

**Decision Session - Cabinet Member for
Health, Housing and Adult Social Services**

12 December 2012

Report of the Assistant Director, Assessment and Safeguarding

**Review of the Fairer Contributions Policy for Non- Residential Care
Services: Moving to 'Personal Accounts' to Deliver Choice and
Control**

Summary

1. The Cabinet Member is asked to agree changes to the current contributions policy to support the development of a more consistent, transparent and fair approach to the way personal budgets are provided, and reduce some disincentives for people to take their personal budget as a direct payment.

Background

2. Personal budgets enable us to let people how much money is available for their eligible social care support, so they can make choices about how it is used, and stay in control of their own life.
3. A personal budget is agreed following the assessment of need and determination of eligibility for social care support. It is formed from the combined resources that are available to someone who needs support to live independently and safely. It includes any money the individual can afford to contribute, as well as any money the council provides to meet eligible care needs and any money from other agencies, such as the Independent Living Fund or health.
4. As of October 2012, 73% of people supported by adult social care in York had been offered a personal budget, but only 20% of them have taken a direct payment. The government and many user led groups think that ideally everyone supported by adult social care should be offered a personal budget, and that most people should be taking a direct payment. The government has just reduced the

target for personal budgets for 2012 from 100% to 70%, so York is meeting the target. However, there is still a need to increase the opportunity and incentive for more people to consider a direct payment. There is good evidence to show that people who take a direct payment feel most in control of their own lives.

5. To support the increase in take up of both personal budgets and direct payments we are introducing a new resource allocation system (RAS) tool, which will provide an 'indicative budget' based on the assessment of need. The indicative budget of how much money is needed to support the eligible needs. It is the starting point to allow people to think about how they wish to be supported. Without an accurate initial budget it is much more likely that care managers and residents will think about traditional services as a way to work out what their personal budget should be. This is then likely to limit the choices that people think about for their support.
6. Our current resource allocation tool was based on an interim model developed by ADASS in 2009. We know that this tool has not provided very accurate indicative budgets. The new tool is extensively used across the country, with between 92-95% accuracy between the indicative budget and the final agreed personal budgets for residents. It requires one assessment form instead of the two forms currently used.
7. The work to implement the new RAS tool has required us to review the way we charge and manage the contributions from those who we offer support to. We need to make changes if we are to be consistent and fair, and ensure the allocated resources are able to meet identified needs.
8. Government guidance on customer contributions to care and support costs is contained within the Fairer Charging Guidance of 2003 and the Fairer Contributions Guidance of 2010. The guidance sets out:
 - the need to ensure that no one pays more than they can afford
 - the need to ensure that there is equity in the way that people are treated whether they take a direct payment or receive commissioned services from their personal budget
 - the ability for the council to decide whether people who have savings above the Charging for Residential Accommodation

Guidance (CRAG) higher threshold (£23,250) should pay the full cost of any services they receive

- the ability to determine whether and to what extent the council will subsidise the actual cost of care
9. There is no change proposed to the way we assess how much someone can afford to contribute, so no one will pay more than they can afford.
 10. In York we still have differences in the way we manage the money for people with a direct payment and those for whom we arrange the support. The processes to assess and decide what needs are eligible for support are the same, but the way we manage the money is different. These differences could be a disincentive for someone to take a direct payment and are unfair. They also make it more difficult for someone to make clear choices about how they use the money available to them if the council is commissioning their support.
 11. In York our current contributions policy already sets out that self funders - those with savings above the CRAG higher threshold - will be asked to fund their full support costs. We have reviewed the actual costs of types of support to make sure we are using up to date figures for the resource allocation tool, and as a result have identified an anomaly in the way some self funders pay for their support.
 12. Currently the council provides some subsidies, but not in a transparent or consistent way. For those people for whom support is commissioned, the council funds the cost of a second carer, regardless of ability to pay. Standard charges are applied for home care and day support which in some circumstances subsidise the cost of support.

Consultation

13. We wrote to people receiving support and outlined the changes we propose making to the contributions policy in October 2012. A dedicated email address and phone line were provided for responses and questions and the policy was available in an easy read version.

14. The information and the questionnaire were also available on line through the council website, and made available to key voluntary sector and user led groups.
15. The changes were discussed at the end of the public meetings on the council budget, on 30 October.

Options

16. Option 1: To agree the proposed new contributions policy as in Annex A. The specific changes to the customer contributions policy are:
 - contributions to home care and day care services will be based on the actual cost of the support provided rather than a standard cost
 - contributions will still be payable during temporary reduction or stoppage of support (eg hospital/holiday) in line with any contract agreements with providers
 - where someone needs two carers to support them at the same time the personal budget and the costs of the support package will reflect the two carers
 - where the personal budget is used to provide a short break, including up to eight weeks (56 nights) in a year within in a residential setting, the customer contributions will be calculated on the basis of a non residential service
17. Option 2: To retain the contributions policy as it is.
18. Option 3: To agree selected changes.

Analysis

What changes are being proposed?

19. At the moment when the council commissions care for a resident we do not hold their money in an individual or personal account. We can provide them with information reconciling their contribution against the amount of support that has been received, but the money is held in a general income budget. The resident is informed as part of their support plan how much their personal

budget is but they do not receive regular accounts showing how the whole of the budget is being used.

20. Someone with a direct payment, however, will be able to track how the whole of their personal budget is being spent.
21. We want to develop a personal account that works in the same way for everyone, whether they have a direct payment or whether we arrange support for them.
22. This means that for everyone the personal account will hold both the customer's contribution to their support costs and the council's contribution, plus any other funding (for example from health).
23. The personal account can either be held by the council or as a direct payment by the customer or their nominated representative, or by a chosen provider as an individual service fund.
24. Whoever holds the account will deduct from the account the money paid out to providers or supporters on a weekly or monthly basis, or when invoices are received.
25. Where the council holds the account we will provide people with information about how their account has been used. We will collect the contributions where possible through monthly direct debit as we do now, and we will include this information on the regular statements we will send people.
26. This will not mean any changes for people who take a direct payment.
27. It will change the way we manage the payments for those for whom the council commissions support, and it will need us to change the contributions policy which sets out the way we calculate what people are paying for.
28. The following table sets out the differences in the way we manage the money for someone with council commissioned support compared to a direct payment, and the proposed changes to the contributions policy to ensure that we work out what people contribute to their support costs so that everyone is in line with direct payments:

	Council Commissioned Support	Direct Payment
Contributions to Home Care and Day Care services	NOW: Customer is charged a fixed amount per hour (or part thereof) FUTURE: Actual cost will be taken from personal account	NOW: Customer pays actual cost from DP including own contribution as per contract FUTURE: No change
Temporary reduction or stoppage of support (eg hospital/holiday).	NOW: Council pays as per contract but no contribution from customer FUTURE: Council and customer pay as per contract – this may be up to two weeks costs after support finishes	NOW: Customer pays from DP including own contribution as per contract FUTURE: No change
Care costs when 2 carers are needed	NOW: Customer is only charged for one carer FUTURE: Total cost will be taken from Personal Account	NOW: Customer pays for 2 carers from DP including own contribution FUTURE: no change

29. In addition we propose to change the way we assess contributions for both short breaks, to come within the non residential guidance rather than residential. This will provide people with the opportunity to think more flexibly about how they may wish to take their short break. It will not stop someone taking a short break in a residential care setting, but if they wish to spend more than 28 consecutive nights or over 56 nights a year in a residential setting we will need to use the CRAG Guidance on assessment of contribution, in line with government guidance.

Planned short breaks (currently planned respite)	<p>NOW: Customer contribution is fully assessed under CRAG (Charging For Residential Accommodation Guidance)</p> <p>FUTURE: Planned short breaks will be included in personal account and contribution included as part of personal account contribution under Fairer Charging Guidelines unless there is a need for more than 56 nights stay in a residential setting</p>	<p>NOW: Customer is given funds for all short breaks with the exception of stays requested in a registered care setting.</p> <p>FUTURE: Customer will pay for short breaks through direct payments including up to 56 nights in a residential setting</p>
--	--	---

Impact on current service users

30. As of Monday 22/10, we had 1540 customers in receipt of a chargeable service. Under the proposals:
- 984 customers will not see a change in their current contribution (428 of these are nil charge)
 - 496 customers will see a reduction – the average reduction is £10.07 per week
 - 60 customers will see an increase – the average being £107 per week (primarily self funding double up customers)

Consultation responses

31. 54 individuals replied to the consultation and two voluntary sector organisations.
32. All of those receiving a direct payment agreed that it would be fair and transparent to use the same processes for all personal budgets.

33. There was some anxiety that it will affect most people and require people to pay more. The information as set out above has been provided to people with these concerns.
34. There was concern and representation from some self funders about the impact of the change to paying for two carers that this will mean a doubling of costs for some people.
35. There were questions raised about whether the changes meant we would no longer be funding respite breaks, this was clarified that we would still support such breaks.
36. There were some questions about issues not directly related to the proposed changes including:
 - how we know that we are paying for the right amount of care from a home care agency (We know this from the time sheets and the electronic home care monitoring systems which log when carers arrive and leave a home)
 - how we will ensure people are not committing to a support package that they cannot afford to contribute to
 - questions about the assessment of the amount people can afford to contribute:
 - pensions savings (which are included in assessments in line with government guidance)
 - income from employment (which are not also in line with government guidance)

Council Plan

37. The council is committed to protecting vulnerable people. Offering more choice and control over the way people are supported is a key element of this priority

Implications

Financial

38. Social Care customers receiving non-residential services contribute a total of £3.6m per year towards the cost of their care. As outlined earlier in the report only a small number of customers

will be asked to contribute more than they do currently. The recommended policy changes will increase the overall level of contributions made by the customer by approximately £50k per year.

39. The overall financial impact will be carefully monitored and as an individual financial assessment is completed for all customers, no one will be asked to contribute more than they can afford.

Equalities

40. The biggest impact will be on people who need two carers and can afford to pay the full cost of their care. Annex B contains a Community Impact Assessment.

IT

41. The functionality required for the changes to customer contributions and establishment of personal accounts is available within the Frameworki database. Changes will be required to the database, and this is planned and resourced for implementation, alongside the new assessment and resource allocation tool, in February 2013.

Other

42. There are no legal, HR, crime and disorder or property implications to this report.

Risk Management

43. The risks associated with the implementation of the recommendations have been assessed as moderate and will be regularly monitored and reported to the Project Board and Directorate Management Team Programme Board.

Recommendations

44. The Cabinet Member is asked to consider:

Option 1: To agree the proposed new contributions policy as in Annex A. The specific changes to the customer contributions policy are:

- contributions to home care and day care services will be based on the actual cost of the support provided rather than a standard cost.
- contributions will still be payable during temporary reduction or stoppage of support (eg hospital/holiday) in line with any contract agreements with providers.
- where someone needs two carers to support them at the same time the personal budget and the costs of the support package will reflect the two carers.
- where the personal budget is used to provide a short break, including up to eight weeks in a year within a residential setting, the customer contributions will be calculated on the basis of a non residential service.

Reason: To deliver a more consistent, transparent and equitable customer contributions policy and enable personal accounts to work in the same way for people who take a direct payment and those for whom the council commissions support.

Contact Details

Author:	Chief Officer Responsible for the report:			
Kathy Clark Assistant Director (Adult Assessment and Safeguarding) Adults, Children and Education Tel No.554045	Pete Dwyer Director Adults, Children and Education			
	Report Approved	✓	Date	30/11/12
Specialist Implications Officer(s) Financial Debbie Mitchell Corporate Finance Manager 01904 55 4161 Equalities Neighbourhood Manager 01904 55 1704				
Wards Affected:			All	✓
For further information please contact the author of the report				

Background Papers

None

Annexes

Annex A - Customer Contributions Policy

Annex B - Responses to consultation

Annex C - Community Impact Assessment