Title: **Fairer Contributions Policy Implementation in Torbay**

Public Agenda Item: **Yes**

Wards Affected: **All Wards in Torbay**

To: **Health Scrutiny Board** On: **7 July 2011**

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1. Key points and Summary

The original Fairer Charging Guidance (2003) was designed for an era of traditional local authority social care provision where people received services arranged by a local authority. However with increasing numbers of people receiving direct payments and the introduction of personal budgets through Putting People First (2007) there is a need to consider how an individual's contributions, if any, towards the costs of non-residential services might be worked out in the context of personal budgets.

Putting People First is the Government's vision for social care in the future. The main aim is to give people more choice and control over how they get support. As society is changing and more people are living longer with illness and disability we need to transform the way we provide adult social care as the current model is not fit for the future.

Councils and Care Trust's have responsibility to charge adults in receipt of non–residential services and to decide on how much that charge will be. Changes are now required to the approach taken by the Care Trust to support the development of personalisation.

2. Policy Background

The Fairer Contributions Guidance (2009) sets out how the policy should be applied under a personalised system. Under Putting People First the new system is intended to be fairer for all people, in that the contributions they make will reflect the actual care being given rather than the cost of services provided.

Therefore we need to move from a system of charging linked to the costs of services to a contributions system linked to an individual's personal budget and their ability to pay not the services that they ultimately utilise to meet their needs.

Adult Social Care services have to change so that:

- People who use social care services and their families will increasingly shape and commission their own services.
- Personal Budgets will ensure people receiving public funding are able to use available resources to choose their own support services.
- The state and statutory agencies will have a different role – more active and enabling, less controlling.

Self Directed Support is the term used to describe a personalised system of care where the individual is supported to take more control over the assessment process. In this system the needs assessment links to a points system that calculates how much money the Care Trust should spend to meet their needs. This is called a Personal Budget which can be a virtual budget, a Direct Payment or a mixture. This means that people will know up front how much money will be needed to meet their needs and individuals will have much more choice and control over how the money is spent.

Torbay Care Trust has its own Fairer Charging Guidance which is updated each year. The charging approach that has evolved includes a mixture of standard flat rate charges that vary according to the type of service e.g. an hour rate and a daily maximum rate for Day Care. This approach is not compatible in the context of personalisation where the contribution will be assessed against a budget not against services.

Under the current charging scheme, income from charging contributes approximately £2,000,000 in 2009/10. About 40% of all service users do not contribute any direct funding to their care costs due to their low income or expenditure and 19% contribute the maximum amount.

This Fairer Contributions Guidance (2009) sits alongside the Fairer Charging Guidance (2003) which, along with its underlying ethos and principles, is still valid, and the Charging for Residential Accommodation Guidance (CRAG) to which the Fairer Charging Guidance refers.

Charging for residential service is governed under a different set of guidelines and those individuals who chose to use their personal budget to purchase residential care will be assessed under the CRAG rules.

3. Key Requirements of Fairer Contributions Guidance 2009

The overall purpose of the new guidance is to provide a framework within which Local Authorities/Care Trusts must develop and implement a single contributions policy for Personal Budget users which is based on their ability to pay rather than the complexity of their needs or the size of the care and support package they require to meet those needs.

What this will mean in practice is that people with a similar level of need for services may be asked to contribute different amounts to their Personal Budget if they have the (financial) means to do so.

There are a number of key principles that underpin the Fairer Contributions guidance, these are:

- The contributions policy is clear and transparent and easy to understand and challenge
- The contribution a client is asked to make is financially assessed according to their ability to pay.
- The client will not pay more than the cost of their care package/personal budget.
- The contribution does not undermine the client's independence of living by reducing their income to unsustainable levels.
- The contribution system will treat all clients equitability and ensure that people who choose direct payments are treated the same as those who choose Care Trust managed services
- The system ensures administrative efficiency and convenience for service users
- The system provides an early notification of service users likely contribution to care costs.
- The contribution is applied to the whole of the care package /personal budget received.
- There must be a fair and consistent approach to the application of disability related income and expenditure
- The contribution required is calculated in line with the Department of Health's Fairer Charging Guidelines and the guidelines for disability related expenditure produced by the National Association of Financial Assessment Officers.
- The financial assessment process will ensure that service users have an opportunity to maximise welfare benefits and reduce the burden of funding that may transfer to the Care Trust
- All clients who are financially assessed as being able to make a contribution to their care costs must pay the charge.
- The system must take into account the implications on service users and carers to ensure that if necessary transitional measures are put in place to mitigate

Services that fall within the Fairer Contributions Policy:

All types of social care services including:
- Day care.
- Personal Home Care (Domiciliary Care)
- Domestic Help
- Extra Care Housing.
- All non residential Personal Budgets
- Short term residential care (calculated using CRAG)

Services that must not be subject to the Fairer Charging Policy:

- Information, Advice and Guidance provided by the Council.
- Financial assessments.
- Intermediate Care services.
- Long term residential care services which will be chargeable under the Government's Charging for Residential Accommodation Guide (CRAG).

Circumstances when a client cannot be charged:

There are circumstances in which people are exempt from being required to make a contribution. These are:

- People suffering from Creuzfeldt Jacob Disease (CJD)
- People subject to aftercare arrangements under Section 117 of the Mental Health Act 1983
- Children and young people under 18 years will not be assessed and charged under the Fairer Charging policy.
- Community equipment and minor adaptations.

4. Proposals

The issues that have been considered in the Fairer Contributions Policy are set out below.

Table 1:

	Current Charging Scheme	**Proposed Options for the Fairer Contributions Policy**
A. Ensure the financial assessments begin at the start of the assessment process so people know up front how much money they are likely to contribute to their care. The letter sent to the client with the self assessment includes details regarding the financial assessment process	Financial assessments are conducted at the end of the care needs assessment process and service users are often unaware that they may have to pay towards their care and this is the subject of complaints.	A financial assessment is conducted at the beginning of the process so that people enter into an assessment knowing the maximum contribution they will need to make. This may require a further financial assessment e.g If someone has recently moved to independent living and they do not currently know their household expenditure. In this case we would advise of an interim contribution.
B. Set a maximum % contribution against the value of a personal budget.	A maximum charge is set at a 100% of the cost to the Trust less any subsidised services. .	Adopt an equitable Fairer Contributions policy for all service users contributions based on ability to pay and contribution to the personal budget. The simplest and most equitable approach is to set the maximum contribution at 100% of the personal budget.
C. With the introduction of personal budgets the client will be advised of an indicative budget within which they will plan their support. This is different to the current	There are a number of services that are subsidised by the Care Trust such as day care/services where two carers are required for moving and handling reasons.	Adopt an equitable Fairer Contributions policy for all people and assess contributions based on ability to pay. As we will be offering a budget and not services we will not have

process where services are commissioned, some of which are subsidised due to the difficult process of ensuring clients do not pay more for a service than the cost to the Care Trust.	The subsidy approach also creates disincentives for some people to take more control over their own support. This can be inequitable as can be driven be the provider rather than the actual needs/wishes of the individual	'services' to subsidies. Therefore, to try and create a system to accommodate this would be complex and possibly confusing. Therefore to assess the contribution on 100% of the budget will be clear and transparent.
D. Financial Assessment and contribution levying should not be applied to any one service in isolation; the process should be applied to whole packages of care and support	When residential respite in care homes is part of a support plan the Care Trust uses CRAG process to assess charge for this part of the care plan	Two assessments will be done at the start of the process to ensure charges for all types of services are covered at the start of the process. DoH guidance advises CRAG must be used if a budget is being used for residential services.
E. What Transitional Support should we put in place for people whose contribution may increase as a result of the changes and how long should this be for?	There will be some people who may have to pay more under a Fairer Contributions System. Transition arrangements will apply to ensure that individuals are informed in a timely way and are able to make adjustments in their support to ensure that it is affordable.	

The Care Trust are required by Government to put this new system into action. This will mean a change in the way individuals contributions are worked out.

There are elements that are mandatory and others that are discretionary. The proposal is for the Care Trust to:

- Set a maximum 100% contribution against the value of a personal budget.

- Ensure each client is assessed against their ability to pay not against the services received for non residential care.

- Remove subsidies so that there is equitable access and choices for all service users whether the personal budget is taken as a Direct Payment or a 'Virtual Budget' or a mixture of both.

- Advise clients that where they choose to have commissioned services (a 'virtual budget') they will have to accept the fees levied by the provider.

- Advise clients that where they choose to use their budget to purchase residential care they will be financially assessed using the CRAG rules.

The Care Trust can have discretion on the transitional arrangements:

- When to implement the new policy for clients who will contribute more under the new policy

- How to introduce any increases necessary

5. Financial Impact on the Care Trust

The guidance is clear that modernising charging polices in line with personalisation should not in itself be seen as an opportunity for the Care Trust to increase their income from client contributions.

In a few cases clients will see their contribution increase, this is mainly those clients who currently only have a low level of support e.g. one day at Day care a week. Including those clients who are liable to meet the ‘full cost’ of their services this equates to approximately 5% (or 75 clients).

6. Impact on Current Clients

It has been identified that a small number of clients will be affected by this new charging policy. These clients have been visited in the last 4 weeks and re-assessed according to the new contributions policy, to assess the financial impact. For the clients identified as affected by the changes and visited, the average impact was a potential increase in contributions of £10.31 per week (compared to current weekly charges ranging from £28 to £164 per week).

Their views on the new policy were also assessed (please refer to the questionnaire appended).

The results are as below.

Q 1 We believe to help people make choices in how their Personal Budget is spent they need to be able to compare like with like. Therefore we will need to remove any subsidies previously offered so the true market value can be compared. Do you think it is right to ask for any contribution that is asked for to be against the true or real cost of the service?

Q 2 Under the new proposals, other than those individuals who are assessed to pay for their services in full, approximately 20 people will see an increase in their contribution. At present the proposal is to implement these changes and the new Fairer Contribution policy from July 2011 and we feel it is appropriate to have a transitional period for those people whose contribution would increase, ie their charge will not increase until April 2012. Do you feel that this is an appropriate transitional period?

Q3 At present the amounts we use to calculate disability related heating costs has been in place since 2002. We are looking to update our figures in line with those used by the National Association of Financial Assessment Officers (obtained yearly from the Government’s National Statistic’s Department). We believe our figures are out of date as fuel prices have risen considerably since 2002, we currently base the average yearly consumption for all electricity, gas, and oil at £600 based upon 2002 rates, however we feel it would now be appropriate to use National figures to ensure consistency. How do you feel about this?

Question 1.			
Agree	7	43.75%	Even split on subject of whether we should be charge against the true cost of the day care or if we should continue with a subsidy. Main issue re fairness to full cost clients.
Disagree	7	43.75%	
Undecided	2	12.50%	

Question 2.			
Happy	16	100.00%	All clients questioned responded positively to the proposed transitional protection period.
Unhappy	0	0.00%	
Undecided	0	0.00%	

Question 3.			
Happy	7	43.75%	Most people agreed in principle to the restructuring of the additional Gas and Electric disregard. However, as this impacted on their assessed charges many were unhappy with the propsed removal of the lower £600 limit in favour of a more structured figure.
Unhappy	9	56.25%	
Undecided	0	0.00%	

7. Next Steps

The Care Trust is proposing to implement the new contributions policy from July 2011, applying transitional protection for those affected financially.

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Appendices

Consultation Questionnaire

Documents available in members' rooms

Fairer Contributions Guidance Dept of Health 2009