

## **Cabinet – 15 July 2009**

### **Development of a Consistent Extra Care Charging Policy**

**Portfolio:** Councillor McCracken, Social care, health and housing

**Service:** Older People's Services

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary of report**

- 1.1 Extra care housing is a model of supported living that is based on individuals having their own tenancies within a community setting with care services available on site to meet needs as they arise and, potentially, increase.
- 1.2 At present no extra care charging policy exists within Walsall Council. With an increase in the development of extra care schemes over the next 2 years, it is necessary to standardise policy and procedure in line with the Fairer Charging mechanism.
- 1.3 This report identifies the policy change required and a detailed procedure will be developed following consultation and reported back to Cabinet at its 16 September meeting. Any subsequent amendments which constitute a key decision will be forwarded to Cabinet.

#### **2. Recommendations**

- 2.1 To give approval for final consultation on the charging policy for extra care housing in line with the framework and principles outlined in this report.
- 2.2 Receive a further report to the September Cabinet meeting, following consultation, which contains detailed proposals for policy, fee levels and procedures.
- 2.3 Agree implementation from 5 October 2009.

#### **3. Extra Care Schemes**

- 3.1 Within Walsall a number of existing extra care housing schemes have been developed over a number of years. The current providers are Accord Housing Association and Midland Heart Housing Association.

- 3.2 Extra care housing is a tenancy focused model which supports independence and well being as a direct alternative to residential care. It is different from supported housing and residential care since support and care is available 24 hours per day, 7 days a week in self-contained accommodation to those who need it.
- 3.3 Extra care housing is also different from domiciliary services provided to someone living in their own home, in that the facility provides a range of support functions, as well as daily activities such as day care or a social club.
- 3.4 The core characteristic of extra care housing is the ability to provide individually tailored, flexible, and responsive care and support services to individuals in their own homes within a scheme, cost effectively and efficiently. In most cases the scheme works out its staffing teams based on an average of 10-12 hours, although some service users will have over 20 hours care and some zero hours care.
- 3.5 After detailed consideration and consultation with existing providers and a critical evaluation of the Housing Learning and Improvement Network (CSIP) guidance on extra care charging, Walsall officers have concluded that the combination of a flat rate well being charge and a banded care charge offers the best solution and is fairest to service users. Should peoples' care needs change they will be reassessed and their banding and corresponding charge amended accordingly. This is the model most local authorities are adopting when they commence the introduction of extra care schemes.

#### **4. Charging Policy Recommended**

- 4.1. In line with Fairer Charging Guidance, Walsall Council must leave an individual service user with 125% of their state retirement pension income also known as the *Basic Income Support Plus 25% Buffer*. This means that a service user cannot be charged a care charge if it leaves them with less than 125% of their state pension.
- 4.2 It is proposed that all extra care service users be charged a “well-being” charge which is a standard and fixed amount calculated at 80% of their attendance allowance. This is to fund the staff on site who are available to ensure their well being and to provide support and assistance when required. All clients in an extra care establishment will pay this charge irrespective of their care needs. This ensures that there is a viable staffing team available 24 hours a day should resources be required for service users. This is in line with guidance with other local authorities who provide Extra Care Schemes.
- 4.3 It is proposed that personal care will be charged for based on the complexity of care need and the level of care required for individuals. For charging purposes it is proposed to establish a number of bands based on levels of care needs rather than a charge per hour. For example, some authorities have zero, low, medium and high bands. The definition of each band in terms of levels of support provided and the financial charge attached to each band will be determined during the consultation period. This charge is subject to a means test in line with the Council's fairer charging policy.

4.4 The following are examples of different levels of income people would have available to pay the banded care charges which will be determined during the consultation period. These examples are for illustrative purposes only and include three different income levels. For all examples, it is assumed that all housing costs are funded by housing benefits.

4.5 **Table 1** shows the example of a client who has low income and pays no banded charge irrespective of care provided

<b>Table 1</b>	<b>£</b>	<b>Ref</b>
State retirement pension	130.00	A
Attendance allowance - higher rate including night care	70.35	B
Total Income applicable (A+B)	200.35	C
Well being charge calculated at 80% of B	56.28	D
Amount remaining for banded charge (C-D)	144.07	E
Minimum income guarantee (£130 x 125%)	162.50	F
<b>Income available for charging</b>	NIL	G

Under fairer charging this person should have 125% of their pension retained as living expenses before a charge for care could be levied. In this example they have £144.07 (E) after the well being charge; therefore no further charge will be made.

4.6 **Table 2** shows the example of a client who receives additional benefits

<b>Table 2</b>	<b>£</b>	<b>Ref</b>
State retirement pension	130.00	A
Attendance allowance – higher rate including night care	70.35	B
Severe disability premium	52.55	C
Total Income applicable (A+B+C)	252.90	D
Well being charge calculated at 80% of B	56.28	E
Amount remaining for banded charge (D – E)	196.62	F
Minimum income guarantee (£130 x 125%)	162.50	G
<b>Income available for charging (F-G)</b>	34.12	H

In this example whichever band a person was placed in the client still only has £34.12 (H) per week available after retaining the minimum income of £162.50 (G); therefore, they would pay a maximum of £34.12 irrespective of their care needs.

4.7 **Table 3** shows the example of a client with higher levels of income for example the state plus contributions from a private pension scheme

<b>Table 3</b>	<b>£</b>	<b>Ref</b>
State retirement pension plus private pension	313.00	A
Attendance allowance– higher rate including night care	70.35	B
Total Income applicable (A+B)	383.35	C
Well being charge calculated at 80% of B	56.28	D
Amount remaining for banded charge (C – D)	327.07	E
Minimum income guarantee (£130 x 125%)	162.50	F
<b>Income available for charging (E – F)</b>	<b>164.57</b>	<b>G</b>

Under this example the client has higher levels of income. After retaining the minimum under fairer charging they have £164.57 (G) available for charging.

## **5. Resource considerations**

### **5.1 Financial**

- 5.1.1 The development of and extra care charging policy is critical in ensuring the financial sustainability of existing and future extra care schemes and ensuring targeted income levels are achieved. In 2009/10 £0.195m is assumed in the base budget with effect from September following the implementation of this charge. Any delay will cost the department approx £21K per month in irrecoverable income.
- 5.1.2 Income receivable will increase to circa £1 million in future years when the new Housing 21 schemes come into operation which has been included in the overall affordability model for the project.
- 5.1.3 A working group will be meeting to ensure that data collection for charging and the methodology for charging is robust and efficient prior to the first charge being implemented.

### **5.2 Legal**

None arising directly from this report, however, the charge is in line with the Housing LIN guidance and also in line with Fairer Charging Guidance.

### **5.3 HR implications**

None arising directly from this report

## **6. Citizen impact**

The charging policy will be applied consistently and service users will pay for their care based on a means tested assessment. It will only affect new service users.

## **7. Community safety**

None arising directly from this report

## **8. Environmental impact**

None arising directly from this report

## **9. Performance and risk management issues**

- 9.1 There are some risks regarding the total amount of income which will be collected, especially as this will be heavily dependent on service users taking up benefits. Although the local authority can exert influence over clients with benefits reviews and assessments to enable benefit maximisation, the authority has no ultimate control over whether clients claim benefits.
- 9.2 Debt collection will be monitored by all relevant debt management performance indicators.

## **10. Equality implications**

Guidance to local authorities for non-residential social services sets out the principles that charging policies should be reasonable, demonstrably fair, and should not undermine the social care objectives of promoting independence and social inclusion. All service users will be treated consistently.

## **11. Consultation**

- 11.1 The Government also expects councils to consult with users, carers and disability rights groups on their charging policies. Service users in existing schemes have been consulted and received information on potential financial scenarios in relation to extra care housing and charging. Current providers have been consulted on the proposals.
- 11.2 Consultation will continue with the residential schemes running in conjunction with Housing 21, however, as this charge will only affect new clients, the existing clients will be unaffected.
- 11.3 Officers within financial administration and business support continue to be consulted to ensure that methods of data collection and charging are as efficient and as accurate as possible.
- 11.4 The Social Care and Inclusion Scrutiny Panel will also have chance to comment or make suggestions on the policy and procedure at its meeting on 3 September 2009, prior to final sign off at Cabinet.

- 11.5 The full detailed procedure will be available for Cabinet at its next meeting on 16 September 2009 for approval. Any subsequent amendments which constitute a key decision will be forwarded to Cabinet.

### **Background papers**

Charging for Care and Support in Extra Care Housing (fact sheet 19) published by Housing Learning and Improvement Network (March 2007)

### **Author and Contact Officer**

Gary Mack

Strategic Commissioning Manager – Older Persons' services

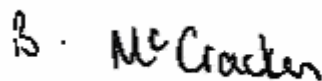
☎ 01922 658495

✉ [mackg@walsall.gov.uk](mailto:mackg@walsall.gov.uk)



David Martin  
Executive Director

3 July 2009



Councillor B. McCracken  
Portfolio holder

6 July 2009