

Cabinet – 17 March 2010

Fairer charging for personalisation - consultation process

Portfolio: Councillor McCracken, Social Care and Health

Service: Social Care and Inclusion - Adult services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary of report

- 1.1 In September 2003 the Department of Health issued fairer charging guidance to help local councils design reasonable and fair charging policies and to ensure greater consistency across those policies. In July 2009 the Department of Health issued supplementary guidance to all Local Authorities to take into account the increasing number of people receiving direct payments and the introduction of personal budgets. Both of these policy documents are available on the Councils Committee Information website and have been deposited in the member's group rooms.
- 1.2 In order to respond to the guidance and prepare for implementation the Directorate have set up an inclusive process with key stakeholders to develop a response for consultation. The purpose of the key stakeholders group has been to:
 - Review the current policy
 - Agree a charging model that responds to the guidance within our local context
 - To prepare a consultation exercise in preparation for drafting a new policy for consideration by Cabinet
- 1.3 The review process has provided an opportunity to reconsider current practice, examine the resource implications for the Local Authority and to ensure that equity and transparency is achieved for Walsall residents. All key stakeholders have agreed that the response to the guidance should ensure that there is no detrimental impact on the financial resources available to Walsall MBC yet at the same time ensures that the most vulnerable citizens are protected in keeping with current policy.

- 1.4 The review has enabled us to produce a consultation document attached at **Appendix A**. Subject to Cabinet approval the document will be sent out on 5 March to the people on the distribution list given at **Appendix A**. The aim of this wider consultation is to inform a Cabinet report to determine the final policy decision to be presented to Cabinet in June 2010.

2. Recommendations

- 2.1 That Cabinet approve progress on work to date and agree **Appendix A** for distribution
- 2.2 That Cabinet receive a further report following consultation to determine Walsall MBC final decision in response to this policy guidance

3. Background information

- 3.1 Fairer Charging was originally introduced by government in April 2003. It gave guidance to councils on how to work out what adults could pay toward the cost of non residential care services that they receive. A separate charging for residential accommodation guide (CRAG) is also in place.
- 3.2 In January 2009 the Department of Health began a review of the fairer charging guidance. The aim of the review was to design a financial contribution regime for non residential care that was appropriate for personal budgets. The review concluded in new guidance being released by the Department of Health in July 2009.
- 3.3 The guidance provides councils with a model for calculating a person's contribution to their personal budget. It advised Councils that those who were providing personal budgets should implement section 7 of the guidance by March 2010. The Guidance proposes that the principles set out in the original Fairer Charging Guidance (2003) should be maintained and to be applied to the first stage of the charging assessment. This effectively set out a means test determining an individual's income available to make a contribution after they have retained a minimum amount to cover living expenses.
- 3.4 The second stage, where the contribution to be made is calculated, will need to change to take into account the impact of personal budgets on the way that service users spend community care funds. The current methodology for Fairer Charges is very service orientated, to the extent that pilot authorities delivering personal budgets have had to be granted exemptions regarding the way that they operate their charging policies.
- 3.5 The guidance indicated that it is good practice for Councils to consult on any proposed changes to their Fairer Charging Policies, as a result a review group was formed to commence this activity.

4. Resource considerations

4.1 Financial:

Charging for non residential services is forecast to generate around £2.856m of income for 2009/10, and budgeted income for 2010/11 is £3.231m. Although there are currently no direct financial implications as a result of this report, and any subsequent financial implications will be included within the final report to Cabinet in June 2010, for comparative purposes a 1% increase in charges would generate around £0.030m of additional income.

4.2 Legal:

Charging for non-residential services is a power, rather than a duty, which the vast majority of Local Authorities choose to exercise. The principle of equity and transparency needs to apply to all charging policies. Any increase in overall charging income requires the Council to carry out consultation.

4.3 Staffing:

There are no direct implications as a result of this report.

5. Citizen impact

Charges directly impact on citizens of the borough

6. Community safety

There are no direct implications as a result of this report.

7. Environmental impact

None directly relate to this report.

8. Performance and risk management issues

None directly relate to this report.

8.1 Risk: There are no direct implications as a result of this report.

8.2 Performance management: There are no direct implications as a result of this report.

9. Equality implications

The principle of equity and transparency needs to apply to all charging policies in order that people can provide challenge to its application.

10. Consultation

The Department of Health guidance indicates it is good practice to consult on changes to the charging policy. Therefore as part of the wider review group a consultation sub group, was convened to plan, manage and carry out all communication and consultation around the fairer charging policy review and its subsequent implementation. The group was made up of council officers and officers from the community and voluntary sector.

The group has structured a planned approach to communicating and consulting with the public about the new policy and its subsequent implementation. The group have produced, in partnership, the consultation document at Appendix B and have agreed the distribution via the Appendix.

The process enables the group to engage with user and carer groups through existing networks to input into the policy design and model of charging process, whilst informing everyone of the requirement for a new policy.

The group will continue to support the implementation of an agreed policy, by informing people of the policy decisions and the impact, designing the information provision including the accessibility and formats of all information provided.

The group will oversee the implementation to ensure that an up to date Frequently Asked Questions (FAQ) document is available to help people understand the charging issue, and external; support is secured from advocacy organisations in the third sector, to offer impartial advice to those with issues.

Background papers

All Fairer Charging guidance documents.

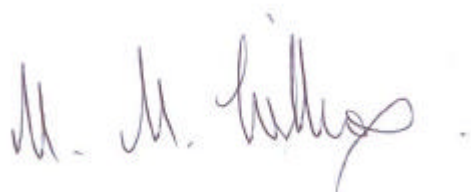
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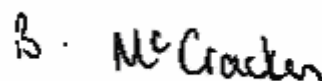
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Margaret Willcox
Acting Executive Director
Dated: 5 March 2010



Councillor Barbara McCracken
Portfolio Holder
Dated: 9 March 2010

What is Fairer Charging?

The law says that the council can ask people for some money to help pay for some of the services they receive. This money is called a contribution. The law has a set of rules to help the council work out this contribution fairly. It is called the Fairer Charging Guidance.

Why does the current fairer charging policy need to be revised?

The government wants to give people who use services Personal Budgets. It is a new idea so not everyone has one yet. The rules that councils are using at the moment were written before Personal Budgets started.

Everybody can use their Personal Budgets differently. Some people use theirs differently every week. This makes it hard for the council to follow the Fairer Charging rules and work out your contribution fairly.

Why did the government give us new guidance?

The Government gave new Fairer Contributions Guidance rules to help councils with the introduction of personal budgets.

What are Personal Budgets?

A Personal Budget (PB) is an upfront notional amount of money that will be allocated to an individual having completed a Self Assessment which has been agreed by the Local Authority. This notional amount of money can then be used to identify what support will be purchased to meet the identified outcomes that were highlighted in the Assessment.

What does the guidance tell us to do?

The council has to add up everybody's Personal Budgets. The total is how much money they need to meet everyone's needs. The council can ask people using services to pay for some themselves.

How much people may be asked to pay will be different for different people. It will be worked out on a sum called a percentage.

So if your council asks you to pay 10%, this means 10p for every £1 of your Personal Budget.

The new way of working out what people may pay should be simpler, fairer and easier to understand.

The council will still need to check that people have enough money before they ask them to pay.

Councils must make sure that people are treated fairly whether or not they have a Personal Budget.

Services should not cost more for people who do not have a Personal Budget yet. If a council decides to ask people to pay for a service they use, then everyone should pay, whether they have a Personal Budget or not.

Councils will have to make sure that the changes in rules leave people with enough money to live on?

For Example:

Council can choose to collect money by:

1. Taking the contribution towards your service directly from your personal budget money before giving it to you. This is called a net payment.

2. Giving you all the money for your Personal Budget then asking you to pay afterwards. This is called a gross payment.

1 A Net payment is better because it reduces the chances of you getting into debt and also reduces administrative costs for the council

2 is not as good because they would be giving you the money, then asking for it back again. This involves more red tape.

How have we worked out what the Walsall Fairer Charging Policy will look like?

We set up a review group to review the current Fairer Charging policy and look at how best to make the changes needed by the new guidance. The group is a multi agency group and has included representatives from agencies who represent the views of those who use our services.

How does the policy address the new guidance?

The council are planning to introduce a revised policy which makes sure that people are no better or worse off than they are using the current system.

100% of the costs of a Personal Budget would be used to decide what contribution people are able to make and this will be worked out as a percentage (exactly the same as the current system).

The council will have a flat rate charges for meals and transport, this means that no assessment takes place for these services as everyone has to pay for meals and transport as essential living costs people can choose whether or not to have this service from the council.

Will anything else change with the policy?

At the moment the council carries out a assessment of peoples disability related expenditure, as part of the financial assessment. This means things you have to pay for because of your disability. These can only be taken into account if you receive what is called a qualifying benefit. If you have savings over the agreed limit you can not claim any disability related expenditure.

The council are working with partners to see if there is a better way of working out people's disability related expenditure to make it a more transparent process and less complicated for people to understand and administer.

The council are working with partners to review the way people find out how much they have to pay and when they need to start paying. At the moment some people have to pay sooner than others, the council are trying to see if they can make this process more equitable.

When will the revised Fairer Charging Policy start in Walsall?

Subject to Cabinet approval, it will be implemented in the summer 2010

What can people do to find out more or have a say on the policy?

If you would like to know more or have your say on the proposed changes, there are a number of ways you can do this:

A dedicated web link will be set up if cabinet approve the consultation

Or

Talk to one of our partner organisations:

Citizens Advise

Telephone: 01922 700600

Age Concern

Telephone: 01922 638825

Walsall Disability Centre

Telephone: 01922 622227

Walsall Society for the blind

Telephone: 01922 627683

Walsall Deaf People's Centre

Telephone: 01922 614794

Advocacy Matters

Telephone: 0121 321 2377

Walsall Service Users Empowerment

Telephone: 01922 644983

Distribution Fairer Charging consultation

Walsall Council Website
Partner Websites- Disability Forum, Age Concern, WVA, Supporting People
User and Carer Networks
Partner Networks
Targeted groups- Walsall Society for the Blind, Walsall Deaf Centre
Distribution lists
Providers- to all care providers via commissioning networks
Internal staff- via staff networks