as having sufficient income to meet the charges.
- 2.13 It is anticipated that the new assessment process will result in approximately 45-50% of current users being exempt from charges. Currently the Council has a banded system, up to 15+ hours, where most people pay a small

amount. Exempting more users means higher charges for others, unless the Council is to fund the shortfall from some other source.

- 2.14 We are proposing to consult on an hourly rate of £3 up to a maximum of £18 for home care services. This means that all service users, who are assessed as paying a charge, who receive 6 hours or more would pay £18 for their service. The maximum increase for any service user under this proposal would be £9.15 per week and would affect those users currently receiving between 6 and 9 hours of home care who currently pay a flat rate of £8.85 per week. Other users charges would increase by lesser amounts.
- 2.15 The Council is continuing to press for changes to the guidance for Councils such as ours. The consultation process proposed, assumes no change to the guidance and will be revised if circumstances enable this.

FINANCIAL IMPLICATIONS

3. The financial implications of this paper will depend on the Council's final decision following consultation.

LEGAL IMPLICATIONS

4. The guidance on fairer charging has the strength of regulation through the 1970 Social Services Act.

PERSONNEL IMPLICATIONS

5. Approval has already been given for the staffing requirement of the assessment process.

ENVIRONMENTAL IMPLICATIONS

6. None.

EQUALITIES IMPLICATIONS

7. The purpose of the guidance is to ensure greater equity between service users.

RECOMMENDATIONS

8. To agree, subject to there being no change to the Department of Health Guidance,:
- the proposed charging policy
 - the proposed consultation document and process
 - the proposed scale of charges for home care
 - the transitional arrangements for existing services users
 - the assessment framework.

Background Papers:

LAC(2001)32 Fairer Charging for Home Care and other non-residential Social Services, DoH, November 2001
Fairer Charging Policies – Practice Guidance, DoH/DWP, August 2002

CURRENT CHARGING ARRANGEMENTS

Our current non residential service charges are:

Day care – this is charged at the rate of £1.70 a day, and can be regarded as a meal charge. No change is needed on this, though we would have the option of bringing day care into the assessed charging regime if we wished. The total yield from day service charges is £96,000. We make no specific separate charge for transport.

Meals on Wheels – these are charged at £1.20 a meal. Again this represents a substitution charge, and complies with the current legislation. Income from Meals on Wheels charges is £121,000.

Shopping – we make no charge where shopping is the only service provided. However, where it is provided as part of a ‘package’ of home care services, a notional 20 minutes is added to the home care hours. Shopping charges will therefore be compliant when our home care charging regime has been modified to meet the guidance.

Laundry – we currently make no charge at all for laundry services. There are around 630 service users, receiving a weekly or fortnightly service. We proposed to change this so that we treat laundry as 20 minutes of home care, as we do shopping.

Home Care - in 1999 we introduced a banded system for charging for Home Care. The characteristics of the scheme are:

- it is simple, and thereby not expensive to administer
- the charges are low
- the rate of collection is high, so the system is efficient.

Up to April 2003, people receiving less than 2 hours per week pay £3.30 rising to a maximum cost of £13.05 for those people receiving 15 hours or more. Exemptions from payment are made for those people on income support, job-seekers allowance (income based), housing benefit, family credit or council tax benefit, unless they also receive non-means tested disability benefits. The charge increases each year in line with inflation.

This charging regime generates a total income for the Council of around £700,000, and our estimated costs of administering collection run at 11%.