

Decision Maker: Care Services Policy Development and Scrutiny Committee

Date: 16 January 2013

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

Title: CONTRIBUTIONS POLICY

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Chief Officer: Terry Parkin, Executive Director Education & Care Services

Ward: Boroughwide

1. Reason for report

1. To outline the proposed contribution rates for personal care from April 2013, as a result of the recent tendering exercise which was undertaken for domiciliary care services and to approve that officers consult with service users currently based at 3 Tugmutton, their families and carers around charging for services when they move to new respite service.

2. RECOMMENDATION(S)

2.1 The Care Services Policy Development & Scrutiny Committee are asked to comment on this report.

2.2 The Portfolio Holder is asked to approve:-

- (a) The new rates for personal care as set out in paragraph 3.11 and 3.17 for 2013/14.
- (b) Consultation with service users, their families and carers as outlined in paragraphs 3.21 – 3.24.
- (c) The charge of £1,017 per week (which equates to £145 per night) to other local authorities if that take up any vacant respite beds at the new respite service as per paragraph 3.25.

Corporate Policy

1. Policy Status: N/A.
 2. BBB Priority: Supporting Independence.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Care Services
 4. Total current budget for this head: £5m charging income
 5. Source of funding: N/A
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Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 As part of the budget process officers always review income budgets to ensure that income is maximised or reflects changes that have occurred to services that ultimately impact on our charging policy.

Charging for Personal Care

- 3.2 The Council's strategy for care is to support independence by moving away from a reliance on residential care towards community-based services which supports people to remain in their own homes. Domiciliary care services which is used predominantly by people with physical disabilities and older people is key in helping us to achieving this.
- 3.3 The Executive approved a new Contributions Policy from April 2011 for non residential social care services, in light of the supporting independence government agenda. This now allocates services on the basis of a personal budget and allows service users to take a direct payment to buy care directly themselves or still ask the council to manage this on their behalf. This new contribution policy assumes full cost recovery (subject to a financial assessment) of all services.
- 3.4 The services included within a personal budget are shown below:-
- Personal Care
 - Personal Assistant
 - Extra Care Housing – Personal Care
 - Supported Living
 - Day Care including transport
 - Live in Carers
 - Assistive Technology Community Alarm Service
 - Assistive Technology Equipment (provided as part of Community Alarm)
 - Non Residential Respite
 - Other non residential services determined as necessary to meet assessed need e.g. Laundry, Shopping, Bathing
- 3.5 In 2003, the Government issued guidance for setting charges for non-residential social care services. That guidance sought to ensure that people who use services are treated fairly and are not asked to make a contribution towards their care that will leave them in financial difficulty or hardship. It also ensured that local authorities could not make a profit from these services, so the maximum charge that can be set is full cost recovery (subject to a financial assessment).
- 3.6 The recent retendering of our domiciliary care contracts under a Framework Agreement, which was approved by the Executive on the 20 June 2012 and commenced on the 1 September 2012, achieved significant savings in our budget estimated to be around £400,000 in 2012/13 and £1m from 2013/14 onwards. This was achieved by set a ceiling rate which the council was prepared to pay to providers for personal care, based on 30 minutes, 45 minutes and 60 minutes – this assumed broadly a reduction of 10% on our existing average day rates, excluding weekends and bank holidays. The ceiling rates were set at £7.50 for 30 minutes, £10.00 for 45 minutes and £12.50 for 60 minutes.
- 3.8 Our current charging rates for service users in receipt of personal care is £8.46 for 30 minutes of care, £10.98 for 45 minutes of care and £14.64 for 60 minutes of care. Our charges were not amended from September 2012 as several of our existing providers that are not part of the new framework agreement retained care packages for existing service users for a period of time to allow for a smoother transition, meaning that until March 2013 we will still be paying some

providers at the higher rates. The complex charging system and limitations of the Care First Information system also mean it is not possible to operate two different contribution policies.

- 3.9 Given that most of our care packages are now allocated to the providers that are on our framework agreement and therefore not paid above the ceiling rate levels, it is now appropriate to revisit our charges for personal care for 2013/14. The report to Executive in June 2012 assumed that our charging rates would be reduced in line with the rates paid to providers as we are not allowed to make a “profit” when setting our charge rates and the report identified that the new framework agreement would generate savings of approximately £1.4m gross of client contributions and £1m net of client contributions, in a full year.
- 3.10 The contributions policy is aimed at ensuring that regardless of how a service user decides to purchase their care, either through a managed service or via a direct payment, there is not a disincentive to service users accessing personal budgets by having a more favourable regime for one or other.
- 3.11 It is therefore proposed to amend our current charge for personal care both the managed service and those paid through a direct payment, to align it with the ceiling rates we set for providers when the new domiciliary care framework agreement was awarded. The table below sets out the current rates and proposed new rates from April 2013:-

	2012/13 Charge	2012/13 Charge Double Handed	2013/14 Proposed Charge	2013/14 Proposed Double Handed
	£	£	£	£
30 minutes	8.46	16.92	7.50	15.00
45 minutes	10.98	21.96	10.00	20.00
60 minutes	14.64	29.28	12.50	25.00

Based on our current service users the changes shown above will result in a loss of income of around £450k p.a.

- 3.12 There are currently 2,795 service users that receive non residential care type services, of which 636 are nil payers, 1,458 make a contribution towards their care package and 701 are full payers. The reduction in our personal care charge will impact on 430 service users.
- 3.13 It is not proposed to make any changes to our current charge to service users taking a direct payment for the cost of a Personal Assistant as the recent tendering exercise did not impact on this. The current charge in 2012/13 of £11.50 per hour will simply be uplifted by inflation for 2013/14.

Extra Care Housing

- 3.14 Our current charge for personal care is the same for service users in our Extra Care Housing service as those that receive a personal care package e.g. £14.64 an hour. This is because in the past we have used the same providers.
- 3.15 Over the last few years given that Extra Care Housing is far more cost effective than placing people into residential care, officers have been actively working with housing associations to identify more properties in the borough to enhance this service. Recently, 3 new Extra Care

Housing units have been made available to the council which are Crown Meadow, Regency Court and Sutherland Court.

- 3.16 These new schemes are very different from our in-house services as they are more aligned to supported living services and the care element requires a more flexible approach around time of visits, more intensive support and specialist dementia support. The care support for these new schemes was recently tendered and given that they are very similar to our supported living schemes which is based on full cost recovery (subject to means testing) it is proposed that our charging policy for Crown Meadow, Regency Court and Sutherland Court is also actual costs.
- 3.17 For our existing in-house Extra Care services, given that the council will be using providers on the framework agreement it is proposed to reduce the charging for these services in line with personal care e.g. our ceiling rates.

Respite Services

- 3.18 Under CRAG legislation the council has the option to set a charge for respite services based on the service user having a financial assessment undertaken or alternatively to set a flat charge to cover some of our costs.
- 3.19 The councils current policy is that if a service user goes into a residential care type accommodation then they will be financial assessed on their ability to pay, but varied slightly from a residential care assessment to reflect the fact that this is a temporary placement and as such the service user will need to retain funds to cover their existing private accommodation costs.
- 3.20 If the service user however, goes into any other type of respite service such as Bromley Road or Shared Lives, then a flat rate is set. The rate is set in line with income support levels and as such will vary depending on age. The rates are shown below:-

	Under 25 years	Over 25 years
	£	£
Income Support	56.25	71.00
Premium - Dis Enhanced	30.35	30.35
	86.60	101.35
Personal Allowance	23.50	23.50
Weekly Charge	63.10	77.85
Nightly Charge	9.01	11.12

- 3.21 The respite at home service is not currently charged for but as mentioned in the Day and Respite Care report elsewhere on the agenda, this will be covered in a later report.
- 3.22 Over the last few months the council has taken over the running of respite services at 3 Tugmutton, which was previously the responsibility of the PCT. Funding for these clients moved to the council in April 2011 as part of the campus re-provision programme (£8.3m grant funding). As this service was provided by the PCT it was provided free of charge, but since moving across to the council it now falls within our charging regime.

- 3.23 As the council is currently moving this service from 3 Tugmutton to the new respite service it would now seem an appropriate time to consult around charging for this service, particularly as the respite service at Bromley Road will also be moving to the new respite service users are charged for respite services at our flat rate of £9.01 or £11.12 a night.
- 3.24 There are currently 43 service users in 3 Tugmutton that will need to be consulted regarding charging for this service from April 2013.
- 3.25 To ensure that the new respite service is fully utilised it is further proposed that we look to sell any vacant respite beds to other local authorities, based on full cost recovery. The 2012/13 current gross budget cost of running the new respite service is £636,570 based on 12 beds. This equates to a charge of £1,017 per week.
- 3.26 If service users remain at the new respite service for day care, then our existing charge of £15.68 will apply, uplifted by inflation for 2013/14.

4. POLICY IMPLICATIONS

- 4.1 These proposals impact on the Council's Building a Better Bromley aim of promoting independence by ensuring that resources are available to meet increasing demand from an increasing elderly population and adults with disabilities and care needs.

5. FINANCIAL IMPLICATIONS

- 5.1 All service users have a means tested assessment of their finances and their circumstances in line with Bromley Fairer Charging policy, which is consistent with the national Fairer Charging guidance. The calculation of the assessment will show how much the service user can reasonably afford to contribute toward the cost of their care (the client contribution). This assessment takes account, not only of an individual's income and outgoings, but also those additional costs associated with living with a disability.
- 5.2 The changes outlined in this report will result in a reduction of income from our charging policy of approximately £450,000 p.a. due to changes in our personal care rate. The report to Executive in June 2012 allowed for this reduction in income levels as the council cannot set charges which would result in us making a profit. This report identified that as a result of the new framework agreement for domiciliary care the council would generate savings of approximately £1.4m gross of client contributions and £1m net of client contributions, in a full year.
- 5.3 It is difficult to estimate how much additional income will be generated from charging service users moving from 3 Tugmutton, because until the financial assessments are completed it is not known how many of the 43 services users will make a contribution towards their care.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

