

TITLE	Changes to Charging for Attendance at Adult Social Care Day Centres from June 2015
FOR CONSIDERATION BY	The Executive on 28 May 2015
WARD	None Specific
DIRECTOR	Stuart Rowbotham, Director of Health and Wellbeing
LEAD MEMBER	Julian McGhee-Sumner, Executive Member for Health and Wellbeing

OUTCOME / BENEFITS TO THE COMMUNITY

This new charging framework will have the following objectives:

- **equity and consistency** – everyone will be required to make a contribution towards the full cost of all their services based on their ability to pay; currently subsidised services (where we only ever charge less than the full cost) benefit only a small number of social care customers (6%) leaving other customers disadvantaged
- **fairness** – social care customers will be required to make a contribution only if they have financial means to do so (generally those with more than £23,250 in savings); those who are unable to pay will continue to get their services for free or at a reduced rate according to their financial means.

The implementation of this new charging framework is aligned to the Council's priorities of:

- Offering excellent value for your Council Tax
- Looking after the vulnerable
- Improving health, wellbeing and quality of life

RECOMMENDATION

That the Executive confirms the decision previously made at 29th January 2015 Executive of a new social care charging framework with social care customers, carers and residents in Wokingham Borough. The recommendations are as follows:

- 1) that all chargeable services will be charged for, subject to a financial assessment, with the objective of removing subsidies for those who can afford to fund the cost of their care package (generally those with more than £23,250 in savings);
- 2) that the new charges are phased in for those currently receiving services such that any increase in charges is capped at £50 per week up until the end of March 2017, but that the full charge is applied thereafter;

SUMMARY OF REPORT

Unfortunately the decision taken by the 29th January 2015 Executive as it applies to Day Care Centres was inadvertently overlooked when preparing the Fees and Charges part of the *Medium Term Financial Plan 2015/18 - Revenue Budget Submission 2015/16* report agreed at the 19th February 2015 Executive meeting; Item 114.00, page 10 refers.

This omission had the effect of reversing the January decision as it applies to Adult Social Care customers attending Day Care Centres.

The January Executive report stated that the current charging regime for non-residential social care is unfair in that it subsidises some social care services whilst others are recharged at full cost (subject to a financial assessment or 'means test') so that some people needing social care benefit, but others do not. In addition, the council loses much needed income. It should be noted that any charge will generally only apply to those with over £23,250 in savings in accordance with national guidance. The existing arrangement is a legacy issue and is overdue for revision. It is proposed that some protection is offered to existing users through a phased approach with a maximum additional charge of £50 per week up to March 2017 before introducing the full charge for 2017/18 onwards.

The 29th January report proposed that charges for these services be increased but noted that the process and methodology by which an individual's maximum contribution is determined remains unchanged. This means that should an individual's contribution increase this is as a result of their individual financial assessment (undertaken according to Department of Health guidelines) which determines their maximum contribution, being higher than the current cost of care provided.

Consultation

The decision to consult on these changes was made at the Executive meeting of 25th September 2014 and the outcome reported to the 29th January 2015 meeting of the Executive who approved the above recommendations.

Background

The Executive at its meeting of 25th September 2014 agreed to consult on changes to the Adult Social Care charging policy. The outcome of this consultation was reported to the 29th January 2015 Executive who agreed full cost recovery for day services subject to a maximum additional charge of £50 per week up to March 2017 before introducing the full charge for 2017/18 onwards.

The 19th February 2015 Executive agreed the fees and charges for 2015/16 as part of the report entitled *Medium Term Financial Plan 2015/18 - Revenue Budget Submission 2015/16*, but the changes to the day care charges previously agreed were inadvertently omitted and in effect, the February Executive reversed the 29th January 2015 decision. However the February report did correctly show the other decisions made in January.

Analysis of Issues

The Executive could choose to leave the position unchanged but that would result in charges for day services continuing to be contrary to the Executive’s previous decision to be charged at full cost, and result in a loss of income which has been factored into the Departments budget.

This anomaly is the result of an administrative error and the Executive are asked to confirm the decision taken on 29th January 2015 with an effective date of 1st June 2015.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	(£12.5k)	Included within the budget approved at 15 th February 2015 Executive.	Revenue
Next Financial Year (Year 2)	(£15.0k)		Revenue
Following Financial Year (Year 3)	(£30.0k)		Revenue

Other financial information relevant to the Recommendation/Decision

Should the Executive confirm the decision previously made to charge full cost then the Council would receive additional income from people paying all or part of the cost of their care services (subject to a financial assessment). This particularly applies to those who use day care services. The Council may also benefit if self-funders who currently receive subsidised services, make their own arrangements; in these instances the reduction in spend will offset the reduction in income and may result in a positive impact on the overall budget.

The exact income or savings will depend on individual packages of care and financial assessments. In addition, service providers in the private and voluntary sector have diverse prices and this will also affect the cost of care packages. The impact on customers and finances will be reviewed both during and post-implementation of the new charging policy.

The January report estimated additional income from the proposal to phase the charge with a cap of £50 per week for existing users for **2015/16, 2016/17 and 2017/18** as follows: -

2015/16 & 2016/17 12 people x £50 per week x 50 weeks = £15k*¹
2017/18 12 people x £103 per week x 50 weeks = £30k*¹

The delayed implementation to 1st June 2015 will reduce income for 2015/16 by approx. £2.5k which the department has taken into account.

*¹ abated by 50% to reflect not all will be assessed to pay the full increase.

Cross-Council Implications

A change to the policy for charging will have an impact on the Welfare Benefits Team who carry out financial assessments of all adult social care customers and the Finance Support Team who process and pay the invoices.

List of Background Papers

Report to Executive, 25th September 2014
Report to Executive, 29th January 2015
Report to Executive, 19th February 2015

Contact Steve Cross	Service Finance & Resources
Telephone No 0118 974 8315	Email steve.cross@wokingham.gov.uk
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