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Havering

LONDON BOROUGH

Notice of NON KEY Executive Decision by individual Cabinet member

Subject Heading:	Review of Fairer Charging Policy
Cabinet Member:	Cllr Steven Kelly
CMT Lead:	Lorna Payne Group Director Adults & Health
Report Author and contact details:	Adam Ferrand Financial Assessment & Benefits Team Manager Adam.ferrand@havering.gov.uk 01708 433013
Policy context:	Proposed amendments to the current Fairer Charging policy affecting adult social services users.
Financial summary:	There is a MTFS saving target from April 2013 associated with this review of the Fairer Charging policy. The proposals could generate a combined annual sum of £265,647 in savings and additional income.
Relevant OSC:	Individuals
Is this a Strategic Decision?	Yes
If it is a Strategic Decision, when should this matter be reviewed?	Annually
Is it an urgent decision? If so, please refer to the note at the end	Yes

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Member Non-Key Decision – Fairer Charging Review June 2012

The subject matter of this report deals with the following Council Objectives

- Ensuring a clean, safe and green borough
- Championing education and learning for all
- Providing economic, social and cultural activity in thriving towns and villages
- Valuing and enhancing the lives of our residents
- Delivering high customer satisfaction and a stable council tax

Part A

DETAIL OF THE DECISION AND RECOMMENDED ACTION

To commence a consultation process on the following proposed changes to the Council's Fairer Charging policy in order to generate additional income/savings of £250k as per the MTFS savings process agreed at Cabinet in July 2011. There are 3 proposed changes to the policy.

1. Removal of current maximum charge cap in place for users of domiciliary care services

Contribution to non-residential care costs for those service users assessed as eligible to pay the full cost is currently capped at £320 per week regardless of whether the actual cost of the care is greater than that. This change would generate an additional £138k per annum in income relating to domiciliary care fees.

Currently there are only 21 clients who are subject to the £320 per week charge and these are individuals with either large weekly incomes or capital in excess of £23,250, which is the Department of Health's capital threshold figure for local authority funding. Therefore, it is a discretionary choice by the Council to subsidise these 21 clients as the Department of Health's Fairer Charging guidance would allow us to charge them the actual cost of the care.

2. Review of Proportion of disposable income chargeable in financial assessments

Currently the maximum contribution to care costs is 90% of the net disposable income (after the basic living allowance). This is a discretionary allowance of 10% of an individual's net disposable income currently given to service users in the assessment process. The proposed change would remove this discretionary allowance and would generate an additional £101,429 in income from domiciliary care services.

This allowance is discretionary and not a requirement in the Department of Health's Fairer Charging guidance. The changes are so nominal that those individuals with low incomes will remain nil charge clients but those with high incomes will have to pay slightly more. There will however be some individuals with medium incomes who will go from being nil charge clients to having to pay a small contribution to their care fees but this change in the policy is consistent with the policies of the majority of other Local Authorities.

3. Review of Disability related expenses allowance

The Department of Health provide authorities with benchmarking figures to identify weekly maximum allowances to be provided in respect of expenses linked to an individual's personal and medical circumstances. The Council currently applies these benchmarking figures but does have a maximum cumulative allowance of £77.45, which is equal to the higher rate of Disability Living Allowance and Attendance Allowance (this allowance has increased annually in line with the increase in these benefits). Allowances in excess of this threshold are provided in exceptional circumstances where appropriate documentation, and supporting evidence, is provided e.g. where night time care

has to be provided privately, if specialist equipment is required and hired, etc. The proposed change is to reduce the cumulative weekly allowance from £77.45 to £40.00, and this will generate additional income of £26,398.39 per annum.

The Department of Health's Fairer Charging Guidance does not dictate that a certain allowance should be given just that the policy should allow for such expenses in line with the specified benchmarks. Therefore such a change in the policy is reasonable. In addition, other local authorities take a similar approach to Disability Related Expenses by using a nominal set maximum and reviewing it annually (usually increasing it in line with RPI).

If approval is given, a consultation exercise will be undertaken to seek the feedback of affected service users, carers and external stakeholders. A final decision on the introduction of these 3 policy changes should be made once consultation feedback has been collated and passed to the appropriate decision maker for consideration.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 Section 3 Para 2.5

(j) To consider and recommend plans in respect of the portfolio allocated.

(q) To agree minor matters and urgent or routine policy matters

The Cabinet decision of July 2011 approved the proposed MTFS savings process and the saving of £250k expected from a further review of the Fairer Charging policy. Therefore Cabinet approval to progress this review has been granted.

STATEMENT OF THE REASONS FOR THE DECISION

The executive decision is required in order to commence the consultation on a review of the Fairer Charging policy, which will lead to it being amended, having considering the outcome of the consultation.

The additional income/savings generated by these proposed policy changes are part of the total MTFS savings that have previously been agreed at the July 2011 Cabinet.

Once consultation has concluded and the final proposed policy changes are known, a further executive decision will be sought.

OTHER OPTIONS CONSIDERED AND REJECTED

For each of the 3 proposed changes there was an alternative option but these were rejected on the basis that they would not allow us to meet the set MTFS saving.

Specifically, they are;

1. Increase the cap to £360 per week – This change would only generate an additional £37,877 in annual income for domiciliary care services. It would also mean that the Council would continue to subsidise individuals with either large weekly incomes or capital in excess of £23,250, which is the Department of Health's capital threshold figure for local authority funding at a cost in excess of £100,000 per year.
2. Increase maximum contribution to care costs to 95% of the net disposable income – This change would only generate an additional £50,714 in annual non-residential care income. This allowance is discretionary and is not one that is suggested or recommended in the Department of Health's Fairer Charging guidance and opting for maintaining a reduced allowance would cost the cost in excess of £50,000 per year in additional service user's subsidy. We are also in the minority among local authorities by providing such a discretionary allowance so removing it would bring our policy in line with the majority of other local authorities.
3. Keeping the Disability related expenditure allowance at the rate of £77.45 per week – This would not generate any additional savings or income, and would therefore not contribute to our specified MTFS savings. In addition, this approach to DRE's is generous compared to other local authorities, so reducing the allowance to a smaller nominal amount is more consistent with other Local Authorities and is in line with the Department of Health's fairer charging guidance.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: JOE COOGAN

Designation: Assistant Director, Commissioning

Signature:



Date: 04/07/12

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Part B

LEGAL IMPLICATIONS AND RISKS

Stephen Doye, Legal Manager (Litigation)

Any changes to the policy must be compliant with the Fairer Charging Guidance, unless there is good reason to depart from the Guidance, in which case the rationale should be recorded when the decision is taken.

The consultation exercise needs to be undertaken and should be meaningful. In other words, the consultees must have been given sufficient information on the proposals and on any alternatives, sufficient time to respond, and the responses must be conscientiously considered before the final decision is taken.

The Council also needs to ensure that the equality and fairness assessment is fully considered and the results taken into account before the final decision is taken.

Provided the above has occurred the legal risks should be minimised.

FINANCIAL IMPLICATIONS AND RISKS

Caroline May, Strategic Business Partner (Finance)

There is an existing MTFS target of £700k from the financial year 2011/12, which has already been achieved through a previous review of the Fairer Charging Policy as agreed by Cabinet in July 2010. These amendments are subsequent to that and are intended to realise savings per a further MTFS target of £250k from 2013/14, as agreed by Cabinet in July 2011.

Based on the current service users profile, if the three changes as detailed within this report are implemented (subject to consultation), total additional income of £266k is projected, which would exceed the savings target by £16k. There is the risk that should the three proposals not be implemented then the MTFS target would not be achieved, in which case alternative savings measures would need to be implemented by Commissioning to feed into Adult Social Care budgets.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

Eve Anderson, Strategic HR Partner

The administration of the proposals within this report will be absorbed within the current establishment of the Financial Assessment & Benefits Team. These proposed changes to the policy are to be implemented into the Swift system that is used for

financial assessments by altering the appropriate set parameters to reflect the changes. Therefore these changes will not generate any long term additional work. No direct impact on the Council's human resources can be identified at this stage.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

A full Equality Impact Assessment is pending in respect of the proposed introduction of these changes to the policy.

BACKGROUND PAPERS

- 1) Department of Health's Fairer Charging for Home Care and other non-residential Social Services Guidance - January 2001, November 2001
- 2) Department of Health's Fairer Charging for Home Care and other non-residential Social Services practice guidance - August 2002
- 3) Havering's Fairer Charging Policy – April 2011
- 4) Department of Health's Fairer Contributions Guidance - July 2009

No unpublished reports used.

Confirmation of decision

I confirm that I have made this executive decision, in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Signed



Name: Councillor Steven Kelly

Portfolio held: Lead Member for Individuals

Date:

13/7/12

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Member Non-Key Decision – Fairer Charging Review June 2012

Lodging this notice

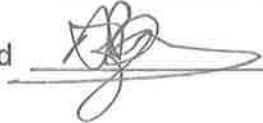
This notice should be delivered to the proper officer, currently Ian Buckmaster, Committee Administration & Member Services Manager in the Town Hall. A copy of this notice should be retained by the individual Cabinet member making the decision in question.

Urgency

Where the executive decision recorded in this notice has been made in accordance with the special urgency provisions of the Overview & Scrutiny Procedure Rules, a copy of the written agreement obtained under rule 18 must be attached to all copies of this notice.

For use by Committee Administration

I confirm that this notice was lodged with me on 18 July 2012

Signed  _____