

**Decision Maker:** Executive

For Pre-Decision Scrutiny by the Care Services PDS Committee on:

**Date:** 10<sup>th</sup> January 2017

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

**Title:** **CHANGES TO NON RESIDENTIAL CONTRIBUTION POLICY AND ADDITIONAL INCOME GENERATION**

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

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**Chief Officer:** Ade Adetosoye, Deputy Chief Executive and Executive Director, ECHS

**Ward:** (All Wards);

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1. Reason for report

1.1 To consider the proposed changes to the Non-residential contribution policy.

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**2. RECOMMENDATIONS**

The Executive is asked to approve the following recommendations:

2.1 To agree the new charging rates for 2017/18 for domiciliary care as set out in paragraph 3.9 of this report.

2.2 To agree the new direct payment charging rates as set out in paragraph 3.12 of this report.

2.3 To agree to charge a cancellation fee in Reablement as set out in paragraph 3.20 of this report.

2.4 To note that a blended rate for Extra Care Housing may be introduced subject to the outcome of tendering which will be reported at a later date.

### 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: N/A:
  3. Budget head/performance centre: Care Services charging
  4. Total current budget for this head: £4,839k
  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 1,800 clients
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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 2014 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.
- 3.6 Given Officers are only able to set charges to cover costs and cannot make a profit, it is important that as service costs increase the charging for these services are kept under review at the same time. In the last year the impact of the National Living Wage and further increases proposed for 2017/18 mean that the cost of the domiciliary care packages will increase significantly (£1.5m) and as such the charging for these services will also need to be reviewed.
- 3.7 This impacts on both our domiciliary care and direct payment budgets as set out in tables A and B below. The charges are similar to those with a managed service in the main as individuals will still need to go to providers for care. The exception is the Personal Assistant rate that only applies to Direct Payments but this still has a direct relationship to the other charges.

## Personal Care - Managed Service

- 3.8 Clients who have their domiciliary care dealt with and arranged by the Council come under the managed service and the Council broker this service. The National Living Wage (NLW) increased was introduced in April 2016 at £7.20 per hour and will increase further to £7.50 in April 2017. Providers have found it increasingly difficult to cope with the current price levels and officers have been engaging with providers to ensure that the current levels of service are maintained. Increases for the providers have been proposed and therefore as the cost to the Council increases, the charges to clients will follow suit.
- 3.9 The current and proposed charging levels are contained in Tables A below.

Table A

### Domiciliary Care Charge Rates - managed service

	<u>Current Rates</u> <u>2016/17</u> £	<u>Proposed Rates</u> <u>2017/18</u> £	<u>Change</u> %
1 Hour Single Handed	13.44	15.19	13%
3/4 Hour Single Handed	10.08	11.82	17%
1/2 Hour Single Handed	7.87	8.76	11%
1 Hour Double Handed	26.88	30.38	13%
3/4 Hour Double Handed	20.16	23.64	17%
1/2 Hour Double Handed	15.74	17.52	11%

- 3.10 These rates take into account the rises in national living wage and inflation for 2017/18 which is currently estimated at 2%.
- 3.11 There are currently 600 people that will see their charge increase by on average 5% - 6% as assessed payers. There are 330 people that are currently full payers that will see their charges increase by an average of 11% (as majority of people receive half hour packages). The remaining 520 people will not be affected by these changes as they are NIL payers.

## Personal Care – Direct Payments

- 3.12 Those clients who do not wish to have the managed service can organise their own care needs. A Direct Payment enables the client to have freedom of choice and control over the way in which their support needs are met and be able to manage their own requirements. Where the client employs an assistant directly, the charge covers all of the costs of employing a person including contingency for sick, holiday, pension contributions, etc. The current and proposed rates are contained in the table B below.

Table B

**Domiciliary Care Charge Rates - Direct Payments**

	<u>Current</u> <u>Rates</u> <u>2016/17</u> <u>£</u>	<u>Proposed</u> <u>Rates</u> <u>2017/18</u> <u>£</u>	<u>Change</u> <u>%</u>
1 Hour	13.44	15.19	13%
3/4 Hour	10.08	11.82	17%
1/2 Hour	7.87	8.76	11%
Personal Assistant	11.78	13.31	13%

3.13 The table above includes uplift for 2017/18 inflation which is currently estimated to be 2%.

3.14 Clients receiving a direct payment will not pay the additional costs. This is because a direct payment is not made to a client unless all of their contributions to the costs of care are exhausted. Therefore each person receiving a direct payment has already reached their maximum contribution.

**Reablement**

3.15 Reablement is the name used to describe intensive short-term support so people can re-learn daily skills and regain their confidence to live independently. It might be after a spell in hospital, an illness or accident and usually lasts three to six weeks. The idea is to make the most of the skills the client already has to live as independently as possible.

3.16 The service lasts from between three and six weeks and is a free service.

3.17 Significant savings have been assumed in the budget around service users care costs reducing once they have been reabled. The service is not charged for because of the future benefit both of the service user and financially for the Council. Unless there is a good reason all new service users are meant to have received a reablement service.

3.18 However, given that the Council forgoes income (we are legally not allowed to charge) it is critical that the service user keeps the appointment. The Reablement service generally make appointments with clients to visit them in their own homes. Recently there has been an increase in last minute cancellations or when the Reablement Officer arrives and they are turned away at the door as the appointment is no longer convenient. This causes inefficiencies and delays and decreases the officers contact time with clients.

3.19 It is proposed to levy a cancellation fee if the appointment is not kept and is not cancelled with 24 hours' notice. This will act as a deterrent to simply cancelling pre-arranged appointments if they become inconvenient.

3.20 It is proposed that in the event of a last minute cancellation or being turned away that a charge be incurred by the client to the equivalent of the care costs highlighted in Table A above, at a rate of £15.19 per hour.

**Extra Care Housing**

3.21 Officers are currently reviewing options around the future of the Extra Care Housing Service (ECH), which should impact on how this service is charged for in the future.

3.22 Presently the in house service is charged for at the existing hourly Domiciliary care rates in table A (£13.44 per hour). Whereas the external ECH are charged at actual cost. Both are subject to financial assessment.

3.23 If the outcome of tendering results in changing the provision around the in house services (these discussions have not yet concluded) then a blended rate will need to be agreed, potentially across all services. It is proposed that this is included in any future report to Members agreeing what a 'blended' rate would be and to include it in the 2017/18 contributions policy in due course.

#### 4. EQUALITIES IMPACT ASSESSMENT

4.1 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>

4.2 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.

#### 5. POLICY IMPLICATIONS

5.1 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.

#### 6. FINANCIAL IMPLICATIONS

6.1 The proposed changes the Care Charge rates are estimated to cost the following:-

##### Costs of amendments to charging policy

	<u>2017/18</u> <u>£000</u>
Care - Managed service - increase in rates	1,495
Less increase in income from charging	-650
Care - Direct Payments - increase in rates	298
Reablement - cancellation charge	0
Extra Care Housing - figure not yet available	0
	<u>1,143</u>

6.2 It can be seen that there will be an increase in costs due to the increase in payments to providers for care services. This is, in part, offset by additional income generated from clients.

6.3 All clients are financially assessed. Full payers will continue to pay all of the costs of their care. NIL payers will continue to pay nothing. Those assessed to be able to more towards their care will see an increase in their contributions.

6.4 The exact figure will depend on the circumstances of each individual client. However the figures above have been calculated based on existing service users.

- 6.5 It is not envisaged that any significant additional income will be generated from the Reablement cancellation charge, but should ensure that clients give sufficient notice if they find themselves unavailable to meet an appointment and therefore allow for staff to be fully utilised elsewhere.
- 6.6 The income generation possibilities for ECH will be covered in a more detailed report to Members.
- 6.7 There may be a further impact on charging from the National Living Wage (NLW) which was introduced in 2016 and rises to £7.50 in April 2017. Although this has been taken into account in the prices above, prices for services may increase further 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.

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