

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Cabinet
Date:	27 September 2010
Title:	Charging Policy for Adult Services - permission to consult on proposals to develop a new 'contributions based' policy.
Reference:	1862
Report From:	Director of Adult Services

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1. Executive Summary

- 1.1. The way adult social care is provided in England is changing, with service users wanting more choice and control over their care; and new services being developed to meet their needs. New statutory guidance requires councils who charge for services to do so through service user contributions to their personal budget for social care (based on their financial circumstances). This budget is used by service users to buy services of their choice to meet their assessed needs, or they may ask the Council to do this for them. The purpose of this report is to seek Cabinet's approval to consult on proposed changes to the charging policy for non-residential and short-term residential services. The proposals are set out in appendix 1.
- 1.2. The Coalition Government are due to announce the next two year grant settlement for Local Government in October 2010, a further two year announcement is then expected following a full review of the grant distribution mechanism. Strong indications are that the significantly high levels of grant reductions expected will be experienced in the early years in order to facilitate the Government's approach to managing the country's overall budget deficit.
- 1.3. The expectations are that the Council could see reductions of between 8% to 12% per annum although more pessimistic predictions have indicated annual reduction as high as 15% over each of the next 2 years, as Government front-load the savings required as part of their strategy to manage the current economic situation.
- 1.4. The 2010/11 gross budget for adult social care is £406 million of which £117 million provides non-residential services. The Council has increased expenditure on adult services since 2008 by circa £6.5 million per annum as demand for services has increased each year.

- 1.5. The County Council needs to consult as currently most, but not all, services, are charged for. The proposed new policy would bring all non-residential and short-term residential services (of up to 8 weeks) under the same umbrella. This means that some services would no longer be free, mainly day care and support worker services. The proposals also include removing the maximum charge of £440 per week. This would mean that those whose financial means and service costs are in excess of this, would contribute a higher proportion to their personal budget.
- 1.6. Current contributions towards the cost of non-residential services are £7.5 million per annum, which is below the average contribution rates of other councils. In order to provide a value for money approach to providing social care most local authorities have already implemented new contribution policies and the Council is now bringing forward such proposals in order to ensure that services can still be provided on a value for money basis whilst promoting the independence and reablement of service users on a fair and equitable basis.
- 1.7. Approximately 13,000 people in Hampshire use non-residential services of whom, based upon a modelling exercise, 60% would be unaffected by the proposed changes. Those who would be affected would pay an average increase of between £28 - £36 per week. For some this would be the first time their service would be chargeable. The exact amount a service user pays is based on their individual financial assessment. Many people would pay much less than this and some would contribute a higher proportion to their personal budget. The proposals could result in additional income to the County Council of between £3.5 and £5 million. The amount would vary according to the final revisions to the policy; and for the reasons set out in paragraph 2.4.
- 1.8. The Council is not obliged to implement any or all of the proposals in the consultation document. Similarly, no decision would be taken until the direct impact of any change could be fully assessed. In budgetary terms the Cabinet will wish, on receipt of the consultation, to be assured that the proper balance of grant, income and charging is applied consistently and fairly across adult social care in Hampshire.
- 1.9. Subject to Cabinet approval, the consultation and implementation arrangements would be:

4 October to 31 December 2010	13 week consultation period
November 2010	3 workshops for representatives from key stakeholder groups across the county
28 February 2011	Report to Cabinet detailing the results of the consultation and proposals for a new Contributions policy
July 2011	Proposed implementation date, depending on the nature of the changes agreed

2. Context

- 2.1. Contributions policies are concerned with services arranged by councils for people who meet the eligibility criteria for adult social care. They include the financial assessment (an example of which is given in appendix 6), which determines the extent, if any, of the service user's contribution; and the types of services which come under the policy. The policy for residential and nursing care is set nationally and service users are required to pay for their residential and nursing care, unless they can provide evidence to their local council that they cannot afford to do so. Councils have discretion over whether to seek a financial contribution from service users for non-residential and short-term residential services of up to eight weeks. Where the decision to require contributions is made, statutory guidance must be followed, which is summarised in appendix 2.
- 2.2. Funding for social care is the subject of much national debate and the Department of Health have recently reiterated that adult social care is not a free service and will continue to be subject to an assessment of a service user's means. The Government's Commission on long-term care will report within the next year. This will include options for the future national funding of such care and is to be welcomed. The Commission's recommendations will take time to implement; and it is not clear that they will address in detail the arrangements for services where local authorities have discretionary powers to raise income.
- 2.3. While the decision to seek a contribution from service users for non-residential and short-term residential services is a discretionary matter for councils, the funding formula used to calculate the Local Government Finance Settlement is not intended to measure the actual amount needed by any authority to provide local services. There is a clear expectation that councils should collect income at a local level. The current economic climate is such that local authorities are anticipating significant funding reductions; and the report to Cabinet *Efficiencies and Expenditure Reductions: Transforming the County Council* 26 July 2010 outlined the action the County Council will take in the face of significant budget reductions.
- 2.4. Forecasting the likely financial benefits has always been complex as each service user contributes a different amount to the costs of their services based on ability to pay. This is particularly so in the current economic climate, as individual financial means (income, value of property, investments and pension funds) can be widely variable and fluctuate over time. The estimates in this report therefore give a broad indication of the potential additional income should the proposals be adopted. In the current economic climate, the actual amount of income collected from service users will remain uncertain.
- 2.5. Cabinet will be aware from performance monitoring that approximately 90,000 people per year use services for vulnerable adults arranged by the Council. 55,000 are people who use equipment services to help live at home.

This includes advice, information, assessment, delivery and installation of equipment such as grab rails in the bathroom and hoists to help get out of bed. These must be provided free by the council. A breakdown is given below showing the service user contribution arrangements by type of service. In addition to 90,000 service users, there are 8,000 carers who use a mix of non-residential, short-term residential and equipment services to meet their needs.

Type of Service	No of service users	Contribution Arrangements
Residential and Nursing	8,000	National Policy – see appendix 2
Non-residential and short-term residential services	13,000	Local Policy – discretionary See appendices 3 and 4
Equipment	55,000	National Policy – see appendix 2
Mental Health & Substance Misuse	9,000	N/A. These are people who use NHS services (though can be counted towards the Councils' performance to encourage joint services)
Intermediate Care	5,000	N/A. These are people who use NHS services (though can be counted as above)
Total	90,000	

- 2.6. The proposed contributions policy is relevant to the 13,000 service users and 8,000 carers who use non-residential or short-term residential services in Hampshire, with these numbers rising steadily in line with demography and complexity of needs. Within these figures, almost 4,000 people require emergency or short term social care and over 9,000 people have stable or longer term care needs. The Council also provides and funds a wide range of preventative services which are mostly free to access. It is estimated that approximately 3,500 people per week use these services.

The Hampshire Model for Personalisation

- 2.7. The Hampshire Model approved by Cabinet in December 2008 sets out the adult social care 'offer' to local residents. In summary, this is: 'Self Directed Support' for the estimated 9,000 people who have stable and/or long term needs; 'Crisis Response Services' for the estimated 4,000 people in urgent need of non-residential or short term residential care and for whom reablement is appropriate; and 'Services that benefit Carers'. (This terminology is used as the legal framework is complex and carers will often use the same services as service users, but for different purposes).
- 2.8. Self Directed Support (SDS) is a Council service that offers an assessment to identify an individual's needs, eligibility and the outcomes they wish to achieve; a support plan setting out how the needs will be met and the outcomes will be achieved, together with a personal budget for social care. The Autumn 2010 edition of the County Council's magazine *Hampshire Now* includes an article on how SDS works and how one young man uses it to meet his needs and pursue his interests. The proposed Contributions policy

would set out how service users would contribute to their personal budget for social care, with the Council funding the balance. As the article explains, this budget can be used flexibly to buy services.

- 2.9. Crisis Response Services are targeted towards people who need emergency or short term intensive reablement to achieve outcomes associated with avoiding unnecessary admission to hospital, or getting back home after a period in hospital. These services require close working with Health, facilitated by not charging. They would continue to be free for up to six weeks and this would be stated in the new policy. It is proposed that the consultation seek views on providing these services for free to inform future policy development.
- 2.10. Services that benefit carers include a wide range of non-residential and short term residential services to provide care for the service user in an emergency; or to give carers a planned break from their caring role. Such services are currently free to carers. The consultation exercise would seek public views to inform future policy development.
- 2.11. The experience of the Council as it has implemented the Hampshire Model is that the current framework of charging for individual services does not fit well with personalisation. In this context, it is complex to understand and apply fairly and equitably. This is mirrored by the Hampshire Commission on Personalisation which has recommended that “the current national charging regime should be replaced with a personal contribution model that supplements the individual budget that a person will receive”. With the introduction of personalisation, new approaches and services have been developed and need a framework to determine the service users contribution to their personal budget.

3. Finance

- 3.1. The Coalition Government are due to announce the next two year grant settlement for Local Government in October 2010, a further two year announcement is then expected following a full review of the grant distribution mechanism. Strong indications are that the significantly high levels of grant reductions expected will be experienced in the early years in order to facilitate the Government’s approach to managing the country’s overall budget deficit.
- 3.2. The expectations are that the Council could see reductions of between 8% to 12% per annum although more pessimistic predictions have indicated annual reductions as high as 15% over each of the next 2 years, as Government front-load the savings required as part of their strategy to manage the current economic situation.
- 3.3. The 2010/11 gross budget for adult social care is £406 million of which £117 million provides non-residential services. The Council has increased expenditure on adult services since 2008 by circa £6.5 million per annum as demand for services has increased each year.
- 3.4. Income of £53 million comes from charging for services, of which £7.5 million is income from contributions to non-residential service costs. The Council spends a further £6 million per year on equipment services which must be

provided free. The proposed contributions policy framework could result in additional income to the County Council of between £3.5 and £5 million per year.

- 3.5. A financial modelling exercise indicates that of the 13,000 service users, 60% would be unaffected by the proposed changes as 40% are on low incomes and make no contribution; and a further 20% already pay their assessed maximum limit.
- 3.6. The impact on the estimated 40% (5,200) of service users would vary according to their individual financial circumstances and whether they currently use non chargeable services. The modelling indicates that those affected would pay an average increase of between £28 - £36 per week. For some this would be the first time their service has become chargeable.
- 3.7. The exact amount a service user pays is based on their individual financial assessment. Many people would pay much less than this and a few people would pay a higher proportion of their personal budget. The proposals could result in additional income to the County Council of between £3.5 and £5 million. The amount would vary according to the final revisions to the policy; and for the reasons set out in paragraph 2.4. Appendix 1 includes more information from the modelling exercise.

4. Benchmarking and Performance

- 4.1. The County Council is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmarking club of 60 of the 120 local authorities that have responsibilities for adult social care. The table below shows the 2008/09 income averaged for all service users. (NB CIPFA uses 'all service users' in this calculation and the figures below are not the same as the average weekly cost to service users who contribute to their service costs.)

	Weekly Average	Annual Average
CIPFA Club	£17.92	£932
Hampshire County Council	£16.57	£862

This evidence shows the County Council is just below average at present. The main difference being that the Council does not charge for all services, particularly day care, when many other councils do.

- 4.2. With regard to local priorities, a contributions policy framework that supports the Hampshire Model for Personalisation is essential to the delivery of effective and good quality adult services to the people who use them; and to the delivery of an efficient and economic service to the people of Hampshire.
- 4.3. The proposed policy would also contribute to the Corporate Improvement Plan outcome area to give "greater choice in and control over adult social care and support".
- 4.4. In terms of externally assessed performance, indications are that there will in future continue to be an assessment of the Council as a commissioner of social care, alongside the requirement to meet new standards as providers of

services. While the exact nature of the assessment of commissioners' performance is unknown, previous experience is that the fairness, equity and transparency of contributions policies would continue to be an area of examination.

5. The Consultation

- 5.1. *Fairer Contributions Guidance 2009* reminds councils of the need to consult on any proposed fundamental changes to existing charging policies. Cabinet is asked to agree to consult on the broad policy framework set out in appendix 1, asking a question about whether people agree in principle that non-residential and short term residential services for which the Council may charge should be brought under the umbrella of a single contributions based policy. This means that some services would no longer be free, mainly day care and support worker services. The opportunity would also be taken to seek service user and public views on other matters to guide the more detailed operating policy. These include:
- i. Reviewing the way in which disability related expenses are taken into account in the financial assessment to simplify this.
 - ii. Removing the 'capping' limits which would mean that those whose financial means and service costs are in excess of £440 per week would contribute a higher proportion to their personal budget. A detailed explanation is given in appendix 5.
 - iii. Charging for periods of short-term residential care of up to 8 weeks on the same basis, as part of the personal budget. The impact would be that all service users using short-term residential care, unless as part of Crisis Response or the offer to Carers, would be required to have a financial assessment, and based on ability to pay, make a contribution to their personal budget. Appendix 4 illustrates examples of these services.
 - iv. The treatment of Personal Injury Awards. In recent years it has become more common place for people to obtain damages following for an injury or illness caused by someone else. Often these awards are very substantial and invested to generate income; such awards can be paid as a lump sum or in instalments and there may in addition be an award of periodical payments. Many severely injured or ill people, based on their assessed needs, are eligible to receive social care and support either in a residential setting or at home. The County Council has recently sought advice in this complex legal area. In summary, the Council is able to have regard to certain elements of such awards in determining the service user's contribution to their service costs.
- 5.2. To help inform future policy direction; and to bring all the services for which the Council has discretionary charging powers under a single Contributions policy, it is proposed to seek views on the two elements of the Hampshire Model that are currently provided free. These are services which benefit carers and crisis response services.

5.3. Subject to Cabinet approval, a 13 week consultation period would take place between 4 October and 31 December, slightly exceeding the 12 week statutory minimum. Three workshops for representatives from key stakeholder groups will be held across the county during November. Four thousand questionnaires will be distributed to a representative group of current service users and will be published on the Hampshire County Council website *Hantsweb* for completion by Hampshire residents. In addition to publicity on *Hantsweb*, the consultation will be publicised via the media, written and broadcast; and through Council communications channels such as *Hampshire Now*.

5.4. The consultation process has been developed with input and involvement from service users. Specifically:

Completing the Circle. This group is made up of service users and carers past and present. In relation to consultation it performs the role of 'critical friend' to the Adult Services Department by providing advice in key areas including language used, the way questions are phrased, how to contact 'hard to reach' people and how to organise accessible meetings.

PEP (Personalisation Expert Panel). The PEP comprises a wide diversity of disabled people across all impairment groups, carers and organisations run and controlled by disabled people or carers in Hampshire. The PEP is run and managed jointly by Southampton Centre for Independent Living and Hampshire Centre for Independent Living and its running costs are met by the Council. In addition to individual disabled people and carers, the following user-led organisations are members of the PEP:

Hampshire Centre for Independent Living
Southampton Centre for Independent Living
Carers Together
All inclusive

6. Recommendation(s)

Cabinet to agree:

- 6.1. to authorise a consultation on the proposals to develop a contributions based policy for adult social care as set out in this report.
- 6.2. to receive a further report following the consultation exercise setting out the key findings and proposals to introduce a new contributions policy.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	NO
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	YES
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	NO
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Report on the Commission of Inquiry into Personalisation and the proposed model for adult social care in Hampshire	458	22 December 2008
Efficiencies and Expenditure Reductions: Transforming the County Council	1926	26 July 2010
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>
Fairer Charging Policies for Home Care and other non-residential Social Services. Dept of Health		Sept 2003
Fairer Contributions Guidance. Dept of Health		14 July 2009

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

An equalities impact assessment has been considered in the development of this report.

2. Impact on Crime and Disorder:

No implications arising from this report.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No implications arising from this report.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No implications arising from this report.

Appendix 1 Proposed New Policy Framework

1. The aims of the proposed policy are that it would promote independence and reablement, be fair and equitable, increase choice and give service users more power and control over their lives. Service users would have clear information about their contribution to their total personal budget for social care, better enabling them to use the resource flexibly to meet their assessed needs. The policy would promote reablement and effective working with Health through the crisis response services, which would remain free for up to six weeks. Service users would be treated fairly by ensuring that people who require residential care because of their needs were treated the same as those living in their own homes. It would also ensure that people choosing from the wide range of non-residential and short-term residential services, including those developed in the future, would contribute to their personal budget on an equitable basis.
2. The policy would bring services for which the Council has discretionary powers under one umbrella. It would clearly state the services which the Council provides for free; and those that would be 'bought' from the personal budget for social care. For example personal care, (includes help with getting up, personal hygiene, eating; and using the toilet) is currently chargeable while day care (social contact and activities for people who are socially isolated or have difficulty living at home) is free. Under the proposed policy both could be bought from the personal budget, or different services chosen. This approach would also mean that someone who requires two paid carers to meet their needs (which has become more common as people with complex needs remain at home) would have this included in their personal budget but may make a higher contribution to this as a result.
3. Services which benefit carers and are included in their support plan would continue to be provided for free. The consultation includes a question about whether the Council should consider a similar contributions based arrangement for carers to help inform possible future policy development.
4. The total number of people eligible to receive non-residential adult social care in Hampshire is approximately 13,000 per year. Based on a modelling exercise, it is estimated that:

7,800 (60%) would be unaffected by the introduction of the proposed policy as 40% are on low incomes and 20% are already paying their maximum assessed contribution.

5,200 (40%) would be affected in different ways depending on their mix of chargeable and non chargeable services and individual circumstances. This would be approximately:

2,740 people who have not had a financial assessment. At the time of the study this proportion of people were using non-chargeable services or were new clients awaiting assessment.

1,960 people who do not pay their maximum contribution and would be required to contribute more.

250 people who are using currently non-chargeable services but a previous financial assessment indicates they would, under the new policy, meet a proportion of their personal budget.

250 people who are using a mix of chargeable and non-chargeable services who would contribute a greater proportion to their personal budget.

Appendix 2 The National Charging Policy Framework

1. The Charging for Residential Accommodation Guide (CRAG) requires service users to meet the full cost of their residential and nursing care costs, unless they can evidence to the local authority through a financial assessment that they cannot afford to do so. The local authority is then required to meet the balance of the cost.
2. With regard to non-residential services such as personal care, transport and day care, local authorities have discretionary charging powers under the Health and Social Services and Social Security Act 1983. Councils who decide to make charges must follow Department of Health statutory guidance *Fairer Charging Policies for Home Care and other non-residential Social Services* which stipulates that “Where service users are asked to contribute a charge towards the cost of non-residential social services, this can raise additional income, which should be used to develop services”.
3. Department of Health *Fairer contributions guidance: calculating an individual's contribution to their personal budget* supplements the current fairer charging guidance and provides councils with a model for calculating a person's contribution to their personal budget.
4. Councils have some discretion over the ‘design’ of their policies, for example to set maximum and minimum levels which can protect services users’ incomes; the services which are chargeable (with some exceptions); and in the use of average or fixed rates for some services. There is also some discretion in the treatment of services users’ income and expenditure; and the amounts that can be included or disregarded from the financial assessment. The Department of Health guidance is comprehensive and requires councils to strike a balance between a simple and timely decision making process and ensuring flexibility to deal with the different circumstances of individual service users. The key parts of the guidance which are relevant to the proposed local policy changes are set out below.
5. Most types of non-residential services may be included in local policies, with the exception of those set out in paragraph 7 below. Service users may be charged only for services provided to them; and carers only for services provided to them under the Carers and Disabled Children’s Act 2000.
6. With regard to short term residential services, CRAG guidance stipulates an assessment of liability to pay is not required for up to eight weeks of a stay. It is for councils to decide whether they will carry out a financial assessment or set a standard rate it deems reasonable for the individual to pay.
7. Councils may not charge for some services, these are:
 - Assessment of needs and eligibility and advice about the availability of services
 - Aftercare services provided following detention under the Mental Health Act 1983
 - Services provided to anyone suffering from Creutzfeldt Jacob disease (CJD, a degenerative brain disease)
 - Intermediate care services, a range of integrated health and social care services available for up to six weeks to promote faster recovery from illness and prevent unnecessary acute hospital admission, support timely discharge and maximise independent living
 - Community equipment items. This includes mobility aids, telecare and larger items such as bed hoists.

- 8.** The guidance requires councils to ensure any policy is reasonable, fair between different service user groups and that the overall objectives of social care: to promote independence and social inclusion of service users, are not undermined by charging policies. The objectives and guidance apply equally to carers receiving services.
- 9.** Charging policies need to ensure they do not cause financial hardship. National guidance states that as a minimum, a service user's income after charging should be not below the basic levels of income support or guaranteed pension credit, plus 25%. This is the national threshold used to determine whether a charge should be made. Councils should also ensure that benefits advice is provided to all service users and carers at the time of the financial assessment.

Appendix 3 The Council's Current Charging Policy

1. Under the Council's current policy most, but not all, non-residential services are chargeable. Appendix 4 gives an illustration of the services that are free and chargeable. The Council also applies different charges to some people who use short-term residential services. This is largely due to how these services have changed in recent years to provide short term care as well as meeting the needs of people with longer term needs. These services include former 'hostel' accommodation for people with learning disabilities, respite care and rehabilitation in residential settings.
2. Carers are not currently assessed or charged for services which benefit them. This can include where the service user is the recipient, but the carer is the main beneficiary.
3. The amount service users contribute to their service costs is determined by a financial assessment of their income which broadly works as follows. All calculations and amounts are weekly and an illustration of how the calculations work is given below.
 - i. General living expenses and extra costs incurred due to disability (such as special clothing or home maintenance) are deducted from income to give the **net assessable (or disposable) income**. please see appendix 6 for the financial assessment.
 - ii. 95% of this income determines the **maximum contribution**.
 - iii. The **cost of care** is the total amount of the charges for individual services arranged or provided by the Council. (It is calculated using average rates paid for services by the Council and is reviewed annually as part of the budget planning process).
 - iv. Where the cost of care exceeds the maximum contribution, the Council funds the difference. If the cost of care is less than the maximum contribution, the service user is charged the cost of care.
 - v. The Council also sets a **maximum weekly charge** which is the most a service user will pay towards their service costs, regardless of their income and assets. This is currently £440 per week and is reviewed annually.

Illustration of the current financial assessment

	Service User A	Service User B
Net Assessable Income	£100	£700
Maximum Contribution (95% of above)	£95	£665
Cost of Care	£500	£500
Charge to Service User	£95	£440

Appendix 4 Illustrative Menu of Services

There are some services for which the Council may not charge under current legislation. These services are identified with an asterisk*

The 'personal budget' for social care is made up of the service user's contribution, based on a financial assessment, together with the Council's contribution. Service users **buy** their services from this personal budget, or ask the Council to do this for them.

Service Type	Illustrative Description (this is not a legal definition)	Examples of services in Hampshire. (see Care Choice for more services)	Current charging arrangements	Proposed Contributions policy
Advice and Information*	On the range of social care and support services available, including welfare benefits. These services help guide people towards the right help which can prevent or defer the need for intensive social care.	HantsDirect contact centre Care Choice website Guide to Care publications Community Innovations Teams Community Support Workers	Free	Free
Assessment*	An assessment by the Council to determine an individual's needs, goals and eligibility for funded care and support.	Hospital Discharge Teams Community Support Teams	Free	Free
Carers Service	Benefits the carer of a service user, to help them in their caring role.	Various – see other service types.	Free	Free
Community Equipment*	Aids to daily living such as eating and drinking utensils, grab rails and raised toilet seats or more complex equipment such as beds, hoists and lifts.	Community Equipment Store Sensory Services British Red Cross	Free	Free
Day Services	Social contact and activities for people who are socially isolated or have difficulty living at home. Also enables carers to have a break from caring.	Available from a number of service providers.	Free	Buy Free to carer where service is to benefit the carer and is in the carers support plan
Long term Personal Care at home – day time and night time	For people with long term care needs. Trained help with intimate personal tasks such as getting into and out of bed, using the toilet, dressing, bathing, eating and personal	Available from a number of service providers.	Chargeable	Buy

Service Type	Illustrative Description (this is not a legal definition)	Examples of services in Hampshire. (see Care Choice for more services)	Current charging arrangements	Proposed Contributions policy
	hygiene.			
Meals on Wheels	Meals provided to people unable to cook for themselves	Available from a number of service providers.	Chargeable	Buy
Non Residential Respite Care	Gives service users a break from their home circumstances; also for carers who need a break from caring.	Take a Break Voucher Scheme	Chargeable, unless the service is to benefit the carer and is in the carers support plan	Buy, unless the service is to benefit the carer and is in the carers support plan
Reablement	Care and support to recover from or live with a disability or illness, by (re) learning the skills necessary for daily living. Aims to avoid hospital or long term care admission and support hospital discharge.	Crisis Response Services: Community Response Service Welcome Home Time to Think Beds	Free for up to six weeks	Free for up to six weeks
Shared Lives	A scheme through which vulnerable adults live with people who are paid carers, offering a home and support in a family environment.	Shared Lives	Chargeable	Buy
Sitting Services – day time and night time	Companionship, support, personal care and assistance that would normally be provided by the carer.	Available from a number of service providers.	Chargeable, unless the service is to benefit the carer and is in the carers support plan	Buy, unless the service is to benefit the carer and is in the carers support plan
Support Planning	Setting out agreed goals and a plan of action, including the services that will help achieve these.	Hospital Discharge Teams Community Support Teams	Free	Free
Support Workers	Advice, encouragement and supervision for vulnerable adults who live independently. Includes emotional and psychological support including behaviour management.	Available from a number of service providers.	Free	Buy, unless aftercare provided under the Mental Health Act 1983 section 117
Telecare Equipment*	Equipment in the home that can sense risks such as smoke, floods and	Available from a number of service	Free	Free

Service Type	Illustrative Description (this is not a legal definition)	Examples of services in Hampshire. (see Care Choice for more services)	Current charging arrangements	Proposed Contributions policy
	gas, can remind you to take pills and even call for help if you fall.	providers.		
Telecare Service	Response to the alarm or alert generated by the telecare equipment.	Available from a number of service providers.	Free	Buy
Transport	Transport to access services	Available from a number of service providers.	Arrangements vary according to type of transport and service	Buy
Voucher Schemes	An effective means of targeting specific social care and support services to groups of people	Take a Break	Chargeable, unless the service is to benefit the carer and is in the carers support plan	Buy, unless the service is to benefit the carer and is in the carers support plan

Appendix 5 Maximum Charges

The effect of these maximum charges or 'caps' is to reduce the impact of the full cost of care to the service user, regardless of their means. The balance of the full cost is met from the Council's budget.

1. Removing the maximum weekly contribution.

This is the 'cap' on the *net assessable (or disposable)* income taken into account in calculating the charge. This is income that is left after deduction of daily living and disability related expenses. In Hampshire this is set at 95%. Most councils do not have a 'cap' and take 100% of net income into account.. Removing this cap would mean that 100% of the net assessable/disposable income would be used, where currently 5% is retained by the service user. This option may be a disincentive to those who could apply for welfare benefit entitlements, if 100% of the extra income went towards the personal budget for social care. It is estimated that removing the maximum weekly contribution would increase the contributions of services users, for whom this is relevant, by between £0 - £320 per week, depending on individual circumstances. Income to the Council would increase by approximately £125,000 per annum. Table 2 gives an illustration of how this change would work.

Table 2 Illustration of the effect of removing the maximum weekly contribution

	Service User A		Service User B	
	Current Policy	Impact of removing 95% Maximum Contribution	Current policy	Impact of removing 95% Maximum Contribution
Net Assessable Income	£100	£100	£700	£700
Maximum Weekly Contribution	£95	£100	£665	£700
Personal Budget	£500	£500	£500	£500
Maximum Weekly Charge	£440	£440	£440	£440
Service User's Contribution	£95	£100	£440	£440
Council's Contribution	£405	£400	£60	£60

This illustration demonstrates the effect of both service users having 100% of their net assessable income (i.e. after deduction of general living expenses and disability related expenses) taken into account. The policy change would affect Service User A, who would contribute £5 more to their personal budget. There would be no impact for service user B due to the effect of the second 'cap' which limits the maximum weekly charge.

2. Removing the maximum weekly charge

This is the 'cap' on the most a service user will contribute towards their service costs regardless of their income. In Hampshire this is approximately £440 per week. Many councils no longer set a limit or plan to do this soon. Further comparison with other

councils shows that where ‘caps’ are in place, the amount most service users actually pay is unaffected.

Table: The percentage of service users by amount of weekly contribution

	% who do not pay (low incomes)	% who pay less than £10	% who pay £10 - £99	% who pay £100 - £200	% who pay more than £200
Hampshire	40.8%	5%	44.7%	7.9%	1.6%
Average for councils	40.2%	8.5%	52.6%	5.1%	2.1%

Using the most up to date figures for 2010/11, it is estimated that removing the maximum weekly charge would affect approximately 260 (2%) of services users in Hampshire whose contributions would rise by about £40 per week. Most affected would be those with a personal budget of more than £440 per week whose net assessable/disposable income is in excess of this. There is estimated to be 30 (0.2%) service users in this position. Removing the maximum charge could result in an increase in income to the Council, this could be up to £560,000 per annum.

This option would help address the risk of an increasing number of people who currently pay for their own care (self-funders) seeking entitlement to publically funded services. For example people accessing the crisis response service who subsequently need longer term non-residential care.

Table 3 Illustration of the effect of removing the maximum weekly charge

	Service User A		Service User B	
	Current policy	Impact of removing maximum weekly charge	Current policy	Impact of removing maximum weekly charge
Net Assessable Income	£100	£100	£700	£700
Maximum Weekly Contribution	£95	£95	£665	£665
Personal Budget	£500	£500	£500	£500
Maximum Weekly Charge	£440	NIL	£440	NIL

Service User's Contribution	£95	£95	£440	£500
Council's Contribution	£405	£405	£60	NIL

This illustration shows the effect of both service users no longer having a ‘cap’ to the maximum weekly charge. The policy change would affect Service User B, who would contribute £60 more to their personal budget. There would be no impact for service user A whose income is below £440 and therefore unaffected.

3. Removing both the Maximum Weekly Contribution and the Maximum Weekly Charge.

Removing both caps could increase income to the Council by £685,000 per annum.

Table 4. Illustration of the effect of removing both the maximum weekly contribution and maximum weekly charge

	Service User A		Service User B	
	Current policy	Impact of removing maximum weekly charge	Current policy	Impact of removing maximum weekly charge
Net Assessable Income	£100	£100	£700	£700
Maximum Weekly Contribution	£95	£100	£665	£700
Personal Budget	£500	£500	£500	£500
Maximum Weekly Charge	£440	NIL	£440	NIL

Service User's Contribution	£95	£100	£440	£500
Council's Contribution	£405	£400	£60	NIL

This illustration shows the effect of removing both 'caps'. The policy change would affect both service users. Service User A would contribute £5 per week more and Service User B, £60 more to their personal budget.

Appendix 6 The Financial Assessment

The following table details what is taken into account, and what is not, when calculating how much a person will contribute towards the costs of their services. This assessment will not be changed by the proposed policy.

1. The following types of income are used in the financial assessment:

Income
Pension Credit (Guarantee credit)
Retirement pension
War Pension
Work/private pension
Annuities
Charitable payments
Benefits
Income support
Employment & Support allowance
Attendance allowance
Disability Living allowance (Care)
Incapacity benefit
Severe disablement allowance
Capital/ Savings
Value of any property you own but are not living in
Savings in a bank or building society in excess of £14,250
Cash over £250
Post office/ National savings
Premium bonds
Stocks, shares, unit trusts
Trust funds
ISAs, PEPs etc
Certain Compensation payments

2. The following types of income are ignored and are excluded from calculations:

Income which is ignored
Savings in a bank or building society below £14,250
DLA Mobility Lower/ Higher Rate
Income from earnings
Value of your main home
Pension Credit (Savings Credit)
Age related payment such as winter fuel allowance
Income or savings of a spouse or partner or anyone else you live with

3. Outgoings are then deducted from income

Outgoings
Household expenses such as:
Mortgage payments
Rent
Council Tax
Disability expenses such as:
Special equipment eg stair lifts
Extra bedding/laundry/ Incontinence pads
Personal care privately arranged
Help with cleaning
Help in the garden
Transport costs (unless has DLA mobility)
Special diet
Community alarm
Daily living expenses such as:
General living expenses such as food and clothing etc. We use the standard allowances set by the Government which are based on Income Support or Pension Credit benefit levels. An individual's allowance varies according to age, disability and circumstances, and when it is worked out a further 25 per cent is added.

4. Disposable (or net assessed) income

This is the amount after deducting outgoings which is used to calculate the service user's contribution towards the personal budget (see appendix 3).