

**Decision Maker:** **Adult and Community PDS Committee**

**Date:** **30 November 2011**

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **PERSONAL BUDGETS AND CONTRIBUTIONS  
POLICY UPDATE**

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**Ward:** Borough wide

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1. Reason for report

- 1.1 This report provides the Adult and Community PDS committee with an update on the implementation 2011 – 12 revised Personal Budgets and Contributions Policy which was approved by the Portfolio Holder on the 18<sup>th</sup> March 2011 following a consultation process. The revised policy was effective from 16<sup>th</sup> May 2011 and it introduced a number of changes which are described in sections 3.4 – 3.8.
- 1.2 A follow up report is planned for April 2012 to inform members of this committee of the full impact of introducing day centre charges.
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2. **RECOMMENDATION(S)**

- 2.1 The PDS committee is recommended to:
- a) Note the contents of the report
  - b) Agree the report is consistent with the wider council financial strategy to maximise income
  - c) Agree that a further report on the impact of the introduction of day care charges be presented to the April meeting of the Adult and Community PDS Committee.

## Corporate Policy

1. Policy Status: Existing policy.
    - b) BBB Priority: Supporting Independence.
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## Financial

1. Cost of proposal: No cost Managed within existing resources
  2. Ongoing costs: N/A. Managed within existing resources
  3. Budget head/performance centre: ACS Social Care Services
  4. Total current budget for this head: £3.7m
    - c) Source of funding: N/A
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## Staff

1. Number of staff (current and additional): The fairer charging team have 4 visiting officers who undertake the financial assessments and benefit checks for people using no residential services.
    - d) If from existing staff resources, number of staff hours:
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## Legal

1. Legal Requirement: Statutory requirement.
    - e) Call-in: Call-in is applicable
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## Customer Impact

- f) Estimated number of users/beneficiaries (current and projected): 3000 users of non residential services are subject to the Personal Budgets and Contributions Policy of these approximately 2400 will have had a financial assessment.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 In December the Executive approved that consultation on a revised Personal Budget and Contributions policy should take place. In March the Portfolio Holder agreed the following 8 policy changes:
- i. Agreement as to services and unit costs that are included within a personal budget and that the total personal budget is subject to the contributions policy.
  - ii. Removal of the subsidy for laundry, shopping and holiday breaks scheme with the latter being excluded from the personal budget.
  - iii. Introduction of new personal care rates new weekend, evening and double handed care rates and a reduction in the hourly rate.
  - iv. Change to the hourly rate for directly employed personal assistants
  - v. Inclusion of day centre sessions in the personal budget and an introduction of a daily charge.
  - vi. Inclusion of Carelink (community alarm), Telecare and other assisted technology equipment within the personal budget and increased charges.
  - vii. Introduction of 3 levels for disability related expenses based on welfare benefit receipts.
  - viii. Removal of the subsidy for people attending day centres who do not meet the council's eligibility criteria.
- 3.2 These changes have been incorporated into the Council's new Personal Budget and Contributions Policy which was implemented on 16th May 2011. In May all service users receiving a non-residential care service and had been financially assessed to contribute towards their personal budget were informed of the level of contribution that they would have to make. As at the 30th September these service users have also received statements setting out their weekly contributions.
- 3.3 Overall the impact on service users has not been received negatively. More income is being collected with more service users contributing to their care costs. However, 53 full cost clients and 22 assessed clients are paying less towards their personal care.
- 3.4 232 service users who were receiving **shopping and laundry services** have had their care packages reviewed of these 60 had made alternative arrangements for their shopping to be done, 20 have had shopping added to their personal budget; 62 people continue to use the laundry service but are now covering the full cost of this service. The remainder had either moved into a residential placement or were having needs met by family or friends.
- 3.5 **Personal care rates** - the change that was expected to have the largest impact was the introduction of a charge for double handed care and the affect this could have on the people paying the full cost of their personal care. As at the end of September, 82 service users who receive a double handed service have been assessed to pay a contribution towards their personal budget and 32 service users pay the full cost for their double handed service.

When the new policy was implemented there were 43 service users who received a double handed service who paid for the full cost of their care. As at the end of September 23 are still receiving a double handed service and of those 21 still pay for the full cost of their care, 1 is assessed to pay a contribution and 1 is not required to pay. 5 of the 43 service users now receive a single handed service and 15 no longer receive a service. The table below shows a breakdown of the reasons:

7	Deceased
2	Moved into residential care
1	Continuing Care
5	Stopped service

As at 30<sup>th</sup> September, 3 service users have made a formal complaint and 1 has appealed against their charges as they felt that the change was discriminating against those who were more disabled and therefore required 2 carers. Appendix 1 outlines two case studies for information.

3.4 **Personal assistants** – at the time of the last report there were 41 people directly employing a personal assistant of these 10 are receiving the new rate as part of their personal budget, the remainder will receive the new rate at the point they change personal assistants. All 19 new direct payments set up to appoint a personal assistant are receiving the new rate.

3.5 **Day centre charges** – the policy has introduced a £15 daily charge for all eligible service users (information on the council's eligibility criteria can be viewed on the council website [http://www.bromley.gov.uk/info/200050/help\\_for\\_adults/117/adult\\_social\\_services\\_support/2](http://www.bromley.gov.uk/info/200050/help_for_adults/117/adult_social_services_support/2)). The implementation of this charge commenced in June 2011 with community care assessments/ reviews followed by financial assessments. Service users started to pay towards the cost of their day centre places from 5<sup>th</sup> September 2011.

At this time the final impact of this charge is yet to be seen with service users receiving their first statements on the 14<sup>th</sup> November 2011. So far there have been 2 member enquiries and 2 people who have decided to cease attending. This area will continue to be monitored and a further report will be presented to the PDS committee in Apr 2012. See section 3.13 for more information about what will be covered in this report.

3.6 **Carelink and Telecare equipment** - Carelink (community alarm); Telecare and other assisted technology equipment are calculated as part of a personal budget and will continue to be subject to a financial assessment. An increased charge was also introduced. Whilst the overall number (1900) of service users has remained similar to last year the service has reported a small increase in the number of people stopping the service with approximately 20 indicating it is due to the increase in charges. See section 3.10 for more information about the complaints received from private clients not covered by the Personal Budgets and Contributions policy.

3.7 **Disability related expenditure (DRE)** - prior to the implementation of the standard DRE allowance 1,275 service users received an average weekly allowance of £30.60. There has been a small increase (3%) in the numbers of service users who now receive this allowance. However, the average weekly allowance is now £15.19.

The Personal Budget and Contributions Policy inform service users that they have the right to appeal the level of DRE allowance that they have been given under the new policy. There have been 16 appeals received in relation to the standard DRE awarded. This represents 1% of service users who receive a DRE Allowance. Appendix 1 outlines 5 case studies for information.

- 3.8 **Day centre** (non eligible users) - there are 1500 older people's day centres places commissioned per week provided by 7 organisations in 9 centres. All have implemented charges for people not meeting the council's eligibility criteria. The day care gateway review is being reported elsewhere on this agenda.

At this time the final impact of this change is yet to be fully assessed. Information is being collected on the number of people who reduce or cease attending the day centres. A further report on this area will be presented to the PDS committee in April 2012. See section 3.13 for more information about what will be covered in this report.

- 3.9 **Feedback from service users** - care manager's working within both the assessment and review teams have been involved in assessing and reviewing service users since the implementation of the revised policy. Whilst some anxiety was expressed during the consultation process; on the whole service users have accepted the changes with little comment. However, there has been some feedback received relating to the day centre charges which will be explored more fully in the April 2012 PDS report. These were::

- 2 people felt that they would stop attending a day centre as they did not want to have a financial assessment
- concerns over having to pay for day centre places when unable to attend

We have also had one relative contacting the service to thank them for providing useful information about different types of day time activities that they could organise for their relative.

- 3.10 **Complaints** - from April to September 2010, 17 complaints were received in relation to non residential care charges. For the same period in 2011, 28 complaints were received in respect of non residential care charges, an increase of 65%. 14 (50%) of these related to the Council's revised policy. The main themes within the complaints were in relation to:-

- The standard Disability Related Expenditure (DRE) Allowance. 10 Service users felt that this would not take into account their individual needs specific to their disabilities.
- Double handed charges. 3 Service users felt that that was discriminating against those who were more disabled and therefore required 2 carers.
- In addition 30 complaints were received from private Carelink clients regarding the level of increase in the charges and the lack of communication in relation to the increases.

To put this is into context, the number of complaints received regarding the new contributions policy represents 1.5% of those service users who have been assessed to pay a contribution towards their personal budget.

The charges for attending a day centre are still being rolled out. However, 307 service users were informed of their assessed contribution in August and as at 30<sup>th</sup> September only 1 complaint has been received regarding day care charges.

All of the complaints received have been resolved at stage 1 of the complaints process.

- 3.11 **Appeals** - from April to September 2010 there were 20 first stage appeals against charges for non residential care received. For the same period in 2011 there have been 22 received, an increase of 10%.

Of the 22 appeals received, 8 (36%) were upheld and charges were reduced. Of the 14 (64%) that were not upheld, 2 (14%) have lodged a 2<sup>nd</sup> stage appeal.

The main reason for the appeals were in relation to the standard DRE allowance which resulted in an increased contribution or in some cases meant that someone who previously was not required to make a contribution was now assessed to pay.

- 3.12 **Member Enquiries** – at the time of this report there have also been 2 enquiries relating to the introduction of a charge for attending a day centre. Both are currently being addressed by the relevant service assistant director.
- 3.13 **What next?** – the policy was implemented from May 2011 with the day care charges commencing later, therefore at the time of this report it is not possible to assess fully the impact in terms of people who may have reduced/ stopped attending and whether this has detrimentally affected informal carers or increased the need for other more intensive services. We will continue to review this area and it may become necessary to revisit how the charges are applied with the policy being revised to reflect any required changes.

#### **4. POLICY IMPLICATIONS**

- 4.1 Personal budgets are central to Supporting Independence in Bromley which is a key priority within both the Adult & Community Portfolio Plan and Building a Better Bromley priority of Promoting Independence. The Fairer Charging Policy has been revised to reflect the agreed changes and is available on the Bromley website at [http://www.bromley.gov.uk/downloads/file/152/domiciliary\\_care\\_charging\\_policy](http://www.bromley.gov.uk/downloads/file/152/domiciliary_care_charging_policy).

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The changes to the personal budgets and contributions policy addressed the need to provide an actual cost against all service elements contained within personal budgets and also increased, where feasible the contributions levied through charges from service users towards the costs of their care services.
- 5.2 This was necessary as adult social care is now required by Government to change the way the cost of social care support is calculated. A core element of this new approach is that the calculation is based not on the particular packages of services that the person receives but rather on the monetary value of the services they receive, subject to their ability to pay. How we assess people's ability to pay was not changed.
- 5.3 The table below shows the financial impact of these policy changes:

	Budget 2011/12 £'000	Budget 2012/13 Full Yr £'000	Revised 2012/13 Full Yr £'000
<u>Additional Income</u>			
Reducing Direct Payment rate for Personal Assistants (£11.00 p	-75	-115	-115
Charging for Double Handed Care (16.20 1/2 hour, £28.00 ph)	-160	-160	-160
Supplement for evenings (£1 and £2 )	-65	-65	-65
Charging for Day Care & Transport	-25	-35	-85
Standard rate DRE of £15	-160	-160	-360
Community Alarm Service (£5 pw monitoring, £7.50 pw full res)	-45	-45	-45
	<b>-530</b>	<b>-580</b>	<b>-830</b>
<u>Loss of Income</u>			
Increasing Direct Payment half hour rate to £8.10	265	265	265
Reducing charging for domiciliary care (£16.20 hr to £14 hr)	100	100	100
	<b>365</b>	<b>365</b>	<b>365</b>
<b>Net Additional Income (estimated)</b>	<b>-165</b>	<b>-215</b>	<b>-465</b>
<u>Full Cost Recovery</u>			
Estimated Savings from full cost recovery (shopping/laundry etc	-100	-100	-100
Day care charge for non eligible users	-42	-50	-50
	<b>-142</b>	<b>-150</b>	<b>-150</b>
<b>TOTAL ESTIMATED SAVINGS</b>	<b>-307</b>	<b>-365</b>	<b>-615</b>

5.4 The 2011/12 Budget savings agreed by Full Council on the 28 February 2011 assumed additional income from charging of £300,000 in 2011/12 and £365,000 in 2012/13. The latest projection is that this figure will be around £615, 000 in a fully year resulting in an additional £250,000 above budget.

5.5 This additional income will contribute towards the Councils 2012/13 budget savings.

## 6. LEGAL IMPLICATIONS

6.1 Fairer Charging Contributions Guidance is issued under Section 7 of the Local Authority Social Services Act 1970.

6.2 This document provides guidance on how both the chargeable amount of a personal budget, and the actual contribution made by the personal budget holder, might be calculated. The chargeable amount is the maximum possible contribution a person can be asked to make to their personal budget, subject to their available income and savings. The calculation of the actual amount to be paid begins with a means test which determines the income and savings available to make a contribution. This part of the process is covered in the original Fairer Charging guidance and remains unchanged. Thus this guidance does not introduce any changes to the way councils undertake financial assessments, or how they treat the income or savings of personal budget holders.

6.3 The Department of Health's latest guidance on Direct Payments states that: "*the direct payments legislation provides that it must be equivalent to the council's estimate of the reasonable cost of securing the provision of the service concerned, subject to any contribution from the recipient*" Thus the system for determining the amount of service required to meet social care needs should not be different for Direct Payments to that used for Personal Budgets.

6.4 In the DOH 2010 guidance "Prioritising need in the context of Putting People First: a whole system approach to eligibility for social care" Councils are enjoined to use the eligibility framework set out in the guidance to specify their own eligibility criteria and in

setting these to take account of their own resources, local expectations and local costs. These criteria may be reviewed in line with the Council's usual budget cycle and reviews may be brought forward if there are major or unexpected changes including those with significant resource consequences. The guidance draws a distinction between "presenting needs" and "eligible needs". Eligibility criteria therefore describe the full range of eligible needs that will be met by the Council, taking its resources into account.

<b>Non-Applicable Sections: Personnel</b>	
Background documents	<p>Council's eligibility criteria  <a href="http://www.bromley.gov.uk/info/200050/help_for_adults/117/adult_social_services_support/2">http://www.bromley.gov.uk/info/200050/help_for_adults/117/adult_social_services_support/2</a>            Personal Budget and Contributions Policy  <a href="http://www.bromley.gov.uk/downloads/file/152/domiciliary_care_charging_policy">http://www.bromley.gov.uk/downloads/file/152/domiciliary_care_charging_policy</a>            Adult and Community Portfolio Holder report ACS 11016  <a href="http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=3638&amp;T=10">http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=3638&amp;T=10</a>            Adult and Community PDS committee report ACS 110006  <a href="http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=1713&amp;T=10">http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=1713&amp;T=10</a>            Executive report ACS10075  <a href="http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=3300&amp;T=10">http://sharepoint.bromley.gov.uk/mgConvert2PDF.aspx?ID=3300&amp;T=10</a>            Guidance on direct payments for community care, services for carers and children's services: England 2009  <a href="http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_104840">http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_104840</a></p>



## Appendix 1

### DRE changes - Case Studies

1. Mr A receives a supported living service. Previously Mr A had a maximum assessed charge of £77.47 and a DRE allowance of £1.62. Under the new policy Mr P now has a standard DRE allowance of £10.45 and his maximum contribution has reduced to £71.06 a week.
2. Miss B receives a supported living service. Previously Miss B had a maximum assessed charge of £77.43 and did not have a DRE allowance. Under the new policy Mrs M now has a standard DRE allowance of £10.45 and her maximum contribution has reduced to £70.06 a week.
3. Mrs C receives a single handed personal care service. Previously Mrs C had a maximum assessed charge of £23.88 and a DRE allowance of £49.70. Under the new policy Mrs C now has a standard DRE allowance of £10.45 which means her maximum contribution has increased to £35.92 a week. Mrs C has not made a complaint or lodged an appeal against her charges.
4. Mr D receives a mixture of single handed and double handed personal care. Previously Mr D had a maximum assessed charge of £95.28 and a DRE allowance of £52.31. Under the new policy Mr D now has a standard DRE allowance of £15.67 which means his maximum contribution has increased to £120.85 a week. Mr D has not made a complaint or lodged an appeal against his charges.
5. Mr E receives a live in carer service. Previously Mr E had a maximum assessed charge of £58.92 and a DRE allowance of £42.47. Under the new policy Mr E was given a standard DRE of £15.67 which meant his maximum contribution increased to £74.47. Mr E lodged an appeal that was upheld. He was awarded an additional DRE allowance of £12.22 reducing his maximum contribution to £62.25 a week. Mr E has accepted the decision had has not lodged a 2<sup>nd</sup> stage appeal.

### Double handed care - Case Studies

6. Mrs F receives a single handed and double handed service and a full care link service. She also attends a day centre one day a week. Mrs F is required to pay for the full cost of her care because she has capital above £23,250. Previously Mrs F had to pay £262.33 for the services she received and now she has to pay £525.70. Mrs F's complaint about the charges was resolved at the first stage of the complaints procedure and Mrs F has continued to pay for the services she receives.
7. Mrs G was receiving a double handed service and was paying for the full cost of her service (£174.15 per week). Under the new contribution policy Mrs G's weekly contribution increased to £186.42 per week. Mrs G decided to end her service with the council and is now purchasing her care direct from the domiciliary care agency.