

Decision Maker: CARE SERVICES PORTFOLIO HOLDER

**For pre decision scrutiny by Care Services Policy
Development and Scrutiny Committee**

Date: 12th January 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CHANGES TO NON RESIDENTIAL CHARGING POLICY AND
ADDITIONAL INCOME GENERATION

Contact Officer: Stephen John, Assistant Director, Adult Social Care

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Chief Officer: Chief Executive

Ward: (All Wards);

1. Reason for report

- 1.1 To consider the impact of the Councils charging policy and to outline the proposed changes to the Non-residential charging policy.
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2. **RECOMMENDATIONS**

The Care Services Portfolio Holder is asked:

- 2.1 Agree to engage with service users, their families and carers about the proposed new charges as set out in Section 4.
- 2.2 Agree to delegate the decision to increase charges to the Director of Finance should there be an impact of the National Living wage to the charge rates as per Section 7.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Not applicable
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Financial

1. Cost of proposal: No cost:
 2. Ongoing costs: £200k saving:
 3. Budget head/performance centre: Care Services charging
 4. Total current budget for this head: £4,491k
 5. Source of funding: Charging
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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: Care Act 2014
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): maximum 400 users
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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 Given the significant savings that the Council will need to find over the next four years it is important that as part of the budget process officers review all income opportunities to ensure that income is maximised or reflects changes that have occurred to services that ultimately impact on our charging policy.
- 3.2 Social Care services are provided to vulnerable adults within the community who meet the Council's eligibility criteria and following an assessment of need. Traditionally following that assessment the Council arranged for services to be provided – often through the provision of a home care service – either directly delivered or from a contracted provider. The new contributions policy agreed by the Executive in April 2011 for non- residential social care services, 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.
- 3.3 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
- 3.4 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).
- 3.5 In addition to the various allowances that are taken into account in assessing a service user's charge, people with specific expenses in excess of 'standard' living costs may receive a further reduction in their charge for 'disability related expenses'. (These may include incontinence laundry costs or costs to address a sensory impairment, for example). Provision for this kind of expense is included in the government guidance.

Transport

- 3.6 Currently the council does not charge for its transport service. In the last year our drivers have completed 60,000 trips to and from day centres to ensure service users are able to get to the various day centres across the borough. Over the last few years charging for Transport has been considered and reports presented to members, however this has not been progressed further due to the difficulties in collecting income and also accurately recording the trips made by individual service users.
- 3.7 In the past any method of collecting this financial contribution was problematic as the service user may not attend the day care as expected and therefore query charges made. Also care management would have had to ensure services were set up in a timely manner, and staff

would be managing service user queries and complaints, so impacting on overall resources. For these reasons charging for Transport has never been progressed. However, the new contract with Greenwich Service Plus has a card swiping system on the buses which will allow officers to record and monitor the trips made by individual service users. This data can then be collected and attributed to the client and charges can then be processed.

- 3.8 It will provide proof of carriage by scanning a travel card, made out to each authorised passenger. Each scan records the date, time and location and the system enables the operator to record the reason that a passenger may not be carried. These are picked from a selection on a drop-down list i.e. 'no access', 'no answer' or 'unwell'.
- 3.9 The cards themselves carry the Bromley logo and the bar-code strip and will be held by those passengers that prefer to and have the capacity to hold them, otherwise they will be retained by the crew.
- 3.10 The data will be exported each month and provided to the ECHS finance team in a format that enables matching with the charges made by Greenwich Services Plus.
- 3.11 This is in the final set up stages with the supplier and it is estimated will hopefully be in a position to launch the system in January.
- 3.12 Charging for Transport is one of the only services where the Council has discretion around if this is included in the Fairer Charging Policy so will be part of an overall assessed personal budget or outside the Policy and therefore charged for based on a flat rate charge which is considered to be a substitute for ordinary living.
- 3.13 However under current guidance anyone in receipt of Income Support/Jobseeker's Allowance (Income-based) (JSA-Income Based) allowances would be exempt from the charge. It is estimated that 60% of all users would not be charged under this methodology.
- 3.14 If transport is included in the Fairer Charging Policy any income generated will be reduced as it will be means tested. Appendix 1 sets out the approach taken by other local authorities along with their charges.

Day Centres

- 3.15 As part of a block contract some day care were charged at a flat rate. As this contract ended and service users moved to spot purchasing arrangements and personal budgets for their service requirements, Executive agreed that once service users moved from the existing block contract arrangement they would be charged based on actual costs. Transitional arrangements were in place which ceased on the 31st March 2015, meaning that full cost recovery could be implemented from April 2015/16. As the remaining legacy clients were transferred to the spot places after 1st April 2015 the existing charging arrangements for these clients continued.
- 3.16 This change normalises the charging policy across the piece with all users being treated equally insofar as all service users are charged at full costs subject to a financial assessment.
- 3.17 Full cost clients will now have to pay the full amount of their day care and other clients will have to pay a contribution if assessed to do so.
- 3.18 This will impact upon 218 clients whose charging levels would increase out of 512 clients overall.

3.19 Current indications suggest that this will generate in the region of £136k of additional income for the Council

Keysafe

3.20 Currently those users receiving the Carelink service from the borough deposit a key with the Council that is held centrally in storage. Carelink staff have to come to the central storage to collect the keys in order to gain access to the property. It is proposed that all users would need a key safe installed at their home. A key safe is a small box which is secured to the outside of the property in a discrete location. The keys are able to be stored safely.

3.21 It is recommended that, like some other authorities there is a one off charge of £60 levied to do this. This payment would be means tested.

3.22 This would enable Carelink staff response times to be improved as staff would not need to come back to a central store to deposit and pick up keys.

3.23 It is expected that this will be cost neutral financially

3.24 Appendix three shows charges made by other authorities for this service

4. PROPOSED CHANGES TO THE CHARGING POLICY

4.1 Work has been undertaken by officers to model potential income that could be generated by formalising the arrangements for older people's day care and also for introducing charging for transport services.

4.2 The table below sets out the potential income that could be generated from charging for transport based:-

CHARGE PER RETURN JOURNEY £	WITHIN CHARGING POLICY £'000	OUTSIDE CHARGING POLICY £'000	DIFFERENCE £'000
5.00	72	102	-30
10.00	145	203	-58
15.00	194	305	-111
20.00	259	406	-147
24.60	306	500	-194

£24.60 is the rate charged by the transport provider in the contract

4.3 With potential charging rates varying between £5 to £24.60 per return trip, the income that this would generate would be between £72k and £500k depending on value and method.

4.4 There are currently around 950 return journeys a week and 400 clients being transported

4.5 Other Authorities currently charge for these services at varying charge levels as set out in Appendix 1

4.6 The table in Appendix 2 provides a breakdown of the average cost (before means testing) of a service user attending day care and then the impact of that if they were then charged at the different rates included in the table above.

- 4.7 As you can see from the table in Appendix 2 the cost of day care including transport varies according to need, and depending on the transport charge, the total cost ranges between £22 and £58 per day. This would see increases in charges, again depending on the transport charge between £6 and £41 a day. As mentioned above these levels are the maximum and may be reduced when a financial assessment is conducted. On average a service user will have day care services about twice a week.
- 4.8 It is proposed to engage with service users, their families and key organisations in Bromley on the introduction of a charge for transport services commencing from the publication of this report. The period of engagement will be for 4 weeks commencing on the 13th January and ending on the 12th February 2016. It is anticipated that, subject to any changes being made as a result of the responses received, the new rates will be implemented for the commencement of the 2016/17 financial year.

5. EQUALITIES IMPACT ASSESSMENT

- 5.1 An initial equality impact assessment is being undertaken to assess the impact of the changes on the current service users and this will be available at the consultation web page <http://bromley.mylifeportal.co.uk/consultations>
- 5.2 A follow up assessment will be undertaken during the implementation phase to reassess the impact. This will include contributions from a range of stakeholders to ensure that issues and risks are identified and actions are put in place to minimise the impact.

6. POLICY IMPLICATIONS

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

7. FINANCIAL IMPLICATIONS

- 7.1 The proposed changes to Transport and Day care cost recovery are estimated to generate income to a maximum of £636k. This will be dependent on the outcomes of the consultation and the decisions made resulting from this.
- 7.2 The income generated would be the maximum that would be available. There is a possibility that this may be reduced if demand for these services fall with the introduction of additional charges. Moreover there may be additional resources required to administer this. This is estimated to be no more than £50k.
- 7.3 It has been assumed in the budget for 2016/17 that £200k will be generated from additional income.
- 7.4 The impact of the introduction of the keysafe will be cost neutral. However there will be benefits from a reduction in travel time by staff attending call outs.
- 7.5 There may be an impact on charging from the National Living Wage (NLW), being introduced in April 2016. Prices for services may increase and in turn our recovery rates from full cost payers and assessed clients. It is recommended that the decision to amend charging rates, should they need to be amended to reflect the impact of the NLW be delegated to the Director of Finance.

8. LEGAL IMPLICATIONS

8.1 Section 14 Care Act 2014 gives the local authority a power to charge for this type of service when meeting care needs

(1) A local authority - (a) **may** make a charge for meeting needs under sections 18 to 20, and (4). A charge under subsection (1)(a) may cover only the cost that the local authority incurs in meeting the needs to which the charge applies.

(5) Regulations may make provision about the exercise of the power to make a charge under subsection (1). The requirement to ensure that people are not charged more than it is reasonably practicable for them to pay and are not charged more than the cost of providing a service.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Files held in Finance and Exchequer teams

TRANSPORT CHARGES CHARGED BY OTHER AUTHORITIESIncluded in Fairer Charging

Bexley	£20.20 per return journey
York	£4.00 per single journey
Derbyshire	£5.00 per day
Warwickshire	£5.17 - £12.23 per single journey

Outside of Fairer Charging

Merton	£2.70 per day
Knowsley	£3.00 per single journey
Blackburn	£1.50 per single journey
Warrington	£3.58 per single journey
Halton	£1.50 per single journey

BREAKDOWN OF AVERAGE COST (BEFORE MEANS TESTING) OF A SERVICE USER ATTENDING DAY CARE AND THE IMPACT OF CHARGING AT DIFFERENT RATES

CHARGES PER DAY

Assuming a £5 transport charge

	<u>Day Care</u>		<u>Transport</u>		Total previous charge	Total proposed charge	Difference per day
	Previous charge	proposed charge	Previous charge	proposed charge			
Day Care Band 1	16.67	17.57	0.00	5.00	16.67	22.57	5.90
Day Care Band 2	16.67	24.79	0.00	5.00	16.67	29.79	13.12
Day Care Band 3	16.67	33.06	0.00	5.00	16.67	38.06	21.39

Assuming a £10 transport charge

	<u>Day Care</u>		<u>Transport</u>		Total previous charge	Total proposed charge	Difference per day
	Previous charge	proposed charge	Previous charge	proposed charge			
Day Care Band 1	16.67	17.57	0.00	10.00	16.67	27.57	10.90
Day Care Band 2	16.67	24.79	0.00	10.00	16.67	34.79	18.12
Day Care Band 3	16.67	33.06	0.00	10.00	16.67	43.06	26.39

Assuming a £15 transport charge

	<u>Day Care</u>		<u>Transport</u>		Total previous charge	Total proposed charge	Difference per day
	Previous charge	proposed charge	Previous charge	proposed charge			
Day Care Band 1	16.67	17.57	0.00	15.00	16.67	32.57	15.90
Day Care Band 2	16.67	24.79	0.00	15.00	16.67	39.79	23.12
Day Care Band 3	16.67	33.06	0.00	15.00	16.67	48.06	31.39

Assuming a £20 transport charge

	<u>Day Care</u>		<u>Transport</u>		Total previous charge	Total proposed charge	Difference per day
	Previous charge	proposed charge	Previous charge	proposed charge			
Day Care Band 1	16.67	17.57	0.00	20.00	16.67	37.57	20.90
Day Care Band 2	16.67	24.79	0.00	20.00	16.67	44.79	28.12
Day Care Band 3	16.67	33.06	0.00	20.00	16.67	53.06	36.39

Assuming a £24.60 transport charge

	<u>Day Care</u>		<u>Transport</u>		<u>Total</u>	<u>Total</u>	<u>Difference per day</u>
	<u>Previous charge</u>	<u>proposed charge</u>	<u>Previous charge</u>	<u>proposed charge</u>	<u>previous charge</u>	<u>proposed charge</u>	
Day Care Band 1	16.67	17.57	0.00	24.60	16.67	42.17	25.50
Day Care Band 2	16.67	24.79	0.00	24.60	16.67	49.39	32.72
Day Care Band 3	16.67	33.06	0.00	24.60	16.67	57.66	40.99

KEY SAFE CHARGES CHARGED BY OTHER AUTHORITIES

Bracknell	£60
Milton Keynes	£53
Forest of Dean	£74
Redbridge	£102