

Charging policy consultation

Who this affects

The issues on which we are consulting may affect -

- People who are receiving social care services and are living in their own home and who are either -
 - are assessed as needing to pay the full cost of their care and who choose the Council to arrange this care.
These people currently pay us an administrative fee,
 - or
 - are aged 18 to 64 on higher rate disability related benefits who are assessed as needing to contribute to the cost of their care package.
- The consultation will result in changes to our charging policy and the amounts individuals pay.

Why we are making the changes

- An individual complained about our charging policy. The issues they raised were considered by the Local Government & Social Care Ombudsman, who investigates complaints against local authorities. The Ombudsman ruled that the way we calculate charges for arranging care services is unfair. The Ombudsman found that some people could end up paying more than the actual cost of providing their services.
- There has also been a legal challenge against another council. Its charging policy was found to be discriminatory because it could have resulted in higher charges for people with severe disabilities compared to those with less severe disabilities

We have reviewed our Charging Policy in order to address both of these points and we are proposing a revised policy. Our aim is to make the policy fairer.

We would like to hear your views on the proposed revised policy before we make a final decision to adopt it.

What we considered

Government legislation and regulations

- The Government has given councils the power to charge people what they are financially assessed as being able to afford towards the cost of their care. Councils can decide not to charge or charge people less than suggested.
- Councils cannot charge people more than it costs to arrange the care.
- Councils can charge people who have been financially assessed as being able to afford to pay the full cost of their packages a charge for arranging the care package.
- Very few councils do not charge for home care or personal care service. This means that if they do not charge, council taxpayers in those areas will pay more to meet those costs.

We believe that the Council's current financial situation means we need to charge:

- Those people who are financially assessed as being able to pay a contribution for their services.
- Those people who are financially assessed to pay the full cost of their care services for the cost of arranging care.

We considered taking into account only part and not all of what people can afford to pay. However, we do not believe this is affordable as it would cost the Council up to £300,000 in lost income.

Options we have considered for calculating our administrative charges

Option	Our current view
Continuing to apply a percentage rate which is a proportion of the cost of the care package	This has been found to be unfair because it means that the arrangement and management charge increases as your needs and care package increase. This which may mean people are paying more than it costs the council to arrange the care.
Calculating the charges on an individual basis	This would mean employing more staff, which would increase our costs and the amount we need to recover through our charges. This would mean that people would end up paying more.
Introducing a fixed flat rate charge for arranging care, with people paying the same amount regardless of the size of the care package	People would pay the same for a weekly package of two hours of care as others paying for 30 hours of care, although larger packages of care can be more time consuming and costly to arrange and monitor.

Our aim is to put a policy in place that takes account of -

- The fixed costs of arranging a care package - which are the same regardless of the size.
- The variable costs - which increase with the size of the package.

Options we considered to address the unfairness to people on higher rate disability benefits

- How we calculate care charges for those on higher rate Personal Independence Payments (PIP) or higher rate Disability Living Allowance (DLA) compared to those who have the same level of income from their employment. This is an issue because government regulations require us to disregard income from employment but allow us to take account of income from benefits.
- The Minimum Income Guarantee - the amount of money we must leave you to live on when we calculate our charges.
- The extra money people need to pay to live due to their disability, for example additional extra travel costs.
- What benefits we take into account.

Our proposals

The proposal on which we are consulting involves moving to an arrangement and management charge to arrange care for those who are paying the full cost of their care. This would be set in bands based on the number of hours of care individuals receive a week.

These charges would apply to those who can afford to fund their own care.

Proposed arrangement and management charges

Hours a week (commissioned care)	Fixed	Variable	Total new charge	Current Charge	
				From	To
Up to 7 hours	£6.13	£1.41	£7.54	£1.63**	£7.63
7 to 14 hours	£6.13	£4.94	£11.07	£7.90	£15.25
14 to 21 hours	£6.13	£8.23	£14.36	£15.52	£22.88
21 to 28 hours	£6.13	£11.52	£17.65	£23.15	£30.50
More than 28 hours	£6.13	£13.16	£19.29	£30.77	£59.83**

** The lowest and highest charges under the current policy will vary depending on the smallest and largest number of hours commissioned

We are also proposing to -

- Put an appeals process in place for people who believe their charges are unfair. This will give you the opportunity to have your arrangement and management charge reviewed by a senior manager in Adult Social Care to ensure the impact of your individual circumstances are taken into account.
- Increase the amount of minimum income guaranteed by 8.8% for people aged 18-64 on higher rate disability benefits.
- Review our procedures to make sure that all those who receive disability benefits, who we financially assess as needing to contribute to the cost of their care package, know how we take account of the extra costs of their disability when calculating this amount.
- Continue our current policy of disregarding the difference between the middle and top rate of Personal Independence Payments (PIP) because we believe that this helps to address the injustice highlighted in the legal challenge to another council's charging policy.

How the proposals would affect people who use our service

Likely to pay less

- some severely disabled people of working age
- some people who are paying the full cost of the care may pay up to £30 a week less for their arrangement and management charge. We will write to you individually if you currently pay an arrangement and management charge to let you know what your new charge will look like under the proposed policy.

Likely to pay more

- some people who are paying the full cost of the care may pay up to £6 a week more for their arrangement and management charge. We will write to you individually if you currently pay the charge to let you know what your new charge will look like under the proposed policy.

Not affected

Note: These people may be affected in the future if their financial circumstances change

- severely disabled people of working age who do not make any contribution towards the cost of their services.
- people who are of working age and not on higher rate disability related benefits who contribute to their care costs, but do not pay the full cost of their care.
- older people who do not pay the full cost of their care.

Examples showing how the proposal would affect a range of people who use the service are included in this pack. Under the proposed banding charges, service users will never be charged more than the actual arrangement cost for any care package.

Examples

Changes to admin charge for self-funders in response to LGSCO

Service users with smaller care packages will pay more

Care package details	Administrative cost under current policy	Arrangement and management fee (admin cost) under proposed policy	Difference between policies
Mr A is a self-funder with a care package of 3.25 hours per week based on thirteen 15 minute calls. The cost of his care is £69.55 a week.	£4.24 per week.	£7.65 per week	£3.41 more per week more Mr A will be charged more in recognition of the fact that the Council incurs a certain level of fixed costs in arranging care packages, even when the number of hours is small.

Changes to admin charge for self-funders in response to LGSCO

Service users with larger care packages will pay less

Care package details	Administrative cost under current policy	Arrangement and management fee (admin cost) under proposed policy	Difference between policies
Mrs B is a self-funder with a care package of 28 hours per week with two carers, so a total of 56 hours of care. The cost of her care is £532.56 a week.	£32.49 per week	£19.85 per week	£12.64 per week less Under the new arrangement she will fall into the highest band for admin charges as she has a care package with a large number of hours

Summary of changes due to Minimum Income Guarantee

An example of the impact of the proposed changes to MIG for severely disabled working age people

	Current policy	Proposed policy
Income	£266.85	£266.85
Less: minimum income guarantee	(£151.45)	(£164.78)
Less: Disregard for disability-related expenditure	(£48.18)	(£48.18)
Less: Disregard of the additional element of the higher rate DLA	(£29.60)	(£29.60)
Less: Disregard for other living costs	(£16.41)	(£16.41)
Amount available to contribute in charges	£21.21	£7.88

Changes to the Minimum Income Guarantee

Some severely disabled working age service users currently pay a contribution and will pay a reduced contribution in future.

Benefits received by person	Minimum Income guarantee (the money a person is left with each week) under current policy	Assessed financial contribution under current policy	Minimum Income guarantee (the money Ms D is left with each week) under proposed policy	Assessed financial contribution under proposed policy	Difference on contribution under each policy
Ms D receives higher rate Personal Independence Payment and has an overall income of £266.85 per week.	£151.45.	£21.21 per week	£164.78	£7.88	£13.33