

Cabinet –21 October 2009

Development of a Consistent Extra Care Charging Policy

Portfolio: Councillor Mrs. B. McCracken, Social Care, Health and Housing

Service: Social Care & Inclusion – Older People’s Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary of report

This report is to update Cabinet following their agreement to the principle of introducing a charging policy for extra care housing based on a banded model of need at its meeting of 15 July 2009. As requested, further work since that meeting has led to a proposal for precise charging levels.

2. Recommendations

- 2.1 That Cabinet give approval for the charging bands.
- 2.2 That Cabinet approve the policy and guidance which is in line with best practice and attached as Appendix 1.
- 2.3 That the decision on the date for implementation be delegated to the Executive Director for Social Care and Inclusion in consultation with the Portfolio Holder.

3. Background information

3.1 Extra Care Schemes

The Cabinet paper of 15 July described how extra care housing has been developed in Walsall and how a combination of a flat rate well being charge and a banded care charge offers the best solution and is fairest for service users.

3.2 Flat Rate Well Being Charge

Each new tenant will be charged a “well-being” charge which is a standard and fixed amount calculated at 80% of the higher rate of attendance allowance. This is to fund the staff on site that are available to ensure their well being and to provide support and assistance when required. Should a person not qualify for the higher rate of attendance allowance then the charge will be adjusted so that their total income remains at not less than 125% of state pension in line with

Fairer Charging Policy. All existing service users will continue to pay the well-being charge as per their tenancy agreements.

3.3 Charging Bands

Only new service users will be assessed against the care charges for extra care. All existing service users will continue to pay the well being charge which is standard across the borough.

3.3.1 It is proposed that the charging of extra care will fall into the following bandings:

Band	Charge
Low Need	£40
Medium Need	£125
High Need	Maximum Care Charge, £150

These bandings are based on the Housing Learning Improvement Network guidelines and comparison with schemes elsewhere. People in the low band will receive an enhanced level of supervision which may sometimes include a small number of care and support hours to help the individual retain their independence. People in the medium band will receive regular and routine domiciliary care and support, and people in the high band a substantial level of domiciliary care and support.

3.3.2 There are scenarios within the charging policy and procedures attached that outline what individuals would have to pay for their care once their income and expenditure has been calculated.

3.3.3 The Council's Fairer Charging Policy will be revised to take account of changes required nationally from April 2010, and this extra care charging policy will be aligned with these changes at that time. It is necessary to implement the extra care charging policy ahead of these changes, from the point at which the new service has become available, to ensure that charges are paid for the extra care service in the same way as for all other services that are liable for charging.

4. Resource considerations

4.1 Financial:

4.1.1 The development of 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.

4.1.2 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.

4.2 Legal:

4.2.1 Legal advice was sought to ascertain the fairness of only applying the care charge to new services users. The advice given was that this was fair.

4.3 Staffing:

4.3.1 None arising directly from this report

5. 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.

6. Community safety

None arising directly from this report

7. Environmental impact

None arising directly from this report

8. Performance and risk management issues

8.1 Risk:

8.1.1 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.

8.2 Performance management:

8.2.1 Debt collection will be monitored by all relevant debt management performance indicators.

9. 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.

10. Consultation

- 10.1 As this is a charge levied on new service users there was no need for formal consultation, however it is expected that local authorities share information with potential service users prior to their signing of any tenancy agreement.
- 10.2 All service users moving into the two new schemes Alrewych Court and Mattesley Court have been informed of the new care charges. Scenarios have been developed to help inform potential service users of how the charge will affect them. The main elements are included in the attached policy.
- 10.3 Each new service user assessed as needing extra care by their social worker will be informed of the charges prior to the signing of their tenancy agreement.
- 10.4 After cabinet approval a leaflet will be developed to help inform the service user about the charges for extra care.
- 10.5 Officers within financial administration, the welfare rights team and business support have contributed considerably to the policy attached as appendix 1.
- 10.6 The Social Care and Inclusion Scrutiny Panel will also have chance to comment or make suggestions on the policy and procedure prior to the cabinet meeting of the 21 October 2009.

Background papers

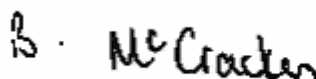
Charging for Care and Support in Extra Care Housing (fact sheet 19) published by Housing Learning and Improvement Network (March 2007)
Cabinet Report – Development of a Consistent Extra Care Charging Policy
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Extra Care Charging Policy
Adult Social Care

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1 Purpose of the Extra Care Charging Policy

The purpose of this document is to set out the charging policy adopted by Walsall Council for charging in respect of Extra Care Housing.

This policy will not apply to those service users who were in receipt of extra care housing (EG. Midland Heart and Accord) prior to the implementation of this policy.

2 Principles of the Extra Care Charging Policy

- To have a transparent charging policy which is easy to understand and challenge.
- To ensure equality and fairness in the charging policy.
- To ensure service users have an opportunity to maximise their benefits

3 The Charging Model

The model of charging adopted by Walsall Council is in line with most local authorities, who provide extra care housing.

After detailed consideration and consultation the Walsall policy will work on the basis of a flat rate well being charge and a banded care charge.

3.1 Definition of charging criteria for well being charge

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 and with other local authorities who provide Extra Care Schemes.

All extra care service users are charged a well-being charge which is a standard charge which is equivalent to 80% of Attendance Allowance. For those not in receipt of Attendance Allowance or Disability Living Allowance care component at the highest rate and choose not to pursue a claim for the highest rate then they will be charged at 80% of the highest rate of Attendance Allowance.

3.2 Overall charge for care

All clients who require specific individual care which is dependent upon their needs as detailed in their Community Care Assessment will be charged in accordance with a banded care rate. This will be based on the complexity of care need and the level of care required for individuals in accordance with the following bandings:

Band	Charge
Low Need	£40
Medium Need	£125
High Need	Maximum Care Charge, £150

4 Applicable date for both well being and assessed care charge

The assessed charge will be chargeable from the Monday following notification in line with the current fairer charging policy. The well being charge is a flat rate charge and will be chargeable from the date of admission.

5 Policy for charging for temporary absence

Temporary absences would include admissions to hospital, holidays and any absences, over seven days.

The service user will be charged the well being charge whilst temporarily absent. The service user will not be charged the assessed care charge whilst temporarily absent, if the absence is more than seven days.

6 Respite care charging policy

The Department charges for respite care based on a scale of charges.

Service users will receive an invoice after their respite care stay, for the relevant contribution amount which is based on the current Department for Works and Pensions rate. The relevant contribution amount is based on an age banding (55 to 60 years and over 60 years).

To differentiate between residential and extra care respite, the extra care respite charge will be reduced by the equivalent cost of the current meals service.

A maximum of 48 nights in any financial year can be provided, which is part funded by the Local Authority.

7 Exemptions

7.1 Exemptions Under Statute or the Secretary of State's Guidance

- Service users suffering from Creutzfeldt Jacob Disease.
- Service users subject to Section 117 of the Mental Health Act 1983.
- Services provided as an integral part of a time limited package of intermediate care.
- Services defined as continuing health care.
NHS funded sessional services.

7.2 Exemptions Granted By Walsall Council

- Service users receiving assistance from the Independent Living Fund.
Carers receiving services under the Carers and Disabled Children Act 2000.

8 Financial Assessment and the Well Being Charge

The Well Being Charge is taken into account as part of the Disability Related Expenditure in the calculation of the care charge.

9 Financial Assessment and calculation of care charge

For the purposes of charging the fairer charging policy will be adopted. Service users receiving extra care will receive an assessment which comprises three elements:

- Financial assessment.
- Disability related expenditure assessment.
- Welfare Benefits check.

The Department seeks to promote a policy of self assessment, and will normally undertake an assessment in the service users own home. The service user may have a friend, family member or advocate present during the assessment process.

Following the completion of the assessment process the service user will receive a contribution notification letter showing the weekly contribution which the service user is required to pay for their care charge.

Where the assessing officer has identified that a service user may be entitled to additional benefits, they will contact the service user approximately 12 weeks after the initial assessment to confirm if the benefit has been awarded. A revised weekly contribution amount will be calculated based on the updated benefit information; the revised contribution will take effect from the date of the notification letter.

Service users should notify the Specialist Debtors Team immediately, if their circumstances change.

9.1 Principles

Each service user will complete a financial assessment form, which details their income, expenditure and capital. This form together with the information on disability related expenditure will be used to calculate the contribution which a service user will be required to make towards the cost of the services they receive.

Only the service user's income will be taken into account. No-one with income below the basic income support level plus 25% will be required to make a contribution.

If a service user does not wish to have a financial assessment they will be asked to sign a non disclosure form and their contribution will be the maximum contribution for the services they receive.

If a service user makes an incorrect disclosure of their financial circumstances, then the Council has the right to backdate the charge to the date that the original information was supplied.

9.2 The Financial Assessment Calculation

The financial assessment will be calculated as described below; each element of the process is detailed further in the relevant section within this policy see below:

1	Relevant Weekly Income (<i>see section 10 for more detail</i>)
2	Less: Basic Income Support + 25% Buffer (<i>see section 11 for more detail</i>)
3	Less: Disability Related Expenditure (DRE) including the Well Being Charge (<i>see section 12 for more detail</i>)
4	Less: Housing Costs (<i>see section 13 for more detail</i>)
5	Equals = Maximum Available Income
6	Banding Charge of Care Package Received by Service User (<i>see section 3 for more information</i>)
7	Equals = Maximum Contribution
8	Service Users Contribution = Lesser of Maximum Available Income (line 5) and Maximum Contribution (line 7)

10 Relevant Weekly Income

10.1 Assessable Income

The following sources of income will count in full as a service user's assessable income:

- Income Support.
- Attendance Allowance.
- Disability Living Allowance Care Component.
- Pension Credit.
- Constant Attendance Allowance.
- Exceptionally Severe Disablement Allowance.
- Retirement Pensions.
- Occupational or Private Pensions.
- Other Benefits such as Incapacity Benefit or Severe Disablement Allowance.
- Income from tenants and boarders, such income will be treated the same as it is under the Government's Charging for Residential Accommodation Guide (CRAG).

Assumed income from savings and other capital assessed in the same way as under the Government's Charging for Residential Accommodation Guide (CRAG) – see 10.3 below.

10.2 Disregarded Income

- All earnings (the definition of earnings is as in CRAG).
- Any partner's earnings.
- Mobility Component of Disability Living Allowance.
- War Widows 'Special' Payments.
- War Pension - £10.00 disregard.
- War Compensation Payments
- Guardian's Allowance.

The amounts of Attendance Allowance and Disability Allowance care component that are paid for night-time care, if no night-time care is being provided by Social Care and Inclusion Services. In these cases any disability related expenses claimed for night-time care will be reduced by the payment of the benefit made for night-time care.

10.3 Capital

The principles laid down in the Government's Charging for Residential Accommodation Guide (CRAG) will be adopted for charging for non-residential care services. The capital thresholds are updated in April each year, the information detailed below reflects the rates which apply as at April 2009, but the principles will apply in future years, based on the annually updated rates:

- Capital up to and equal to £14,000 will be disregarded.
- For capital between £14,001 and £23,000 a weekly income of £1 for every £250 or part thereof, will be assumed.
- People with capital over £23,000 will contribute the maximum amount, based on the services which they receive.

10.3.1 Capital includes

- All forms of cash savings, bank/building society current and deposit accounts, stocks & shares, unit trusts, etc.
- Post Office/National Savings and Premium Bonds.
- PEP's, TESSA's, and ISA's.
- Money owed by third parties.
- Any other cash savings.
- The surrender value of any life insurance, private pensions or annuities will be disregarded, unless taken out in order to avoid payment of charges.
- The value of all Trust Funds will be treated in line with CRAG. But it will be the duty of the trustee to notify if the trust fund should pay towards their care under its trust deed.

Where a person transfers any capital to a third party to avoid paying charges, they will be assessed as retaining that capital.

10.3.2 Treatment of Property

The value of a property owned by a service user as their sole or main dwelling will be disregarded.

The value of any other property owned or part owned by the service user will be regarded as capital and where applicable full cost will apply.

10.3.3 Treatment of a Partner's Income and Capital

- Parents and other members of an adult service user's family cannot be required to pay the charges, except in certain legal circumstances. An example would be where a family member may be managing the service user's resources.
- If Social Care and Inclusion consider that a service user may have a legal right to a share of an asset, such as a bank account of a partner, then the partner will be asked to disclose that asset, this is to allow the department to accurately assess if the service user has the means to pay their contribution.
- Where a couple are entitled to, or are receiving income support paid as a couple, the assessment process will identify the couple element of income support and include 50% of the income support top up as income support. (This excludes the savings element of the pension credit).
- Jointly held savings will be treated as divided equally between the owners, unless the contrary is demonstrated by, or on behalf of, the service user. The Government's document Charging for Residential Accommodation Guide (CRAG) will be adopted in these circumstances.

11 Basic Income Support Plus 25% Buffer

11.1 Basic Income Support

This represents the assessment of the amount required by the service user for basic living costs. It is defined as the Income Support "applicable amount" for the individual service user and will not include any Severe Disability Premium to which the service user may be entitled.

The "applicable amount" is the amount which the income support guidance says a person needs to live on each week. The Severe Disability Premium is an addition to the "applicable amount" for people with Attendance Allowance or one of the higher rates of Disability Living Allowance care component and is paid where there are no non-dependants living with the claimant and where there is no-one claiming and receiving Carers Allowance for looking after the claimant.

11.2 25% Buffer

This is the amount equal to 25% of the service user's income support "applicable amount". By including this "buffer" in the assessment it is ensured that the service user will be able to retain this amount over and above the minimum amount set under the income support guidance.

12 Disability Related Expenditure

Disability related expenditure (DRE), as outlined in the Governments policy for Fairer Charging for Home Care and Other Non-residential Care Services, will form the second part of the assessment process.

Allowances will be made in accordance with the approved guidelines set by Social Care and Inclusion services for disability related expenditure, where the service user is in receipt of either attendance allowance, the care component of disability living allowance or more exceptionally severe disablement allowance or constant attendance allowance.

Service users who are not in receipt of these benefits will not have a disability related expenditure assessment.

Appendix 1 of this document shows the allowable areas for disability related expenditure and the evidence which a service user will be asked to produce to support their claim. This list is not exhaustive and entitlement to disability related expenditure will be based on the assessment of the service user's individual circumstances, by the assessing officer in conjunction with the service user.

13 Housing Costs and Housing benefit

These are:

- Rent.
- Mortgage interest payments unless covered by Income Support. If any Income Support housing costs payment or Housing Benefit is claimed the deduction will be net of these payments.
- Council Tax – If any disability reduction, single person discount, Council Tax benefit or second adult rebate has been claimed (or could be claimed) the deduction will be made net of these payments.

When a service user is living with a relative or for another reason is unable to claim Housing Benefit or Income support housing costs, the Housing Benefit and Council Tax benefits non-dependent deductions towards housing costs will be allowed.

14 Welfare Benefits Check

As part of the assessment process, the service user will be entitled to a welfare benefit check. This process will involve an assessing officer identifying and assisting with those benefits which he/she believes the service user may be entitled to.

The assessing officer will issue the appropriate forms together with a list of the claimable benefits; there will also be a facility for the assessing officer to assist the service user in claiming for those benefits including those shown below:

- Attendance Allowance.
- Disability Living Allowance.
- Incapacity Benefit.
- Pension Credit.
- Carers Allowance.
- Housing Benefit.
- Council Tax Benefit.
- Social Fund

Where additional benefits have been identified, then an assessing officer will contact the service user approximately 12 weeks after the original visit to ascertain any change in circumstances.

15 Reviews and Appeals

Where the service user believes that either their assessed contribution is incorrect, unreasonable or that it would cause financial hardship, the service user has a right to challenge the Council's decision.

In the first instance this should be done through the review process. The service user has 1 calendar month from the date of their contribution notification letter to request a review.

The service user will have their assessment reviewed by an assessing officer other than the one who completed the original assessment. The service user will be notified of the outcome of their review within 10 working days of receipt of the original request.

If the service user is not satisfied with the outcome of their review, then they may within 1 calendar month of the outcome of the review, appeal against their contribution. The appeal panel will meet within 15 working days of a service users request for an appeal.

The service user's case will be presented to an appeal panel that will consider the appeal together with the assessment process and calculation of contribution due and will make a decision as to whether or not to uphold the appeal.

The service user and/or their representative are entitled to attend the appeals hearing and will be notified in writing of the outcome of the appeal panel's decision.

16 Complaints Procedure

A service user may use the complaints procedure for Social Care and Inclusion in the following circumstances:

- To object to the outcome of an appeal.
- To challenge the structure of the charging policy or the administrative systems that supports the policy.
- To comment on or compliment any part of the process.

If a service user wishes to comment, compliment or to make a complaint they should in the first instance contact the Customer Care Team either by telephone on 01922 650487 or in writing to 6th Floor Tameway Tower, North Wing, Bridge Street, Walsall, WS1 1JZ.

If a service user's complaint relates to benefit payments or entitlement they should contact the Department of Work and Pensions direct.

If a service user's complaint relates to the service charge, they should contact the landlord.

17 Arrears Policy

All charges will follow corporate debt collection procedures

18 Review and Monitoring

A review of the policy will take place should there be any significant change in Government Legislation or any relevant changes in respect of Local Government issues.

A review of the policy will also take place if it considered necessary in respect of monitoring service user feedback.

Appendix One

Disability Related Expenditure

The following is a list of disability related expenditure, which is considered as part of the assessment process, it should be noted that this list is not exhaustive. Some of the items will only be allowed where the agreed criteria are met and evidence of expenditure may also be requested by the assessment officer.

- Privately arranged personal care
- Privately arranged domestic care (including window cleaning)
- Heating costs
- Water charges
- Laundry
- Bedding
- Clothing
- Wheelchairs
- Specialist equipment
- Prescription charges (including chiropody)
- Travel/transport
- Extra food costs as consequence of special diet
- Specialist holidays
- TV license
- Well Being Charge