

**Report of the Director of Adult Social Services**

**Report to Executive Board**

**Date: 18<sup>th</sup> July 2012**

**Subject: Consultation on the Charges for Non-Residential Adult Social Care Services**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of Main Issues**

1. This report sets out proposals for a consultation process on proposed changes to charges for non-residential Adult Social Care services following approval for a further charging review by Executive Board in July 2011. It outlines the reasons for the proposals and the likely implications for customers and income levels. The report also sets out the way in which the public consultation on the impact of these proposals will be conducted.
2. Some changes to charges for non-residential Adult Social Care services were made in 2009 and 2011, but income from charges in Leeds remains below the average for core cities for three main reasons:
  - There are some services in Leeds for which charges are not made
  - There are some anomalies within the current charging arrangements
  - The financial assessment methodology takes a lower amount of people's income and savings into account than in most authorities
3. This impacts on the funding available to the Council to invest in providing sustainable Adult Social Care services in the current challenging financial environment. The proposals within this charging review will bring Leeds into line with the substantial majority of other authorities.
4. In 2011 charges for home care, supported living, day care and transport services were increased so that the subsidy within the previous charges was largely eliminated and the maximum amount that anyone pays for their services was increased to £210 per

week. These charges form the majority of current charges to Adult Social Care customers and there are no proposals for further changes to them within this charging review. The main focus of the current review is to address anomalies arising through some services not being charged for and to bring the financial assessment methodology into line with other authorities.

5. Proposed new charges are as follows:

	Indicative Charges	Mainly Charged for Elsewhere
<u>Home Based Sitting Services</u> Shared Lives	TBC - New Model of Service	Yes
<u>Mental Health Services</u> Directly provided day services Housing support services	TBC - New Model of Service TBC - New Model of Service	Yes Yes
<u>Care Ring &amp; Telecare</u> Care Ring (1st generation - pendant alarm) Telecare (2nd generation - peripheral monitors) Telecare (3rd generation - GPS system) Telecare Just Checking (usually short-term) Mobile Response Service	£2.00 per week + £1.20 equipment rental (+VAT) £3.00 per week + £2.50 equipment rental £9.00 per week + £3.50 equipment rental £9.00 per week + £7.50 equipment rental £3.00 per week	Yes Yes Yes Yes Yes

6. Except for people who only receive Care Ring, most customers of these services will have eligible social care needs and so they will be financially assessed to determine the contribution that they can afford to make towards their care package. Of the people who are financially assessed, currently 2,286 people (43%) do not make any contribution towards the cost of their care services.
7. Currently there are many direct access services across the city, which include the home based sitting services and mental health services included in the table above. The focus of the Shared Lives service is being reviewed and the proposal is to bring its home based sitting service into line with the charges for other services provided to meet eligible social care needs, for example home care services for which the charge is £13.00 per hour, whilst having particular regard to the needs of carers. Charges for one-to-one support within mental health services would be similar. The number of people who would pay for these services will be small relative to the overall Adult Social Care customer base.
8. Another key proposal is adopting the same approach to capital within the financial assessment as is used for residential assessments (but excluding the value of a person's home) and moving to taking 100% of disposable income after allowances into account so that Leeds is in line with the substantial majority of other authorities. 3,449 people, 65% of those who have been financially assessed, will not be affected by these proposals.
9. These proposals would generate estimated additional income of £2.9m in a full year. Most comes from Care Ring charges (£1.4m) and changing the financial assessment methodology (£1.2m). Of the additional income, £0.2m will offset a current charge to the HRA for Care Ring and so the overall additional income to the Council's General Fund is projected at £2.7m. As with previous charging reviews, the additional income arising from the proposals within this review will be reinvested to support Adult Social Care services. These investments will help to mitigate future financial pressures and

the additional income will support the “Better Lives” ambitions and associated service improvements.

10. The proposals will bring Leeds into line with the majority of other authorities with regard to charges and are affordable for customers in accordance within the Department of Health’s “Fairer Charging” guidance. Nonetheless, they will be perceived by customers as an increase at a time when they are under increasing financial pressure through higher food and fuel prices in recent years. Some will also be facing increased rent charges and reduced benefits income over time through the impact of the Welfare Reform agenda. Whilst higher housing costs and reduced benefits income will reduce the assessed contribution towards Adult Social Care services, this is not readily understood by customers.
11. An extensive consultation process will be undertaken that is likely to involve around 20,000 customers. Taking account of the outcomes of the consultation and the comprehensive Equality, Diversity, Cohesion and Integration Impact Assessment that will be undertaken, a further report with final recommendations will be brought to Executive Board later this financial year.

## **Recommendations**

12. Executive Board is recommended to:

- (i) Approve the public consultation on proposed new charges that are set out in sections 4.8
- (ii) Note the impact of the proposed changes on commissioned services as outlined in sections 4.17 and 4.18
- (iii) Note the impact of the proposed changes on other Council services as set out in sections 4.19 and 4.20
- (iv) Approve the public consultation on the proposed changes to the financial assessment methodology that are set out in sections 4.21 and 4.22
- (v) Agree that a further report will be brought to Executive Board later this financial year with final charging proposals following a more detailed analysis of the impact and the outcome of the consultation.

## **1 Purpose of this Report**

- 1.1 This report sets out proposals for a consultation process on proposed changes to charges for non-residential Adult Social Care services following approval for a further charging review by Executive Board on 27<sup>th</sup> July 2011. It outlines the reasons for the proposals and the likely implications for customers and income levels. The report also sets out the way in which the public consultation on the impact of these proposals will be conducted.

## **2 Background information**

- 2.1 Customer contributions toward the cost of most non-residential services i.e. home care, supported living, day care and transport are calculated on the basis of two factors:
- The charge for the services received
  - A financial assessment of a person's ability to pay all or part of the cost
- Some charges are flat-rate, for example meals, with everyone paying the same amount on top of any financially assessed contributions.
- 2.2 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) 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.
- 2.3 A further review of charges for non-residential services took place last year. In July 2011 Executive Board approved increased charges for home care, supported living, day care and transport services so that the subsidy within the previous charges was largely eliminated. The maximum weekly charge that anyone pays for their service, irrespective of their financial circumstances or the amount of services received, increased from £140 to £210 per week. Appendix 1 outlines the current charges. Of the people who are financially assessed, currently 2,286 people (43%) do not make any contribution towards the cost of their care services.
- 2.4 These changes brought Leeds more in line with other authorities, but our income from customer contributions remains lower than the core cities average. In the light of the ongoing financial challenges facing the Council the need for a further charging review was identified as the last review was being concluded. At Executive Board in July 2011 the need for this further review was acknowledged, but Members highlighted the need to avoid charging reviews on a frequent basis. The Chair proposed a cross party approach to continued discussions so that proposals could be progressed effectively. A Members Advisory Board chaired by Councillor Yeadon has been meeting since December 2011.
- 2.5 The changes approved in July 2011 took effect on 1<sup>st</sup> October and overall there have been no significant issues arising. Close monitoring has taken place to identify any customers who have ceased or reduced their service following the increase in charges. Approximately 75 customers from an overall customer base of 5,300 have ceased or reduced service. These have been contacted by a care

manager to review their circumstances and ensure that their needs and those of their carers are met appropriately.

- 2.6 The income of £2.85m arising from the charging reviews in 2009 and 2011 has been reinvested within Adult Social Care services. It has contributed towards addressing the increased funding requirements for care packages for older people and people with learning disabilities in particular, as well as supporting investment in safeguarding and assessment and care management services.

### **3 Reasons for the Further Review of Charges**

- 3.1 There is a need for a further review as income from charges in Leeds remains below the average for core cities. This impacts on the funding available to the Council to fund Adult Social Care services. In addition, there is national recognition that the responsibility for funding care services needs to be shared between the state and those individuals who can afford to contribute towards the cost of their care in order to make better use of increasingly constrained resources.
- 3.2 Whilst the changes made in 2009 and 2011 have increased income from charges in a full year by £2.85m, Leeds continues to recover a lower proportion of the cost of service provision through customer contributions than comparator authorities. Based on the latest data published for 2010/11, income from charging in Leeds is 7.21% of expenditure compared with a core cities average of 9.11% and 13.65% for the highest core city.
- 3.3 There are three main reasons for income from charges in Leeds being lower:
- There are some services in Leeds for which charges are not made
  - There are some anomalies within the current charging arrangements
  - The financial assessment methodology takes a lower amount of people's income and savings into account than in most authorities

#### Services not Charged

- 3.4 The main services for which charges are not currently in place are:
- Care Ring and telecare
  - Respite/sitting services (except respite care in residential homes and provided by the Shared Lives service), which provide support for carers as well as for our customers
  - Mental health day services and housing support services
- A benchmarking review across comparator authorities has identified that these services are charged for in most authorities.
- 3.5 The Care Ring service was previously charged for until charges ceased from 1st April 2007 and it is partially funded by Supporting People. Now that the Supporting People grant ringfence is no longer applicable, the relationship between Supporting People funding for services and customer contributions can be reviewed. The transfer of responsibility for the Care Ring service from Environment and Neighbourhoods to Adult Social Care also provided an opportunity to review the charging arrangements.

#### Anomalies

- 3.6 There are some anomalies in the current charging arrangements that give rise to potential inequities. For example, charges are made for respite care provided in a residential home, but respite care provided in community settings such as sitting services in the customer's home do not currently attract a charge. The services people receive through mental health day centres are not currently treated as chargeable services, but this is not consistent with day services for other client groups.

#### Financial Assessment Methodology

- 3.7 There are two main differences between the financial assessment methodology in Leeds and that of most other authorities:
- Most comparator authorities take 100% of disposable income (after allowances for daily living, housing and disability related costs) as being available to contribute towards care services compared with 90% in Leeds
  - All comparator authorities use the same approach to capital (savings & investments) as is used for residential assessments, but in Leeds higher capital thresholds are used.

### **4 Charging Proposals**

#### Scope of the Proposals

- 4.1 Adult Social Care has a responsibility to set customer charges for the services people receive following a care assessment that are provided to meet their eligible needs, whether the services are provided directly by Adult Social Care or commissioned. The Adult Social Care Charging and Contributions Policy Framework includes the principle of full cost charging for all services provided to meet people's eligible social care needs, unless agreed under exceptional circumstances as exempt.
- 4.2 Adult Social Care also has a responsibility to decide whether to charge and at what level for other services that it provides to people who have not had a care assessment. Where these services are commissioned it is currently the responsibility of the providers to decide whether and how much to charge.

#### Personal Budgets

- 4.3 Customer charges for individual services are required until all customers are in receipt of a Personal Budget. For people who do not have a Personal Budget the charges for the services received are aggregated and compared with the amount the customer has been financially assessed as being able to afford, with payment being the lower of the two amounts.
- 4.4 As customers have their care needs reviewed a support plan will be put together with them to provide a Personal Budget that they can choose to take in cash to buy their services or opt for other arrangements including a local authority managed budget. The value of the support plan is the cost of the care package and the customer will pay this as their contribution, or the amount the financial assessment calculates that they can afford if this is lower.

#### Benchmarking and Outcomes

- 4.5 Executive Board agreed the further review of charges so that Leeds is no longer an outlier in terms of charges and the income generated from them. Benchmarking has been undertaken with comparator authorities to ensure that the proposals put forward achieve this. Information was sought from Yorkshire and Humber authorities, core cities and Audit Commission comparators and the information received is attached at Appendix 2. This shows that the majority of these authorities charge for those services for which new charges are proposed and all apply the full charge for services at half the capital threshold currently applied in Leeds.
- 4.6 With regard to the charges for services and the maximum weekly charge approved by Executive Board in July 2011 that are set out in Appendix 1, there are no proposals within this review for further changes.
- 4.7 The principles within the Charging and Contributions Policy Framework have been refined to reflect the benchmarking information and provide greater clarity on those services that are chargeable and those that are not. The policy framework also now includes the responsibility for setting and collecting charges for directly provided and commissioned services. The revised policy framework is attached at Appendix 3 and the headings for the new sections are highlighted in grey.

#### Summary of Proposed New Charges

- 4.8 Applying these charging principles leads to the proposed introduction of charges for the following services:

	<b>Indicative Charges</b>	<b>Mainly Charged for Elsewhere</b>
<u>Home Based Sitting Services</u> Shared Lives	TBC - New Model of Service	Yes
<u>Mental Health Services</u> Directly provided day services Housing support services	TBC - New Model of Service TBC - New Model of Service	Yes Yes
<u>Care Ring &amp; Telecare</u> Care Ring (1st generation - pendant alarm) Telecare (2nd generation - peripheral monitors) Telecare (3rd generation - GPS system) Telecare Just Checking (usually short-term) Mobile Response Service	£2.00 per week + £1.20 equipment rental (+VAT) £3.00 per week + £2.50 equipment rental £9.00 per week + £3.50 equipment rental £9.00 per week + £7.50 equipment rental £3.00 per week	Yes Yes Yes Yes Yes

- 4.9 These charges are based on the full cost of providing the service in accordance with the Charging and Contributions Policy Framework. For those services provided to meet people's eligible social care needs the customers will be financially assessed to determine the contribution that they can afford to make towards their care package. For people who do not have eligible needs, they would be required to pay the full contribution to utilise the service. Details of the likely impact on customers is set out in section 5 below.

#### New Charges

- 4.10 The proposed new charges for Care Ring and telecare are based on the costs of providing the current services. Changes to the service model are underway for

mental health services and the Shared Lives service, which are outlined in more detail below.

- 4.11 The Care Ring and telecare charges include a charge for the monitoring and response service and a rental charge for the equipment. In response to an alarm being activated the monitoring and response service will either call the named contact or request the mobile response service to attend, or in more serious cases contact medical or emergency services direct. In May 2012, 481 calls were made to request medical or emergency services to attend to customers.
- 4.12 The Care Ring charges proposed are in line with the charges made by other authorities and other providers. Age UK, for example, provides a national alarm call system with a weekly charge of £3.38 per week (plus VAT) compared with £3.20 (plus VAT) proposed for Care Ring.

#### Services Not Charged & Service Change Underway

- 4.13 The Shared Lives home-based sitting service currently provides direct access respite care in the customer's own home and the cost is around £13.00 per hour. Although a small number of customers will have had a care assessment and may be in receipt of other services, the majority have not. It is not clear how many would meet the Fair Access to care Services (FACS) eligibility threshold, although some current service users would not. Consultation on the proposal to charge for this service will be linked with a review of the service and other home based sitting services that are commissioned. This will allow proposals to be developed for the future role of the Shared Lives service and appropriate charging arrangements. This will include considering the arrangements that may need to be put in place for those current customers who do not meet the FACS eligibility threshold. The service review, charging proposals and associated consultation will have particular regard to the needs of carers.
- 4.14 The new service model proposed for directly provided mental health day services is that it will focus on recovery through a combination of one-to-one work, group sessions, and peer support. It is proposed that low level preventative services would be non-chargeable. People requiring higher levels of service would be offered a FACS assessment and be charged at full cost, subject to a financial assessment of their ability to pay. For existing customers the proposal is to give a twelve month period for people to be FACS assessed or allocated to a low level non-chargeable service.
- 4.15 The Supporting People funding for mental health housing support services is being reviewed and the focus of the services may change. The charging proposals relate to the social care element of these services, which generally involves one-to-one support that typically costs around £13.00 per hour.
- 4.16 The charging proposals for mental health services will provide an approach that is consistent with other services, but based on their financial circumstances and the nature of the services received most customers would not pay for these services.

#### Services Not Charged – Delivered by Other Providers

- 4.17 There are a number of services commissioned by Adult Social Care, mainly provided by the voluntary sector, that are directly accessed by customers or referred by other agencies without the need for a care assessment. Following any changes to charges for services directly provided by Adult Social Care, differential charges may apply across similar services that are commissioned. These will include home based sitting services and some day services for people with sensory impairments and dementia.
- 4.18 For these commissioned services Adult Social Care will ensure that providers have due regard to the charges and charging principles set by Adult Social Care to provide equity for the public. This will involve consultation with service providers and those providers consulting with their customers. It is anticipated that this can be completed within about eighteen months for most services but for some it may take longer. The timing of implementing any changes to Adult Social Care charges will need to be considered to minimise the period when differential charges apply.

#### Links with Other Council Services

- 4.19 People who are charged for Supporting People services can request a “Fairer Charging” financial assessment to determine whether they are eligible for Supporting People subsidy. Environment and Neighbourhoods currently use the pre-2009 financial assessment methodology for Supporting People customers who request a financial assessment and the proposed changes to the assessment methodology would increase the disparity. Following the approval of any changes to the financial assessment methodology, Environment and Neighbourhoods would introduce the new methodology for Supporting People financial assessments.
- 4.20 Section 6.4.4 below identifies that introducing charges for Care Ring and the mobile response service will enable Supporting People funding of £0.3m and a £0.2m charge to the Housing Revenue Account to be withdrawn. Any other implications for Environment and Neighbourhoods services will be considered during the consultation stage.

#### Financial Assessment Methodology

- 4.21 The two proposed changes to the assessment methodology are:
- Adopting the same approach to capital (savings and investments) as is used for residential assessments (but excluding the value of a person’s home)
  - Assessing 100% of disposable income (after allowances for daily living, housing and disability related costs) as being available to contribute towards care services rather than the current 90%.
- 4.22 Applying the Department of Health Charging for Residential Accommodation Guide (CRAG) thresholds for capital means that anyone with capital of more than £23,250 would pay for their services in full, whereas in Leeds currently the capital threshold used is £46,500 (twice the CRAG value). Appendix 4 shows how the financial assessment currently operates and Appendix 5 outlines the proposed changes. Appendix 6 illustrates the changes through a range of customer scenarios.

- 4.23 The benchmarking information received so far indicates that all other comparator authorities apply the CRAG capital thresholds in their financial assessments. All but two authorities (Calderdale 85 % & North Yorkshire 90%) assess 100% of disposable income as being available to contribute towards services compared with 90% in Leeds.

## **5 Impact of Proposals**

- 5.1 The proposals will bring Leeds into line with the majority of other authorities with regard to charges and are affordable for customers in accordance within the Department of Health's "Fairer Charging" guidance. Nonetheless, they will be perceived by customers as an increase at a time when they are under increasing financial pressure through higher food and fuel prices in recent years. Some will also be facing increased rent charges and reduced benefits income over time through the impact of the Welfare Reform agenda. Whilst higher housing costs and reduced benefits income will reduce the assessed contribution towards Adult Social Care services, this is not readily understood by customers. These factors will be considered further through the Equality, Diversity, Cohesion and Integration Impact Assessment that will be completed before the final proposals are developed.
- 5.2 Some people affected by the proposals within this review will also have been affected by the changes made in 2009 and 2011. The impact on these people will be considered specifically within the Equality, Diversity, Cohesion and Integration Impact Assessment that will be undertaken before final charging proposals are brought back to Executive Board.

### New Charges

- 5.3 The impact of the proposals to introduce new charges cannot be determined accurately as the substantial majority of customers are not receiving other chargeable services and so have not been financially assessed. It is estimated that a small proportion of the 908 people using mental health services would contribute towards the cost of their services. The proportion may be higher amongst the 389 people who use the Shared Lives home based sitting services as they will be mainly be older people who generally have higher income and savings than working age adults with mental health needs.
- 5.4 The charge for Care Ring will not be subject to a financial assessment, unless it forms part of a care package to meet eligible social care needs and this is very unlikely to apply to people receiving only the Care Ring service. Most people using Care Ring will not meet the HMRC definition of a disabled person that would enable the service to be exempt from VAT, so they will pay VAT at the standard rate, currently 20%. Assuming all current customers are liable to pay the full charge including VAT, 9658 people would pay an additional £3.84 per week.

### Financial Assessment Methodology

- 5.5 The impact of the proposed changes to the financial assessment methodology can be identified through the financial assessment database and this is set out in Appendix 7. In summary, all customers who currently pay for their service would

be assessed as able to contribute 10% more towards their care packages and people with capital between £14,250 and £46,500 would face an additional impact.

- 3,449 people (65%) would see no change in their payments
- 961 people (18%) would pay up to £5 per week extra for their services
- 569 people (11%) would pay between £5 and £10 per week extra
- 220 people (4%) would pay between £10 and £50 per week extra
- 142 (2%) will pay an extra £50 or more per week for their services.

### Transitional Arrangements

- 5.6 When changes have been made to charges previously, transitional arrangements have been put in place to limit the impact on existing customers initially to give them time to adjust to the new charges. These arrangements will be considered as the final recommendations are developed, taking account of the outcomes of the consultation process.

## **6 Corporate Considerations**

### **6.1 Consultation and Engagement**

- 6.1.1 A comprehensive stakeholder consultation and engagement process will be undertaken before any recommendations are made on changes to current charging arrangements. The consultation process will engage customers, carers, customer and carer led groups and forums, voluntary, community and faith sector organisations, partner organisations, staff and elected members. An advisory group including service users and carers has been established to advise on the accessibility of the consultation process, documentation and the report on the consultation findings. The group will also advise on the impact the proposals will have on those affected and contribute towards the Equality, Diversity, Cohesion and Integration Impact Assessment.
- 6.1.2 Consultation methods will be tailored to the stakeholder groups and will include briefing documents, the opportunity to respond in writing or electronically through Talking Point, and group discussions. Meetings will be held with stakeholder groups to help to understand the impact of any changes. Those customers directly affected by the proposed changes will receive written information outlining the likely impact for them and giving the opportunity to comment on the proposals and their impact. A telephone helpline will be available, staffed by the financial assessment visiting officers who will be able to explain the impact of the proposals based on the customer's individual circumstances.
- 6.1.3 It is proposed that the consultation will run from August to October 2012 and in total over 20,000 customers will be contacted with details of the proposed changes that will affect them. For mental health day services and the Shared Lives sitting service the consultation on charging will be done alongside consultation on the new service model.
- 6.1.4 Whilst this charging review is intended to be comprehensive, further consultations on charges may need to take place in the future. The providers of commissioned services will need to consult their customers about any changes as they align their charging arrangements with those approved for Adult Social Care directly provided services. Customer consultations may also be required if any functions currently

undertaken within other directorates transfer to Adult Social Care and charges need to be aligned with the Charging and Contributions Policy framework.

## **6.2 Equality and Diversity / Cohesion and Integration**

- 6.2.1 This charging review will affect all communities, but older people and people with disabilities are likely to be particularly affected as they are the main users of Adult Social Care services. Older people are likely to be affected most as generally they have greater financial means than younger adults with disabilities.
- 6.2.2 An Equality, Diversity, Cohesion and Integration Impact Assessment Screening Document has been completed and this is attached at Appendix 8. This has confirmed that an Equality, Diversity, Cohesion and Integration Impact Assessment will need to be undertaken before any recommendations are made on changes to current charging arrangements. This will be undertaken alongside the consultation process, taking account of the consultation outcomes and the outcomes from implementing the previous charging changes effective from 1<sup>st</sup> October 2011.

## **6.3 Council Policies and City Priorities**

- 6.3.1 This charging review will contribute to the Health and Wellbeing City Priority Plan through generating additional income to support more people to live safely in their own homes. It will also contribute to the Council's Business Plan priority of spending money wisely.

## **6.4 Resources and Value for Money**

- 6.4.1 The 2012/13 budget includes additional income of £0.25m for the estimated impact of this charging review for the part-year from 1<sup>st</sup> January 2013. The Medium Term Financial Plan identifies that additional income of £2.5m may be achievable by 2014/15, dependent on the outcomes of the further work, the subsequent consultation process and the final decisions made.
- 6.4.2 As with previous charging reviews, the additional income arising from the proposals within this review will be reinvested to support Adult Social Care services. These investments will help to mitigate future financial pressures and the additional income will support the "Better Lives" ambitions and associated service improvements. As an example, the Shared Lives service is constrained by its current budget provision and cannot readily expand the level of service it provides to meet demand. Income generated through charges for this service could enable the service to be expanded to better meet the needs of current customers and those people who cannot access the service as it is operating at full capacity.
- 6.4.3 Appendix 9 sets out the customer numbers and projected additional income based on assumptions for new charges as most of the customers have not yet been financially assessed. These proposals would generate estimated additional income of £2.9m, mainly from Care Ring charges (£1.4m) and changing the financial assessment methodology (£1.2m). Work is underway to identify any Care Ring and telecare customers who are also in receipt of other Adult Social Care services and so have already been financially assessed. The initial indications are that significantly fewer telecare customers have been assessed than was originally

assumed and so income from telecare customers could be up to £0.5m higher than currently projected.

- 6.4.4 Of the additional income, £0.2m will offset a current charge to the Housing Revenue Account for Care Ring and so the overall additional income to the Council's General Fund is projected at £2.7m. Introducing charges for Care Ring and the mobile response service will enable Supporting People funding of £0.3m to be withdrawn which will contribute to the savings the Supporting People programme needs to identify.
- 6.4.5 There will be some non-recurring implementation costs in the first year to undertake the additional care assessments and financial assessments for customers of mental health services, the Shared Lives home based sitting services and telecare. This non-recurring cost is currently estimated at £0.3m.
- 6.4.6 Given these initial implementation costs it is unlikely that the £0.25m additional income from this charging review included within the 2012/13 budget will be achieved. However, income collection rates are higher than budgeted through the impact of the centralised billing team established in 2011/12 and this will offset any shortfall in the current financial year.

## **6.5 Legal Implications, Access to Information and Call In**

- 6.5.1 This review takes account of the Department of Health's Fairer Charging Guidance 2003 and Fairer Contributions Guidance 2010 and the Council's fees and charges policy. Legal advice has been sought from the Corporate Lawyer Social Services in the preparation of this report.

## **6.6 Risk Management**

- 6.6.1 There is some risk of anxieties being raised during the consultation process and adverse reactions from customers and other stakeholders. Although the proposals will not result in higher customer contributions in Leeds than other authorities are already levying, the timing of the changes in relation to Welfare Reform adds to the risks around negative perceptions.
- 6.6.2 There is some risk of service users ceasing or reducing their use of services following the outcome of this charging review and appropriate steps will be taken during the review process to mitigate this risk.
- 6.6.3 The White Paper on the Funding of Adult Social Care Services following the Dilnot Report published in July 2011 is due very shortly. This may have implications for the proposals to change the financial assessment methodology.
- 6.6.4 A risk management plan has been put in place to identify risks as they arise and to identify and implement actions to mitigate them.

## **7 Conclusions**

- 7.1 A public consultation will be undertaken on the impact of proposed changes to non-residential Adult Social Care charges. These proposed changes will bring Leeds into line with the majority of other authorities and generate an estimated £2.7m net additional income to the Council by 2014/15. This will contribute

towards the sustainability of services in the current challenging financial environment.

## **8 Recommendations**

8.1 Executive Board is recommended to:

- (i) Approve the public consultation on proposed new charges that are set out in sections 4.8
- (ii) Note the impact of the proposed changes on commissioned services as outlined in sections 4.17 and 4.18
- (iii) Note the impact of the proposed changes on other Council services as set out in sections 4.19 and 4.20
- (iv) Approve the public consultation on the proposed changes to the financial assessment methodology that are set out in sections 4.21 and 4.22
- (v) Agree that a further report will be brought to Executive Board later this financial year with final charging proposals following a more detailed analysis of the impact and the outcome of the consultation.

## **9 Background documents <sup>1</sup>**

9.1 Fairer Contributions Guidance - Department of Health, November 2010

9.2 Fairer Charging Guidance - Department of Health, September 2003

9.3 Charging for Residential Accommodation Guide (CRAG) - Department of Health, April 2011

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

9.5 Prioritising Need in the Context of Putting People First: A whole system approach to eligibility for social care – Department of Health, February 2010

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

9.7 Adult Social Care Charging and Contributions Policy Framework – July 2011

9.8 Executive Board Report 13<sup>th</sup> February 2009 – Income Review for Community Care Services

9.9 Executive Board Report 27<sup>th</sup> July 2011 – Charges for Non-Residential Adult Social Care Services

9.10 Leeds City Council Value for Money Profiles 2012

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<sup>1</sup> The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.