

EAST RENFREWSHIRE COUNCIL

CABINET

1 December 2016

Report by Chief Officer – Health and Social Care Partnership

CHARGING FOR SERVICES

**PURPOSE OF REPORT**

1. To update Cabinet on the progress of the review of charging within the HSCP.

**RECOMMENDATION**

2. The Cabinet is asked to:
  - (a) Note this update on charging within the HSCP;
  - (b) Note the proposal to extend the implementation timescale; and
  - (c) Agree the 3% increase on current charges for implementation from 1 April 2017.

**BACKGROUND**

3. As identified in the December 2014 report to Cabinet the HSCP is required to meet savings targets of:
  - £100,000 2015/16
  - £60,000 2016/17
  - £60,000 2017/18
4. The cumulative 2015/16 and 2016/17 income of £160,000 has been offset against our Integration Fund whilst work continues to review the basis for and level of charging. We have a further £60,000 saving to achieve in 2017/18.

## REPORT

5. During 2016/17 a working group was established and has revised our charging policy, awaiting DMT approval. The group also looked at benchmarking against our neighbouring partnerships. The current charges, annual income and benchmark information is:

Service	Charge	Annual Income	Benchmark Charge
	£	£	£
Care at Home (per hour)	13.10	35,000	12.55 - 14.60
Community Alarms (per week)	2.20	250,000	2.42 – 3.33
Meals / Lunch Clubs (per day)	3.70-4.20	74,000	1.13 – 2.73
Housing Support (per week)	12.00	9,400	10.97 – 13.41
Day care Charges to Other Local Authorities (per day)	106.67	59,000	53.70 – 124.95
Blue Badges (per application)	20.00	32,000	20.00
Total		459,400	

Note: Residential Care and Respite is excluded as rates are determined nationally. Bonnyton House fees are excluded reflecting planned service change.

6. The working group will continue to review the impacts of:

- (a) Implementing new charges, quantifying existing activity and likely attrition rates. Equality impact assessments will be required as individuals may be impacted from multiple charges for services and ability to pay.
- (b) Contribution versus charge for individual services.

7. The work on the above needs to be reviewed in a wider context and has to progress as part of a systematic review of service delivery and the associated costs base. As part of our 2017/18 budget and forward financial planning we are changing our approach to service delivery reflecting our Community Led Support model which will place emphasis on prevention, community provision and a shift in the balance of care.

8. We are also taking end to end service reviews of all staffing, skills mix, processes and systems that support our service delivery to redesign these to support more streamlined ways of working, targeting resources and supporting Community Led Support. This means our cost base will change. Change is already underway with different service delivery models for older people day care – a move away from a premises based service.

9. The Audit Scotland publication “Charging for Services: Are You Getting it Right” provides a framework for consideration of identifying an accurate cost base and basis of cost recovery when setting charges. This will be a reference source for all proposed changes to charging.

10. We are revising our Resource Allocation System (RAS) for Self Directed Support which will be based on banded levels of need, rather than our current equivalence based model. Reviewing the impact of charges and in particular a contribution to the overall package of care is an integral element of this work. This will be supported by a full option appraisal identifying the impacts of charging for a range of individual services v’s percentage contribution.

11. Whilst we could look to introduce a number of new charges based on a traditional range of services this will be short lived and does not reflect our strategic direction. We would have to resource changes to support services to facilitate recording activity, raising debtors, credit control and bad debt follow ups. This would also lead to an increase in the volume of financial assessments required.

12. Charging a fair and proportionate fee for delivery of services is a principle endorsed by the partnership. The use of the Integration Fund is a temporary measure to ease the timing of full implementation of this saving.

13. The proposal in this paper is that this easing of £160,000 continues to be applied to 2017/18 and full implementation of charging commences in April 2018 at the latest, with part year implementation in 2017/18 dependant on roll-out of the SDS RAS. This is based on the following factors:

- (a) The impact of introducing a number of new charges with a likely short lifespan of no longer than 12 months – mixed messages, potentially the same people would receive multiple new charges;
- (b) Equality impact assessments are required;
- (c) The cost base for new charges needs to reflect the new models of service delivery;
- (d) Review on the financial assessment process and increase in volume is required; and
- (e) There would be potential income gain, but also a cost offset from administering the systems and processed.

14. We will partly achieve the required saving of £60,000 in 2017/18 by a proposed increase to existing fees of 3%:

Service	Existing Charge	Proposed Charge	Additional Income
	£	£	£
Care at Home (per hour)	13.10	13.50	1,050
Community Alarms (per week)	2.20	2.30	7,500
Meals / Lunch Clubs (per day)	3.70-4.20	3.80– 4.30	2,200
Day care Charges to Other Local Authorities (per day)	106.67	109.90	1,800
Housing Support (per week)	12.00	12.40	300
<b>Total</b>			<b>12,850</b>

Note: the blue badge fee remains unchanged as £20 per badge is the legal maximum charge.

15. We will contain, from our total budget, the balance of savings of £47,150 in 2017/18 on a non-recurring basis until our revised charging structure is in place.

16. It should be noted that to achieve £60,000 additional income from increases to existing charges alone this would result in a 14% increase.

**FINANCE AND EFFICIENCY**

17. All financial issues are included in the report above.

**CONSULTATION**

18. We will need a full consultation strategy and timetable for changes to SDS methodology and associated changes to charging.

**PARTNERSHIP WORKING**

19. The setting of fees and charges remains a responsibility of East Renfrewshire Council under the legislation.

**IMPLICATIONS OF THE PROPOSALS**

Staffing

20. There are no staffing implications.

Property

21. There are no property implications.

Legal

22. There are no legal implications from the proposed increase for 2017/18. Legal advice will be sought, as required, for the SDS RAS development and future proposed charges

IT

23. There are no IT implications.

Equalities

24. A full equalities impact assessment will be required for future proposals.

Sustainability

25. There are no sustainability issues.

**CONCLUSIONS**

26. Work on identifying new charging options remains ongoing as part of the review of Self Directed Support and new models of service delivery. It is the intention to deliver the full cumulative saving of £220,000 by 2018/19.

## RECOMMENDATIONS

27. The Cabinet is asked to:
- (a) Note this update on charging within the HSCP;
  - (b) Note the proposal to extend the implementation timescale; and
  - (c) Agree the 3% increase on current charges for implementation from 1 April 2017.

## REPORT AUTHOR AND PERSON TO CONTACT

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## BACKGROUND PAPERS

None

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