



Report of the Director of Adult Social Services

Executive Board

Date: 27th July 2011

Subject: Charges for Non-Residential Adult Social Care Services

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)

EXECUTIVE SUMMARY

This report sets out the work undertaken on the review of charges for non-residential adult social care services since the previous report to Executive Board on 15th December 2010. That report gave approval for a consultation process with customers and other stakeholders, the details and outcomes of which are set out in this report.

The main reasons for this review are to address varying subsidy levels across services that can be regarded as unfair and to help to address the Council's challenging financial circumstances. Benchmarking across comparator authorities provides some context, with current charges in Leeds generally being lower than the average and the financial assessment methodology being more generous than most.

The report provides background information on the current charges, the way in which the financial assessment methodology operates and the changes made in 2009 following the last charging policy review.

The proposals set out in the December Executive Board report which have been the subject of the consultation process are:

- Removing the subsidy within the charges for services
- Removing or increasing the maximum weekly charge (currently £140 per week)
- Considering transitional protection in the implementation of any changes

There were no proposals to change the financial assessment methodology within this consultation process.

The consultation was based on the following indicative unsubsidised charges. The comparison with the current charges shows the varying levels of subsidy across services.

	Current Charge	Indicative Unsubsidised Charge
Home care/supported living	£9.60 per hour	£13.00 per hour
Day care attendance & transport	£4.60 per day	£50.50 per day

The transport element of the current day care charge is £1.35 per day and the unsubsidised charge would be £22.50 per day. There is no subsidy with direct payments or personal budgets taken as cash payments.

The consultation process ran from February to June and it included three main elements:

- Undertaking consultation events for a range of stakeholder groups, drop-in events for the general public and making consultation questionnaires available through the Council's consultation website "Talking Point"
- Working with a group comprising representatives of service user and carer organisations
- Consulting with those service users identified as likely to be affected by the charging proposals

Of the 1,511 people identified as likely to be affected, 300 completed a questionnaire, a response rate of 20%. Whilst 73% of responses supported removing inequities, 74% did not support removing subsidies and generating additional income. 45% of respondents did not support removing or increasing the maximum weekly charge and 85% supported transitional protection to limit the increase when changes are made. Most of the comments received did not support action that would result in people paying more for their services. The service user and career working group reviewed these findings and provided some further comments, which are set out in the report.

The original proposals have been revised following a more detailed review of unit costs and taking into account the consultation outcomes. The revised proposals effective from 1st October 2011 are:

Home care	£13 per hour	
Day care & transport		
Older people	£29 per day)	Transport element £5 per day
Mental health	£31 per day)	
Physical disability	£47 per day)	
Learning disability	£47 per day)	
Maximum weekly charge	£210	
Transitional protection	£35 cap on the weekly increase on implementation, a further £35 increase after 6 months and all customers paying at the new rate 12 months after implementation	

The charges for day care for older people in particular have reduced significantly from £50.50 per day including transport in the original proposals to £29 per day. These revised proposals will generate additional income of £0.85m in a full-year and £0.4m in 2011/12.

In terms of the impact on customers, 3,921 (78%) would see no change to their charge as a result of these proposals and 472 people (9.4%) would have an increase of less than £10 per week and for 580 people (11.4%) the increase would be between £10 and £50 per week. 60 customers (1.2%) would see an increase of £50 per week or more, although the transitional protection would mitigate the impact for up to a year. No-one will pay more than

their financial assessment calculates that they can afford and the financial assessment methodology remains more generous than that of most authorities.

The Equality Impact Assessment identified that the people that the proposals will affect will all be older and/or disabled people, but that no other equality characteristics were impacted upon disproportionately. A range of actions have been identified to mitigate the impact of the proposed changes. The report also sets out the actions that will be taken when the changes are implemented to minimise the impact on customers.

The report proposes some rewording of the Adult Social Care Charging and Policy Framework to reflect the subsidy position proposed.

Executive Board is recommended to approve the revised charges set out above and the revised Charging and Contributions Policy Framework.

After implementing these proposals Leeds will remain a low charging authority compared to the majority due to the relative generosity of its financial assessment methodology. Given the scale of the Council's financial challenges a review of this assessment methodology is proposed, which will need to include a further consultation process. Linked to this it would also be appropriate to review charges for respite care that are not subject to a financial assessment and to further review the charges that have been the subject of this current review. The government's Commission on the Funding of Care and Support chaired by Andrew Dilnot to review the funding arrangements for adult social care services published its report on 4th July 2011 and its implications will be integrated into this review. Executive Board is recommended to approve this review and consultation process, with a further report with proposals being submitted when this work has been completed.

1.0 Purpose Of This Report

- 1.1 This report sets out the outcomes from the consultation on the review of charges for non-residential adult social care services and makes recommendations for changes to these charges.
- 1.2 The purpose of this report is to:
- Summarise the reasons for this review as set out in full in the report to Executive Board on 15th December 2010
 - Outline the consultation process and the outcomes, including an equality impact assessment
 - Outline the implications for service users and for the Council's income of the proposals
 - Make recommendations for changes to charges for non-residential adult social care services

2.0 Background Information

Background to the Review

- 2.1 A report to Executive Board on 15th December 2010 set out the context for the review of charges and the reasons for undertaking it. It set out the history of customer contributions toward the cost of non-residential adult social care services and showed how, over time, inequalities have grown in a system where different services have come to be subsidised at different rates, or not at all.
- 2.2 Most of the income from customers contributions relates to home care and supported living services. Leeds has a long history of generously subsidising charges for non-residential services from public funds. In recent years, some other councils have decreased the amount of subsidy for these services, while Leeds had taken only small steps to do so.
- 2.3 In the light of this and the current economic climate, the December report proposed a public consultation on a proposal to remove the subsidy from non-residential care services and how this could best be implemented. It considered the likely effect that removing subsidies might have on current service users. The report went on to set out indicative unsubsidised charges for non-residential services, arrangements for a maximum weekly charge and transitional arrangements that would be considered. It set out the likely impact of the proposals on current customers, with an estimated one third paying more for their services. The report also outlined the further work required to refine the indicative unsubsidised charges. The estimated additional income in a full year from these proposals could be £1.3m.
- 2.4 The report in December 2010 described plans for a public consultation to be conducted before drawing up specific proposals, using the approach that was used very successfully in the previous review of the charging policy in 2009. This included a service user and carer reference group working in an advisory capacity alongside the officer team. Executive Board approved the consultation process and the way in which this would be undertaken.

Current Charges and Financial Assessment Methodology

- 2.5 An understanding of the current charging policy and the financial assessment methodology is important in considering the issues raised in this report.

2.6 The current charges for financially assessed services are:

Home care/supported living (per hour)	£9.60
Day care attendance & transport (per day) (transport element £1.35 per day)	£4.60

2.7 Everyone has a financial assessment to work out how much they can afford to contribute towards the cost of their services. The customer pays the lower of two amounts:

- the amount the financial assessment calculates that they can afford, or
- the hourly/daily rate for their services (for people receiving direct payments this would be the amount of the direct payment)

For example, if someone is assessed as being able to afford to pay £25 per week and they receive two hours of home care each week, with the current charges they will pay £19.20 per week (2 x £9.60 per hour).

2.8 There is a cap on the amount anyone is asked to contribute towards their services, which is called the “maximum weekly charge”. At the moment this is £140 a week, so no-one pays more than this no matter how much service they get or how much income/savings they have.

2.9 The way in which the financial assessment works is set out below. Appendix 1 provides more detail on the financial assessment methodology and illustrates how it works in practice with a customer scenario.

- Anyone with savings/investments (excluding the value of their home) of £46,500 or more pays for their service in full based on the charges for the services they receive, up to a maximum of £140 per week
- For those with less than £46,500 in savings/investments, the starting point for the assessment is their weekly income, including income from benefits
- For people with savings/investments between £14,250 and £46,500 an additional weekly amount is added to other their income as follows:
 - £1 additional weekly income for every £500 in savings between £14,250 and £23,250
 - £1 additional weekly income for every £250 in savings between £23,250 and £46,500

Effectively this assumes that people use some of their savings/investments to help pay for their care.

- An allowance set by the government to cover daily living costs (food, utility costs, clothing etc.) is deducted from the weekly income
- Housing costs (mortgage, rent, Council Tax, water rates) are also deducted
- The final deduction is for costs relating to a disability or frailty e.g. extra heating or laundry costs, cleaning or gardening costs for those who cannot manage them themselves, care & support purchased privately etc.
- Any income left after these three deductions is called the “disposable income” for charging purposes and 90% of this is calculated as being available to contribute towards the cost of Adult Social Care services

Changes in 2009

2.10 In February 2009 Executive Board approved revised customer contributions for non-residential services. Although some increases were made to the charges for individual services, the main changes related to the financial assessment methodology: taking people’s capital (savings and investments) into account for the

first time (excluding the value of their home); increasing the percentage of disposable income (after allowances) that people contribute towards the cost of services; and increasing the maximum weekly charge. These changes brought Leeds more in line with other authorities, but our customer contributions policy is still more generous than most. No changes to the financial assessment methodology were proposed as part of the current review.

3.0 Context and Initial Proposals

Reasons for the Review

- 3.1 The level of charges for individual services were originally set many years ago and increased annually for inflation. As a result, the various non-residential services are now subsidised at different levels. For example, home care is subsidised at an average rate of around 50% depending on the service provider, whereas day care with transport is subsidised by more than 90%. People who have a direct payment may use it to purchase the same kind of support through a personal assistant that a traditional home care service would otherwise provide. By taking a direct payment they receive no subsidy, but if they used a home care service instead it would be subsidised.
- 3.2 While the pattern of subsidies in Leeds is very similar to that of most other authorities, it must be acknowledged that customers are subsidised to a greater or lesser extent, depending on the service they use and this can be regarded as unfair. Half of those service users who pay for their services have their charge capped at the amount they can afford, according to the financial assessment. However, for those not capped, subsidising charges means that they are paying *less* than they can afford, which also raises equity issues.
- 3.3 The Council's challenging financial circumstances provide a further reason for reviewing charges for those who can afford to pay more, with additional income raised being available to invest in the level and quality of Adult Social Care services in Leeds.
- 3.4 The government set up a Commission on the Funding of Care and Support chaired by Andrew Dilnot to review the funding arrangements for adult social care services in the longer term with regard to what the individual and the state should contribute. This focussed particularly on residential care for which the value of people's homes are taken into account (homes are excluded from the assessment for non-residential services), but also made reference to community based services. The Commission's report "Fairer Care Funding - Reforming the Funding of Adult Social Care" was published on 4th July 2011 and its implications are being evaluated.

Initial Proposals

- 3.5 The report to Executive Board in December 2010 approved a consultation process on the proposal to remove the subsidy from charges for non residential services, the indicative unsubsidised charges being:

	Charge from April 2011	Indicative Unsubsidised Charge
Home care/supported living	£9.60 per hour	£13.00 per hour
Day care attendance & transport	£4.60 per day	£50.50 per day

The transport element of the current day care charge is £1.35 per day and the unsubsidised charge would be £22.50 per day.

- 3.6 These indicative unsubsidised charges formed the basis of the consultation process outlined below. However, the December report outlined that these indicative charges needed further refinement in the light of the 2011/12 budget for these services and the way overhead costs and service usage levels are accounted for in calculating the unsubsidised charge. Further consideration was also needed to ensure that the charges are sustainable in the future under the self-directed support model. These considerations were undertaken as the consultation process was ongoing and the outcomes have been reflected in the final proposals set out in section 5 below.
- 3.7 For these financially assessed services the maximum anyone is asked to pay is currently capped at £140 per week, even if their financial circumstances would enable them to pay more in accordance with the financial assessment. When the charges were revised in 2009 the service user and carer reference group advised on the proposed changes, in particular with reference to fairness. Members of the group were keen to ensure that those with the highest levels of need are not unduly penalised and the maximum weekly charge of £140 addressed this, although it could be argued that it is inequitable as it provides a subsidy for those with the greatest financial means as well as those with the highest needs. It was proposed in the December 2010 report to Executive Board that the maximum weekly charge be reviewed and this was included in the consultation process.
- 3.8 When the more extensive changes were made to customer charges in 2009, transitional arrangements were put in place. A £20 per week maximum increase was applied for the first year, with a further £25 maximum increase in the second year. These transitional arrangements ceased on 31st March 2011, so all customers are now paying in accordance with their financial assessment. Capping the weekly increase was a major contributor towards the smooth implementation of the previous changes. Similar arrangements were considered as part of this review and included in the consultation process, although the impact of the current proposals on customers overall will be less than in 2009.
- 3.9 This review is only addressing charges for services which are financially assessed. Some charges are flat rate with everyone paying the same amount and this applies to meals and to respite care services. Meals charges were reviewed as part of the 2011/12 Budget as outlined in the report to Executive Board in February 2011. Some respite care services provided to support carers are not subject to a charge and others, primarily where the respite care is provided in a residential home, are charged for. Whilst respite care charges have not been included in this review as they are not financially assessed, a review of these charges may need to take place in the future.

Benchmarking

- 3.10 Charges and key aspects of the financial assessment methodology in Leeds have been benchmarked against comparator authorities (West Yorkshire authorities, North Yorkshire as it borders Leeds, core cities and Audit Commission comparators). Several authorities are reviewing their charges at the moment, but with regard to current charges:
- Home care charges in Leeds are at the bottom end of the range (£8.50 to £16.50 per hour)

- Day care charges are more variable, with 4 comparator authorities having charges under £10 per day and the remaining 15 authorities having charges up to £50 per day for older people and £99.84 per day for people with learning disabilities
- Transport charges are in the range 80p to £4.00 per day, with two authorities charging based on mileage
- 6 of the 19 comparator authorities provide a subsidy for direct payments/personal budgets, of which 4 are neighbouring authorities (subsidy ranges from 10% to 46%)
- 11 comparator authorities have a maximum weekly charge ranging from £114.69 to £300
- 8 authorities have no maximum weekly charge, so people pay up to the amount their financial assessment calculates that they can afford
- 4 comparator authorities assess less than 100% of disposable income after allowances as being available towards charges (one at 70%, two at 85% and one at 90%)
- 17 comparator authorities take savings/investments into account in the way that the government requires for residential care, but 2 authorities use a more generous approach

4.0 Consultation Process and Outcomes

Consultation Process

- 4.1 There were three main strands to the consultation process:
- Undertaking consultation events for a range of stakeholder groups, drop-in events for the general public and making consultation questionnaires available through the Council's consultation website "Talking Point"
 - Working with a group comprising representatives of service user and carer organisations
 - Consulting with those service users identified as likely to be affected by the charging proposals
- 4.2 The events for stakeholders and members of the public covered the future for Adult Social Care services and the options for reconfiguring older people's residential and day care services as well as the review of charges. The consultation was originally scheduled to run from January to March, but it was extended slightly and it ran from February to June.
- 4.3 The service user and carer working group looked at the outcomes of the consultation on the future for Adult Social Care services as well as the outcomes in respect of the charging proposals. The working group produced an equality impact assessment on the charging proposals jointly with officers. The group also considered the outcomes of the Council's Spending Review consultation last autumn in so far as they related to Adult Social Care Services. Ten meetings of the working group were held and a wide range of information was provided, particularly about the likely impact of the charging proposals on individual customers.
- 4.4 From the data available on customers' assessed contributions and the services they receive, those customers likely to be affected by the charging proposals were identified. Whilst there is a high degree of confidence in the financial assessment data as this is updated on an ongoing basis, the data on services received is less accurate as changes that take place are not always captured in a timely manner.

Overall however, the analysis should have identified a very substantial majority of people likely to be affected by the charging proposals.

- 4.5 All these customers received an explanatory letter about the proposed changes and how it might affect them together with a questionnaire to complete. A telephone helpline number was provided for any queries or comments people wanted to make and help with completing the questionnaire was offered.

Consultation Outcomes

- 4.6 The Council's consultation on the 2010 Comprehensive Spending Review included a question on charging for Adult Social Care services. Overall 55% of respondents supported increasing charges for older and disabled people who can afford to pay them. There were age differences in the responses in that those aged over 75 were least likely to see raising charges for people who can pay more as important.
- 4.7 With regard to the most recent consultation, the full report on the overall process and outcomes, including the three elements set out in section 4.1 above, is available as a background document to this report.
- 4.8 The outcomes of the consultation questionnaire on charging are set out in full in Appendix 2. The first section shows the responses from those people likely to be affected by the proposals and the second section summarises the responses from the general public and organisations. Of the 1,511 people identified as likely to be affected, 300 completed a questionnaire, a response rate of 20%.
- 4.9 The main findings from the responses of those likely to be affected by the proposals are as follows (N.B. people did not respond to every question, so the percentages relate to the number of people answering that particular question):
- 73% of respondents thought that it was either very important or important to remove the inequalities in the system
 - 74% of respondents thought that it was either very important or important to **not** remove the subsidy and generate additional income.
 - 45% of people thought that it was either very unimportant or unimportant to remove the maximum weekly charge so that people will pay the full amount that they have been assessed as being able to contribute towards the cost of their services
 - 45% of people thought that it was either very unimportant or unimportant to increase the maximum weekly charge
 - 85% of people thought that it was important to limit the increase at first to give people time to adjust
- 4.10 Most of the comments received did not support action that would result in people paying more for their services, but there were some opposing views expressed. Those who indicated that they were in favour of the Council taking action to generate more income did so because they thought that it was fairer or because they thought that people who could afford to pay more should pay more. People who indicated that they were not in favour of the Council taking action to generate more income did so because they thought that people who had saved and contributed to the system should receive some benefit (subsidy) and that it was penalising people for working and saving. A number of people said that they would stop using services if they had to increase their contribution.

- 4.11 The working group of service user and carer group representatives has reviewed the charging proposals and the outcomes of the consultation. It has also produced an equality impact assessment jointly with officers. The working group has produced a report on their findings and there are three main conclusions:
- There have been some very valuable results for improving working practices and systems and making the customer experience of the financial assessment process more positive
 - Whilst accepting the Council's financial challenges, the working group could not support the charging proposals included in the consultation (they felt that the increases and the amount that some people would pay were too high)
 - The working group wanted to emphasise the considerable uncertainty in the disability community with people fearing that they may not be able to afford the services that they need, which is why the group recommends that the increases are not as high as originally proposed
- 4.12 More specifically, whilst acknowledging the financial constraints on the Council and Adult Social Care, the views of the working group on the proposals that formed the basis of the consultation are as follows:
- That the proposed increases in what people will pay are too high and that the increase in the amount that a number of people will have to pay is too high
 - That people may cease or reduce their services or that in continuing to use the services they will forego other necessities
 - That everyone is entitled to a subsidy
 - In terms of day services, that a differential charge reflecting the different service group costs, should be applied to avoid cross subsidy.
 - The maximum weekly charge must be retained as this means that people do not pay more just because they need more services.
 - Transitional arrangements should be put in place to mitigate the impact of the proposals and that in their view the transitional arrangements should be extended over a longer period as possible, in 12 month phases.
 - In their application, the proposals should be fair and proportionate; this can be applied through the financial assessment which assesses people's ability to pay.
- 4.13 The working group raised some concerns about Leeds City Council increasing its charges for these services in the current environment, specifically:
- That there is a lot of change happening or proposed that will potentially affect a number of people receiving adult social care services, including changes to their services and changes to the benefits that they receive.
 - The cost of living has increased and it has become more expensive for older and disabled people to remain independent at home.
 - Some people who will be affected by the proposals saw the last increase from the implementation of the previous charging policy changes in April 2011.

5.0 Evaluation and Revised Proposals

Evaluation of Consultation Outcomes

- 5.1 The outcomes of the consultation indicate clearly that people want to see some subsidy retained within the charges, particularly for day care, for a maximum weekly

charge to be retained and for transitional arrangements to be put in place to mitigate the impact of any increased charges for individuals.

Revised Proposals

- 5.2 Revised proposals have been developed during the course of this review, taking account of the more detailed work on service costs set out in section 3.6 and the outcomes of the consultation process outlined in sections 4.6 to 4.13 above.
- 5.3 There was concern expressed through the consultation process about the magnitude of the increase in the charge for day care in particular. The direct costs and allocation of directorate overheads have been reviewed and different day care attendance charges are now proposed for the different client groups to avoid cross subsidisation. Corporate overheads have now been removed from the cost calculation as these do not relate directly to the provision of Adult Social Care services. Transport charges have also been reviewed as the indicative cost was an average across all journeys and so would have led to customers making short journeys subsidising those with longer journeys. As a charge based on a rate per mile would be administratively complex and less clear for customers, a reduced charge of £5.00 per day is now proposed which is considered reasonable for all length journeys in comparison with typical taxi fares.
- 5.4 The revised proposals retain the original proposed charge for home care, but reduce the proposed charges for day care and transport to day care as outlined above:

Service	Initial Proposal	Revised Proposal	Subsidy
Home Care	£13.00 per hour	£13.00 per hour	No subsidy for independent sector care, except for the costs of commissioning and contract monitoring. Approx 55% subsidy for directly provided care
Day Care & Transport	Figures below include £22.50 per day for the transport element	Figures below include £5.00 per day for the transport element	Subsidy for day care attendance approx 19%. This subsidy relates to the unit costs assuming full occupancy, but as actual occupancy is lower there is a further subsidy within these proposed charges. The subsidy for the transport element is approx 78%
Older people	£50.50 per day	£29.00 per day	
Mental health	£50.50 per day	£31.00 per day	
Physical disabilities	£50.50 per day	£47.00 per day	
Learning disabilities	£50.50 per day	£47.00 per day	

- 5.5 These revised charges are proposed to take effect on 1st October 2011. An inflationary increase would also apply as usual in April 2012 in accordance with the Council's financial planning strategy. This further inflationary increase will be outlined to customers when they are notified of the changes following this review.
- 5.6 It is proposed that a maximum weekly charge is retained, but that it is increased from the current £140 to £210. The current maximum charge is the equivalent of one-third of the gross cost of a typical residential care placement and £210 would be equivalent to half the 2011/12 cost.
- 5.7 It is proposed that transitional protection is applied for those in receipt of service when the new charges take effect. This was strongly supported by the working group and in the consultation responses. A maximum increase of £35 per week is proposed when the revised charges are implemented, with a further £35 increase after 6 months and all customers paying in full at the new rate 12 months after the initial implementation. Whilst this cap on the weekly increase is higher than when changes were last made in 2009, the financial assessment is not changing and so the increases will apply to those already assessed as being able to afford the full increase.
- 5.8 These proposals reflect changes that take account of the main outcomes of the consultation questionnaires from those people likely to be affected and the views expressed by the service user and carer working group. The charges for day care for older people in particular have reduced significantly from £50.50 per day including transport in the original proposals to £29 per day. Retaining a maximum weekly charge, albeit with an increase, was strongly supported in the consultation, as was transitional protection when any changes are implemented. Appendix 3 outlines in more detail the views of the service user and carer working group and the ways in which the revised proposals address them. Whilst these revised proposals take account of the outcomes of the consultation, the revised charges are higher than the working group would support. The views of the working group have been weighed against the additional income that would be generated and the revised proposals seek to strike an appropriate balance between the two.

Impact on Customers

- 5.9 Appendix 4 outlines the impact on customers in terms of the amount they would pay per week in total and the level of increase in their weekly charge. There are some potential inaccuracies in the data as outlined in section 4.4 but these are not likely to be significant in their effect on the overall impact of the proposals. 286 customers have been excluded from this analysis as they have opted to pay for their services at the standard charge and not to have a financial assessment, so no evaluation can be made of the impact of the proposals on these customers.
- 5.10 There are no proposals to change the financial assessment methodology so people will not be affected if their financial assessment calculates that they do not have to contribute towards the cost of their services or they are already paying as much as the financial assessment calculates that they can afford. This means that of those customers who have had a financial assessment 3,921 (78%) would see no change to their charge as a result of these proposals, 472 people (9.4%) would have an increase of less than £10 per week and for 580 people (11.4%) the increase would be between £10 and £50 per week. 60 customers (1.2%) would see an increase of £50 per week or more, although the transitional protection would mitigate the impact for up to a year. No-one will pay more than their financial assessment calculates that they can afford and the financial assessment methodology remains more generous

than that of most authorities. Appendix 5 sets out some customer scenarios to illustrate the impact of the proposed changes.

- 5.11 Benchmarking against comparator authorities shows that people would be financially assessed to pay more in most other authorities. This is because most assess 100% of remaining disposable income as being available towards the cost of services and require people to pay the full charge for their services if they have savings of more than £23.250 (£46,500 in Leeds). The highest charges amongst the comparator authorities are as follows compared with the revised proposals for Leeds:

	Highest Comparator	Proposed for Leeds
Home care/supported living	£16.50 per hour	£13.00 per hour
Day care attendance & transport		
Older people	£61.60 per day	£29.00 per day
Mental health	£50.00 per day	£31.00 per day
Physical disability	£75.00 per day	£47.00 per day
Learning disability	£99.84 per day	£47.00 per day

- 5.12 Section 6 below sets out the steps that will be taken in implementing the changes to ensure that the impact on individual customers is carefully monitored. Some people affected by the proposed increase in charges for day care will also be affected by the day care strategies for older people and people with learning disabilities that may lead to changes in the centres they attend or the type of day support that they receive.

Financial Implications

- 5.13 The proposals in this report will generate a projected £0.85m in additional income in a full year. Given the transitional arrangements proposed in section 5.7 above, the additional income is projected to be £0.4m in 2011/12 and £0.8m in 2012/13. The 2011/12 Budget includes £0.5m from the estimated part-year effect of the charging review. The shortfall of £0.1m in the current financial year will be addressed through a newly centralised income collection team, which will deliver more effective and efficient income collection.
- 5.14 There is some risk that the projected additional income from the proposals may not be fully realised if details of services being provided are inaccurate, but this is not considered likely to be material. Income may reduce compared with the projections if people choose to arrange their own services rather than have them commissioned by the Council and contribute more towards the cost. Whilst income would reduce, there would be no need to provide the associated services and so expenditure would reduce accordingly for services commissioned from independent sector providers. If people choose to stop receiving directly provided services, then expenditure would not reduce immediately.

Further Review Proposed

- 5.15 Given the scale of the financial challenges for the Council and Adult Social Care in the current and future financial years, there may be a need to increase income from customer contributions in addition to that arising from these proposals. After implementing these proposals Leeds will remain a low charging authority compared to the majority due to the relative generosity of its financial assessment methodology

and the financial situation indicates that a review of this methodology is required. Linked to this it would also be appropriate to review charges for respite care that are not subject to a financial assessment and to further review the charges that have been the subject of this current review.

- 5.16 This will need to include a further consultation process and it is proposed that this work commences now so that options are available for consideration as early as possible in the Council's medium term financial planning process for 2012/13 to 2014/15. The implications of the Fairer Care Funding Report will be integrated into this review, which will be undertaken in consultation with the service user and carer working group that participated in this review.

6.0 Implementation

- 6.1 All customers will receive a written explanation of the changes to charges and how they will be implemented. Some customers have relatives or carers that they have asked us to liaise with about their charges and so in these cases we will not write directly to the customer. The service user and carer working group will advise on the content and format of the explanatory letter to ensure that it is as accessible as possible to our customers. A telephone helpline will be available to address any concerns people may have.
- 6.2 As part of the implementation of changes to customer charges, additional training will be provided for the financial assessment team. This training will focus particularly on how they can encourage service users to provide full information on expenses relating to their disability or frailty. During the consultation process the service user and carer working group met with the financial assessment team manager to discuss this and the guidance for assessment staff is being revised to reflect the outcomes of this discussion.
- 6.3 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 financial assessment team manager to review the financial assessment, with a second more formal stage if the matter is not resolved. In addition, the Adult Social Care 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.
- 6.4 Customers who have chosen not to have a financial assessment previously will be encouraged to have one and the benefits will be explained in the letter to customers about changes to charges. Increased take up of financial assessments will be monitored as set out in the Equality Impact Assessment. People who choose not to have a financial assessment are also asked on an annual basis whether they wish to have one. Customers are reminded in the document setting out their assessed charge that they can ask for a reassessment at any time if their financial circumstances change and this will be reiterated in the explanatory letter following any changes to charges.
- 6.5 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.

7.0 Specific Implications for Equality and Diversity

- 7.1 The Council has a duty as defined in the Equality Act 2010. The main requirements under the Act are as follows:
A public authority must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and people who do not share it.
- 7.2 The Equality Impact Assessment considered the impact of the proposals on older and disabled people as a whole and sought to identify whether any other equality characteristics are impacted upon so that appropriate mitigating actions can be considered. The impact assessment identified that the people that the proposals will affect will all be older and/or disabled people, but that no other equality characteristics were impacted upon disproportionately.
- 7.3 Considering the impact on equality was an integral part of the work of the service user and carer working group. The Equality Impact Assessment provides a summary of this work and the actions arising. It is available as a background document to this report and the actions arising from the Equality Impact Assessment are as follows:
- Review the impact of the policy on people who use non-residential services
 - Ensure that the Council's communications with service users are clear and appropriate
 - The Council needs to communicate how the benefits for adult social care services will be realised, referring to the "more and better" services stated referred to in the consultation documentation. The Council needs to be able to show how the extra income has been used.
 - To mitigate the impact of the proposals so that people have time to make the financial adjustments
 - Review the carers respite aspects of the provision of day care services to ensure that carers are not negatively impacted upon.
 - Produce clear and transparent policies on charging issues, including the use of disability related expenditure and the Director of Adult Social Services' discretion to waive or reduce charges in exceptional circumstances
 - To ensure that the assessment officers are appropriately trained/briefed to provide a clear and consistent message around disability related expenditure.
 - To promote financial assessments for people who have chosen not to have one.
 - To provide service users with an additional opportunity on implementation to let Adult Social Care know what impact any changes may have on them.
- 7.4 The Equality Impact Assessment also identified the positive impact of the financial assessment process. This seeks to maximise people's benefits income through providing benefits checks as part of the financial assessment process, including

completing benefits claims forms on behalf of the customer. The financial assessment team provides a telephone helpline, which will be available for anyone who is concerned, confused or upset about the changes.

8.0 Implications For Council Policy And Governance

- 8.1 There are two aspects of the Adult Social Care Charging and Contributions Policy Framework approved by Executive Board in February 2009 that are relevant to this review.
- 8.2 One of the general principles set out in the framework is that charges will take account of charges levied by other authorities so that people in Leeds are not unduly advantaged or disadvantaged compared with those living elsewhere. In relation to the benchmarking information set out in section 3.10 the proposals in this report are in accordance with this principle.
- 8.3 The policy framework also sets out that charges for people with eligible needs will be subsidised, except where the full cost of providing the service is sufficiently low that a subsidy is not required. The proposed charges for day care and transport include a subsidy and the proposed charge for home care is less than the average cost to the Council of providing the service across the independent sector and directly provided service. However, there is no subsidy within direct payments or personal budgets taken as cash payments.
- 8.4 The Charging and Contributions Policy Framework has been amended to reflect this and a revised copy is attached at Appendix 6. The relevant section now reads as follows: *Charges for people with eligible needs will be set at the cost of providing the service, except where a lower charge is appropriate to ensure that people in Leeds are not unduly advantaged or disadvantaged compared with those living elsewhere or there are specific service circumstances which would warrant it.*

9.0 Legal And Resource Implications

- 9.1 The proposals included within this report are in accordance with the Department of Health's "Fairer Contributions" guidance and with the Council's Fees and Charges policy.
- 9.2 The way in which these proposals have been developed and presented in this report are in accordance with the requirements of the Equality Act 2010.
- 9.3 The financial implications of these proposals are set out in sections 5.13 and 5.14.

10.0 Conclusions

- 10.1 The consultation process has provided stakeholders with relevant information, particularly those likely to be directly affected by the proposals, giving them the opportunity to comment and providing help and support for them to do so.
- 10.2 In making recommendations for changes to charges from October 2011, account has been taken of the consultation responses. These have been considered alongside the key aims of the review, which were to address varying subsidy levels across services that can be regarded as unfair and to help to address the Council's challenging financial circumstances.

11.0 Recommendations

11.1 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 sections 4.6 to 5.7
- (b) Note the outcomes of the equality impact assessment and the way in which they have been addressed as set out in sections 7.1 to 7.4
- (c) Approve the changes to charges for non-residential services as set out in sections 5.4 to 5.7, effective from 1st October 2011
- (d) Approve the revised Adult Social Care Charging and Contributions Policy Framework as set out in Appendix 6
- (e) Approve the further review of charges and the financial assessment methodology together with the associated consultation process as set out in sections 5.15 and 5.16
- (f) Request a further report on the outcomes of the further consultation process and proposals regarding charges and the financial assessment methodology

Background Documents

Executive Board Report 15th December 2010 – Charges for Non-Residential Adult Social Care Services

Department of Health – Fairer Contributions Guidance, November 2010

Leeds City Council Fees and Charges Policy and Best Practice Guidance – February 2008

Adult Social Care Charging and Contributions Policy Framework – February 2009

Executive Board Report 11th February 2011 - Revenue Budget 2011/12

Executive Board Report 13th February 2010 – Income Review for Community Care Services

2011/12 Adult Social Care Charges for Non-Residential Services from Comparator Authorities (collated by Leeds Adult Social Care)

Outcomes of the Council's Spending Review Consultation - 2010

Report of the Service User and Carer Working Group – June 2011

Equality Impact Assessment – June 2011

Fairer Care Funding : Reforming the Funding of Adult Social Care – Commission on Funding of Care and Support, July 2011