

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

**HEALTH, ENVIRONMENTAL HEALTH AND ADULT SOCIAL CARE
SCRUTINY COMMITTEE - 17 NOVEMBER 2010**

**REPORT BY THE EXECUTIVE DIRECTOR FOR HOUSING, HEALTH AND
ADULT SOCIAL CARE**

**UPDATE ON IMPLEMENTATION OF SERVICE USER CONTRIBUTIONS
POLICY**

This report provides an update on the implementation of the service user contributions policy which was introduced in May 2010.

FOR INFORMATION

1. Introduction

- 1.1 A service user contributions policy, covering adult social care services provided to people living in the community, was introduced on 31 May 2010. This report provides an update to the Scrutiny Committee following its implementation.

2. Background

- 2.1 A Scrutiny Committee Sub-Group on charging was established to review charges made for non-residential adult social care services. However, following the announcement of plans to introduce Personal Budgets, the focus of the review changed to consideration of how a service user's contribution towards a Personal Budget would be determined.
- 2.2 The review concluded that service users should be required to make a contribution towards their overall Personal Budget. This was consistent with national guidance on charging that was published as part of the Putting People First agenda.
- 2.3 Following a consultation process, a Key Decision was taken in December 2009 to introduce the contributions policy. In February 2010 a second Key Decision was taken to agree the 'charges' that

would be made against a Personal Budget for services commissioned or provided by the Council. That is, for those service users choosing to ask the Council to continue to provide a service to them, rather than taking a direct payment and organising their own services.

2.4 The effective date of the new contributions policy was 31 May 2010.

3. Level of Service User Contributions towards Personal Budgets

3.1 By law, service users must be offered a financial assessment which will determine how much they can afford to pay. The amount payable will depend upon their financial circumstances and the levels of any disability-related expenditure. However, if a service user does not wish to have a financial assessment then they can elect to pay the full contribution towards their Personal Budget.

3.2 The following table summarises the current levels of contributions payable (based on one particular week within the latest billing period):

Weekly Contributions	Number of Service Users	% of Service Users
Nil	849	57
£0 to £10	58	4
£10 to £20	126	8
£20 to £30	133	9
£30 to £40	69	5
£40 to £50	55	4
£50 to £100	110	7
£100 to £200	56	4
More than £200	35	2
TOTAL	1,491	100

3.3 The number of service users shown in the above table reflects only the people in the particular week analysed who received non-residential services, for which a charge is made. These services are home care, day centres, transport to day centres, meals and housing support. The number of service users excludes people in residential care and people only receiving non-residential care services for which no charge is made e.g. enablement, Telecare, equipment and mental health day centres.

4. Changes in Levels of Contribution following Implementation of the Contributions Policy

- 4.1 Prior to the implementation of this policy, day care and transport services were provided free of charge and home care services were heavily subsidised. The level of income from charging for non-residential services was therefore extremely low compared to the costs of providing the services.
- 4.2 Implementing a policy whereby users contribute towards 100% of their personal budget was therefore expected to result in some service users paying considerably more towards their care. However, service users have been encouraged to have a financial assessment to ensure they are only required to pay amounts which they can reasonably afford. This has increased the volume of assessments undertaken, with approximately 650 being carried out since April 2010. The amount we would normally have expected to carry out in the same period is about 400. There are no outstanding assessments due to the new policy.
- 4.3 The following table sets out the decreases and increases which current service users have experienced following implementation of this policy (the comparison can of course only be made for those current service users who were receiving services prior to 31 May 2010):

Change in Level of weekly Charge/Contribution	Number of Service Users
Decrease	93
No change	493
Increase £0 to £10	93
Increase £10 to £20	100
Increase £20 to £30	82
Increase £30 to £40	28
Increase £40 to £50	15
Increase £50 to £100	37
Increase £100 to £150	21
Increase £150 to £200	15
Increase £200 to £300	6
Increase more than £300	2

- 4.4 Of the 985 services users who received services at 31 May 2010 and are continuing to receive services through a Personal Budget, 399 have experienced an increase in their level of contribution.

- 4.5 Some service users were attending day centres but receiving no other chargeable services. These people are now being charged but will not appear in the above table as they were not charged previously. This, together with new cases, are the main reasons for the difference between the number of service users shown in paragraph 4.3 and the total receiving chargeable services shown in paragraph 3.2.
- 4.6 Following the introduction of charges for day care services, 37 service users are making a bigger contribution than previously, owing to their attendance at day centres. Some users of day centres were already contributing the maximum they could afford following financial assessment.
- 4.7 Since the contributions policy was implemented, non-residential services provided to 274 cases have ended. Of these, 60 service users have informed the Council that they no longer wish to have services as a result of the contributions policy being implemented. 9 of these users were attending day centres. However, this number may be understated as some users may not wish to quote the contributions policy for the reason they are ceasing services. In each case the care management service has undertaken a risk assessment and where appropriate they liaised with family members or have taken other actions to ensure that they minimised the risk of significant harm to service users.
- 4.8 In addition to requests to re-assess service users' ability to contribute towards the cost of their care, there have been a number of complaints about the policy. Approximately 20 of these have been dealt with as formal complaints, including 4 Councillor's enquiries. The majority of complaints have come from those who had previously agreed to pay the full charge or had been assessed as full charge payers. Several have raised whether the increases could have been phased in for existing users.
- 4.9 Some service users have asked to be re-assessed despite having capital above the capital threshold (£25,000). They are reminded that the policy states that users with capital above the £25,000 threshold (excluding the value of their primary residence) are required to make the full contribution. The Council is piloting the Home Cash Plan through Just Retirement (with the help of the Joseph Rowntree Foundation). Some concerns have been raised regarding the releases resulting in users having more than the £25,000 threshold. However, the initial release can be as low as £5,000, and then subsequently amounts of £2,000 can be drawn down up to a total of £30,000. The release of amounts can therefore be managed without affecting the level of contributions that a service user is required to pay.

5. Future Review

- 5.1 It was agreed that after the first year of operation, a full review would be undertaken and reported to the Scrutiny Committee.
- 5.2 A further Key Decision is planned to be taken in February 2011 concerning charges to be made for attending mental health day centres and for services provided by voluntary organisations which are funded by the Council.

6. Financial, Legal, Sustainability, Risk, Personnel and/or Equalities Implications

- 6.1 An additional £1.1m was assumed from the contributions policy when the 2010/11 budget was set. It was noted that this saving could partly arise from a reduction in expenditure e.g. less home care hours being purchased, as well as from additional income being achieved.
- 6.2 To ensure that adequate time was available to undertake financial assessments, the policy was not implemented until 31 May 2010. This resulted in a loss of £200,000 in-year which is being met through underspends within the Adult Social Care budget.
- 6.3 The latest projections indicate that in a full year the level of income from the contributions policy is now likely to be approximately £110,000 (5%) short of the total budget. This appears to be offset by a reduction in expenditure on externally provided home care. At this early stage, it is therefore predicted that the contributions policy will achieve the financial targets that were set. However, this needs to be closely monitored so that any adverse variance is identified.
- 6.4 These projections do not take into account proposed changes around housing benefit and incapacity benefit which may impact on future levels of income received.
- 6.5 The level of arrears (in percentage terms) does not appear to have increased as a result of service users being required to contribute more towards their care. However, this will need to be closely monitored to identify any adverse trends and minimise any increase in bad debts.
- 6.6 The Director of Legal Services comments that there have been no legal challenges to the Council following the implementation of the charging policy. There have been a number of letters from solicitors

representing service users stating that financial assessments are inaccurate and requesting that a reassessment is undertaken.

- 6.7 All threats and opportunities identified to the proposals in this report have been considered and risk mitigation actions addressed wherever possible.

7. RECOMMENDATIONS

- 7.1 The Scrutiny Committee is asked to note the contents of this report.

FOR INFORMATION

Jean Daintith
Executive Director for Housing, Health and Adult Social Care

Contact officer: Steve Mellor, Group Finance Manager

Tel: 020 7361 2370 **E-mail:** Steve.Mellor@rbkc.gov.uk