

## Appendix 1

<b>Recommendation 1</b>	The revised and updated Fairer Charging Policy and Appendices be approved. These are available in the Member's Room and on the Intranet.
Reason	The existing policy has not been updated since its inception and does not reflect current guidance
Outcome/Impact	<p>The redrafted policy provides background to the Fairer Charging regulations and gives clear procedures and guidance that is readily understandable and relatively free of jargon. The three main changes are as follows:</p> <p><u>Day centre attendance charges should be levied when the day centre arranges a trip out</u></p> <p>Currently a service user will not be charged day centre attendance if they go out of the centre on activities including trips. Despite the fact that a trip out will produce some savings in terms of heat and light at the day centre, there is still a cost attached to the accompanying staff time. It is therefore proposed that service users should be charged for their day centre attendance when out of the centre on activities or trips. This is justifiable given that the charge remains a "low token contribution" to the actual cost of running the day care scheme.</p> <p><u>Where service users require two carers at once they should be charged for the time of both carers</u></p> <p>The existing policy states that if a service user requires two carers to provide their care, they will be charged for only one carer. The reasoning for this is that the requirement for two carers is beyond a service user's control. However, if a service user's high level of need requires them to receive only one carer, but for 24 hours a day, they would be charged for every hour that they receive. It is therefore proposed that the policy be amended to charge for two carers where a service user has been assessed as requiring two carers.</p> <p><u>Charges for major adaptations</u></p> <p>The Authority is able to charge for major adaptations (over £1,500) but the current policy makes no mention of this. It is proposed that the policy be amended to allow us to charge for major adaptations.</p>
Estimated additional income per year	There will be increased income from the first recommendation which is difficult to estimate but is not deemed to be significant.

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<b>Recommendation 2</b>	Changes to the maximum weekly charge so the current absolute ceiling charge is replaced by one defined as the 'full cost of the service', calculated as the applicable unit charge in force at the time multiplied by the amount of service delivered.
Reason	Currently there is a maximum weekly charge of £272. This means that self-funders having over £21,500 may not be charged the full cost of the services that they receive. In practice this has meant that self funders have been asked to arrange services for themselves, meaning that we can not include these service users against our 'Helped to Live at Home' performance indicators.
Outcome/Impact	Improved performance against PAF indicator C32 which is a key measure of overall Social Care performance on independent living.  There are currently 124 services users that are assessed as full charge payers. Only 5 of these receive a level of service that results in paying the full cost of the service.
Estimated additional income per year	£40,000
<b>Recommendation 3</b>	The inclusion of tariff income in the financial assessment from savings and capital between £13,000 and £21,500.
Reason	Herefordshire Council currently disregards all savings/capital below £21,500 in the financial assessment. Local authorities are able to include income generated from a client's savings/capital at a rate of £1 for every £250 (or part thereof) of savings held over £13,000. This is called 'tariff income'.
Outcome/Impact	There are currently 82 service users (6%) that have capital between £13,000 and £21,500 and would be affected by this change (subject to reassessment).
Estimated additional income per year	£66,000
<b>Recommendation 4</b>	Include 100% of occupational/private pensions in the financial assessment
Reason	Herefordshire currently disregards 55% of any private/occupational pension from the financial assessment. It includes 100% of any state retirement pension. As the financial assessment is designed to ensure that service users retain basic income support levels plus 25% it is deemed unnecessary to apply this additional disregard and Herefordshire has missed the opportunity to maximise income here in the past.

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	Herefordshire is very unusual in applying this disregard at all and it is recommended therefore that 100% of a private/occupational pension is included in the financial assessment in line with most other authorities.																																														
Outcome/Impact	<p>Based on current numbers, 306 service users (33%) will be affected by this change. An example below is:</p> <p>Example: Mr A. N. Other is a gentleman over 60 living alone. He receives income from a variety of sources including an occupational pension of £61.54 per week (current average occupational pension figure). The table below demonstrates the outcome of his assessment firstly with a 55% pension disregard (as per the current policy) and secondly taking 100% of the pension into account.</p> <table border="1" data-bbox="645 549 1579 1246"> <thead> <tr> <th></th> <th>Current Policy (55% pension disregard) £ per week</th> <th>Proposed Policy (no pension disregard) £ per week</th> </tr> </thead> <tbody> <tr> <td><b>Income</b></td> <td></td> <td></td> </tr> <tr> <td>Occupational pension</td> <td>27.69</td> <td>61.54</td> </tr> <tr> <td>State Retirement Pension</td> <td>133.50</td> <td>133.50</td> </tr> <tr> <td>Attendance Allowance</td> <td><u>41.65</u></td> <td><u>41.65</u></td> </tr> <tr> <td>Total Income</td> <td>202.84</td> <td>236.69</td> </tr> <tr> <td><b>Less Outgoings</b></td> <td></td> <td></td> </tr> <tr> <td>Contents Insurance</td> <td>1.00</td> <td>1.00</td> </tr> <tr> <td>Council Tax</td> <td>5.57</td> <td>5.57</td> </tr> <tr> <td>Heating Costs</td> <td>1.75</td> <td>1.75</td> </tr> <tr> <td>Rent</td> <td><u>68.95</u></td> <td><u>68.95</u></td> </tr> <tr> <td>Total Outgoings</td> <td>77.27</td> <td>77.27</td> </tr> <tr> <td><b>Total Income taken into account</b></td> <td>125.67</td> <td>159.42</td> </tr> <tr> <td>Less Applicable Amount</td> <td><u>(142.56)</u></td> <td><u>(142.56)</u></td> </tr> <tr> <td>Assessed Charge</td> <td>0.00</td> <td>16.86</td> </tr> </tbody> </table> <p>*Applicable amount is defined as the amount of money that we must leave a person with to live on after costs of disability have been taken into account. It amounts to the basic relevant income support amount plus 25%.</p>			Current Policy (55% pension disregard) £ per week	Proposed Policy (no pension disregard) £ per week	<b>Income</b>			Occupational pension	27.69	61.54	State Retirement Pension	133.50	133.50	Attendance Allowance	<u>41.65</u>	<u>41.65</u>	Total Income	202.84	236.69	<b>Less Outgoings</b>			Contents Insurance	1.00	1.00	Council Tax	5.57	5.57	Heating Costs	1.75	1.75	Rent	<u>68.95</u>	<u>68.95</u>	Total Outgoings	77.27	77.27	<b>Total Income taken into account</b>	125.67	159.42	Less Applicable Amount	<u>(142.56)</u>	<u>(142.56)</u>	Assessed Charge	0.00	16.86
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Estimated additional income per year	£269,000
<b>Recommendation 5</b>	Continue to charge a flat rate for meals and transport
Reason	The Fairer Charging Guidance (“Fairer Charging Policies for Home Care and Other Non-Residential Social Services Practice Guidance”) pre-supposes that with the exception of meal charges, all non-residential services will be included in the financial assessment. Currently flat rate charges are applied to both meals and transport. As the majority of transport users receive other social care services and are likely to be receiving packages of care in excess of their assessed contribution, moving the transport charge into the assessment is likely to result in a loss of income for the authority. As long as the charge remains a “low token contribution” then the application of a flat rate charge can be justified. This policy will be reviewed annually.
Outcome/Impact	No change
Estimated additional income per year	~
<b>Recommendation 6</b>	Increase charges to reflect the actual cost of the providing the service
Reasons	<p>The average cost of an hour of commissioned homecare is £13.60. As Herefordshire’s unit charge for an hour of homecare is £11.20, this means that even full charge payers are receiving a £2.40 per hour subsidy. It is therefore proposed that the unit charge for homecare be brought in line with the average unit cost of commissioned homecare.</p> <p>The unit cost of a day care session is £29.00, considerably higher than the current unit charge for the service of £2.90. It is therefore proposed that day care increases be staged in at £14.00 with further increases to be considered in later years.</p> <p>It is proposed that transport charges remain unchanged and that the two different meal charges be brought in line at £2.50. These are flat rate charges and the guidance anticipates such charges will be kept low.</p> <p>Charges will be increased again in April 2008 in line with inflation.</p>

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The table below outlines the current and proposed charges:

Client Charges	Unit of Service	Current Charge 2007-08	Proposed Charge from Jan 2008	Increase	
		£	£	£	%
Home Care	Per hour	11.20	13.60	2.40	21.4
Day Care	Per day/session	2.90	14.00	11.10	383.0
Transport	Per journey	1.25	No change		
Meals	Per meal	2.40	2.50	0.10	4.2
Meals on Wheels	Per meal	2.50	No change		

The table below shows the proposed charges against the comparative charges of other authorities.

Client charges 07/08	Herefordshire £	Gloucestershire £	West Berkshire £	Average Benchmarking Club* £
Home Care	13.60	13.46	17.30	10.53
Day Care	14.00	15.54	3.40	7.29
Transport	1.25	n/a	1.00	0.86
Meals	2.50	2.30	3.40	2.68
Meals on wheels	2.50	2.20	3.40	2.62

\* CIPFA /IPF Financial Assessments Benchmarking Club all members average 06/07 plus 2.5% inflation

Information has been received on at least 8 other LA's who have day centre charges higher than £14 per hour and

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	these include Cardiff, East Riding, Northants, Torfaen, and Bucks. 5 of these authorities have daily charges of £26 or over.
Outcome/Impact	129 service users will be affected by this change, the majority (69), will be charged between £10 and £15 extra per week.
Estimated additional income per year	£65,000
<b>Recommendation 7</b>	Direct payments charges to be set using the same principles as day care and homecare
Reasons	Direct Payments clients are charged the same unit charge for home care as other service users (£11.20 per hour), despite the fact that the amount of money they receive with which to purchase services is only £9.31 per hour. It is possible therefore that someone could be asked to contribute more in client contributions than they receive in services. The Council will plan therefore to set the unit charge equal to the cost of the service, ie: £9.31 per hour.
Outcome/Impact	The estimated loss of income per year is £5,000, although this potential loss will probably be offset by an improved assessment and reassessment process capturing more service users, as many currently have not been financially assessed.
Estimated additional income per year	(£5,000)
<b>Recommendation 8</b>	Services for carers remain free of charges
Reasons	Services to carers provided under the Carers and Disabled Children Act are chargeable according to the Government Guidance. Herefordshire Council currently provides them for free, in line with many other councils, recognising the value that carers provide in preventing vulnerable people from going into residential care. The Needs Analysis report highlighted the vital role carers played and the need for additional investment, rather than disinvestment, in them.  The spring Delivery and Improvement Statement 2006 identified that the Council planned to provide services to 237 service users in 2006-07 at a cost of £467,000, i.e. an average cost per service per carer of £38 per week.
Outcome/Impact	This recommendation emphasises the important role carers continue to play in the provision of social care in the county.
Estimated additional income per year	~