

Portfolio Holder (Adult Social Care) Decision Making Session

Agenda

25 March 2010

A Portfolio Holder (Adult Social Care) Decision Making Session will be held at **SHIRE HALL, WARWICK** on **Thursday 25 March 2010 at 12:05 pm on the rising of the Portfolio Holder Children, Young People and Families Decision Making Session if that is later.**

The agenda will be:

1. General

Members' Disclosures of Personal and Prejudicial Interests.

Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the item (or as soon as the interest becomes apparent). If that interest is a prejudicial interest the Member must withdraw from the room unless one of the exceptions applies.

Membership of a district or borough council is classed as a personal interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.

2. Minute of Decision Making Session held on 26 November 2009.

3. Proposed consultation on charges

Report of the Strategic Director of Adult, Health and Community Services enclosed.

4. Any Other Urgent Business

JIM GRAHAM
Chief Executive
Warwickshire County Council
March 2010

Cabinet Portfolio Holder for Adult Social Care: Councillor Colin Hayfield
cllrhayfield@warwickshire.gov.uk

The public reports referred to are available on the Warwickshire Web
www.warwickshire.gov.uk/committee-papers

General Enquiries: Please contact Janet Purcell, Executive & Member Support Manager
Tel 01926 413716 or email: janetpurcell@warwickshire.gov.uk

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Minutes of Portfolio Holder Adult Social Care Decision Making Session held on 26th November 2009

Present:

Councillor Colin Hayfield (Cabinet Portfolio Holder Adult Social Care):

Others in attendance:

Members

Councillors: Martin Heatley, Peter Fowler, Alan Cockburn, Clare Hopkinson.

Officers:

Jane Pollard (Democratic Services Manager)

Gill Jowers (Adult, Health & Community Services Directorate)

Geoff Taylor (Resources Directorate)

1. General

(1) Members Declarations of Personal and Prejudicial Interests

Councillor Hayfield declared a personal interest as a Non-Executive Director of NHS Warwickshire

2. National Demonstrator Site for Common Assessment Framework – Years 2 and 3 Partnership Bid with NHS Warwickshire for £5m Investment from Department of Health

Councillor Hayfield considered the report of the Strategic Director of Adult, Health and Community Services seeking approval to submit a further bid to Department of Health for £5M to fund years 2 and 3 of the national demonstrator programme. The bid is to be submitted jointly with NHS Warwickshire. Councillor Hayfield considered this a good example of partnership working which should be supported.

This proposal was approved for urgent decision by Councillor Peter Barnes Chair of Council. The decision below takes immediate effect.

Resolved

Approval is given to the submission of a formal bid to the Department of Health for £5M funding to enable our local Common Assessment Framework partnership to continue development and evaluation work for a further two years.

3. Any other items

There were no other urgent items of business.

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Portfolio Holder

The session concluded at 9.40 a.m.

AGENDA MANAGEMENT SHEET

Name of Committee **Adult Social Care Portfolio Holder**
Date of Committee **Decision Making Session**
 25th March 2010

Report Title **Fairer Charges 2010/11**

Summary Cabinet approved, on 21 February 2008, a policy of increases in Fairer Charges of RPI + 1% for each of the three years starting in July 2008. This report seeks approval to implement the final year's increase in accordance with this policy with effect from July 2010.

For further information please contact: Chris Norton
 Strategic Finance Manager
 Tel: 01926 742035

Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None.

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s) Not Applicable
- Other Elected Members Councillor L Caborn, Councillor B Longden, Councillor T May, Councillor K Rolfe
- Cabinet Member Councillor C Hayfield
- Chief Executive
- Legal Alison Hallworth, Adult and Community Team Leader
- Finance Chris Norton, Strategic Finance Manager
 Joanne Rouse, Project Development Accountant
- Other Chief Officers
- District Councils

- Health Authority
- Police
- Other Bodies/Individuals Jane Pollard, Democratic Services Manager

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Adult Social Care Portfolio Holder Decision Making Session – 25th March 2010

Fairer Charges 2010/11

Report of the Strategic Director of Adult, Health and Community Services

Recommendations

It is recommended that the Portfolio Holder:

1. Approves an increase in Fairer Charges of RPI + 1% with effect from July 2010 in line with current policy (see section 1.2).
2. Specifically approve the new charges as detailed in section 2.4 and Appendix A – subject to confirmation of the final RPI figure as at February 2010 (see section 2.3)
3. Approve an equivalent increase in the rates used to calculate Direct Payments with effect from July 2010 (see section 1.4)
4. Consider the revised timescale of 1 January 2011 for the implementation of the new Fairer Contributions system and the impact of the proposed increase in offsetting the resultant budget shortfall (see sections 3.1 – 3.3).

1. Introduction

- 1.1 Fairer Charging is covered by guidance under Section 7 of the Local Authority Social Services Act 1970. A Council's charging policy is open to challenge and should be subject to consultation with the public. The policy should also adhere to the requirements of the guidance in terms of ensuring equity between different client groups as well as between clients taking direct payments and those in receipt of local authority commissioned services.
- 1.2 At their meeting on 21st February 2008, Cabinet approved a policy of increases in Fairer Charges of RPI +1% for each of the three years starting in July 2008. This report seeks approval to implement the final year's increase in accordance with this policy with effect from July 2010.
- 1.3 It is important to consider this proposal within the wider context of the Personalisation agenda for adult social care services and the introduction of Personal Budgets as well as the current budget position of AHCS. The contextual implications of both factors are considered below.
- 1.4 It is also important to ensure that any charging increases are equally applied to the arrangements for calculating direct payment amounts. This is to ensure equity of treatment between traditional and direct payment customers as per the requirements of the Department of Health Guidance. It is therefore proposed that the rates used to calculate direct payments are increased to

charging rates for traditional services and that the increase is effective from July 2010.

2. Proposed Charges and Financial Implications

- 2.1 Fairer charging gives councils the discretionary power to charge adult recipients of non-residential services. Councils may recover such charges as they consider reasonable and the guidance sets out those services against which charges may be levied.
- 2.2 At present chargeable services in Warwickshire include home-care, day-care, telecare and respite care. All Clients in receipt of these chargeable services are subject to financial assessment which determines the level of charge they incur. The Council also levies a flat rate charge for transport although transport charges are not covered by the financial assessment process.
- 2.3 To comply with approved policy of RPI +1%, the RPI rate as at February 2010 will need to be applied to current charges. However, the Office for National Statistics will not publish this figure until the end of March. The January RPI figure of 3.7% has therefore been used in this report as a reasonable proxy and to illustrate the likely financial impact. However, it will be the actual RPI index as at February which will be used to implement the final price increase and the Portfolio Holder will be notified if the actual rate in February varies significantly from the 3.7% rate assumed. Applying this increase will generate approximately £345,000 in a full year, but will generate £260,000 in 2010/11 if introduced on 1 July.
- 2.4 The current and proposed charges are shown below. For comparative purposes, the 2009/10 and 2010/11 rates (where available) for other local authorities are shown in Appendix A of this report.

| | Current Charge 2009/10 | Proposed Charge 2010/11 |
|-----------------------|---------------------------------|---------------------------------|
| Home Care | £9.22 /hour | £9.66 / hour |
| Day Care | £5.30 /day (or part thereof) | £5.55 /day (or part thereof) |
| Telecare | £4.55 / week | £4.76 / week |
| Respite Care | £3.94 /day | £4.13 /day |
| Transport | £1.27 /journey | £1.33 /journey |
| Maximum Weekly Charge | £369.75 | £387.13 |

- 2.5 As can be seen from the data in Appendix A, Warwickshire's charges for homecare are the lowest of all authorities listed – even when comparing the proposed 2010/11 charge of £9.66 with the 2009/10 charges for other Local Authorities. .

- 2.6 There is a margin of £8 between Warwickshire's proposed charge for 2010/11 and the highest current charge for Homecare in 2009/10 (Oxfordshire). This means that Oxfordshire are charging almost 85% more for the service than Warwickshire before clients go through the financial assessment process. It is a similar story for all the other Local Authorities listed, who on average are charging almost 50% more for homecare services than in Warwickshire (with a significant number also having no maximum weekly charge level)
- 2.7 Homecare income accounts for approximately 92% of Community Care charges in Warwickshire, and is expected to generate approximately £4.56m in 2009/10. Increasing charges by 4.7% on 1st July 2010 would generate an additional £244,000 in 2010/11.
- 2.8 Charging levels for Day care show much wider variations, with three authorities shown in Appendix A making nil / nominal charges, through to Birmingham who charge between £40 and £65 per day.
- 2.9 Warwickshire's proposed 2010/11 charge of £5.55 is significantly less than the top charging rates levied for Day care in 2009/10 by other authorities. Warwickshire's proposed rate is £34/day less than Birmingham and £17 and £13 per day less than Coventry and Solihull respectively.
- 2.10 Day care income accounts for approximately 4% of Community Care charges in Warwickshire, and is expected to generate approximately £177,000 in 2009/10. Increasing charges by 4.7% on 1st July 2010 would generate an additional £9,000 in 2010/11.
- 2.11 Income from transport charges accounts for approximately 4% of Community Care charges in Warwickshire, and is expected to generate approximately £176,000 in 2009/10. Increasing charges by 4.7% on 1st July 2010 would generate an additional £6,000 in 2010/11.

3. Context

- 3.1 At their meeting on 17th December 2009, Cabinet approved the 2010/11 budget for AHCS which included an additional income target of £769,000 against adult social care charging.
- 3.2 The savings target was originally designed to reflect the development of the Personalisation agenda for adult social care services, the introduction of Personal Budgets and a repositioning of charges to work towards full cost recovery. A key part of this process will be the introduction of Fairer Contributions (in accordance with national Fairer Contributions Guidance issued by the DoH) combined with increasing recovery rates for social care services over a two year period.
- 3.3 It was originally anticipated that charges in 2010 /11 would be reviewed as part of the new contributions process above. As such, clients would move to the new contributions system with effect from October 2010 and that a July

increase would not be actioned.

- 3.4 However, it is now unlikely that the original timescale of 1st October 2010 for the implementation of Fairer Contributions will be achieved and that a more realistic target is likely to be 1st January 2011. This will have both a significant and adverse effect on the savings target – and if we take no further steps will result in a shortfall of approximately £385,000 against the 2010/11 budget.
- 3.5 Increasing charges in line with current policy as detailed in 2.4 above will go some way towards partially offsetting this shortfall. In the period prior to implementing the new fairer contributions system (1st July – 31st December) the proposed increase would generate approximately £175,000. However, this will only partially cover the total budget shortfall, and will still leave £210,000 to find in 2010/11.

GRAEME BETTS
Strategic Director of Adult,
Health and Community Services

Shire Hall
Warwick

March 2010

SUMMARY OF HOMECARE & DAY CARE CHARGES ACROSS AUTHORITIES

(NB 2010/11 WCC charging rates below are based on January RPI + 1% - these will be amended to February RPI +1% when the data is published by the ONS)

| | Home Care | | Day Care | | Maximum Weekly Charge (before Financial Assessment) | |
|------------------|----------------------------|--|---|---------------------------------------|--|---------------------|
| | 2009/10 Charge Per Hour | Proposed 2010/11 Charge Per Hour | 2009/10 Charge Per Day | Proposed 2010/11 Charge Per Day | 2009/10 | 2010/11 Proposed |
| Oxfordshire | £17.68 | not yet available | £1.48 (OP) £3.57 (LD) | not yet available | £550.00 | not yet available |
| Solihull | £16.25 | £16.65 | £4.30 | £4.40 | no upper limit | no upper limit |
| Northamptonshire | £14.96 | not yet available | £9.28 / 0.5 day (OP) £17.51 / 0.5 day (LD) | not yet available | no upper limit | not yet available |
| Birmingham | £14.91 | not yet available | £40 (OP) £65 (PD) £50 (LD) £45 (MH) | not yet available | no upper limit | not yet available |
| Coventry | £14.48 | £14.93 | £22.73 | £23.43 | no upper limit | no upper limit |
| Staffordshire | £14.24 (10 hours max) | not yet available | no charge | not yet available | £142.40 | not yet available |
| Shropshire | £11.12 | not yet available | no charge | not yet available | £120.00 | not yet available |
| Warwickshire | £9.22 | £9.66 | £5.30 | £5.55 | £369.75 | £387.13 |