

**CABINET MEETING –15 FEBRUARY 2012**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Social Care Contributions Policy for Personalisation

**Author(s):**

Executive Director of Health, Housing and Adult Services

**Purpose of Report:**

The purpose of this report is to seek agreement to the proposed Social Care Contributions Policy.

**Description of Decision:**

The implementation of a new Contributions Policy will support the ongoing implementation of personalisation within Social Care, consistent with the Council's vision for Social Care and with national developments.

**Is the decision consistent with the Budget/Policy Framework? Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

There are 3 drivers for making the proposed changes:

- To support personalisation and the ongoing implementation of personal budgets;
- The new Department of Health "Fairer Contributions Guidance" instructs Councils to review its policy in line with personalisation;
- To simplify the policy and process, making them compliant with the Sunderland Way of Working.

**Alternative options to be considered and recommended to be rejected:**

The following options have been rejected as they do not fit with personalisation.

- No change to the policy.
- Retain a separate policy for short break charges.
- 

**Is this a "Key Decision" as defined in the Constitution?** Yes

**Is it included in the Forward Plan?** Yes

**Relevant Scrutiny Committee:**

Health and Wellbeing



**REPORT OF THE EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES**

**SOCIAL CARE CONTRIBUTIONS POLICY FOR PERSONALISATION**

**1 PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek agreement to the proposed Social Care Contributions Policy.

**2 DESCRIPTION OF DECISION**

- 2.1 The implementation of a new Contributions Policy will support the ongoing implementation of personalisation within Social Care, consistent with the Council's vision for Social Care and with national developments.

**3 BACKGROUND**

- 3.1 There are 3 drivers for making the proposed changes:

- To support personalisation and the ongoing implementation of personal budgets.
- The recent Department of Health "Fairer Contributions Guidance" instructs Councils to review its policy in line with personalisation.
- To simplify the policy and process, making them compliant with the Sunderland Way of Working.

3.2 Personalisation

The implementation of personalisation into Adult Services allows individuals to choose how they meet their assessed care needs and provides them with the money and support to organise these for themselves through a personal budget. This opens up a wider range of services available for the individual to call on, as well as the opportunity to employ personal assistants directly.

3.3 National Context

On 4 July 2011 the Dilnot Commission reported to Government with its findings and recommendations for a new funding system for adult social care. The report highlighted that the current funding system is in urgent need of reform: it is hard to understand, often unfair and unsustainable in the long term. In response to the Commission the Government is expected to publish a White Paper on social care in spring 2012.

### 3.4 Simplification of Policy and Processes

The charging policies that are currently in place are complex to administer and can be confusing for customers. It also results in many individuals finding themselves in arrears or credit with their social care charges without realising it.

- 3.5 Additionally, there is a separate charging policy for short break care based on a different financial assessment process, which will normally result in an entirely different charge to that for non residential services.

The changes that are proposed will embed the Sunderland Way of Working principles as it will simplify both the policy and the process and will draw on resource within strategic and shared services to support the management of personal budgets and income.

## **4 CURRENT POSITION**

- 4.1 The charging policy that is currently in place for non residential social care services:

- 4.2 Is based on the number of units of service an individual receives – one unit of service being one hour of home care, one day of day care or one session of companionship.

- 4.3 Individuals are financially assessed to calculate the maximum amount they can afford to pay towards their care with a cap on their contribution of £108.70.

- 4.4 An individual's charge is then calculated based on a unit cost of £10.87 up to a maximum of £108.70 per week (or their own maximum charge, whichever is lower).

- 4.5 This current system provides a significant subsidy on some services, for example, a day of older person's day care costs in excess of £33 per day, however the system assumes the cost is £10.87 for charging purposes.

- 4.6 Short Break charges are calculated separately to those detailed above –based on the Department of Health's (DoH) CRAG Guidance (Charging for Residential Accommodation Guide). Individuals receiving non residential services as well as short break may have two charges at different rates. This is because the two sets of guidance apply different criteria in order to calculate the charge – the outcome of this being two separate notifications of charges which causes confusion for some customers.

- 4.7 A number of efficiencies are anticipated on the implementation of the new contributions policy.

4.8 These efficiencies will be linked to the removal of some of the longstanding issues in relation to the collection of the current charges for both non residential services and short breaks. Issues include:

- To calculate the amount a person owes, the system requires the input of service received. This can be delayed or inaccurate, leaving an incorrect debit or credit balance on an individual's account.
- Most customers are currently paying via a plastic payment card system. This is an expensive system to operate, especially for those with low charges as the transaction charges are quite high. In addition, customers have been paying for short break as well as non residential services, so separating payments within accounts has proved very difficult, as the plastic payment card system is only set up for non residential charges.
- The system does not allow direct debits so standing orders are offered as an alternative to the payment card system. However, given the changeable nature of charges, which is based on the amount of service they receive on a daily basis, the standing order payment rarely matches the amount that is due, leaving a debit or credit balance for the customer.

## **5 PROPOSALS**

5.1 The new Contributions Policy will be based on one financial assessment with one contribution for all assessed care services based on the underpinning DoH Guidance.

5.2 The contribution policy will work as follows:

- The actual cost of services will be used in the calculation and will replace the notional unit cost
- Contributions will be calculated against the agreed personal budget and will not change unless the value of the budget (or the financial assessment) itself changes
- Where people can afford it they will pay up to the maximum contribution which will remain capped at £108.70 per week pending a further review following publication of the forthcoming Social Care White Paper
- Separate contributions for short break care will now be included in the single contribution that an individual is assessed to pay.
- Locally agreed exemptions to pay a contribution will remain in place for those with a terminal illness or those in receipt of payment through ILF (Independent Living Fund), however they will be removed for those receiving Mental Health Day Care Services and for Asylum Seekers. Statutory exemptions will still apply.

5.3 It is intended that the policy will be implemented with effect from March 2012. The new system will immediately apply to all new customers with existing customers being moved over to the new system following their annual review. The full implementation is expected to take up to twelve months.

5.4 The table below shows a comparison between the current and recommended policies:

	<b>Current Charging Policy</b>	<b>Recommended Contributions Policy</b>
<b>Basis of Financially Assessed Individual Maximum Contribution</b>	Affordability – assessed ability to pay	Affordability – assessed ability to pay
<b>Maximum Charge / Contribution</b>	£108.70	Remains at £108.70 pending outcome of White Paper
<b>Contributions Collected</b>	Based on services provided	Based on the assessed value of the personal budget
<b>Unit Charge</b>	£10.87 per unit (a subsidised rate as compared with the actual cost)	Charge not based on units of service, based on personal budget
<b>Short Break Charges</b>	Financially assessed (under CRAG) as a separate charge to other, non residential, services.	Included within the single contribution against the care package as a whole.
<b>Exemptions</b>	As well as those stipulated in guidance, local exemptions for the following: - Terminal Illness - ILF - Mental Health Day Care - Asylum Seekers	As well as those stipulated in guidance, local exemptions for the following: - Terminal Illness - ILF

## **6 IMPACT ON CUSTOMERS AND CONSULTATION FEEDBACK**

6.1 There are currently 2,903 customers in receipt of non residential social care services or short break (i.e. the services that will fall under the new policy).

Of these:

- 2,087 have been assessed to pay a charge for any services they receive.
- 816 have been assessed as a nil charge.
- 865 (29.8%) will pay an increased contribution.
- 1977 (68.1%) will not see any change in their contribution.
- 61 (2.1%) will be required to pay a reduced contribution.

- Of the 2,903 customers currently receiving service, there are 561 (19.3%) who are assessed as being able to afford to pay the current maximum charge of £108.70. However, 343 of these are people who have chosen not to disclose their financial circumstances.
- Of those assessed to pay the maximum, 124 are receiving a high enough level of service to require them to pay the full £108.70.

## **7 IMPLEMENTATION**

- 7.1 The contributions policy is to be implemented in line with the introduction of personal budgets and personalisation for all customers. The Government deadline for assessing all social care users for a personal budget is March 2013. This is being carried out in Sunderland through planned reviews. Any new customers will be assessed for a personal budget immediately.
- 7.2 In order to assess an individual under the new contributions policy, they must have been assessed for their personal budget – this is because the new policy uses the value of the personal budget to assess the contribution.
- 7.3 With this in mind, the policy cannot be introduced for all users of service at the same time, and must be implemented over a period of time, as the reviews are completed and personal budgets assessed. Therefore, the plan for implementation of the policy is as follows:
- 15 February 2012 – Cabinet report.
  - 5 March 2012 – Social Work staff implement new Resource Allocation System for calculation of personal budget for all new cases and begin reviews of all ongoing cases.
  - 5 March 2012 – Contributions Policy implemented for all new cases and all cases when they have received their social work review.
  - 5 March 2012 – 31 March 2013 – ongoing social work and financial assessment reviews.
  - 31 March 2013 – Personal Budgets and Contributions Policy in place for all customers.
- 7.4 Implementing the new contributions policy using this planned, rolling programme, allows the process to be more personalised for the individuals. The planned implementation programme will mean that every customer will receive a financial assessment review, offering them the opportunity to discuss any change in their circumstances as well as to ensure that they fully understand the reason behind any changes in their contribution. The fact that a full review is carried out for all will also mean that the contributions are more accurate, as more up to date, verified information can be used to calculate an individual's own maximum contribution.

## **8 REASONS FOR DECISION**

- 8.1 The Council needs to review its charging policy for non residential services for the following reasons:
- Department of Health Fairer Contributions Guidance requires that this review is undertaken;
  - The current charging policies do not fit well with the personalisation agenda;
  - The charging policy is difficult to administer and often confusing for customers.
- 8.2 The decision to assess the contribution against 100% of the personal budget is to make it fair for all. If a lesser percentage were to be applied, this would benefit only the better off who were assessed to pay a maximum contribution.
- 8.3 At this point it is considered prudent to keep the maximum contribution cap at £108.70 in light of the forthcoming Social Care White Paper. This decision will be reviewed in Autumn 2012 following publication of the White Paper.
- 8.4 The decision to have one single contribution for both short break and non residential services accords with the personalisation agenda, providing the necessary flexibility for individuals to change how they meet their own needs as they choose without changing their contribution, and is less confusing for the customer.
- 8.5 The new policy embeds the principles of SWOW as follows:
- It improves customer service and satisfaction by supporting the move to put them more in control of how they meet their own care needs, and reducing confusion and duplication.
  - It recognises the unique contribution of Health Housing and Adult Services retaining responsibility for carrying out the specialist financial assessment and benefit maximisation whilst the responsibility for managing the transactional finance element of either paying a net personal budget or collecting contributions has now been centralised under SSSC.
  - To support the change in policy, processes for the financial assessment will be simplified and new access channels provided for customers where appropriate. This provides customers with more choice in how the financial assessment is conducted and provides more efficient service delivery.

## **9 ALTERNATIVE OPTIONS**

- 9.1 Do not change the current charging policy – this is not a viable option as the current policy is not compatible with personalisation, personal budgets and direct payments.



9.2 Continue to charge separately for short break – as short break would form an element within a holistic support plan and would be resourced through a personal budget to achieve the outcome for the individual, this option would be impossible to administer while also delivering choice and control.

## **10 RELEVANT CONSIDERATIONS/CONSULTATION**

10.1 A 12 week public consultation incorporating both contact with current recipients of service, as well as with other stakeholders and potential customers was undertaken.

10.2 The plan for implementation of the new policy is detailed in Section 7 of this report.

## **11 BACKGROUND PAPERS**

11.1 Department of Health, Fairer Contributions Guidance.

