

## CITY OF PLYMOUTH

**Subject:** Fairer Contributions Policy, Charging within a personalised system

**Committee:** Cabinet

**Date:** 16 November 2010

**Cabinet Member:** Councillor Monahan

**CMT Member:** Director for Community Services

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**Key Decision** Yes

**Ref:**

**Part:** 1

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### Executive Summary:

In accordance with the recommendations within the Cabinet Paper dated 13<sup>th</sup> July 2010 (Appendix 1), this report is to provide feedback to Cabinet in relation to the consultation process that has taken place about the Council's revised policy on charging for non-residential services in the context of the introduction of personal budgets.

The consultation process took place over a twelve week period. A variety of approaches were adopted to ensure that users, their carers and stakeholders were afforded opportunities to provide feedback.

This report sets out the public responses to the four key questions. The report contains recommendations on the options the council has for revising its charging policy in the context of:

- the changes the council has to make to systems and process to support personalisation;
- the views of service users and carers in relation to the 4 key consultation questions, and
- the financial implications for the council

This report provides a summary of the outcomes of the consultations.

A number of actions were undertaken to gather peoples' views, including the following:

- Over 3,000 questionnaires and information packs were sent to Service Users currently in receipt of a social care community service
- Visits were offered to individuals following calls to a telephone help line
- A consultation event took place
- Information leaflets were sent out and information was available in accessible formats

Details of responses can be found in the main report and the key recommendations are detailed below.

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### **Corporate Plan 2010-2013 as amended by the four new priorities for the City and Council:**

The four priorities are Delivering Growth, Raising Aspiration, Reducing Inequalities and Value for Communities.

This report links directly to the Council's priorities of reducing inequalities and value for communities.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

Initial assessments of the impact of the policy indicate that there is a potential for a reduction in income for the Council in the region of £350,000. However this will be partly offset by increased efficiencies in administering the system in Year 1. There will however still be an impact of around £250,000 which will need to be met through further delivery plans.

However, as personalisation is rolled out, the implementation of a more simple, less bureaucratic system will allow for further efficiencies to be delivered. These are difficult to quantify at this point but will include: greater opportunities for self-assessment, significant reductions in the requirement to invoice as service users will have their contributions deducted at source, introduction of pre-loaded direct payment cards and e-monitoring and finally consolidation of council-funded benefits maximisation services.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

Equalities Impact Assessment has been completed. A number of actions were undertaken to gather peoples' views. The assessment has informed us that overall the revised policy will remove current inequities by ensuring that people will contribute to the cost of their care based on their ability to pay. Overall fewer people will have to pay a contribution towards their care. For those currently paying a small amount the policy will in many instances further reduce their contribution. There is a small cohort of people who currently pay at the maximum level of £270 per week who may have to contribute more for their care if the current cap is removed.

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### **Recommendations & Reasons for recommended action:**

1. Delegate to the Director for Community Services in consultation with the Portfolio Holder for Adult Health Social Care the responsibility for ensuring a new Fairer Contributions Policy is implemented underpinned by the principles for fairer charging set out in the 2009 DH guidance and that the new policy includes the recommendations set out in this report:
2. Agree that the new operating system for Adult Social Care has a simple financial assessment conducted at the beginning of the process so that people enter into a care assessment knowing the likelihood that they may have to make a contribution and a full financial assessment and benefits maximisation check is completed during the Self Directed Support Process

3. Maintain the minimum collectable contribution level at £2.50 per week for 2010/11 but where service users are invoiced (i.e. where a service user does not have a Direct Payment and the council organises services on their behalf) for very low contributions these are collected on a quarterly basis.
4. Revise the policy in line with DH guidance so that the charging system is fair to all service users. Contributions should be based on ability to pay and not the cost of individual services. This means that all subsidies relating to service provision must be removed and CRAG policy will no longer be used when assessing contributions for residential respite. The contribution will be based on the amount of the personal budget and not individual components of the support plan.
5. Exclude DRB and DRE in the assessment process on the basis that expenses incurred in relation to a disability are met by the benefits intended for this purpose.
6. Set the maximum contribution at 100% of the personal budget.
7. Apply the revised policy from 1<sup>st</sup> April 2011, thus giving service users a five month period in which to prepare. Any further delay in implementation would lead to a significant impact on Council budgets.

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**Alternative options considered and reasons for recommended action:**

1. Not to introduce a revised policy. 2. To change the proposed recommendations, however, a revised policy is essential and having consulted we believe these are the most equitable options for service users and the best options for the local authority.

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**Background papers:**

Department of Health Putting People First: a shared vision and commitment to the transformation of Adult Social Care (2007)  
 Department of Health Fairer Contributions Guidance: Calculating an Individual's Contribution to their Personal Budget (2009)  
 Department of Health Fairer Charging Policies for Home Care and other non-residential Social Services: Guidance for Councils with Social Services Responsibilities (2003)

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**Sign off:**

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Originating SMT Member: Pam Marsden											

# Plymouth City Council Fairer Contributions Policy

## Charging within a personalised system

### Report and Recommendations

#### 1. Background

- 1.1 On 13<sup>th</sup> July 2010 Cabinet received a paper (Appendix 1) setting out the reasons why a revised policy on charging for non-residential services is required in the context of the introduction of personal budgets. The paper also set out the statutory and legal context of the proposed changes in light of new guidance issued by the DH in 2009.
- 1.2 The overall purpose of the new guidance is to provide a framework within which Local Authorities must develop and implement a single contributions policy for Personal Budget users which is based on their ability to pay rather than the complexity of their needs or the size of the care and support package they require to meet those needs
- 1.3 Cabinet agreed to the following in July 2010:

**Councils need to change the system so that financial assessments begin at the start of the assessment process so people know up front how much money they are likely to contribute to their care.**

- Within the current charging system financial assessments are conducted at the end of the assessment process and service users are often unaware that they may have to pay towards their care and this can sometimes be the subject of complaints.
- Since July 2010 we have been testing out this new approach with a simple financial assessment at the beginning of the care assessment process. Our Care Managers and service users have reported high levels of satisfaction with this approach.

The recommendation is that the new operating system for Adult Social Care has a simple financial assessment conducted at the beginning of the process so that people enter into a care assessment knowing the likelihood that they may have to make a contribution and a full financial assessment and benefits maximisation check is completed during the Self Directed Support Process

**Councils should review the minimum contribution level to ensure the council gets value for money. The DH guidance emphasises the need for council to ensure they only collect contributions from people who use services if it is economically viable for the council to do so**

The recommendation is that the council maintains its minimum collectable contribution level at £2.50 per week but where service users are invoiced (i.e. where a service user does not have a Direct Payment and the council organises services on their behalf) for very low contributions these are collected on a quarterly basis.

**Councils should review subsidies so that there is equitable access and choices for all service users or remove services from personal budgets**

- In our current system when residential respite in care homes is part of a care plan the council uses CRAG process to assess charge for this part of the care plan. This is inconsistent with the new guidance

The recommendation is that the council will revise its policy in line with DH guidance so that the charging system is fair to all service users. Contributions should be based on ability to pay and not the cost of individual services. This means that all subsidies relating to service provision must be removed and CRAG policy will no longer be used when assessing contributions for residential respite. The contribution will be based on the amount of the personal budget and not individual components of the support plan.

1.4 Cabinet also agreed to a period of statutory consultation so that we could consult on the discretionary elements of the policy framework. We consulted on the following four areas:

1. The removal of Disability Related Benefits from assessable income and therefore the removal of the Disability Related Expenses from the financial assessment process to reduce bureaucracy and simplify the process
2. Whether there should be a maximum contribution at 100% of the personal budget to ensure equity for all service users
3. What transitional support ought to be put in place to help people whose contributions have changed
4. How best to inform people of this change and how it will affect service users

1.5 This report describes the feedback from the consultation processes that have taken place and provides options and recommendations taking into account the views of people involved.

**2. Proposals: the views of service users, carers and stakeholders in relation to the 4 key consultation questions**

2.1 A 12 week consultation process commenced on 26<sup>th</sup> July and closed on 19<sup>th</sup> October 2010. The table below sets out the actions undertaken to gather people's views.

<b>Method</b>	<b>Quantity</b>	<b>Response to date</b>
Postal questionnaires and information pack for service users and carers who	3123 questionnaires and information pack sent to service	546

currently receive a community service from the council	users currently in receipt of a social care community service	
Telephone response line	Number given out in information pack and promoted on website	57
Dedicated consultation page on council website with facility for email responses	WebPages made available for the 12 weeks	101
Postal questionnaires and information pack for service providers, consumer interest groups and other stakeholders	40 questionnaires and information pack sent to service providers, consumer interest groups and other stakeholders	1
Reminder letter sent to providers, consumer interest groups and other stakeholders asking for responses	40 letters sent to consumer interest groups and other stakeholders	1
Personal email sent to Chief Officers of providers, consumer interest groups and other stakeholders asking for responses	40 emails sent	0
1:1 visits	Visits offered to individuals following calls to telephone line	4
Consultation event	Focus group session offered in information pack sent to service users who were invited to use telephone line to register interest	11 people

2.2. A leaflet was produced to provide information to people on the implications of both personalisation and a revised charging policy.

2.3 Information was available in accessible formats for individuals with learning or other disabilities

2.4 We sent out the questionnaire and information pack to everyone currently in receipt of a community service from Adult Social Care. Overall there has been a 17.5% response rate to the questionnaires sent out. This compares to 20% return rate in 2007 when the council last consulted on this policy area.

2.5 People have told us that they appreciated the opportunity to talk to a member of staff over the phone and the small number of people who came to the focus group were very appreciative of the opportunity. We remain disappointed with the lack of response from consumer/user groups and service providers.

2.6 This policy area is particularly complex and considerable attention was taken in trying to simplify the questions and provide support to help people understand the implications. As a result we have recorded any comments that people made about accessibility of the issues. 5% of all responders reported some difficulty in understanding the questions. In the majority of cases contact was made with individuals to assist.

2.7 The questionnaire resulted in general feedback about national policy in relation to social care: these have been categorised as follows:

- Social care should be free at the point of delivery as individuals had contributed to tax and National Insurance all their lives. They

should not have to pay towards social care costs. (This is an issue outside of the scope of this consultation.)

- Importance of disability related benefits due to the increased cost of living for those with disabilities
- Concern that people with savings are penalised for being prudent by having assets taken into account in relation to charging

## **SPECIFIC ISSUES IN RESPONSE TO THE CONSULTATION QUESTIONS**

### **Should the council remove Disability Related Benefits (DRB) from assessable income and therefore the removal of the Disability Related Expenses from the financial assessment process to reduce bureaucracy and simplify the process?**

- 2.8. The majority of those people who responded (57%) felt the council should remove Disability Related Benefits and Disability Related Expenses from the financial assessment process. This compares to 29% who want the council to continue to include them and 14% of responders who did not express a view. During the consultation process we were told that people often resent having to discuss intimate personal details in relation to their disability related expenses as part of the financial assessment process
- 2.9. However there were views expressed by the majority of people with disabilities that they should have some kind of extra allowance for the costs associated with disabilities. (The council cannot do this under current DH rules.)

### **Should we set the maximum contribution at 100% of the personal budget to ensure equity for all service users?**

- 2.10 Within the current policy maximum charge is set at a capped fee level of £270 per week. The current cap is lower than guidance states but any cap means that even if people can afford to pay for the full cost of their care they are not required to do so.
- 2.11 The majority of those who responded (37%) agreed or strongly agreed that where people could afford to pay a contribution that this should be against 100% of the personal budget. 31% of those who responded disagreed or strongly disagreed and 32% of those who responded did not express a view.
- 2.12 However this was not the case for people with a Learning Disability (or their carers) with a majority of those who responded (58%) wanting the council to subsidise services for them irrespective of ability to pay.
- 2.13 Some people commented that it was unfair if people had savings that this was taken into account. There were also comments that it was unfair if people had their own home that the value of this is taken into account. However this is not actually the case. Work related income or

any capital asset in the home is not taken into account when assessing available income for a contribution to community based services.

### **What transitional support ought to be put in place to help people whose contributions have changed?**

- 2.14. 48% of those who responded believed that the council should take a phased approach to increased charges for people who may have to contribute more for their care as a result of any changes to the contributions policy

### **How best to inform people of this change and how it will affect service users?**

- 2.15 The feedback received during the consultation centred around the need for information about eligibility for services and how the revised charging system would work. Leaflets, information on the website, alongside social workers and finance staff were considered to be key to helping people become informed of the changes and understand the impact.

## **3. Financial Impact on the Council**

- 3.1 The DH guidance is clear that modernising charging policies in line with personalisation should not in itself be seen as an opportunity for Councils to increase their income from client contributions.
- 3.2 A detailed financial impact assessment has therefore been undertaken. This analysis involved a snapshot of all service users in a given week.
- 3.3. There were 1763 service users for whom the council is arranging community based services and 609 service users who were arranging their own community services via a Direct Payment. Only 49% of service users contributed to the costs of their care, whilst 15% (355) service users were paying the current maximum of £270.00 per week toward their care.
- 3.4. The combined impact on income for the council of the recommendations outlined below could be an overall reduction of income of approximately £350,000 p.a.
- 3.5. However the streamlined service would produce some efficiency gains around process and staffing which would offset the reduction of income referenced above to approximately £250,000 p.a.

## **4. Transitional arrangements**

- 4.1 If all the recommendations are accepted there will be in the region of 355 people (15%) who will face an increase in the costs of their care.



However there will be 790 people (33%) who will no longer pay anything for their care and a further 23 people (1%) who will pay less for their care. Only 28 service users (2%) are likely to have to pay more than £270 per week towards their care. The difference in average contributions for this small number of service users between the current and new policy is £36.00 per week. The table below sets out the individual impact that each of the recommendations would have on service users.

**Table showing impact on service users of individual recommendations**

Charging category	Current number of clients	%	Impact of recommendation 3: Removal of subsidies: number of people who will pay an increased charge	Impact of recommendation 4: Removal of DRB/DRE : number of people who will pay an increased charge	Impact of recommendation 5: Remove maximum weekly cap of £270; number of people who will pay an increased charge	Combined impact
Nil	1204	51%	0	0	0	1994
£1-49.99	721	30%	123	0	0	0
£50-99.99	66	3%	22	0	0	17
£99.99-269.99	26	1%	23	0	0	6
Max £270	355	15%	355	0	28	355
<b>Total</b>	<b>2372</b>	<b>100</b>	<b>523</b>	<b>0</b>	<b>28</b>	<b>2372</b>
<b>Total number of people who will pay less</b>				<b>813</b>		

## **5. Health and Adult Social Care Overview and Scrutiny Panel – Task & Finish Group – October 2010**

The panel confirmed that the consultation process had been extensive and properly carried out. They are supporting the recommendations as outlined in Section 6, with the exception of the following:

- the Panel are recommending to Cabinet that the maximum contribution should not be set at 100% of the Personal Budget and a cap on contributions should remain;
- a transitional period of 12 months and support from Social Care officers should be implemented to help people whose contributions change.

We have quantified the impact earlier in the report and believe that the removal of the cap was supported in the consultation, is the most equitable option and will impact on a small number of service users. A significant number of service users will no longer pay anything for their care. Given the

current economic climate and the impact on Council budgets going forward, we do not believe that either of the Task & Finish recommendations is financially affordable.

## **6. Recommendations**

- 6.1 Delegate to the Director for Community Services in consultation with the Portfolio Holder for Adult Health Social care the responsibility for ensuring a new Fairer Contributions Policy is implemented underpinned by the principles for fairer charging set out in the 2009 DH guidance and that the new policy includes the recommendations set out in this report:
- 6.2 Agree that the new operating system for Adult Social Care has a simple financial assessment conducted at the beginning of the process so that people enter into a care assessment knowing the likelihood that they may have to make a contribution and a full financial assessment and benefits maximisation check is completed during the Self Directed Support Process
- 6.3 Maintain the minimum collectable contribution level at £2.50 per week but where service users are invoiced (i.e. where a service user does not have a Direct Payment and the council organises services on their behalf) for very low contributions these are collected on a quarterly basis.
- 6.4 Revise the policy in line with DH guidance so that the charging system is fair to all service users. Contributions should be based on ability to pay and not the cost of individual services. This means that all subsidies relating to service provision must be removed and CRAG policy will no longer be used when assessing contributions for residential respite. The contribution will be based on the amount of the personal budget and not individual components of the support plan.
- 6.5 Exclude DRB and DRE in the assessment process on the basis that expenses incurred in relation to a disability are met by the benefits intended for this purpose.
- 6.6 Set the maximum contribution at 100% of the personal budget.
- 6.7 Apply the revised policy from 1<sup>st</sup> April 2011, thus giving service users a five month period in which to prepare. Any further delay in implementation would lead to a significant impact on Council budgets.