

Cabinet – 9 November 2011

Benefits Based Charging Working Group Report.

Report of the Social Care and Inclusion Scrutiny and Performance Panel

Portfolio: Councillor Barbara McCracken

Report detail

A working group led by Councillor Tim Oliver undertook a review following the introduction of Benefits Based Charging for Community Services in Walsall on behalf of the Social Care and Inclusion Scrutiny and Performance Panel. This included meeting with service users as well as consideration of the work being undertaken by officers in responding to the requirements of the new arrangements.

The working group report was presented by Councillor Oliver to the Social Care and Inclusion Panel at its meeting on 6 October 2011.

The Panel voted unanimously to endorse the report and to recommend to Cabinet the proposals as set-out in the report annexed, specifically:

That:

1. there should be amendments to the current system, and in particular consideration of the introduction of a “brokerage system” when the cost of care received is below the level charged under benefits-based charging;
2. the council should adapt its system to enable access for care users to purchase a range of social care services, including day centres;
3. that there be a flexible and sympathetic approach to deal with any residual anomalies and exceptional circumstances which may emerge during the transition to the new arrangements. This should include an identified council point of contact to advise on service user queries;
4. that there should be an emphasis on retaining user choice and personalisation, and that there should be a named person / point of contact in particular to provide support and signposting for those facing hardship and problems as a result of the change in system.

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Councillor Tim Oliver
Chair, Social Care and Inclusion Scrutiny
and Performance Panel

Benefits-Based Charging for Community-Care Services Working Group



Report of the Benefits-Based Charging Working Group
-to be presented to the Social Care & Inclusion Scrutiny
& Performance Panel on 6 October 2011

Chair's Foreword

The working group was established to consider a number of issues and concerns which arose following the introduction of benefits-based charging for social care services in May, 2011.

I would like to thank all those who have assisted the working group over the last few months, including the other members of the working group, officers from within Social Care and Inclusion and Procurement, as well as representatives of service users and carers along with the Walsall Disability Forum.



*Councillor Tim Oliver
Lead Member, Benefits-Based charging for community care
services working group
Chair, Social Care and Inclusion Scrutiny and Performance
Panel*



*Councillor
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*Councillor Rose
Burley*

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Introduction

The working group was established by the Social Care and Inclusion Scrutiny and Performance Panel in June 2011. The objective of the working group was to review the initial implementation of benefits-based charging for social care services in 2011.

Terms of Reference

The draft terms of reference were considered and agreed at the first meeting of the working group held on 22 June, 2011 and subsequently approved by the Social Care and Inclusion Scrutiny & Performance Panel at its meeting on 1 September, 2011.

The objectives of the Working Group were:

1. To review the new arrangements and seek to understand the implications for service users;
2. To consider the objective of benefits-based charging which was to develop a more equitable charging model for social care services.

The full version of the Working Group's terms of reference can be found at Appendix 1 to this report.

Methodology

The working group held several meetings where they met and discussed issues with council officers and service users, carers and representatives from stakeholder organisations.

Witnesses

The following witnesses supported the working group's activities:

Paul Davies	Executive Director, Social Care and Inclusion
Emma Palmer	Strategic Lead Officer, Social Care and Inclusion
Nigel Imber	Strategic Lead Officer, Social Care and Inclusion
Bernard Cysewski	Welfare Rights Senior Officer
Ken Whittingham	Walsall Disability Forum

Report Format

The report is a summary of the evidence the working group received along with comments and suggestions for future action.

Context

The working group heard that the main principle behind the new arrangements is that a person's disability-related benefits are paid to an individual to fund the costs of meeting their support needs. Under the benefits-based charging system, the amount people are being asked to pay is based on the level of relevant disability-related benefits they receive. An individual's benefits-based charge will remain the same irrespective of how their needs change or the level of service they require.

Fairer Charging

Previously, Fairer Charging as a charging system for community based care was implemented in Walsall in 2004. This system was described to the working group as proving inequitable, complex and costly to administer and with a significant income receivable shortfall against budget. The working group heard:

- 2,392 users of community based care services had been assessed under the current 'Fairer Charging' system
- Of these 1,191 were assessed as having to pay a NIL contribution
- The range of charges for the 1,201 people who made a contribution varied from a minimal charge i.e. less than £5 per week, up to £559 per week
- The average charge was £20.26 per week, but there was no maximum charge.

Benefits-Based Charging for Community Care Services

The working group heard that there were a number of drivers for a benefits based charging model:

- A system based on everyone paying something
- The recognition by people in receipt of disability benefits that this benefit will be utilised to fund / contribute toward the costs of meeting their disability needs
- For example that the mobility element of Disability Living Allowance is given to fund transport needs.

Officers explained that a person's disability-related benefits are paid to an individual to fund the cost of meeting their support needs. Under the benefit-based charging system, the amount people are being asked to pay is based on the level of relevant disability-related benefit they receive. The working group heard that an individual's benefits-based charge would remain the same irrespective of how their needs change or the level of service they require. It was also emphasised that the minimum income guarantee is not

affected by this policy. This is the amount the government says people need to live on. For older people this averages at £137.35 per week.

National levels of care

Officers explained that four bands of care existed nationally: critical, substantial, moderate and low.

The Walsall Model

The working group heard that in Walsall services are provided for those with substantial care needs. The charge for these services is calculated using income and benefits. The charge is a maximum of:

- 50% of Disability Living Allowance (Care Component) if under 65 years of age;
- 50% of Attendance Allowance – if aged 65 or over

and

- 100% of Severe Disability Premium

Officers explained that all other income from pensions and welfare benefits is not included. Those with £23,250 or more in capital and savings will pay the full cost of their care.

Walsall's non-residential charging policy

Officers explained that a number of services are included in the council's non-residential charging policy:

- Care received at home through care agencies;
- Attending day centres;
- Living in an adult placement scheme ('Shared Lives');
- Individual budgets;
- Supported Living Schemes;
- Respite Care;
- Community Alarm.

The working group heard that some people might have to pay an additional charge for transport (£2 per journey) and meals at day centres (£3.17 per main meal).

Charging policies elsewhere in the West Midlands

Officers explained that a number of different models were operated within the region.

Dudley

In Dudley an individual's total income is used, with all state benefits considered, with the exception of Disability Living Allowance (mobility) and a number of tax credit and income support benefits. The value of a person's home, earnings, interest from savings and investments are discounted.

The working group heard that the services included in Dudley's non-residential charging policy included, personal care, home care, shopping, meal preparation and medicine handling. Additional charges which individuals might be required to pay include : transport (£2.95 per day), meals (£4), day centre (£35 a day), telecare (free in council property, £12 in a private property) and respite.

Sandwell

In Sandwell if a person has any disposable income their weekly charge will be the lower of : 47% of the disposable income and 54% of the value of their Personal Budget or the full notional cost of their package where no Personal Budget allocation has been identified. All state benefits, with the exception of DLA (mobility) and Carers' Premium, all Occupational Pension Income, tariff income from capital and savings and any other income other than earnings, number of allowances are also discounted, including the difference between the lower and higher rate of Attendance Allowance if the higher rate is in payment and no night-time services are provided.

The services included in Sandwell's non-residential charging policy are domiciliary / personal care, day centre attendance, day sitting and direct payments. Additional charges that some individual's may have to pay include, meals (£2.75), telecare equipment is free although there is an £11.33 installation fee and Sandwell Homes charges £51.09 a quarter for monitoring, there is also a charge for respite care.

Cost of support in Walsall

Officers provided the working group with some guidance regarding the cost of support received by service users. The information provided is based on the first 912 bills issued. A second phase is due to begin shortly with a further 742 bills set to be issued.

The working group heard that some 170 clients who were required to pay the full charge or a minimum of £92.10 had been written to by August 2011. This was because they have either chosen not to disclose their income or have savings in excess of £23,250. From this group approximately 89 were worse off under the new charging policy as a result of their care package costing less than £92.10.

Impact on the budget

Officers explained that based on the first 912 bills issued some 200 clients have chosen to no longer receive services from the council. This represents savings on budget of approximately £600k, including an estimate for overheads, with income lost of £195k.

The working group heard that all individuals who had cancelled their support received a follow up call from the initial team after one month after cancellation to check on their circumstances.

Consultation with service users

Officers explained that a consultation letter was sent to over 10,000 people in November 2010. A letter was also sent to all affected service users in May 2011.

Support for finding alternative provision

The working group heard that the council was committed to assisting individuals in identifying alternative provision. This includes highlighting this support when responding to enquiries, as well as undertaking signposting training for all social care staff and partners.

Forum with care recipients and carers, July 2011

The working group were keen to understand more of the direct experience of service users following the introduction of benefits-based charging. An invitation was sent to all service users who were now paying more than they had done under the previous fairer charging system, as well as those who had chosen to leave council services and instead use private care services. An advertisement was also placed in local print media to raise local awareness of the event. The working group also considered a number of written submissions.

The perspective of some service users

The service users who attended the event expressed a variety of views. Many expressed frustration regarding the increase in charges without any increase in the number of care hours they received. For example, one individual paid £21.72 under the previous system for the receipt of 4 ½ hours a week day centre care. However, under benefits-based charging the charge was £70.26 while the number of care hours had remained the same. The care recipient explained to the working group that the benefits she received were critical in supporting her in maintaining her independence. However, she felt that the council was making a disproportionate claim on her income.

The perspective of Walsall Disability Forum

A representative of Walsall Disability Forum expressed the view that there might be potential danger that individuals might choose to not make use of services. He highlighted the possible risk of someone choosing not to use a day care centre and becoming isolated as a result.

The perspective of the council

The Executive Director for Social Care and Inclusion explained that fairer charging had been considered to be an inequitable system. This had resulted in some individuals being charged a significant amount for services, while others were receiving services and not making any level of financial contribution. This inequity had contributed to a funding short fall within social care services. A flat rate charge had been introduced to redress this balance.

The Executive Director also explained that it was anticipated that benefits-based charging will make a £3m funding contribution to the cost of services. In the absence of these arrangements very difficult alternative decisions would need to be made regarding priorities and determining which services the council could no longer afford to fund. For example, in Birmingham the decision had been taken to restrict services to only those with the most severe level of need, whilst Walsall council continues to provide support with those with substantial care needs and above. He further explained that the objective of the benefits-based charging system was for the council to take a proportion of individual's benefits to pay for services, with the balance available to the service user.

Conclusions of the working group

1. Consultation and introduction of Benefits Based charging

The working group acknowledged that a comprehensive consultation exercise regarding the new arrangements had been undertaken and presentations had also been received by the Scrutiny Panel. However, it was apparent from responses that in some instances the impact on individual cases had proven difficult to appreciate. This was reflected in the forum held by the working group, where it was apparent that grasping the implications of the new arrangements had proved challenging for some members of the public.

From representations received it was also apparent that bills had arrived before some service users had fully understood the new scheme and this had caused unnecessary distress to many. The working group also highlighted the significant concern caused by the invoice and charging methods, including invoices being sent out through the sundry debtors system. The working group viewed the language used in the letters as unsympathetic to the needs of social care users. Furthermore that the timing of the letters to service users introducing new charges had started to go out in the week following the Council elections in May, which was seen at best as unfortunate timing (and viewed more cynically by others).

The working group also identified the importance of a named council point of contact being available to assist service users with queries regarding the new process.

2. The financial context

The working group highlighted the overall financial context in which benefits-based charging has been introduced, against a background of significant reductions in central government funding to local government across the country. In particular Walsall had faced a reduction of £33m. (17%) in funding in 2011 / 2012 as compared to the previous financial year, which was considered by working group to be a disproportionate and unfair settlement to Walsall.

The working group noted the subsequent specific impact on the Social Care and Inclusion budget, as approved by Cabinet and Council, which included the requirement to save £7m over each of the next four years.

Members also accepted a number of significant anomalies with the previous system of fairer charging, including the inequitable position which had emerged of some paying a high cost for the receipt of care services and some paying nothing. The working group also acknowledged that around £1m was being lost annually through a combination of uncollected charges and invoices frequently not being issued. It was not entirely clear whether this was due to failures in the system, or a failure to properly implement agreed policy.

It was therefore with some reluctance that the working group accepted the need for the council to review this area of policy, being mindful in particular of the financial position of Walsall Council, but also that the policy changes could impact on some of the most vulnerable people within our communities.

3. Social Care policy context

The working group were keen to highlight the importance of social care and recognised the importance preventative approaches toward supporting people in their own homes, acknowledging that this should be at the heart of social care policy.

The working group understood the principle and concept of flat rate charge to service users based on benefits irrespective of level of need. However it had also become apparent that there were significant concerns expressed by service users as to a system which has resulted in some service users paying more in charges than the cost of services received. The working group highlighted that they would have welcomed greater transparency and understanding of such implications of the new system prior to its introduction.

It was apparent that some service users were opposed to the concept of having to pay increased charges - or indeed in some cases at the introduction of charges which they had not paid previously. There was particular concern expressed by some who felt they were paying for services they were not receiving.

However, the working group recognised that if benefits-based charging was withdrawn and the Social Care and Inclusion budget was to remain balanced, alternative measures to reduce spending would have to be found. For example Birmingham and other areas of the country had decided to limit support only to those with critical care requirements.

The working group further wished to emphasise that any interim conclusions were in relation to benefits-based charging. It was recognised that there may be concerns arising from parallel issues - such as levels of individual assessment, changes in policy to residential care - which were not the subject of this report.

4. Recommended amendments to current Benefits Based Charging policy

The working group understood that under the personalisation agenda, it was possible for individuals to opt out of council services and purchase their own care. However, many actually wish to stay within the council system because of the support and security it provides. Some care recipients and carers have argued that an individual should only pay for the services received. However the working group felt strongly that this would be inequitable as often those needing the highest level of care are the most vulnerable and least able to pay.

It was the view of the working group that it might be possible to introduce a “brokerage system” managed by the council; whereby individuals would be allowed to purchase the level of care needed and pay the appropriate level of fee, together with a weekly brokerage fee of perhaps £5. For example, a user might pay for a specific number of days of support at a day care centre, which would thus be charged at the appropriate daily rate along with the brokerage fee.

However if and when the value of individual's care package rose to the current level of benefits-based charging, they would then revert to the benefits-based charging flat rate.

The working group felt that this would increase effective choice available to service users, and would be an alternative which would resolve the difficulties faced by some who are paying more than the cost of the services received.

The working group highlighted that the proposed arrangements would mean that the council would have to adjust current financial systems so as to allow care service users to “buy in” to current services.

Information given by officers to the working group indicated that this proposed approach would be cost neutral from the council's point of view.

The working group recognised that inevitably within a group of over 2,000 service users there will be a number of unusual or exceptional circumstances which would be highlighted with assessment and the transition to benefits based charging. It was a strong view that any such cases must be considered on an individual basis and as flexibly and sympathetically as possible.

Summary

That the working group :

- 1. appreciated the financial and policy context facing Social Care services in Walsall, and anomalies within the operation of the previous “fairer charging” system;**
- 2. was critical of the invoice charging process which should be changed to a more suitable and empathetic approach;**
- 3. in view of the financial situation, accepted the overall principle of a benefits-based charging system for community care.**

Recommendations

That

- 1. that there should be amendments to the current system, and in particular consideration of the introduction of a “brokerage system” when the cost of care received is below the level charged under benefits-based charging;**
- 2. that the council should adapt its system to enable access for care users to purchase a range of social care services, including day centres;**
- 3. that there be a flexible and sympathetic approach to deal with any residual anomalies and exceptional circumstances which may emerge during the transition to the new arrangements. This should include an identified council point of contact to advise on service user queries;**
- 4. that there should be an emphasis on retaining user choice and personalisation, and that there should be a named person / point of contact in particular to provide support and signposting for those facing hardship and problems as a result of the change in system;**

and

- 5. that a further review of the benefits-based charging should be undertaken when the system has been fully “rolled out” to all service users.**

Work Group Name:	Benefits based charging for social care services
Panel:	Social Care & Inclusion and Performance Panel
Municipal Year:	2011/12
Lead Member:	Councillor Oliver
Lead Officer:	Paul Davies
Support Officer:	Matt Underhill
Membership:	Cllr Oliver; Cllr D. Coughlan, Cllr Burley

1.	Context
	<p>The working group has been established to review the initial implementation of benefits-based charging for social care services in 2011.</p> <p>The principles of the new arrangements are that a person's disability-related benefits are paid to an individual to fund the costs of meeting their support needs. Under the benefits-based charging system, the amount people are being asked to pay is based on the level of relevant disability-related benefits they receive. An Individual's benefits-based charge will remain the same irrespective of how their needs change or the level of service they require.</p> <p>Previously, Fairer Charging as a charging system for community based care was implemented in Walsall in 2004. This system was viewed as inequitable, complex and costly to administer and there is an income receivable shortfall against budget.</p> <ul style="list-style-type: none"> • 2,392 users of community based care services have been assessed under the current 'Fairer Charging' system • Of these 1,191 were assessed as having to pay a NIL contribution • The range of charges for the 1,201 people make a contribution varies from a minimal charge i.e. less than £5 per week, up to £559 per week • The average charge is £20.26 per week, but there is no maximum charge
2.	Objectives
	<p>To review how the new arrangements and seek to understand the implications for service users.</p> <p>The working group will consider the objective of benefits-based charging which was to develop a more equitable charging model, which is a benefits based. Drivers for a benefits based charging model:</p> <ul style="list-style-type: none"> • A system based on everyone paying something • The recognition by people in receipt of disability benefits that this benefit will be utilised to fund / contribute toward the costs of meeting their disability needs

	<ul style="list-style-type: none"> For example the mobility element of Disability Living Allowance is given to fund Transport needs.
3.	Scope
	All adults in receipt of community based social care services.
4.	Equalities Implications
	<p>An equalities impact assessment is underway</p> <p>There is a statutory requirement to undertake extensive consultation on proposed charging model. This consultation will be across community and voluntary groups, welfare rights groups and citizens across the borough in a planned way.</p>
5.	Who else will you want to take part?
	Local stakeholders, care recipients, carers and representative groups
6.	Timescales & Reporting Schedule
	The working group's final report will be presented to the Panel 6 October 2011.
7.	Risk factors
	<ul style="list-style-type: none"> Undertaking timely consultation; Not progress with benefits based charging model would mean: <ul style="list-style-type: none"> need to seek £3million saving through other means; continued income shortfall