



## HEALTH, SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE - 26TH MARCH 2013

**SUBJECT: NON-RESIDENTIAL SOCIAL SERVICES CHARGING TASK AND FINISH GROUP**

**REPORT BY: ACTING DIRECTOR OF SOCIAL SERVICES**

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### 1. PURPOSE OF REPORT

- 1.1 To inform and seek the endorsement of the Health Social Care and Wellbeing Scrutiny Committee of the final recommendations of the Non-Residential Social Services Charging Task and Finish Group.

### 2. SUMMARY

- 2.1 The Health Social Care and Wellbeing Scrutiny Committee established a task and finish group to examine charging for non-residential social services and make recommendations.
- 2.2 The review group's terms of reference were to examine the requirements of the Social Care Charges (Wales) Measure in 2010 and the impact upon non-residential social services charging in respect of: -
- Services that have a charge
  - The level and application of charges
  - Allowances and disregards
- 2.3 This report outlines the main findings of the review group and makes a number of recommendations for charging in respect of non-residential social services.

### 3. LINKS TO STRATEGY

- 3.1 The operation of Scrutiny is a requirement of the Local Government Act 2000.

### 4. THE REPORT

#### Task and Finish Group Membership

- 4.1 The review group members were as follows: -

Councillor L. Binding  
Councillor A. Collins  
Councillor K. James  
Councillor K. Reynolds  
Councillor L. Williams

Councillor R. Woodyatt  
Mr. C. Luke (Co-opted Member)  
Mrs. M. Veater (Co-opted Member)

4.2 Following the May 2012 election the review group was reconstituted with the following members: -

Councillor L. Ackerman  
Councillor L. Binding  
Councillor Mrs. P. Cook  
Councillor Mrs. J. Gale  
Councillor L. Gardiner  
Councillor N. George  
Councillor C. Gordon  
Councillor B. Jones  
Councillor S. Morgan  
Councillor J.A. Pritchard  
Mr. C. Luke (Co-opted Member)  
Mrs. M. Veater (Co-opted Member)

### **Background**

4.3 The Health Social Services and Social Security Adjudications Act 1983 gave Local Authorities in England and Wales the discretionary power to charge for non-residential social services. Non-residential social services can be described as services provided to adults that are not residential and include home care, day care and supported accommodation.

4.4 In 2002 the Welsh Government (WG) issued good practice guidance to Local Authorities entitled 'Fairer Charging Policies for Home Care and other Non-residential Social Services'. The aim of the guidance was to ensure that service users net income did not fall below basic levels of income support (or equivalent) as a result of charging. The guidance also included a number of disregards, to be taken into consideration when calculating ability to pay, as follows: -

- A 'buffer' of 35% of that basic income.
- An additional disability related disregard of 10% of that basic income.
- Savings credit payments, which are received under the pension credit arrangements.
- Any earnings, including carer's income for carer's assessments.

4.5 Upon the introduction of the WG guidance Caerphilly County Borough Council agreed to only levy client contributions for traditional domiciliary care services. These are defined as home care and day care (including transport). It was also agreed not to take into account clients' capital and savings when making financial assessments of their contribution levels.

### **Findings**

#### **Social Care Charges (Wales) Measure 2010**

4.6 The review group were informed that from April 2011 the Welsh Government's 'Social Care Charges Wales Measure 2010' came into effect. This is based upon the Fairer Charging Guidance from 2002 and sets out a number of requirements, which Local Authorities must adhere to when they choose to charge for non-residential social services. These requirements are as follows: -

- The maximum weekly contribution a service user will be asked to pay for non-residential services must be 'capped' at £50.00 – service users cannot be asked to pay more, even if they have the financial means to do so.
- Transport to day care services will be provided free of charge – Local Authorities will no longer be able to impose client contributions towards transport costs.

- Service users will be 'invited' to have a financial assessment undertaken and will be given a reasonable timescale to respond to the invitation. Authorities are able to impose a charge without a financial assessment being undertaken for those not responding within the timescales without reasonable cause.
- A consistent and simple review and appeals process is adopted whereby service users are able to request a review of a decision to impose a charge.

## **Charges**

- 4.7 In 2007 the Council agreed to simplify its charging method for domiciliary care from a banding system based on the hours of care received, to a set hourly rate. The weekly maximum contribution per week was set at £83 however this reduced to £50 in line with the new charging Measure, which was introduced in April 2011. The hourly rate increased to £6.57 in April 2012.
- 4.8 Members noted that the new £50 maximum weekly charge was less than the £83 maximum previously charged by the Council. This resulted in a loss of income of approximately £147,000 per annum, made up as follows: -
- 181 clients would no longer make a contribution towards transport - £25k
  - 123 clients who were paying more than £50 per week towards services - £122k
- 4.9 The review group were informed that Local Authorities would be compensated by the Welsh Government for this loss of income. However Members were concerned that the compensation would not take into account any increases in numbers receiving services projected over the next 20 years, as a result of population increase and predicted longer life span. This was brought before Health Social Care & Wellbeing Scrutiny Committee in March 2011, where it was reported that front line services would need to be modernised in order to cope with the additional demands.

## **Assessment of Charge**

- 4.10 In order to determine how much a service user can afford to pay towards their service a financial assessment is carried out. The review group were informed that the Social Services Income Maximisation Team would visit service users in their own home to obtain financial details and review relevant documentation in relation to income, such as benefits and occupational pension. The team would also provide service users with advice on other benefits they may be entitled to and assist in the completion of benefit claim forms.
- 4.11 The Social Services Financial Assessment Team will then undertake a financial assessment calculation to determine the amount the service user should contribute towards their care. This allows for a minimum living allowance after excluding expenditure such as rent/mortgage, council tax etc.
- 4.12 The living allowance is based on an amount stipulated by Welsh Government and are set at the basic levels of Income Support plus 45%. As at April 2012 these levels are as follows:
- |                                      |         |
|--------------------------------------|---------|
| • Pensioner aged 60+, single         | £206.92 |
| • Pensioner aged 60+, couple         | £315.96 |
| • Disabled adults aged 25-59, single | £168.42 |
| • Disabled adults aged 25-59, couple | £255.20 |
| • Disabled adults aged 18-24, single | £147.03 |
| • ESA clients, aged 18-59            | £173.78 |
| • Per child                          | £64.99  |
- 4.13 In order to understand how a financial assessment would affect an individual, examples of financial assessments are attached at appendix 1 as follows: -
- Example 1 – single pensioner aged 60+

- Example 2 – Single adult with a learning disability aged 25-59
- Example 3 – single adult with a physical disability aged 25-59
- Example 4 – single adult with a physical disability aged 60+

4.14 The review group noted that the maximum weekly contribution of £50 is regardless of the level of income and savings held by the service user.

### Comparison of Charges

4.15 The review group asked for data on the level of client contributions towards non-residential care services in CCBC compared to neighbouring Local Authorities. The following table provides details as at April 2012: -

Local Authority	Home Care Hourly Charge	Supported Living Hourly Charge	Day Care Attendance Daily Charge
Caerphilly	£6.57	£6.57	£1.62
RCT	£11.13	£11.13	£12.97
Merthyr Tydfil	£10.00	£10.00	£10.00
Monmouthshire	£10.85	£10.85	£10.85
Newport	£11.35	£11.35	£34.52
Torfaen	£12.50	£12.50	£31.20
Bridgend	£13.00	£13.00	£24.50 to £33.40
Blaenau Gwent	£16.25	£16.25	£46.43

4.16 Members expressed surprise that the charges set by the Council were the lowest of its neighbours, in particular the daily charge for day care attendance of £1.62. This contrasts sharply with the cost of providing day care, which is an average of £ 41 per day in Caerphilly County Borough Councils' own day centres.

4.17 The review group asked for information on how many clients make a contribution towards their services. These services are the following: -

- Domiciliary Care Services (home care/ sitting service/ domestic services)
- Supported Living Services
- Attendance at Day Care Services
- Equivalent services provided by direct payments

4.18 This following table gives a breakdown of the number of clients making a contribution towards their care (including direct payments), as at January 2013: -

Service	Number Clients Receiving Services	Contribution Payable	Nil Contribution Payable
Home care	1031	629	402
Supported Living	154	96	58
Day Care	601	226	375

4.19 The above shows that significant numbers of clients make no contribution towards their services, 39% of home care clients, 38% of supported living clients and 62% of day care clients.

4.20 The following table shows a breakdown of the numbers of clients paying a contribution towards non-residential social services, shown in increments of ten pounds per week: -

	Amount payable per week – excluding day care						Total
	Nil Charge	£1 - £10	£11 - £20	£21 -£30	£31 - £40	£41 -£50	
Number of service users	460	20	49	51	43	562	1185

- 4.21 The review group asked why there were a large number of clients in the £41 - £50 per week category. It was clarified that in some circumstances clients refuse to take part in the financial assessment process and therefore pay full contribution up to the maximum of £50 per week.

### Income

- 4.22 The following table is a breakdown of income generated from client contributions towards non-residential care services:

Service	Actuals				Projection
	2008/09 £	2009/10 £	2010/11 £	2011/12 £	2012/13 £
Home Care	842,098	833,477	834,109	764,617	865,932
Direct Payments	24,278	66,482	144,246	115,856	98,978
Supported Living	264,929	285,598	300,534	242,220	182,489
Day Care Attendance	20,066	20,741	22,594	23,398	26,547
<b>Total</b>	<b>1,151,371</b>	<b>1,206,298</b>	<b>1,301,483</b>	<b>1,146,091</b>	<b>1,173,946</b>

- 4.23 The review group asked for information on the additional revenue that would be generated should the hourly rate be increased, the following table illustrates the amounts of additional income that would be received weekly and annually: -

Hourly rate	Weekly Income	Weekly Increase	Annual Increase
£6.57 (current)	£22,328.96	-	-
£7.50	£23,152.89	£823.93	£42,844.36
£10.00	£24,801.01	£2,472.05	£128,546.60
£12.50	£25,878.12	£3,549.16	£184,556.32
£15.00	£26,595.48	£4,266.52	£221,859.04
£20.00	£27,609.71	£5,280.75	£274,599.00

- 4.24 Members discussed various options for increasing charges with a planned percentage increase over the next five years. The following table illustrates the possible additional annual income, which would be re-invested in services: -

Year	10% increase per annum		15% initial increase then 10% per annum		20% initial increase then 10% per annum	
	Hourly rate	Additional Annual Income	Hourly Rate	Additional Annual Income	Hourly Rate	Additional Annual Income
Current	£6.57	-	£6.57	-	£6.57	-
Year 1	£7.23	£31,416.84	£7.56	£45,388.72	£7.88	£57,841.16
Year 2	£7.95	£60,503.04	£8.31	£73,825.96	£8.67	£86,581.56
Year 3	£8.74	£89,014.64	£9.14	£102,867.44	£9.54	£114,931.96
Year 4	£9.62	£117,309.40	£10.05	£129,891.32	£10.49	£140,755.16
Year 5	£10.58	£142,886.64	£11.06	£154,405.68	£11.54	£164,887.32

- 4.25 The review group commented that increasing client contributions would offset the projected loss in income resulting from the introduction of the £50 maximum weekly charge. Members struggled with this issue but felt that this was unavoidable since future increases in demand will not be compensated by WG. In addition it is anticipated that there will be significant pressures upon social services budgets over the next few years. Members agreed that they have a responsibility to make difficult decisions in order to ensure the sustainability of social services in the long term.

- 4.26 Consultation with service users indicated that they felt that charges should be kept as low as possible and reflect the current economic climate. When groups were asked at what level the charges should be set 25% thought the charges should be kept to a minimum and 75% that they should be set at an average for Wales.

### **Services With No Charge**

- 4.27 At the commencement of the review the Council did not impose a client contribution for the Community Living Scheme and there were also inconsistencies in relation to charging for the care element of services provided to residents in Extra Care facilities. Furthermore, during the review the Task and Finish Group were informed that the support element of Home Care does not attract a charge. Members sought further detail on the nature of these services, which are outlined as follows: -

### **Extra Care Services**

- 4.28 There are three Extra Care services facilities in the county borough, Cefn Glas (42 apartments), Tredegar Court (25 apartments) and Plas Hyfryd (49 apartments). The service gives elderly, frail or physically disabled service users the opportunity to live independently with the support of on-site care staff.
- 4.29 The review group were informed that service users pay for housing costs and meals, for which they can apply for housing benefit to cover the majority of the costs. As mentioned above, there are inconsistencies in relation to charging for the care element of services provided to residents in Extra Care facilities. If a client contribution were imposed consistently across Extra Care facilities this would bring the service into line with other domiciliary care service users who are receiving care in their own homes.
- 4.30 The review group compared Extra Care services with similar services provided by neighbouring local authorities, where client contributions are imposed (hourly rates). The hourly rates charged as at April 2012 are detailed in the following table: -

<b>Local Authority</b>	<b>Extra Care Services</b>
<b>RCT</b>	No service provision
<b>Newport</b>	£11.35
<b>Monmouthshire</b>	£10.85
<b>Torfaen</b>	£12.50
<b>Bridgend</b>	No service provision
<b>B Gwent</b>	£16.25

- 4.31 When comparing CCBC with other local authorities it would appear that the authority is not in line with them, in that where they provide these services they make a charge. It is difficult to estimate the additional income arising from introducing charges for domiciliary care services in Extra Care facilities without carrying out individual financial assessments under the Fairer Charging policy. However, Members were in support of introducing a charge for these services.

### **Community Living Scheme**

- 4.32 The Community Living Scheme supports service users with a learning disability to access the community for social and leisure activities. Members learned that 64 service users received on average 3 hours of support per week. The majority of clients live within the community and also receive home and day care services. If a client contribution were levied for this service it would bring it into line with other services.
- 4.33 During the review period the Community Living Scheme was effectively decommissioned. All individuals who were receiving support from this service were reviewed and alternatives provided where appropriate from either an independent domiciliary care provider or the adult placement scheme.

## **Consultation with Service Users and Groups**

- 4.34 Consultation with service users and groups proved difficult on all of the issues raised during this review. However from the responses received on this issue almost all were in favour of introducing a charge for these services. The overriding response was that charging should be fair and equitable for all service users. A report detailing the full range of consultation responses is attached as Appendix 2.

### **Home Care - Support**

- 4.35 The review group were informed that at present the Council charges for the personal care element of Home Care but does not charge for the support element. The support element covers matters such as assisting service users with their personal finances and prompting service users to undertake tasks such as washing/bathing. Members did not have the opportunity to examine this issue in depth but felt that this should be looked at further as a separate issue at a later date.

### **Inclusion of Savings**

- 4.36 The review group were informed that at present the Council's financial assessment does not take into account any savings held by the client. However, the legislation states that Local Authorities have the discretion to take savings and capital into account when assessing service users contribution towards their services. Members were informed that statutory guidance states that only savings over £23,250 can be taken into account and that this limit is reviewed annually by the Welsh Government. The guidance does however exclude the service user's home from being taken into account for non-residential social services.
- 4.37 CCBC is one of only three local authorities in Wales that doesn't take into account service users' savings when assessing contributions towards non-residential social services. Members asked for information on how many clients would be affected should the Council change its position on savings.
- 4.38 Unfortunately there is insufficient data to provide this information. However a comparison can be drawn from the numbers of clients assessed for residential services. Members were informed that during 2010/11, 49 people out of 172 service users had capital/savings over £23,250. However, the majority of these service users' capital/savings would have come from the sale of their home, which would be excluded from assessments for non-residential services.
- 4.39 Consultation responses from service users and groups on this issue were split. The representative groups were asked the question '*CCBC is one of only 3 Councils in Wales who do not include capital and savings when calculating charges; do you think the Local Authority should include capital and savings when calculating a contribution towards charges?*' The responses were as follows:-
- 50% of respondents thought that savings should not be included.
  - 50% that yes they should be included.
- 4.40 Groups of service users were asked the same question and the majority did not agree with including savings. However one group of older persons did think that most people would not be affected because of the savings threshold and the exclusion of service users home in the calculation of assets.

### **Deferring or Waiving Financial Assessment**

- 4.41 Members asked if there are circumstances when financial assessments and subsequent charges are deferred or waived. They were informed that this might happen in exceptional circumstances such as terminal illness and/or urgent hospital discharge, at senior officers discretion.

- 4.42 The review group received advice from the Senior Policy Officer (Equalities and Welsh Language) on this issue and were advised that any policy changes should be clear and unambiguous. The policy change should be evidenced with consultation responses from service user groups, so it was seen to be as inclusive and open as possible, which would also make it more robust if ever faced with any legal challenge.
- 4.43 Members expressed concerns that any policy should have a time limit to ensure exemptions did not extend indefinitely. The review group received an extract from a policy used at a London Borough that states "*terminally ill service users require intensive care from palliative health and social services staff for either rehabilitation during or following treatment, or who wish to remain in their own homes to die, will not be charged for this service. The duration of this service is usually up to 6 weeks and a review of the care plan would take place at this time to determine whether there is a need for this service to be extended*"
- 4.44 Consultation responses from service users and groups on this issue were overwhelmingly in favour of waiving or deferring charges in exceptional circumstances. However it should be on a case-by-case basis and within a set time limit.

## **Conclusions**

- 4.45 The review group concluded that:
- 4.45.1 There will be increased pressure on social services over the next twenty years due to projected population increases in the 65+ age group. In order to maintain its social services provision the Council must address the low level of charges for non-residential social services.
- 4.45.2 It is not equitable to charge for some non-residential social services and not others, the Council should ensure that its charging policy is fair and equitable.
- 4.45.3 The support element of home care is an important issue that should be examined further and reported to Scrutiny at a later date.
- 4.45.4 The Council is one of only three in Wales that doesn't take savings into account when calculating ability to pay towards the cost of non-residential social services. The savings threshold of £23,250, the exclusion of the service users home in the capital calculation and £50 per week maximum charge, should ensure that the majority of people would be unaffected by a change.
- 4.45.5 The council should define its policy for waiving or deferring a financial assessment and /or contributions for non-residential social services. In particular Members felt it was important to define a maximum time limit for the waiver or deferment.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 Equalities issues have been identified and considered throughout the review and included in the report as noted previously, therefore a separate Equalities Impact Assessment has not been carried out.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 As set out throughout the report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications in this report.



## **8. CONSULTATIONS**

- 8.1 There are no consultation responses that have not been contained in this report.

## **9. RECOMMENDATIONS**

- 9.1 The review group recommend to Cabinet that:-
- 9.1.1 The Council increase the hourly rate for home care and supported living to £7.88 followed by a further increase of 10% per annum in subsequent years. To be reviewed after 5 years.
- 9.1.2 The Council increase the daily rate for day care services to £3.24 followed by a further increase of 20% per annum in subsequent years. To be reviewed after 5 years.
- 9.1.3 Service users residing in Extra Care facilities who are receiving domiciliary care services should be financially assessed under the Fairer Charging policy, to bring them in line with other non-residential service users.
- 9.1.4 A report be brought to Health Social Care & Wellbeing Scrutiny Committee at a future date that details the support element of home care, level of provision and recommendations on charging.
- 9.1.5 The Council should include savings in the financial assessment for ability to pay a contribution towards non-residential social services.
- 9.1.6 The Council should include in the policy a statement to state clearly circumstances when a financial assessment or charge will be waived or deferred. The statement to include a time limit of three months.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure the long-term sustainability of non-residential social services.

## **11. STATUTORY POWER**

- 11.1 Section 21 of the Local Government Act 2000.

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Appendices:  
Appendix 1 Examples of Client Assessments  
Appendix 2 Consultation Report