

Decision Maker: Adult & Community Portfolio Holder

Date: For Pre-Decision Scrutiny at the Adult and Community PDS Committee meeting held on 25th January 2011

Decision Type: Non-Urgent Executive Non-Key

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

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Chief Officer: Terry Rich, Director of Adult & Community Services

Ward: BOROUGHWIDE

1. Reason for report

The purpose of this report is to consult with the Adult & Community PDS on the proposed changes to the Personal Budget and Contributions policy for Adult Social Care services from 2011 onwards as resolved by the LB Bromley Executive Committee in December. It also updates the PDS members on the consultation being undertaken with the wider stakeholder groups.

2. **RECOMMENDATIONS**

1. That PDS comment on the revised Personal Budget and Contributions policy including the:
 - Inclusion within the calculation of Personal Budgets of the full range of services provided to support people remain at home, including day care;
 - Introduction of charging and removal of subsidies from holiday breaks, laundry and shopping services;
 - New charge rates for personal care visits and directly employed personal assistants;
 - Increased charges for Carelink (community alarm), Telecare and other assisted technology equipment;
 - Introduction of standard rates for disability related expenditure disregards when calculating personal contributions;
 - Introduction of a charge for ineligible service users who use day services.
2. That PDS note the consultation being undertaken with the wider stakeholder groups
3. That the Portfolio Holder considers the views of the PDS alongside the outcome of consultation prior to deciding on the adoption of the revised Personal Budget and Contributions Policy in March 2011 and prior to any changes being implemented.

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: £3,718k (total budget for non-residential care charges)
 5. Source of funding: N/A
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Staff

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

1. Legal Requirement: Statutory requirement.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 3000
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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 In December the Executive were asked to approve the consultation on the revised Personal Budget and Contributions policy. It was also resolved that the Adult and Community PDS Committee be consulted and the results of the consultation be considered by the Adult & Community Portfolio Holder prior to the introduction of a revised policy by April 2011. The December Executive report provides the detailed context for proposed changes to the policy this has been attached at appendix A for reference.
- 3.1.1 The main revisions included in policy are:
- Inclusion within the calculation of Personal Budgets of the full range of services provided to support people remain at home, including day care;
 - Removal of subsidies from holiday breaks, laundry and shopping services;
 - New charge rates for personal care visits and directly employed personal assistants;
 - Increased charges for Carelink (community alarm), Telecare and other assisted technology equipment;
 - Introduction of standard rates for disability related expenditure disregards when calculating personal contributions;
 - Introduction of a charge for ineligible service users who use day services.
- 3.1.2 An information fact sheet and consultation response form has been developed to provide information on the proposed changes to the Personal Budget and Contributions policy. These are attached for reference at appendix B and C. The proposed revisions to this policy are threefold: firstly to explain what services will be included as part of the personal budget calculation (i.e. services that are considered to meet adult social care needs); secondly, to simplify the charging structures for a range of services (i.e. personal care visits) and allowances (disability related expenditure) and lastly to increase the charges levied for some services.
- 3.1.3 The proposals are also designed to increase the contributions made by service users to the overall cost of social care services and therefore to assist in setting a sustainable budget for future years.
- 3.14 PDS members are asked to consider the questions asked in the consultation response form in appendix C. The issues are summarised below:
- In order to calculate a personal budget, agreement as to what services and unit cost are included within a personal budget.
Do you agree that the services listed in section A Q2 of the consultation response form should be included as part of the personal budget calculation?
 - Some services (shopping, laundry and holiday breaks) will no longer be considered core services included as part of the personal budget calculation. The proposal in the consultation is to remove the current subsidies for these services: anyone who wants to continue using them will be expected to access and pay for them independently at the full price charged by the provider of the service.
Do you agree with this proposal?
 - All services included within the personal budget calculation will be considered as part of the financial assessment, this means that a person may have to pay a charge if they have services arranged by the Council or their contribution will be deducted from their direct payment if they organise their own care. See section B questions 1 – 4 in the consultation response form.

Do you agree that it is fair to include these areas as part of the financial assessment?

- The financial assessment includes disability related expenditure (DRE) disregard which makes an allowance for eligible service users who has additional expense due to their disability. Currently the DRE disregard is individually calculated and varies considerably from a low of £1 per week up to £99 in some cases with the average at £20. It is proposed to introduce 3 standard rates based on benefit levels. Whilst some would experience a lower disregard, hence have a higher contribution to make it means that the service user would not need to produce receipts as evidence of the extra costs. The proposed rates are:
 - **£5 per week** where the service user is in receipt of the lower rate of Disability Living Allowance or Attendance Allowance,
 - **£10 per week** where the service user is in receipt of the middle rate of Disability Living Allowance and,
 - **£15 per week** where the service user is receiving the middle or higher rate of Disability Living Allowance or Attendance Allowance.

Do you agree that a flat rate would be a fairer, simpler and more consistent way of allowing for the extra costs of having a disability?

- Whilst the Council continues to ensure access to services for people not receiving a personal budget it is proposed that for people using day services whose social care needs do not qualify for the council's support will be expected to pay £10 per session for using this service.

Do you agree that it is fair to charge people whose social care needs do not qualify for the council's support?

3.1.5 The financial implications of these proposals are included in section 5.3 of this report and the impact of all the proposals on service users are being assessed as part of the equality impact assessment as described in section 3.4 of this report.

3.2 Consultation

- 3.2.1 A detailed consultation plan has been developed to ensure that a broad range of stakeholders have the opportunity to contribute to the consultation on the proposed policy changes.
- 3.2.2 A web page has been developed as part of the main Bromley website, to provide information on all the consultation documents including a frequently asked questions sheet.
- 3.2.3 During December partner agencies and providers received a request to participate in the consultation exercise. Stakeholder meetings have been arranged for service users who have a learning disability and providers of older people's day services. The Learning Disability Partnership Board has requested a session at the February meeting.
- 3.2.4 Over 3000 service user consultation letters were sent out during January with plain speak versions being used where appropriate. Bromley Social Services Direct is providing additional support during the consultation period to any service users who may have concerns about what the changes may mean to them.
- 3.2.5 The consultation period is due to end on the 28th February 2011. During this process approximately 3750 stakeholders will have been asked to take part.

3.3 Decision Making

3.3.1 At the end of the consultation period all received responses will be collated and the analysis will be presented to the ACS DMT for consideration. This will then inform the revised Personal Budget and Contributions policy which will be presented for approval to the Portfolio Holder on the 18th March 2011. A summary of the consultation responses will be included as part of the Portfolio Holder's report.

3.4 Implementation of the Changes

3.4.1 An equality impact assessment will be undertaken prior to implementation of the agreed proposals to assess the impact of the changes on current and potential service users. 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. This information will be presented to the Portfolio Holder as part of the decision making process.

3.4.2 There are a small number of organisations that will continue to receive funding from ACS to enable them to provide a range of preventative services that will fall outside the proposed policy changes. In the main the funding is used to cover the cost of premises, this then enables the organisations to provide a range of support services such as advice, information and lunch clubs where participants are often already making a direct contribution.

3.4.3 All agreed changes will be implemented from May 2011 in many cases they will take effect from this date, for changes requiring more detailed work with individual service users these will be phased in during the year.

3.4.4 A clear information strategy has been put in place to ensure that all current service users are informed about the agreed changes prior to implementation in May 2011. This information will include details on how to request a community care assessment or review of needs and how to appeal against the charge that has been levied. Information will also be made available in the revised Personal Budget and Contributions policy which will be available on the website in April 2011.

3.4.5 All current eligible service users will also be subject to a revised financial assessment which will calculate how much a person can afford to pay towards their support costs.

4. POLICY IMPLICATIONS

4.1 Personal budgets are central to the Supporting Independence in Bromley programme which is a key priority within the Adult & Community Portfolio Plan and central to the Building a Better Bromley priority of Promoting Independence. The current Fairer Charging Policy will be revised to reflect the agreed changes and will be available on the Bromley website in April 2011.

5. FINANCIAL IMPLICATIONS

5.1 These changes both address the need to provide an actual cost against all service elements contained within Personal Budgets and also seek to increase, where feasible the contributions levied through charges from service users towards the costs of their care services.

5.2 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. This means that we will need to realign our direct payments and domiciliary

care charges so that our half hourly and hourly rates are set at the same level as set out in Executive Report in Appendix A.

5.3 The table below provides the financial implications of the proposals outlined in this report:-

	Budget 2011/12 Full Yr £'000
<u>Additional Income</u>	
Reducing Direct Payment rate for Personal Assistants (£11.00 ph)	-130
Charging for Double Handed Care (16.20 1/2 hour, £28.00 ph)	-150
Supplement for evenings (£1 and £2)	-65
Charging for Day Care & Transport	-50
Standard rate DRE of £15	-140
Community Alarm Service (£5 pw monitoring, £7.50 pw full response)	-45
	<u>-580</u>
<u>Loss of Income</u>	
Increasing Direct Payment half hour rate to £8.10	265
Reducing charging for domiciliary care (£16.20 hr to £14 hr)	100
	<u>365</u>
Net Additional Income (estimated)	<u>-215</u>
<u>Full Cost Recovery</u>	
Estimated Savings from full cost recovery (shopping/laundry etc.)	-100
Day care charge for non eligible users	-50
	<u>-150</u>
TOTAL ESTIMATED SAVINGS	<u>-365</u>

- 5.4 The table above shows that the financial implications of increasing the amount within a Direct Payment for a half hour of care from £7.04 to £8.10 is £265k p.a. offset by £130k p.a. by reducing the amount allowed for Personal Assistants from £14.10 to £11.00 per hour.
- 5.5 The current charge for domiciliary care for non-Direct Payment users is £16.20 per hour and has been based on the average cost of an hour of care taking account of all contracted providers, including the in-house service's unit cost, and allowing for the variations on the cost of evenings and weekends. Analysis of current prices charged by the Council's contracted providers, together with the impact of a reduction in the volume of care provided by the in-house service has resulted in a need to adjust the rates charged and the sums allowed for within Direct Payments for domiciliary care.
- 5.6 The proposals align the charges made with the sums allowed for within Personal Budgets consistent with that allocated within a Direct Payment. This has the effect of maintaining the same charge for a half hour of domiciliary care as present (£8.10/half hour) whilst reducing the rate for care delivered in full hours from £16.20 to £14.00. As with Direct Payments, an increase in the charge for care delivered at evenings or weekends will be applied at £1 per half hour and £2 per full hour of care.
- 5.7 Also included in the table above are the anticipated savings arising from the introduction of charges or full cost recovery of services provided to non-eligible service users, including day centres, shopping and housework services.
- 5.8 Any additional income that will be generated from telecare is included within the Community Alarm figures in the table above.

5.9 The proposed rates for charging in 2011/12 are based on current prices and therefore an annual increase for inflation will need to be added.

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 Councils should consult as necessary on any proposed changes to their existing charging policy in accordance with the Fairer Charging guidance. Councils might wish to allocate a member of staff to be responsible for consultation to meet local user and carer groups and to seek their views.

6.5 In the Dept of Health 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.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Executive Report 8 th December 2010 PERSONAL BUDGETS AND CONTRIBUTIONS Policy

Appendix A Full Executive Report 8th December 2010

Appendix B Consultation Information Fact Sheet

Appendix C Consultation Response Form