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## Report of the Director of Adult Social Services

### Executive Board

Date: 13<sup>th</sup> February 2009

### Subject: INCOME REVIEW FOR COMMUNITY CARE SERVICES

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#### Electoral Wards Affected:

All

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

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## EXECUTIVE SUMMARY

This report sets out the work undertaken on the review of income for non-residential adult social care services since the previous report to Executive Board on 11<sup>th</sup> June 2008. That report gave approval for a consultation process with service users and other stakeholders, the details and outcomes of which are set out in this report.

The main reasons for this income review are to improve our ability to invest in adult social care services, to improve fairness, equity and consistency and to provide a framework for service user contributions to help prepare for future service changes. This rationale is set within the context of current service user contributions in Leeds being significantly below those in comparator authorities.

The report explains how non-residential services and the associated financial contributions from service users fit within the overall "continuum of care" system. Health care, included fully-funded nursing care, is available for those with the most complex needs without any service user contributions. Services provided through Adult Social Care for those meeting the Council's eligibility criteria are financially assessed to determine the service user's contribution. The government guidance gives very little discretion in the financial assessment methodology for residential care, but there is significant scope for discretion for community-based services and this area is the focus for this review. General support services such as advice and information or advocacy are available for those with lower level needs at no cost to the service user or at a nominal contribution.

The national and local context for service user contributions is explained in the report. The key national issues are demographic pressures, the increase over time in the financial resources of service users and the shift towards more community-based rather than residential services that are more costly for local authorities to deliver. Additional factors for Leeds are the relatively low Formula Grant funding and low Council Tax, which constrain our ability to invest in providing and improving services. Three key priorities for additional investment in Adult Social Care services in Leeds have been identified: safeguarding services; carers support; assessment and care management.

An extensive consultation process has taken place since June 2008 in two phases. The first phase involved working with a Service User and Carer Reference Group to discuss the large number of potential options in some detail and narrow them down to a preferred small and manageable number so that service user consultation could be more meaningful. The second phase of the consultation included a survey of almost 8,000 service users and a Citizens Panel survey to ascertain the views of the wider population in the city.

The options within the consultation focused on the four main ways in which service user contributions could change: an increase in the payment for each service; an increase in the maximum weekly payment; an increase in the percentage of disposable income taken into account; taking capital into account (i.e. savings and investments over £13,500, ignoring the value of a person's home). These were combined in different ways to produce options A, B and C in the consultation survey. The consultation options are set out in section 6.2 of the report.

Given the complexity of the issues, the consultation survey was inevitably challenging and some people found it difficult to understand. Nonetheless, there were 1,053 responses to the survey, giving sufficient data for it to be robust in statistical terms. Not surprisingly, the survey responses make clear that people would prefer not to have an increase in service user contributions. However, the respondents disagreed with taking capital into account slightly less than they disagreed with the other three aspects of the potential changes. They expressed a clear preference for Option C, which had the lowest increase in the level of contribution for each service and the highest increase in the disposable income percentage, and also for phased implementation by capping the weekly increase for any service user in the first year. Respondents agreed with increased meals charges more than with any of the other consultation options.

The Service User and Carer Reference Group prepared a report on the outcomes of the consultation and this is attached at Appendix 6. In summary their recommendations were: listen to what people have said in the consultation; there are clear messages that people should not have to pay for services; any increases should be small and used to fund service improvements; thought needs to be given to communicating any changes to people so as not to raise anxieties. Section 7.3 of this report sets out these conclusions in more detail and outlines how they have been addressed. Appendix 7 considers the key aspects of the consultation survey comments that the Reference Group wanted Executive Board to note.

The report sets out the additional income for Adult Social Care and the implications for service users of the service user contribution options included in the consultation survey. It considers alternative sources of funding for Adult Social Care services and evaluates the consultation options against the key reasons for undertaking the review. The main proposal is for consultation Option C. All proposed service user contributions are set out on the next page:

Financially Assessed Services	
Home care and supported living	£9.20 per hour (40p increase)
Day services	£3.10 per day (10p increase)
Transport to services	£1.30 per day (10p increase)
Telecare mobile response service	£5.00 per week (no contribution currently as grant-funded pilot scheme)
Maximum weekly payment	£140 per week (£52 increase)
Disposable income assessed as available as a contribution towards services	90% (increase from 50%)
Capital (savings and investments)	Taken into account in a way that is more generous than most authorities
Flat-Rate Contributions	
Main meal	£3.00 per meal (80p increase)
Second meal	£1.90 per meal (60p increase)
Respite care for older people	£102.90 per week (£25.75 increase)

Appendix 4 outlines the proposal for taking capital into account and Appendix 5 illustrates how this operates within the financial assessment. Appendix 5 also provides an explanation of what is meant by disposable income.

It is proposed that the changes to flat-rate service user contributions become effective from 1<sup>st</sup> April 2009. For financially assessed services all service users will be reassessed and notified of their new contribution before they start to pay the new amount. Given the time taken to complete the financial reassessments it is proposed that the changes to service user contributions for financially assessed services take effect from 1<sup>st</sup> June 2009.

1,590 service users (30%) are projected to continue to receive free services and 1,881 (36%) are estimated to pay less than £5 per week in addition to their current contribution. 347 service users are estimated to pay more than £20 per week in addition to their current contribution, but for 2009/10 it is proposed that their increase is capped at £20 per week. Any increased contributions for flat-rate meals and respite charges would be in addition to this ceiling. From April 2010 a further cap is proposed so that services users do not pay an increase of more than £25 per week compared to 2009/10. All service users will pay in full under the new arrangements from April 2011. This transitional protection is proposed for existing service users on 31<sup>st</sup> March 2009. New service users from April 2009 will pay on the new basis.

The proposals will generate estimated additional income of £2m in a full year. In 2009/10 this will be reduced to £1.6m due to the 1<sup>st</sup> June implementation for financially assessed services and the impact of the £20 per week cap on increased contributions.

A charging and contributions policy framework is proposed to provide a context and consistency for developing service user contributions in the future for any new or reconfigured services. The framework is set out in Appendix 2.

The report also identifies two further pieces of work to be undertaken over the next few months on contributions for services that support carers and for the planned enablement service to be provided by the directly-provided community support service. A 6-week period without service user contributions being required will be considered for those service users in receipt of specific re-ablement services, either after hospital discharge or to prevent hospital admission. When these two pieces of work have been completed, which is expected to be

within the next six months, a further report will be brought to Executive Board with proposals for any changes to service user contributions to take effect from April 2010.

Executive Board is recommended to approve the revised service user contributions set out above and a charging and contributions policy framework to provide consistency and guide the development of service user contributions for any new or reconfigured services. As personalisation is introduced across Adult Social Care services, further reports will be brought to Executive Board on any implications for service user contributions.

## **1.0 Purpose Of This Report**

- 1.1 This report sets out the outcomes from the review of income for non-residential adult social care services following the consultation process and makes recommendations for changes to service user contributions.
- 1.2 The purpose of the report is to:
- Summarise the reasons for this review as set out in full in the report to Executive Board on 11<sup>th</sup> June 2008
  - Outline the consultation process undertaken and the outcomes, including an equality impact assessment
  - Outline the implications for service users and for the Council's income of the options included in the consultation
  - Make recommendations for changes to service user contributions and a policy framework to guide any future changes

## **2.0 Background Information**

- 2.1 An initial report to Executive Board on 16<sup>th</sup> November 2005 outlined the key issues that needed consideration and included a draft charging and contributions policy framework to give overall consistency. Executive Board approved the timetable for further work, which included developing options that would form the basis of stakeholder consultation and financial modeling to assess their impact.
- 2.2 A report to Executive Board on 11<sup>th</sup> June 2008 set out in some detail the national and local context for the income review and the reasons for undertaking it. It set out the main options for changing service user contributions, outlined how these would be developed and summarised how the subsequent consultation process would be undertaken.
- 2.3 Executive Board in June supported as the context for the consultation process the need to generate more income from service users to improve our ability to invest in social care services and to support fairness, equity and consistency within Leeds and in comparison with other authorities. Executive Board also agreed the contributions options set out in the report to form the basis of stakeholder consultation.
- 2.4 Scrutiny Board (Adult Social Care) considered the detailed consultation plan on 23<sup>rd</sup> July 2008. On 24<sup>th</sup> November the Board received an update report on the consultation process, including the initial outcomes.

## **3.0 Income Review Context and Imperatives for Change**

- 3.1 The report to Executive Board in June set out in some detail the national and local context for the income review. This included demonstrating the extent to which the current service user contributions in Leeds are significantly out of line with comparator authorities. Within this context, the report set out the three main drivers for the review :
- To improve our ability to invest in adult social care services
  - To improve fairness, equity and consistency for service user contributions
  - To provide a framework for service user contributions to help prepare for future service changes, particularly personalisation and new service options

## System of Care and Associated Contributions

- 3.2 There is a “continuum of care” in Leeds and across the country . Those with the most complex needs are provided for through the NHS either in hospitals, in nursing care funded through NHS continuing care, or at home supported through the community nursing service. There is no charge to service users for this health care.
- 3.3 Those people with social care needs who meet the threshold set by the Council’s Fair Access to Care Services eligibility criteria will have their services provided through Adult Social Care. In accordance with the government guidance, service users can contribute towards the cost of these services based on their ability to pay. The net cost of these services is £141m, which accounts for 78% of Adult Social Care net expenditure.
- 3.4 £82m (45%) of the directorate’s net spend relates to residential and nursing care. The Department of Health’s Charging for Residential Accommodation Guide (CRAG) sets out the approach to financially assessing service user contributions for residential and nursing care, with very little scope for local discretion. One area of discretion relates to respite care, for which local authorities have the option to levy service user contributions without a financial assessment, providing they are set at a level that is affordable for all. This approach is adopted in Leeds, with contributions being based on the basic benefit amounts for the various age groups.
- 3.5 For non-residential services the Department of Health’s “Fairer Charging” guidance also provides some national consistency through some key principles, although there is more room for local discretion than with CRAG. This income review is focused on how Leeds applies this discretion in respect of these non-residential services, which account for £59m (33%) of Adult Social Care net expenditure.
- 3.6 The Fairer Charging guidance requires one financial assessment to calculate the contribution a service user can make for all the services they receive, although Council’s can levy separate flat-rate contributions for costs that are incurred in everyday life. This means that for these “everyday” expenses everyone pays the same amount on top of any financially assessed contribution and in Leeds, as in most authorities, this applies to meals contributions.
- 3.7 For those whose needs are below the Council’s eligibility threshold, a range of support services are available from a variety of organisations. These will include the provision of advice, information and advocacy. In some cases these services receive financial support from Adult Social Care, for example the very successful Neighbourhood Network schemes. Net expenditure on these preventative services amounts to £13.5m (8%) of the Adult Social Care budget. These services are usually made available either without charge to the service user or at a nominal contribution with all service users paying the same amount.
- 3.8 The Department of Health has commissioned a review of the current Fairer Charging guidance with the aim of developing and implementing an improved social care contribution regime to reflect the personalisation agenda and the introduction of Individual Budgets. The guidance was issued on 26<sup>th</sup> January 2009 for a consultation period of at least 12 weeks. The guidance does not include any changes to the financial assessment and does not impact on the options being considered in this income review.

- 3.9 The way in which peoples' needs are met will change over time as personalisation is implemented. Authorities across the country will need to review how they apply subsidised service user contributions within the overall system that allocates resources to individuals to meet their needs. This will need to take account of the Department of Health's revised "Fairer Charging" guidance when the final version is issued, including any consultation requirements. As the implementation of personalisation progresses, further reports will be brought to Executive Board on any implications for the principles and detail of service user contributions set out in this report.

#### National and Local Context

- 3.10 The national and local context for this income review was set out in some detail in the report to Executive Board on 11<sup>th</sup> June 2008. The key issues are summarised below and Appendix 1 provides some additional detail.
- 3.11 Adult social care services nationally and in Leeds are experiencing funding pressures. This is partly due to demographic trends, with the growing numbers of older people and the increasing complexity of needs that affects learning disability services in particular.
- 3.12 National data also indicates that the financial circumstances of service users are changing, with increased home ownership and inherited wealth. Overall older people are likely to become wealthier over the next 20 years. This means that in the future service users will, on average, have greater financial resources with which to contribute towards the cost of their care, but the current service user contribution arrangements in Leeds will not translate this into increased income for services.
- 3.13 With the moves towards the personalisation of services and self-directed support, the delivery of Adult Social Care services nationally will change significantly in the coming years, becoming more flexible and focused on meeting individual needs. A higher proportion of service users will be supported in the community with intensive care packages rather than in residential care. This has cost implications for local authorities as intensive community-based care packages are more expensive to deliver and service user contributions are lower than for the residential alternative.
- 3.14 The Government has recognised the need for a national debate on the funding of care and support. In May 2008 the Department of Health launched a consultation process seeking people's views on how a fair, affordable and sustainable system of care and support can be established for the twenty-first century.
- 3.15 The consultation paper says that the current sharing of care and support costs between individuals, families and the Government will continue, but it seeks people's views on the balance of responsibility. Views are also being sought on how to make sure that individuals, families and the Government can afford to pay for care and support in the long term. The review of service user contributions in Leeds fits within this national debate. The Government's consultation process ended in November and the outcomes of regional consultation events have been issued, but to date the government has not announced the overall outcomes of the consultation. The latest information available is that a Green Paper is due in the Spring.

- 3.16 Leeds City Council has a track record of levying a low Council Tax compared to many similar cities. Central government funding for Leeds takes account of the socio-economic variations across the city resulting in lower Formula Grant funding than most cities. However, our current service user contributions do not redress the impact of this reduced government funding from those who are able to pay more towards their services. In this context, our generosity in service user contributions, if continued, will have implications for the level of service the Council can afford to provide in future.
- 3.17 Adult Social Care in Leeds is aiming for top-performer status and this policy review presents opportunities that will help realise this ambition for service improvement. It is clear that if Leeds does not generate income at the average level for authorities across the country we are at a disadvantage compared to them through having less funding available to improve and provide services in the future.
- 3.18 There is a significant level of consistency nationally around contributions for non-residential social care services, but Leeds is out of line with this general pattern. Benchmarking data shows that income from service users in Leeds is currently significantly lower than for comparator authorities. Leeds currently seeks a smaller contribution for each service and a lower overall maximum payment than many other comparator authorities, but more significantly has a more generous financial assessment methodology. In particular, savings are not taken into account and a lower percentage of disposable income is assessed as being available to contribute towards the cost of services.
- 3.19 As well as looking at benchmarking data, the need for additional investment needs to be considered in the context of current service user satisfaction levels and likely future changes in service user expectations. Current service user satisfaction levels are generally high and improving, but they are likely to fall over time without investment to improve services, as people's expectations are changing over time and becoming greater. Some of the comments received as part of the consultation process show some dissatisfaction with services. If service users are asked to pay increased contributions towards the cost of their services we would expect this to lead to higher expectations regarding quality from them. This is consistent with our drive to achieve excellence in our services.

#### Priorities for Investment

- 3.20 Adult Social Care has identified three priorities for investment:
- Safeguarding services
  - Carers support
  - Assessment and care management
- In all three areas there is currently insufficient capacity to respond as fully and promptly as best practice would require in all circumstances. Information for service users and their carers also needs to be made more accessible, particularly via the internet.
- 3.21 Safeguarding is a city-wide responsibility for Adult Social Care and a key service that supports the most vulnerable of all service users. Following the recent inspection of older people's services in Leeds the need to invest in safeguarding services is now an imperative and £0.8m has already been identified as being required to meet the most immediate needs.



- 3.22 With regard to carers support, more regular reviews of carers needs following the initial carers assessment and actions to meet those needs are the main areas for improvement. This links with the need for greater investment in the assessment and care management service that will deliver these improvements.
- 3.23 The assessment and care management function has difficulty with the current level of resources in ensuring that all assessments are carried out promptly, and particularly in conducting timely and effective reviews to meet performance targets. Performance has improved over the last year, but delivering further improvements in the timeliness of assessments and responding to identified needs will require additional investment and this is a key priority for Adult Social Care. The 2009/10 budget includes £0.5m for a part-year effect of increased investment, which is in addition to the £0.8m in respect of safeguarding outlined in section 3.21 above. Appendix 1 sets out the benchmarking data that supports the need for this investment.

#### Improving Fairness, Equity and Consistency

- 3.24 As well as improving our ability to invest in services, the income review aims to improve the equity and fairness of service user contributions. The contributions for Adult Social Care services have been developed over time without the benefit of a policy framework to provide context and consistency. This framework, initially considered by Executive Board in November 2005, now needs to be put in place for Adult Social Care services to complement the Council framework that has been developed. Further details are set out in section 4 below.
- 3.25 Currently in Leeds, middle-income service users without savings typically pay a higher percentage of their weekly income in contributions than those with higher incomes. For example, someone with a weekly income of £250 could pay 16% of their income in contributions, but someone with a weekly income of £800 would contribute only 11% of their income, assuming both have the same level of disability-related costs. This is an inequality that this review seeks to address at least to some extent, within the context of all service users paying a subsidised contribution towards the cost of their services.
- 3.26 One of the main contributory factors is the maximum weekly payment of £88 per week, which is low compared to most authorities. There is also an imbalance between the maximum payment of £88 per week for a very intensive home care package and the contribution for residential care as an alternative to support at home that costs around £420 per week. Supporting people in their own homes is the ideal model of care, but the higher council subsidy for this compared with residential care will increase the costs to the council and add to the financial pressures being faced.

### **4.0 Charging and Contributions Policy Framework**

- 4.1 The charging and contributions policy framework is attached at Appendix 2. This outlines a series of key principles and distinguishes between charges to external organisations, services for people with eligible needs in accordance with the Fair Access to Care Services (FACS) criteria and services provided either without a FACS assessment or to people who do not have eligible needs.

- 4.2 The personalisation agenda will lead to significant changes in the way services are delivered over the coming years. The range of services available will need to be more local, flexible and driven by service user choices. Using the principles set out within the contributions policy framework will allow service user contributions to be developed for any new or reconfigured services.

## **5.0 Consultation Process**

- 5.1 The consultation process that commenced in July 2008 followed on from some initial consultation in 2006. This was based on the principles in the draft charging and contributions policy framework that went to Executive Board in November 2005. The report to Executive Board in June 2008 outlined two phases to the consultation process. The first phase involved working with a Service User and Carer Reference Group to discuss options in some detail and develop a preferred approach, prior to contacting all service users and stakeholders in the second phase of consultation. Eleven organisations that were either user-led or representative of “not yet reached” groups were invited to nominate representatives for the Reference Group, from which six nominations were received.
- 5.2 There are four main ways in which service user contributions could change: the contribution for each service; the maximum weekly payment; the disposable income percentage; and taking capital (savings and investments) into account. These in turn can be combined in many ways, potentially resulting in a large number of options that could be overwhelming and confusing for service users. The approach using the Reference Group was taken so that the large number of potential options and their implications could be explored in some detail with a small group of service users. The work of the Reference Group was essential in narrowing down the options to a small and manageable number so that the consultation with all service users could be more meaningful.
- 5.3 Appendix 3 sets out the consultation process, which included providing briefings and information to stakeholder groups as well as the consultation survey that was sent to all service users. The options, particularly with regard to taking savings and investments into account, are more generous than those of a significant majority of other authorities.
- 5.4 The consultation documentation distributed to all service users served two purposes. The first was to ensure that everyone who might be affected by any changes in service user contributions was informed about the options being considered. The second was to give them the opportunity to comment on these options if they wished to do so. This universal approach is different to that used when service user contributions were last reviewed in Leeds in 2002 when a sample survey was used.
- 5.5 In total 1,053 survey forms have been returned. The majority came from service users, but some were from organisations and members of the public. For adult social care service users only, excluding people who only receive Supporting People services, 869 responses have been received from the 6,831 service users. With over 1,000 responses in total there is sufficient data for it to be robust. We can be 95% confident that the results have a potential variance of no more than +/- 3%, which is within the 3% to 5% range considered to be acceptable in statistical analysis.

- 5.6 A survey was undertaken through the Citizens Panel to ascertain the views of the wider population in the city, which will include potential future users of services. The panel composition is designed to be representative of the city as a whole and so the results from this provide a broader perspective than the service user consultation. There were 755 responses, representing 43% of the total panel, giving a potential variation of no more than +/- 4% at a 95% confidence level.
- 5.7 Scrutiny Board (Adult Social Care) on 24<sup>th</sup> November considered the consultation process. The Board was invited to make comments on the consultation process for submission to Executive Board, but to date none have been received.

## **6.0 Consultation Options**

- 6.1 The consultation options were developed with the Service User and Carer Reference Group, taking account of the investment needs of Adult Social Care and the aim of improving the equity and fairness of service user contributions.
- 6.2 Appendix 4 outlines the consultation options, which can be summarised as follows:
- 3 main options for financially assessed services:
    - Option A – payments for each service slightly above the average for comparator authorities and 60% of disposable income taken into account
    - Option B – payments for each service at the comparator average and 75% of disposable income taken into account
    - Option C – payments for each service slightly below the average for comparator authorities and 90% of disposable income taken into account
  - For all 3 options:
    - Capital (ignoring the value of a person's home) taken into account in a more generous way than most authorities
    - Maximum weekly payment £140
  - Other options:
    - Telecare mobile response service £5 per week – new payment
    - Main meal £3.00 – average for other authorities
    - Second meal £1.90 - new service and city wide roll-out to begin in 2009/10
    - Older people's respite care payments £102.90 per week – same basis as younger adults
    - Phased implementation
    - Possible payment in the future for services to give carers a break
- 6.3 The contribution for each service is the aspect of current contributions where Leeds is least out of line with other authorities and in itself it has a minimal impact on additional income. The greatest impact of changes to the level of contribution for individual services is on those who receive low levels of service.
- 6.4 Many authorities either do not have a maximum weekly payment or set their maximum at a level similar to the cost of residential care. This is currently around £420 per week in Leeds. The option to increase the maximum weekly payment from £88 to £140 was selected through discussions in the Service User and Carer Reference Group for the following reasons:
- It does not unduly penalise those service users with the highest care needs

- It represents one-third of the cost of a typical residential care placement, providing a reference point that will enable the maximum weekly payment to be uplifted each year.

Increasing the maximum weekly payment has very little impact on additional income and would affect very few service users, but it is significant from the perspective of equity and fairness. This option would contribute towards redressing the imbalance in contributions as a percentage of total income for middle income service users compared with those on higher incomes as set out in section 3.25 above.

- 6.5 Increasing the percentage of disposable income taken into account will provide more additional income to invest in services than the options set out above. It is an aspect of service user contributions where Leeds is out of line with a significant majority of other authorities. It will increase the contributions for those just above the threshold for receiving free services as well as those for people with higher incomes. Appendix 5 explains the financial assessment methodology and how disposable income is calculated.
- 6.6 Taking capital into account has the greatest impact on additional income for service investment, particularly when combined with an increase in the disposable income percentage. It is this aspect of our current contributions that is most significantly out of line with other authorities. Taking capital into account would help to redress the imbalance in contributions as a percentage of total income for middle income service users compared with those on higher incomes. The government guidance requires capital to be taken into account for residential care contributions and so it would reduce the disparity between these and contributions for community-based services.
- 6.7 Appendix 4 outlines the consultation option for taking capital into account and Appendix 5 illustrates how it would operate within the financial assessment. Capital is taken into account by treating services users as having a weekly income in respect of their capital on top of their other income. This is a recognition that they have savings available to spend on their care and it is not intended to represent the income that can be earned from savings and investments. As outlined in Appendix 4, the capital figures are based on those within the Charging for Residential Accommodation Guide. This provides a reference point that enables the figures to be uplifted each year.
- 6.8 The options for meals contributions would bring them into line with the average for other authorities. For respite care, younger adults contributions are based on Department for Works and Pensions benefits levels to ensure that they are affordable for all. The benefit rates vary for different age groups, but in Leeds at the moment people aged 60 or over pay 25% less of their basic benefit income compared with younger people. The consultation option would put contributions for older people on the same basis as those for younger adults.

## **7.0 Consultation Outcomes**

- 7.1 There are two aspects to the consultation responses. The first is the numerical analysis from the consultation survey and the narrative comments made by the respondents. The Service User and Carer Reference Group has considered these and their report is attached at Appendix 6. The second is the comments received through the various consultation events.

- 7.2 Of the 7,964 people who received the consultation survey only a small proportion made written comments. 288 comments were received on the consultation survey forms and they can be summarised as follows:
- 109 generally against service users contributing more towards their services
  - 10 comments that increased payments were acceptable, of which 3 said there should be service improvements if payments are increased
  - 12 comments about national funding issues
  - 46 general comments, which included statements about people's benefits or the services they receive
  - 40 comments that people found the consultation survey difficult to understand
  - 31 people commented that they felt the survey was not relevant to them
  - 22 comments about satisfactory or good/excellent services
  - 18 negative comments about services

The comments received through the various consultation events reflected these general themes.

- 7.3 The Service User and Carer Reference Group report focuses on the comments received on the consultation survey forms. It highlights seven aspects of the comments that the Reference Group wanted Executive Board to note. These are set out in Appendix 7 along with details of how they have been addressed. The recommendations of the Reference Group are outlined below in italics, followed by an explanation of how they have been addressed:

- *Listen to what people have told you.* The key issues identified by the Reference Group from the consultation survey comments have each been addressed as outlined in Appendix 7.
- *There are clear messages that people should not have to pay for services.* Section 3 of the report sets out in some detail the reasons why this is not considered to be viable. *Those that accepted that there should be a payment want to see only a small increase in their contribution and that the additional money that this generates should go back directly into the services that they receive.* To reduce the impact of any changes on service users, the proposed contributions levels for each service are those included within the consultation survey, with no inflation applied for 2009/10. Sections 11.4 and 11.5 below set out proposals to cap the increase to the weekly payment that existing service users would face. In 2009/10 the additional income from the proposals will be almost fully matched by the additional investment in assessment and care management and meals services as set out in sections 3.21, 3.23 and 10.7 of this report and further investment in future years is planned.
- *Think about how you will communicate with people (not to raise anxiety).* This was also raised in the conclusions of the Citizens Panel report. All service users will receive an explanation of the changes to service user contributions and how they will be implemented. The format for this will incorporate the lessons learned through the consultation process. *Think about how you will monitor the effect that any proposed changes has – will people stop their services?; will it have a detrimental effect on people's lives?* Sections 8.6 and 8.7 below outline how service users assessed contributions can be reviewed and the monitoring of service take-up that will take place following implementation. Services cannot be withdrawn if service users do not pay their assessed contribution. The potential impact on people's lives is acknowledged with particular reference to the current economic climate in section 11.1 below.

- 7.4 Given the complexity of the issues, the consultation survey was inevitably challenging and some of the comments received indicate that the survey was not readily understood by everyone. Nonetheless, over 1,000 responses were received and Appendix 8 summarises the responses to each question in percentage terms. A series of more detailed breakdowns have also been produced to identify any responses that were significantly different when analysed by service type, client group, gender, age and ethnicity. The main outcomes from the consultation survey are outlined below.
- 7.5 Not surprisingly, the survey responses make clear that people would prefer not to have an increase in service user contributions. This was also evident in the initial consultation that took place in 2006 as outlined in the June 2008 Executive Board report and in the 2002 consultation prior to the Fairer Charging guidance being implemented. Slightly more than half the respondents disagreed with three of the four main aspects of the potential changes (i.e. the contribution for each service; the maximum weekly payment; the disposable income percentage). However, 49% of respondents disagreed with taking capital into account, slightly less than disagreed with the other three aspects.
- 7.6 From the three options in the consultation survey a significant majority (52%) chose Option C. This option had the lowest increase in the level of contribution for each service and the highest increase in the disposable income percentage. Respondents agreed with increased meals charges more than with any other options (almost one-third agreed and one-third disagreed). Regarding phased implementation, 66% preferred introducing all changes at once but capping the weekly increase rather than introducing the changes in two stages.
- 7.7 The executive summary from the Citizens Panel report is attached at Appendix 9. The responses were fairly evenly split, with approximately 40% of the respondents agreeing with the four main aspects of the potential changes and a slightly smaller percentage disagreeing with them. The main conclusion was that:  
*“Overall, there are clearly two fairly even ‘camps’ emerging – respondents who either acknowledge that there needs to be an increase in funds/acknowledgement of savings and investments to enable LCC to invest in Adult Social Care Services and those who feel that these measures should not be implemented. People who have or do receive or experience adult social care services are, as might be expected, more likely to disagree with any increase in contribution or assessment of savings and investment.”*

## **8.0 Service User Implications**

- 8.1 The Disability Discrimination Act 2005 places a duty on the Council to promote equality of opportunity for disabled people, which means that it must take account of the needs of disabled people as an integral part of its policies, practices and procedures. In considering proposals for service user contributions, the Council must have due regard to the need to:
- Promote equality of opportunity between disabled people and other people
  - Eliminate discrimination that is unlawful under the Disability Discrimination Act

- Take account of disabled people's disabilities in applying the contributions policy, including more favourable treatment through reasonable adjustments where required
- Make arrangements for assessing the impact of the contributions policy on disability equality

8.2 An equality impact assessment has been undertaken in consultation with the Service User and Carer Reference Group. This covered the consultation process, the options for changes to service user contributions and the implementation of any changes. The main findings of the equality impact assessment are as follows:

- i) Information to services users needs to use clear language and be made available in accessible formats to meet the needs of individual service users. This was done during the consultation process and also applies at the implementation stage.
- ii) Financial assessment staff need to be well trained in any policy changes and in customer care for vulnerable service users with a variety of needs. Details of how this will be implemented are set out in section 8.5 below.
- iii) Consideration needs to be given to financial assessment appointments being available outside traditional office hours. Although assessment staff do not routinely work outside standard office hours, through flexible working they are usually able to arrange appointments to suit service users and their representatives. The need for any extension to these flexibilities will be kept under review.
- iv) Executive Board should be made aware of the Service User and Carer Reference Group concern that any revised service user contributions policy will be implemented in an economic climate that is becoming more difficult for service users. This is addressed in section 11.1 below.
- v) Implementation should be phased so the initial impact will not be too hard on some people. Sections 11.4 and 11.5 below set out proposals to cap the increase in the weekly payment that existing service users would face.
- vi) The options for revised service user contributions will impact most on those with high levels of needs/service and on those with high levels of income/savings. However, it is acknowledged that currently people with higher levels of income/savings pay a lower percentage of their income than those on middle incomes and the financial assessment ensures that no-one will pay more than they can afford.

8.3 The main implications of the consultation options for service users are set out below and further detail is included in Appendices 10 and 11. The impact of taking capital into account cannot be modeled accurately as we do not have data on capital for all our service users, but based on the data available for those services that are financially assessed:

- 1,590 people (30% of service users) would continue to receive free services
- the numbers of people estimated to pay less than £5 per week in addition to their current contribution are 1,956 (37%) with Option A, 1,642 (31%) with Option B and 1,881 (36%) with Option C
- the numbers of people estimated to pay more than £20 per week in addition to their current contribution are 127 with Option A, 181 with Option B and 347 with Option C (i.e. between 2.4% and 6.6%).

8.4 Any changes to the financial assessment methodology may also impact on those who only receive Supporting People services. Appendix 10 provides more details on

the potential implications for these people, who are not users of Adult Social Care services.

- 8.5 As part of the implementation of changes to service user contributions, additional training will be provided for the financial assessment team who will reassess all service users. This training will focus particularly on how they can encourage service users to provide full information on expenses relating to their disability or frailty that could reduce the contribution they have to make. The training will also include a strong emphasis on customer care in dealing with vulnerable service users with a range of impairments. During the consultation process service user representatives offered to help in delivering this training to provide a customer perspective and this, supported by care professional staff, will be incorporated into the training programme.
- 8.6 Service users can ask for their assessed contribution to be reviewed if they do not feel that it properly takes account of their particular circumstances. The first stage of this is for the Assessment Team Manager to review the financial assessment, with a second more formal stage if the matter is not resolved. In addition, the charging and contributions policy framework includes discretion for the Director of Adult Social Services to waive service user contributions in individual circumstances if this is considered appropriate.
- 8.7 As any changes to service user contributions are implemented, the Directorate will monitor the impact on the take-up of services. This will include any potential service users who decline a service when they are made aware of their contribution. This may be because they prefer to make their own arrangements to meet their needs from their financial resources. Any existing service users who cease receiving services will be followed up to check whether financial concerns are a factor. It is important to note that services cannot legally be withdrawn for non-payment of the service users assessed contribution, but debt recovery action can be taken.

## 9.0 Financial Implications

- 9.1 The options included within the consultation survey are projected to generate an additional £1.8m to £2m in a full year:

Financially Assessed Contributions	Option A	£1.6m
	Option B	£1.7m
	Option C	£1.8m
Flat-Rate Contributions	Respite Care	£0.03m
	Meals	£0.17m

As the consultation options are more generous than those of the majority of other authorities, Leeds would remain lower than average in terms of service user income for non-residential services, but less so than previously.

- 9.2 The Council's Fees and Charges Policy recommends that subsidy levels are set out clearly and justified when charging decisions are made. It is proposed that contribution amounts are subsidised for all services, except where the cost is so low that a subsidy is not required. The basis for the subsidy is to provide financial support to those who require social care services as they are some of the most vulnerable people in Leeds. The level of subsidy varies across services and with the different contribution options being considered, but they can be summarised as follows:



Home care	47% (Option A) to 59% (Option C)
Day care attendance	88% (Option A) to 93% (Option C)
Transport to services	92% (Option A) to 95% (Option C)
Supported living	44% (Option A) to 56% (Option C)
Telecare mobile response	2%
Residential respite care	76% for older people to 87% for under 25s
Family placement	78% for older people to 89% for under 25s
Main meal	33%
Main meal & second meal	20%

- 9.3 The options would reduce the level of Council subsidy for most services and maintain it at the current level for respite care for younger adults. The subsidy levels vary quite significantly across services currently and in the consultation options. This is because the payment for each service options were developed with reference to the amounts levied by other authorities and day care in particular is a service that generally receives a higher subsidy than home care across the country. Whilst it is important to acknowledge the level of subsidy for each service, there is a further Council subsidy based on the financial means of the service user and their ability to pay for their services.

## 10.0 Evaluation and Proposals

- 10.1 Following a review across the Council a Fees and Charges Policy was approved by Executive Board in February 2008. The main principles within this policy are:
- All decisions on charges for services should be taken with reference to and in support of Council priorities
  - Stakeholder engagement and comparative data will be used where appropriate to ensure that charges do not adversely affect the take-up of services or restrict access to services
  - In general, fees and charges will aim to recover the full cost of services, with the case for any subsidy from the Council being set out
- 10.2 As well as taking account of these corporate principles, there are several other important considerations in the overall evaluation process:
- The need to maintain existing services as demographic changes increase the numbers of people needing them and the complexity of their needs increases
  - The need to improve our ability to invest in adult social care services
  - The ability to provide increased funding for investment in adult social care services beyond increasing contributions from service users
  - The socio-economic profile of the city
  - Improving fairness, equity and consistency for service user contributions in Leeds
  - The level of service user contributions in other authorities
  - The responses to the consultation survey
  - The report on the consultation outcomes from the Service User and Carer Reference Group
  - The equality impact assessment

The sections below address those criteria that have not already been covered within this report.

## Overall Funding Issues

- 10.3 A key issue is the need for additional investment in Adult Social Care services to maintain service levels as demographic changes place additional demands on the service and to deliver important service improvements. The Council's Medium Term Financial Strategy continues the Council's strong financial support for Adult Social Care. However, Adult Social Care continues to face difficulties in containing key spending priorities within the resources available.
- 10.4 Efficiency savings and releasing funds through remodeling services have been used effectively by Adult Social Care in recent years to support key spending needs and this will continue. Over the 3-year period from 2005/06 to 2007/08 the directorate achieved cumulative savings of over £62m to re-invest in frontline services.
- 10.5 Additional council funding for Adult Social Care and ongoing efficiency savings are projected to be insufficient in 2009/10 and in the longer term to sustain the required investment without some increases in service user contributions. The 2009/10 budget report elsewhere on this agenda provides further detail. Higher contributions from those who can afford to pay them need to be seen in the context of the changing financial circumstances of service users over time as outlined in section 3.12 above and the consultation options being more generous overall than the current contributions in the significant majority of other authorities.

## Evaluation of Options

- 10.6 For those services that are financially assessed Option C is proposed because:
- It was preferred by a significant majority of respondents to the consultation survey
  - The additional income generated for investment in adult social care services is slightly higher than for the other two options
  - It has the least impact on those who receive low levels of service
  - It improves equity and fairness by increasing the overall percentage of income contributed by those with the greatest financial resources compared with those with more modest circumstances
  - Of the three options it brings service user contributions in Leeds closest to those of other authorities

The Telecare mobile response service is also financially assessed and the option included in the consultation survey is proposed. In the consultation survey 44% of respondents disagreed with this proposal, 23% agreed and the remainder said they didn't mind. Introducing a contribution for this service as it moves from a grant-funded pilot scheme is consistent with contributions being made for other services. For those service users in receipt of other financially assessed services and already paying their maximum assessed charge, introducing a contribution for the Telecare mobile response service will not result in any increase to their payment.

- 10.7 With regard to flat-rate payments for meals and respite care, the options included in the consultation survey are those being proposed. For meals this would bring contributions in Leeds into line with the average for other authorities. This was the most favoured of the whole range of options in the consultation survey, with almost one-third of respondents agreeing. The additional income will support the move towards a city-wide roll out of the 7-day hot meals service, which will include the option of a second meal being delivered at the same time. This is an important

enhancement to the support provided through Adult Social Care to help service users to remain living independently.

- 10.8 It is proposed that the respite care contributions for older people are increased so that they are on the same basis as those for younger adults. Although 51% of survey respondents disagreed with this, it is important from the perspective of improving equity and fairness as currently older people pay 25% less of their basic benefit income than younger adults.

#### Proposed Changes to Service User Contributions

- 10.9 The proposed changes to service user contributions take account of the responses to the consultation process and the need for additional investment in Adult Social Care services. To reduce the impact of the changes on service users, the proposed contributions levels for each service are those included within the consultation survey, with no inflation applied for 2009/10.

- 10.10 The proposed contributions for financially assessed services are:

Home care and supported living	£9.20 per hour (40p increase)
Day services	£3.10 per day (10p increase)
Transport to services	£1.30 per day (10p increase)
Telecare mobile response service	£5.00 per week (no contribution currently as grant-funded pilot scheme)
Maximum weekly payment (represents one-third of the cost of residential care)	£140 per week (£52 increase)
Disposable income assessed as available as a contribution towards services	90% (increase from 50%)
Capital (savings and investments)	Taken into account in a way that is more generous than most authorities (see table in Appendix 4)

The capital thresholds set out in Appendix 4 are based on those within the Department of Health's Charging for Residential Accommodation Guide (CRAG). These will be increased for 2009/10 but the new figures have not yet been published.

Benefit levels will increase from April 2009 by between 4.8% and 6.3%. The allowances for daily living costs deducted from people's income within the financial assessment will increase accordingly.

- 10.11 With regard to flat-rate payments where all service users pay the same amount, the following contributions are proposed:

Main meal	£3.00 per meal (80p increase)
Second meal	£1.90 per meal (60p increase)
Respite care for older people	£102.90 per week (£25.75 increase)

## Further Work to be Undertaken

- 10.12 The consultation survey asked for people's views on introducing a payment in the future for services in a service user's home that give carers a break, for example sitting services. 28% of those responding to the survey said they agreed and 34% disagreed. Although a slightly higher percentage disagreed, this is an important equity issue and needs to be considered further. This needs to be done as part of an overall review of services following a community care assessment, including those provided by the voluntary sector, to consider the consistency and appropriateness of current arrangements.
- 10.13 The system of care set out in sections 3.2 to 3.7 of this report outlines the overall position. However, service users can move up and down the "continuum of care" at different stages in their lives. An event requiring hospitalisation, for example, can trigger a need for more intensive services in the short or longer term. Adult Social Care is developing a support and enablement focus for its community support service to maximise people's return to their previous level of independence after such an episode. This work is ongoing but will take time to develop in operational terms. Alongside this operational planning, the contribution arrangements need to be reviewed to ensure that they are not a disincentive to take-up of the service and that they fit appropriately with other services such as those provided free by the health service. A 6-week period without service user contributions being required will be considered for those service users in receipt of specific re-ablement services, either after hospital discharge or to prevent hospital admission.
- 10.14 When these two pieces of work have been completed, which is expected to be within the next six months, a further report will be brought to Executive Board with proposals for any changes to service user contributions to take effect from April 2010.

## **11.0 Implementation**

- 11.1 The current economic climate is clearly a difficult one and its impact on service users needs to be acknowledged. However, the government's "Fairer Charging" guidance ensures that people are not asked to pay more than they can reasonably afford and as outlined in section 10.10 above the allowances included within the financial assessment for daily living costs will increase in 2009/10 by a minimum of 4.8%. To reduce the impact of the changes on service users, no inflation has been applied for 2009/10 to the figures included in the consultation survey and a £20 per week cap is proposed on the maximum increase in financially assessed contributions. The proposed changes to service user contributions in Leeds will mean some increase in payments for many people, but their contributions will remain lower on average than in a significant majority of authorities.
- 11.2 It is proposed that the changes to flat-rate service user contributions set out above become effective on 1<sup>st</sup> April 2009. For financially assessed services all service users will be reassessed and notified of their new contribution before they start to pay the new amount. Given the time taken to complete the financial reassessments it is proposed that the changes to service user contributions for financially assessed services take effect from 1<sup>st</sup> June 2009. As a result, the additional income in 2009/10 will be £0.25m less than in a full year.

- 11.3 Section 8.3 identified a small proportion of service users whose financial circumstances would potentially lead to a substantial increase in their weekly contribution. Although this would be calculated through the financial assessment as being affordable, transitional arrangements are proposed to allow time for people to adjust to the new payments. In the consultation survey people were asked how they would prefer implementation to be phased if Members wish to do this. 66% of respondents preferred introducing all the changes at once, but capping the weekly increase.
- 11.4 A ceiling of £20 per week on the increase in any service user's assessed weekly contribution is proposed for 2009/10. Any increased contributions for flat-rate meals and respite contributions would be in addition to this ceiling. This would limit the increase in the first year for 347 service users based on the data currently available. It is proposed that new service users from April 2009 pay the new contributions in full. Phasing implementation in this way will reduce income in 2009/10 by £0.15m.
- 11.5 For existing service users at 31<sup>st</sup> March 2009 it is proposed that the maximum increase in the assessed weekly service user contribution for 2010/11 compared to the previous year would be £25 per week, with all service users paying in full under the new arrangements from April 2011. This transitional protection in the second year is projected to affect around 100 people and the impact on income that year would be minimal.
- 11.6 There will be some inequity in that new service users will pay at the new rates, but existing service users in the same circumstances would have their payments capped at a reduced figure. In addition, those benefiting from this phased implementation will be those service users with the greatest financial means. However, this is the approach to phased implementation most favoured in the consultation process.
- 11.7 Sections 8.5 to 8.7 above outline the additional training that will be provided for financial assessment staff, the review process if service users do not feel that their assessment properly reflects their particular circumstances and the monitoring that will take place of any impact of revised service user contributions on the take-up of services. Work is ongoing to ensure that the financial assessment and income collection systems are as efficient as possible. In particular, work is being undertaken on improving our customer service by providing service users with a greater range of payment methods, whilst at the same time utilising the latest products and technologies available to reduce costs. Some of these developments are linked to updating the corporate debtors system that has not yet taken place and they will take some time to evaluate and implement.
- 11.8 All service users will receive an explanation of the changes to service user contributions and how they will be implemented. A freephone helpline will be available to address any concerns they may have. The new service user contribution levels and the way in which the financial assessment operates will be drawn together into a document in an easy-read format for service users, taking account of good practice examples from other authorities.

## **12.0 Specific Implications for Equality and Diversity**

- 12.1 These are outlined in section 8 above.

### **13.0 Implications For Council Policy And Governance**

- 13.1 The way this income review has been carried out with its wide-ranging consultation process supports the Strategic Plan ambition for local people to be engaged in decisions about their neighbourhood and community and help to shape local services. The additional income generated from the proposals in this report will support the health and wellbeing strategic outcomes by providing investment to improve the quality of life for vulnerable people by promoting independence, dignity and respect and to enhance their safety and support.
- 13.2 On 11<sup>th</sup> June 2008 Executive Board approved a report that provided the context for the income review as set out in sections 2.2 and 2.3 above. Scrutiny Board (Adult Social Care) considered the consultation process on 23<sup>rd</sup> July and 24<sup>th</sup> November as outlined in section 2.4. The proposals in this report are in accordance with the Council's Fees and Charges Policy.

### **14.0 Legal And Resource Implications**

- 14.1 The proposals included in this report are in accordance with the Department of Health's "Fairer Charging" guidance. The proposed Charging and Contributions Policy Framework set out at Appendix 2 has been reviewed by Legal Services.
- 14.2 The overall resource implications are set out in section 9 above, with the reduced additional income in 2009/10 being detailed in sections 11.2 and 11.4. In summary, the proposals will generate additional income for Adult Social Care of £2m in a full year and £1.6m in 2009/10.

### **15.0 Conclusions**

- 15.1 The consultation process undertaken since Executive Board in June has been extensive and comprehensive in terms of providing stakeholders with relevant information, giving them the opportunity to comment and providing help and support for them to do so.
- 15.2 In evaluating the options and making recommendations for changes to service user contributions from April 2009, account has been taken of the consultation responses. These have been considered alongside the key aims of the income review, which were to improve our ability to invest in adult social care services and to improve fairness, equity and consistency for service user contributions.

### **16.0 Recommendations**

- 16.1 Executive Board is recommended to:
- (a) Note the outcomes of the consultation and the way in which they have been addressed as set out in section 7 of the report
  - (b) Note the outcomes of the equality impact assessment and the way in which they have been addressed as set out in section 8.2
  - (c) Approve the Charging and Contributions Policy Framework set out at Appendix 2
  - (d) Approve changes to service user contributions as set out in sections 10.10, 10.11, 11.2, 11.4 and 11.5 of this report
  - (e) Note that a summary document will be prepared for service users outlining the service user contributions as outlined in section 11.8

- (f) Request officers to carry out the additional work on carers support services and the community support enablement service outlined in sections 10.12 to 10.14 and bring a further report to members as soon as possible
- (g) Note that further reports will be brought to Executive Board on any implications of implementing personalisation on the principles and detail of service user contributions set out in this report

### List of Background Papers used in the Preparation of this Report

1. Fairer Charging Policies for Home Care and Other non-residential Social Services – Guidance for Councils with Social Services Responsibilities - Dept. of Health, Nov. 2001
2. Fairer Charging Policies for Home Care and Other non-residential Social Services – Practice Guidance - Dept. of Health, Sept. 2003
3. Fairer Charging Policies for Home Care and Other non-residential Social Services – Good Practice Guide – National Association of Financial Assessment Officers
4. Charging for Residential Accommodation Guide - Dept. of Health, April. 2008
5. Fairer Contributions Guidance (Consultation stage) – Dept. of Health, January 2009
6. Disability Discrimination Act 2005
7. Leeds City Council Fees and Charges Policy and Best Practice Guidance – February 2008
8. Leeds Strategic Plan 2008 – 2011
9. Executive Board Report 16<sup>th</sup> November 2005 – Social Services Charging Policy Framework
10. Executive Board Report 11<sup>th</sup> June 2008 : Income for Community Care Services – Proposals for Consultation
11. Scrutiny Board (Adult Social Care) Report 23<sup>rd</sup> July 2008 : Income Generation for Community Care Services
12. Scrutiny Board (Adult Social Care) Report 24<sup>th</sup> November 2008 : Income for Community Care Services – Consultation
13. 2008/09 Charges for Other Authorities (collated by Leeds Adult Social Care)
14. “Case for Change: Why England needs a new Care and Support System” – Department of Health Consultation Paper, May 2008
15. Presentation by Dr Jose-Luis Fernandez, Personal Social Services Research Unit, London School of Economics at the Association of Directors of Adult Social Services Conference, 1<sup>st</sup> October 2008
16. Presentation by James Lloyd, International Longevity Centre – UK at the Association of Directors of Adult Social Services Conference, 1<sup>st</sup> October 2008

17. "The Age of Inheritance" – Andy Ross, James Lloyd and Michael Weinhardt, International Longevity Centre UK, May 2008
18. Presentation by Alexandra Norrish, Department of Health at the Association of Directors of Adult Social Services Conference, 1<sup>st</sup> October 2008
19. Article by David Brindle "Care needn't cost all the family silver" in The Guardian, 14<sup>th</sup> May 2008
20. "Getting Personal: A Fair Deal for Better Care and Support" – Hampshire County Council, November 2008
21. Consultation survey documentation – September 2008
22. Data analysis from the 2008 consultation survey responses
23. Narrative responses to the consultation exercise in 2008 (notes of consultation meetings and written comments on consultation survey forms)
24. Equality Impact Assessment – December 2008
25. Citizens' Panel report – QA Research, November 2008