

Decision Record – Consultation on Customer Charges for Adult Social Care Services

Cabinet Portfolio Holder taking the decision	Cllr Jose Compton Adult Social Care
Date of Decision (not before: 23 rd May 2014)	23/05/2014

Decision Taken

That the Portfolio Holder for Adult Social Care gives approval for a ten-week public consultation on the proposed changes to charging for Adult Social Care services in Warwickshire.

Reasons for Decisions

There are a range of options for how to approach potential changes to charging:

- Option 1 - Do not introduce changes
- Option 2 - Apply full cost charging to all services
- Option 3 - Apply full cost charging to services where it is pragmatic to do so
- Option 4 - Increase charges but not to full cost

A summary of the pros and cons of each option are set out in Appendix 1 to the proposed decision report. The pursuit of Option 3 – charging at full cost for all chargeable services with some exceptions – is recommended. This would bring these services more into line with the overarching policy set out in the previous charging review. It would promote a fair and consistent approach to charging. All customers of care services are customers because of a degree of disability or dependency and this proposal is predicated upon the principle that there is no reason why any one group should be subsidised when another is not.

Background Information

In 2010, the policies for charging for Adult Social Care services in Warwickshire underwent a fundamental change. The principle that there should be no artificial subsidies was established and the principle of charging at full cost was set out. The revised charging rates are now fully embedded.

However, whilst the last charging review did deal with removing subsidies from the most significant high volume services (home care, day services, and transport), there remain some services that are currently still subsidised. Due to the significant complexity and rate of change in Adult Social Care services, it is necessary to regularly review the position with regard to charging and consider if any further changes are required.

This report sets out a number of services where further changes to charging practice are proposed, either because a service is not charged for currently, or is not charged for at the full cost rate, and proposes steps to bring these service areas into line with the fundamental policy of full cost charging.

Removing subsidies would make charging arrangements fairer fundamentally, and the application of the means test means that no customer would pay any charges or any increases in charges that are not assessed as being affordable to them. However, any

proposal to introduce charges where there were none before, or to increase charges, inevitably leads to financial implications for existing customers who have the means to pay more.

For clarity, this report is focussed on current local policies and making them consistent. It is not making recommendations in response to the Care Bill, although it does have regard to the Care Bill. A section at the end of the report explains briefly some relevant issues regarding the Care Bill.

The One Organisational Plan does include four-year savings targets for Adult Social Care charging which reaches £600,000 p.a. in 2017/18. Any additional income generated by these changes would contribute towards that target.

How much additional income is generated by a given change in charging policy is difficult to forecast because the means testing of contributions reduces the income chargeable in a complex way. In general terms, contributions from older people are higher (around 30%-35% on average) as older people receiving support have mostly developed disabilities in older age and have generated savings and income during working age, whereas service users of working age tend to have less income and less savings and so contribute less (around 5%-10% on average) towards the costs of their care. Many of these proposals relate to working age service users with less means to pay.

In some cases the clients affected by the changes proposed below are also in receipt of other chargeable services which they are paying contributions towards. Therefore, a customer who appears to have the means to pay more contributions may in fact already be contributing the maximum against other services and therefore will not be able to contribute anything towards these additional service charges.

Financial Implications

The estimated additional income from each proposal will be calculated based on data about current and expected clients, but calculating additional income is complicated by the following factors:

- Many clients will already be paying charges towards other services and already be at or some way towards their means test limit – therefore they may not have any more available income to pay further charges.
- Changing charging rates has the potential to change customer choices, so in addition to seeing changes in income rates there may be changes in the services chosen.
- The customer base and service usage levels are constantly changing.

The charging savings target is £600,000 p.a. by 2017/18. The changes proposed in this report would potentially deliver savings in the range from £200,000p.a. to £600,000p.a., depending upon (1) their impact on client choices, (2) how much chargeable income is already used up contributing towards other care services, and (3) what proportion of services provided to Section 117 customers is chargeable.

The cost of administration is a factor, and any administration costs will offset savings. The proposals have regard to balancing administration costs against the principle of fairness and against the levels of income generated. Administration costs arise both from an increase in charging activity and from an increase in charging complexity (for example moving from daily rates to hourly rates).

Report Author	Chris Norton
Head of Service	Jenny Wood
Strategic Director	Wendy Fabbro
Portfolio Holder	Councillor Jose Compton

Checklist

Urgent matter?	No
Confidential or Exempt? (State the category of exempt information)	No
Is the decision contrary to the budget and policy framework?	No

List of Reports considered - please include link to the report

Link to published proposed decision report:

<https://democratic.warwickshire.gov.uk/cm5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/3047/Committee/552/Default.aspx>

List of Background Papers - please include a contact for access to background papers

None.

Members and officers consulted or informed – please include any comments

Portfolio Holder – Councillor Jose Compton
 Legal – Alison Hallworth, Jane Pollard
 Finance – Chris Norton
 Equality – Minakshee Patel
 Democratic Services – Georgina Atkinson

Adult Social Care & Health OSC – party spokes:

Councillors John Appleton, John Beaumont, Richard Dodd and Caroline Phillips