

<b>MEETING:</b>	<b>ADULT SOCIAL CARE AND HOUSING SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>25<sup>TH</sup> JANUARY 2010</b>
<b>TITLE OF REPORT:</b>	<b>UPDATE ON THE REVIEW OF THE FAIRER CHARGING POLICY</b>
<b>PORTFOLIO AREA:</b>	<b>OLDER PEOPLE AND SOCIAL CARE, ADULTS</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To provide the Committee with an update on the progress of the review of the Fairer Charging Policy for non-residential care services.

### **Recommendation**

**THAT the report be noted.**

### **Introduction and Background**

1. In April 2008, some significant changes to the Council's Fairer Charging Policy were implemented following extensive consultation with service users, staff, and the general public. These changes included:
  - Removing the maximum charge for services
  - Charging for two carers where required
  - Charging for day care when service users went out on day trips
  - Including all occupational pension income in the financial assessment (previously 55 % was ignored)
  - Introduction of tariff income charged on capital held between the lower and upper capital limits.
  - Increasing charges for home and day care services.
2. It was recommended that the increase in charges should reflect actual costs, however following service user feedback about the cost of day care services, a charge of £4 per session was agreed, this charge has subsequently been increased in line with inflation. Cabinet requested that charges for day care should be reviewed again following the completion of the modernisation of day services project.

3. It was estimated that the above changes would generate an additional £404,000 income for the council per annum, however the total charges raised in 2008/9 were £689,740 providing an increase of £241,289. A report to scrutiny committee on the 3rd October 2008 provided the reasons for this, and the committee resolved that areas of concern continue to be monitored.

## Key Considerations

4. In light of the above, a further review of the policy is being conducted. This review has focused on identifying areas where there is potentially more scope to generate additional income whilst ensuring that the charging structure remains equitable to all service users.
5. Having undertaken some analysis of current client contributions and unit costs for services, and compared Herefordshire's charges with other regional authorities and the CIPFA Benchmarking Group as outlined in appendix 1. It has been concluded that;
  - Herefordshire's charges for home care, meals, and transport, are in line with the average charged by other local authorities
  - Herefordshire's day care charges are significantly lower than the average charged by other local authorities. The average charge for day care services in the CIPFA Benchmarking Group in 2009/10 is £11.77 per session compared with £4.15 in Herefordshire.
  - Herefordshire's average unit costs for day services compare reasonably with other comparable authorities, but there is a wide variance in costs across day services depending on the type of day service provision.
  - The majority of people that are paying the full charge for services because they either have capital above the current limit of £23,000, or have refused a financial assessment, are service users receiving day care, that are currently being charged at a subsidised rate.
  - The majority of people that attend the higher unit cost day services, are service users in the learning disability client group, however many of these people have been financially assessed as not having to make a contribution towards the services they receive.
  - Most local authorities, including Herefordshire do not charge carers for providing a carers service
  - Herefordshire's decision to make a standard charge for transport services is in line with 41% of local authorities in the CIPFA Benchmarking group, however 43% of authorities in that group do not charge for transport, and only 15% include transport charges in the financial assessment.
6. As a result of the above findings the key areas that are being explored are,
  - **Day Care** - consider applying standard charges for day care services based on the type of day care service provision. This will result in bands of varying charges that will closer reflect actual costs.
  - **Carer's Services** – fairer charging guidance provided by the Department of Health

states that services delivered under the Carers and Disabled Children Act 2000 can be charged for. A survey was conducted to find out how other councils approach charging for carers and the majority of those that responded to the survey did not charge for carers services where the service is provided to the carer, and not the cared-for. Like Herefordshire, many councils charge for services provided to the cared-for where they meet social care eligibility criteria. However it was felt that clearer guidance should be given to care managers on the services that they are purchasing to ensure that charges are applied where appropriate.

- **Transport** – consider the financial impact of removing the standard charge and implementing charging for those that meet the transport eligibility criteria based on financial assessment.
7. In addition to the above, and following guidance issued by the Department Of Health, the review is also considering the appropriate charging structures for Personalised Budgets and Supporting People.

## **Financial Implications**

8. Currently income generated from raising charges for domiciliary services is averaging £14,720 per week from 1,258 service users, against a target of £13,385 per week from 1,296 service users. Initial findings from work carried out on the above review to date show that there is some scope for obtaining additional income through raising day care charges based on the average unit cost, but this is limited because of the number of people that have been financially assessed as not having to pay anything towards the services they receive.

## **Appendices**

Appendix 1 – Comparison of charges for Non –Residential Care Services

## **Background Papers**

- Report to Adult Social Care and Strategic Housing Scrutiny Committee 3<sup>rd</sup> October 2008