

Adult Social Care – Income Review



Context

- Public conversation underway nationally on:
 - The sustainability of funding for social care given the demographic profile and changing service user expectations
 - The balance of funding between individuals and the state
- Personalisation and national review of Fairer Charging guidance
- Leeds is starting from a low base

Why do we need to do this review?

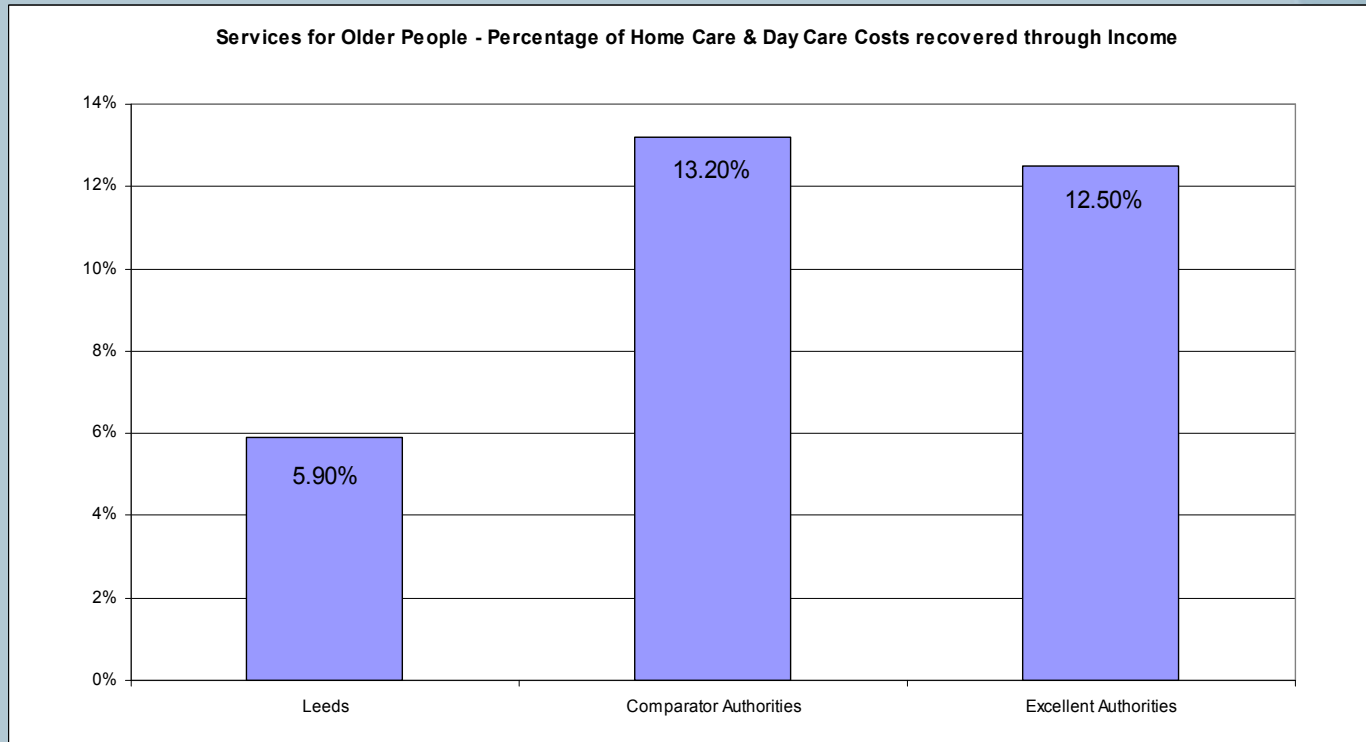
- To improve our ability to invest in Adult Social Care services
- To improve fairness, equity and consistency
- To provide a framework for charging to help prepare for personalisation and new service options

Principles and Context

- Some subsidy for all service users, so they pay a **contribution** rather than a **charge**
- Contributions are based on ability to pay
- Contributions should where possible be based on benchmarked methodologies e.g. payments for residential care, Independent Living Fund
- Consultation not on **whether** we should charge, but on **how** we increase our income to re-invest in Adult Social Care services

Income benchmarking

Income as a percentage of the cost of providing older people's services



If Leeds raised its income for older people's home care and day care services to the average percentages for comparator authorities it would receive an additional £1.4m to 1.6m per annum

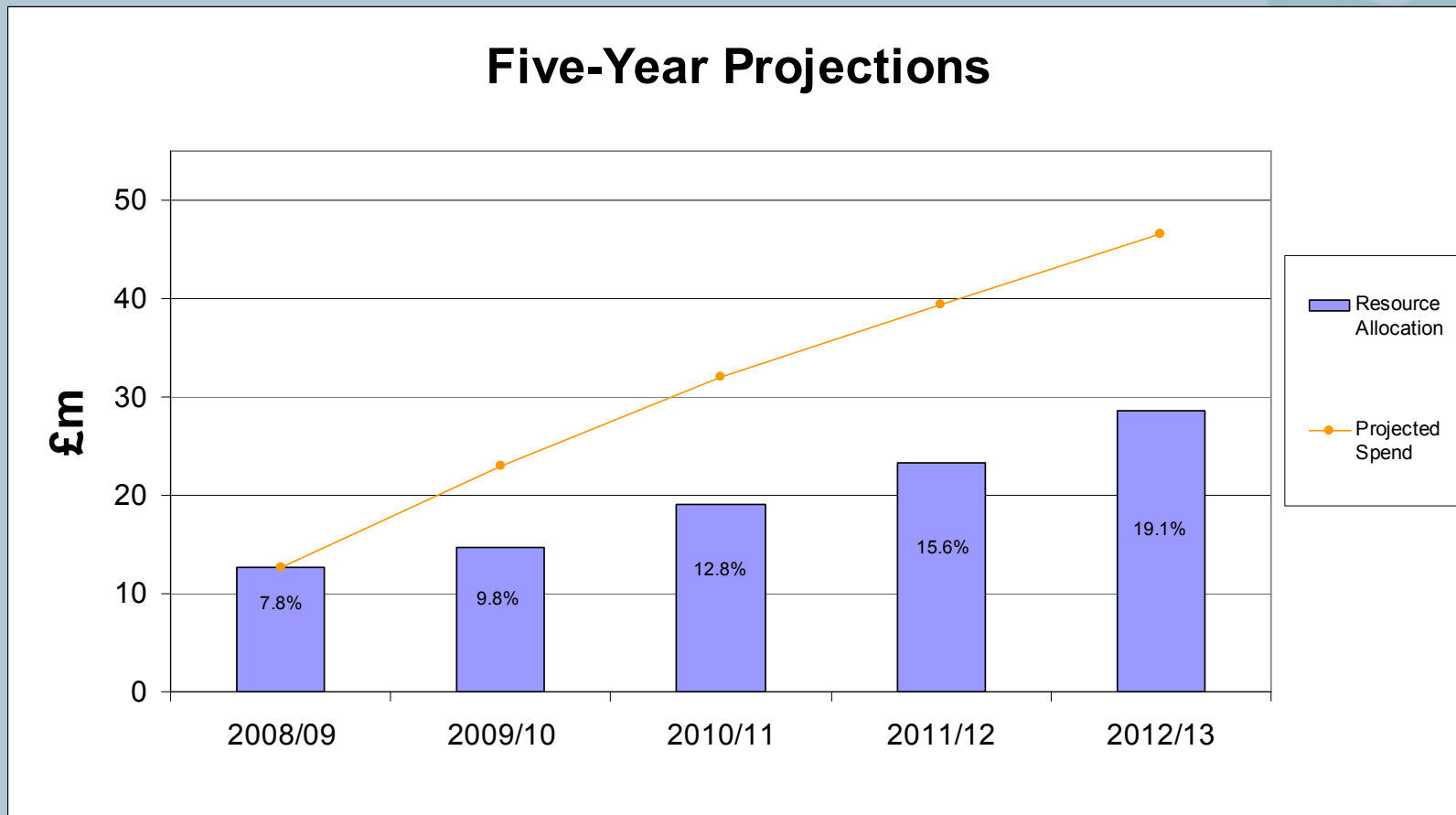
Headline Figures and Comparisons

- Of 5,600 home care & day care service users 3,250 (58%) currently receive free services
- Someone with a weekly income of £295 and £20,000 in savings receiving 11 hours per week of home care would currently pay:
 - £49.54 per week in Leeds
 - Between £85 and £112 per week in authorities bordering Leeds
- A non home-owner with this income would pay £252.10 per week for residential care

Leeds Financial Context

- Adult Social Care has delivered a balanced budget for 2007/08
- Socio- economic profile of Leeds
 - Results in low central government funding
 - Is not reflected in our income generation
- Additional income from service user contributions is needed to
 - Continue to provide current service levels as service user numbers increase due to demography
 - Provide for investment in service improvement

Illustrative 5-year position



Key Milestones

Executive Board

- Options for consultation

11th June 2008

Consultation

June – Oct 2008

Executive Board

- Final recommendations

December 2008

Implementation

From Feb/Mar 2009

N.B. Options for phased approach

Consultation Process

- Information to all service users & voluntary groups, ensuring minority groups are reached
 - Telephone helpline
- Reference group of service users
- Citizens Panel - to get views of potential future service users
- Members:
 - Briefings for each group
 - Members workshop

What are we consulting on?

- Options based on the three ways of raising more income
 - Increasing contributions for services & maximum payment
 - Increasing the disposable income percentage
 - Taking capital into account (ignoring savings below £13,500 & the value of a person's home)

- Options for phasing implementation

Increasing contributions for each service (including maximum payment –currently £88 per week)

□ Options:

- Bring Leeds more in line with the average?
- Lower increase?
- Higher increase?

Increasing the disposable income percentage paid within the financial assessment

□ Options:

- Bring Leeds in line with the significant majority of other authorities who take 100% of disposable income? (50% in Leeds)
- Bring Leeds in line with the minority of other authorities who take 70%-75% of disposable income?

Taking capital into account within the financial assessment

(Ignoring savings below £13,500 & the value of a person's home)

□ Options:

- Bring Leeds in line with the significant majority of other authorities who take capital into account? (Leeds does not take capital into account)
- Several ways this can be done will be considered during the consultation

Impact of Options (1)

- Only those options that include taking capital into account will bring income into line with most other authorities
- Given the financial context & the need to increase income, the options are:
 - Moderate - increase to contribution levels, 100% disposable income taken into account, capital not taken into account
 - Maximum - more substantial increase to contributions, 100% disposable income taken into account and capital take into account

Impact of Options (2)

N.B Capital data still not fully robust

	Moderate	Maximum
Additional Income	£1m-£1.4m	£3.9m-£4.6m
Service users:		
■ No change to contribution	3,228 (31%)	2,109 (21%)
■ Weekly increases of		
- Less than £5	5,198 (51%)	5,068(50%)
- £5 to £9.99	578 (6%)	651 (6%)
- £10 to £49.99	1,244 (12%)	1,950 (19%)
- £50 to £99.99	6 (0%)	254 (2%)
- Over £100	0 (0%)	222 (2%)

Options for Phasing Implementation

□ Two main options:

- Implementing changes on a phased basis e.g. moving to 75% of disposable income in year 1 and 100% in year 2
- Capping the overall increase in contributions for service users in year 1 at a particular weekly figure

Thank You – Any Questions?