

CABINET – 14th June 2006

REPORT OF THE DIRECTOR OF ADULT, COMMUNITY AND HOUSING SERVICES

PROPOSALS FOR EXTENDING THE CHARGING POLICY COMMUNITY CARE SERVICES

Purpose of Report

1. To approve proposals for extending the charging policy for community care services for adults to include people with a learning disability and those with mental health needs

Background

The Principle of Fairer Charging

2. In November 2001 the Department of Health issued statutory guidance to Councils entitled 'Fairer Charging Policies for Home Care and other Non Residential Services'.
3. The Guidance tried to achieve more consistency in charging policies for non-residential services across the country. The Guidance provides some scope for local interpretation and in Dudley we have taken a pragmatic approach that has not been too complex to administer and not too intrusive for service users.
4. When the Charging Policy for older people and those with a physical disability was introduced in line with Department of Health Guidance on Fairer Charging in August 2003, Learning Disability and Mental Health service users aged 18 to 64 were not included. It was agreed that they would be considered at a later stage of implementation.
5. Older people and those with a physical disability are charged for home care and for transport to day care but not for day care itself.
6. The Council's Charging Policy must be seen to be fair and equitable. At present this is not the case as significant groups of service users are not included. The extension of the policy to these groups requires approval by Cabinet.
7. Charging for service users with a learning disability and those with mental health needs should be consistent with the principles established in the existing Charging Policy.

How Charging works

8. A key feature of the Guidance is the requirement for specialist staff to carry out the financial assessments required, and also to maximize the benefit entitlement for those service users subject to fairer charging.
9. In Dudley the Directorate of Adult, Community & Housing Services has employed 7 Welfare Benefits Officers in District/Hospital teams to carry out this role. A further Welfare Benefits Officer will soon be appointed to the Community Team for Learning Disability.
10. A benefit maximisation check is undertaken for all service users. A full individual disability related expenditure assessment is carried out where service users wish us to do this
11. In accordance with the Guidance, the available income taken into account for a service user is split into two parts - income from general benefits, which is not related to any disability, is taken into account in full. 80% of disability related benefits are taken into account. The remaining 20% of disability benefits is left with service users to cover their disability related expenditure. Some sources of income e.g. child benefit cannot by law be taken into account.
12. The charge is calculated on the income of the service user less an allowance prescribed by the Government as income support + 25%. In this way the charge should not impact on the money, which the service user needs for the costs of normal living.
13. The maximum charge levied is the lower of the following - the Service User's available income, cost of the care package or maximum charge of £200 per week. Where a package of care exceeds £200, service users pay the difference on a pound-for-pound basis.
14. The maximum charge has been set at this level for two reasons - firstly those service users aged under 65 receiving over £200 per week worth of service from the council would be eligible for Independent Living Fund (ILF) funding dependent on their benefit entitlement to pay for any services over £200. Secondly, it avoids any perverse incentive with regard to residential or nursing care.
15. **Appendix A** sets out the current charges, which would apply for transport and home care. **Appendix B** shows the impact on the service user and the impact on Directorate budgets of the revised policy.
16. Service users, who have over £21,000 in capital, are expected to pay no more than the costs of the care package or £200, whichever is the higher.
17. Where the service user is one of a couple he/she is charged individually. If only one person in a couple is a service user, we check to ensure that their income will not fall below the 'standard minimum guarantee' for a couple plus 25% after paying the charge.

Implications of Charging

18. Charges for transport will promote the modernisation of the day service for people with a learning disability, by encouraging some service users to explore alternative modes of transport or to reduce the number of days on which they attend the centres. Increasingly, services will be provided at community venues which are closer to people's homes
19. Income from charging could also facilitate provision of alternative transport by DMBC such as travel training schemes and walking buses.
20. In exceptional cases, consideration will be given to exempting people with mental health needs from charges where charging could cause them to disengage from services and this would pose a serious risk to their health.
21. Service users who are subject to the after-care provisions of Section 117 of the Mental Health Act 1983 will be exempt from charging.

Finance

22. We have modelled the charging policy against a sample of 24 learning disability and mental health cases as detailed in **Appendix B** to this report.
23. The approximate numbers of people with a learning disability who may be assessed for charges are as follows:

300 Transport
Home Care
Home care and Transport
Direct payments

It is estimated that 60 – 70% of these clients would actually be charged

50-60 clients with mental health needs are expected to be assessed for charges.
24. The results of the sample would suggest that the average charge payable would be £3 per week.
25. The forecast income receivable by the Department is also shown in Appendix B. An allowance of 20% has been built into the forecast for those service users who may not wish to maximise their benefits. With benefit maximisation, the income from charging represents on average about 6 – 9% of the cost of the service for this sample.
26. The expected income from extending the charging policy to people with learning disability and mental health needs will be modest – the total income in the first year is expected to be around £30,000.
27. For people with a learning disability, a 20% disregard of disability-related income would apply, as with the existing Charging Policy

28. Changes to the service user charge, once set, is made only on the annual review or where Benefits have been maximised.

Law

29. The Guidance Fairer Charging Policies for Home Care and Other Non Residential Social Services was issued under Section 7 of the Local Authority Social Service Act 1970.

Equality Impact

30. The introduction of this policy is designed to provide individual financial assessments and welfare benefit advice to service users that are fair and equitable to all.

Recommendations

31. It is recommended that Cabinet agrees to extend the charging policy to people with a learning disability and those with mental health needs, as follows:
32. Transport to and from day care, including Council centres, external day care and other day opportunities e.g. community activities; work placements, where the Council arranges and pays for the transport.
33. Home Care. Service users of the Older People's (aged over 65) Mental Health team in the integrated Mental Health Service and older people with a learning disability are already subject to charge, except for the first six weeks of care. Charging will now be extended to adults, aged 18 to 64, except where exempt under Section 117 of the Mental Health Act.
34. Where the Directorate pays for housing-related support through the Supporting People budget, we would make a charge on the basis that similar services, which promote independence for older people are charged.
35. These charges would apply with effect from 1st April 2007 to allow time for consultation with service users and to prepare for implementation.
36. Other Services will not fall within the Charging Policy. For example, care provided by organisations to replace in-house day care where service users cannot be managed in day centres will not be charged. Charges, which are already made for meals in day centres would continue. The uplift for social care charges, which fall outside the Charging Policy, will take effect from 1st August 2006.



.....

Linda Sanders
Director of Adult, Community and Housing Services

Contact Officer : Richard Carter
Assistant Director, Learning Disabilities and Mental Health
Telephone: 01384 815820
Email: Richard.carter@dudley.gov.uk

List of Background Papers

Fairer Charging Policies for Home Care and other non-residential Social Services –
Guidance for Councils with Social Services Responsible LAC (2001) 32.

Practice Guidance for Fairer Charging August 2002.

APPENDIX A

CHARGES APPLIED FOR SERVICES

The following charges are currently applied for services:

Transport: £2.95 per day for cost to and from centre

Domiciliary Care: £10.30 per hour

APPENDIX B

Case Examples

Tony

Tony has a mental health needs. He receives a total of £133 per week in benefits (incapacity benefit and disability living allowance).

He receives home care, which costs the Council £41 per week and transport to a day centre which costs the Council £14 per week – total cost £55.

£120 of Tony's income would be disregarded for charging purposes, leaving a balance of £13, which is the charge he would pay.

Gloria

Gloria has a learning disability and lives at home with her parents. She receives a total of £123 per week in benefits (income support, disability premium and disability living allowance).

She receives transport to a day centre, which costs £14 per week.

£120 of Gloria's income would be disregarded for charging purposes, leaving a balance of £3, which is the charge she would pay.

Mavis

Mavis has a learning disability. She receives a total of £136 per week in benefits (incapacity benefit and disability living allowance).

She receives home care and transport to a day centre, which costs £148 per week.

£120 of Gloria's income would be disregarded for charging purposes, leaving a balance of £16, which is the charge she would pay.

The charge, which is payable, is the cost of the service or the amount available to charge, whichever is the smaller amount.

If the service user has a carer who receives carers' allowance the charge would be higher – in the case of Mavis, £26 rather than £16.

Income from charging

A sample of 24 service users was examined in order to estimate the income, which might be expected from extending the charging policy to cover people with a learning disability and those with mental health needs.

This sample indicated that 10 service users would pay no charge and 10 would pay less than £3 per week.

The income from charging from this group would be £83 per week. This equates to a total for both client groups of approximately £30,000 per annum at 2006-07 prices.