

EAST RENFREWSHIRE COUNCIL

CABINET

4 December 2014

Report by Director of Community Health & Care Partnership

CHARGING FOR SERVICES 2015/16

PURPOSE OF REPORT

1. To update Cabinet on the charging review continuing within the CHCP and the outcome of the annual charging for services exercise undertaken.

RECOMMENDATIONS

2. It is recommended that Cabinet:-

- (a) Note the update on the developing context of charging for the CHCP in relation to the Social Care (Self Directed Support) Scotland Act 2013;
- (b) Approve the following proposals with regard to charging for 2015/16 :
 - i. charges for services provided to other Local Authorities be reviewed to ensure full cost is recovered,
 - ii. charges for residential short breaks are kept in line with nationally set minimum contribution rates,
 - iii. all remaining service charges remain at 2014/15 rates.

BACKGROUND

3. Each department is required to review its charges for services to the public on an annual basis, based on an agreed corporate review process, incorporating a set formula for determining the cost of the service.

4. Across the CHCP there are a range of service areas considered during the annual charging review process, varying from hourly charges made to service users, through to charges for placements made by other Local Authorities.

5. Annual guidance is issued by COSLA in respect of non residential charging for Social Care services. The guidance is not prescriptive in the approach to charging that Councils should take, however it does provide a framework that aims to ensure best practice.

6. In 2013/14 the COSLA guidance sought to include a section on Self Directed Support recognising the developing national context of the Social Care (Self Directed Support) Scotland Act 2013. This has continued to develop within the guidance for 2014/15, however it is recognised that the changing approach is in its infancy in most Local Authorities.

REPORT

7. Charging within the CHCP can be categorised in 3 broad areas –
 - (a) Hourly / weekly rates charged to individual service users based on the calculated cost of service provision. Examples are Care at Home, Community Alarms, and Housing Support. These generally seek to recover a contribution to service revenue from those individuals who are assessed as being able to pay.
 - (b) Daily / weekly rates charged to individual service users based on rates set nationally. This predominately relates to residential short breaks and seeks to recover a contribution to service revenue, through charging equivalent to the minimum service user contribution for residential care.
 - (c) Daily / Weekly rates charged to other Local Authorities based on calculated cost of service provision. These seek to ensure that the full cost of the service is recovered.
8. As part of the annual review the costs of delivering individual services, the current level of income generated, alongside benchmarking information from other Local Authorities, is used to inform potential uplifts for charging rates.
9. The continued redesign work across the CHCP has sought to transform the way we work and how services are delivered, ensuring efficiencies are made and value for money is delivered across both in-house and commissioned services. In the context of charging, this has held or driven down the unit costs of some services and removed much of the gap between the full cost of a service and the contribution rate charged to service users.
10. Benchmarking information is collated and made available through the Practitioners Community within the online Knowledge Hub. While individual Local Authorities are responsible for their own charging arrangements, this gives access to comparative information when considering both services to be charged and levels of charge to be set.

Self Directed Support – Individual Budgets and Equivalence

11. The Social Care (Self Directed Support) Scotland Act 2013 aims to give people more control over how their support needs are met, and by whom. Self-directed support allows people to make an informed choice about whether or not to take control of all, or part, of their community support arrangements. The act was implemented in April 2014 and the CHCP continues to review and develop our approach as the choices supported individuals start to make inform the longer term strategy for our services.
12. A key part of the SDS process is the identification of an 'individual budget', the resources available to fund the package of a supported person. In April 2014, the CHCP introduced an 'equivalence model' approach to individual budgets within adult and older people services. This model seeks to put parameters around the maximum reasonable cost that would be paid for certain services to allow consistent personal budgets to be delivered regardless of the SDS option an individual chooses.

13. Initial work around establishing an equivalence rate for personal care flagged some inconsistencies in costing methodologies when considering this alongside charging. A report was presented to Cabinet in April 2014 explaining these specific differentials and led to a small reduction in the Care at Home hourly charge to align with the personal care equivalence rate of £13 per hour.

14. In the context of SDS, any proposed increase in charges by the CHCP requires a review of the equivalence model. Using Care at Home as an example, if the hourly charge was to be increased from £13 per hour, this would necessitate an increase in the equivalence model to the same rate. Due to Free Personal Care Legislation and the means tested nature of our current charging policy, additional income generated from charges would be more than off-set by increases in personal budgets, creating a net spending pressure for the CHCP.

15. To date charges have tended to be based on established 'service' charges, with some services exempted from charging. However, where a supported person's package is the flexible use of an identified budget rather than a menu of services, the CHCP is no longer able to charge on the basis of service types. National SDS guidance encourages Local Authorities to consider new approaches to charging - approaches which enable them to charge on the basis of a proportion of the supported person's budget as opposed to one form of service or another.

16. A review of current charging policy and practice therefore continues as part of the overall SDS planning work within the CHCP, and develops as we learn from experience to date.

Service Redesign Work – Day Services

17. In November 2010, Cabinet approved the introduction of a charge for Day Services of £11 per day. As previously reported, that charge was not implemented as the systems and processes to allow transparent and efficient collection were not in place.

18. As SDS legislation has developed, and more flexible methods of service delivery have required to be considered, it has become increasingly apparent that application of the previously proposed rate is no longer fit for purpose. Many individuals now engage in day opportunities, or direct their social support, in very different ways to the traditional building based model. Charging around this therefore needs to ensure that individuals are subject to the same policy regardless of the option they choose to meet their day opportunity outcomes.

19. As part of the ongoing review of services across the CHCP, redesign of day services for both Older People and those with Learning Disabilities is underway. The outcome of those reviews will set the future model of day services for East Renfrewshire and therefore inform an appropriate charging policy. Savings from these reviews are included in options being considered for 2015/18, along with indicative additional income from charging in later years.

Next Steps

20. Following review of current cost and benchmarking information, and considering the context of the developing policy around Self Directed Support, a general increase in CHCP service charges is not proposed for the 2015/16 financial year.

21. Where charges are set in line with defined national rates, or to recover full cost from other Local Authorities, then these rates will be reviewed to ensure consistency, however this will mean for the majority of CHCP services, no increase is proposed.

FINANCE AND EFFICIENCY

22. The financial plan currently under consideration for 2015/18 assumes additional income of £220,000 assumed from charging. Budgetary implications for 2015/16 will be met through the consistent application of charges from existing policy and rates, with a fuller review of our approach informing the position from 2016/17 onwards.

CONSULTATION

23. Consultation on charging in the context of Self Directed Support will be taken forward in conjunction with the wider policy developments this brings.

24. Consideration will also be given as to how ERC's charging approach will sit within the context of Health & Social Care Partnerships.

IMPLICATIONS OF THE PROPOSALS

25. Charging policy will continue to be developed in the context of national guidance around Self Directed Support and will form part of the wider implementation across the CHCP. Advice will be sought from the Council's Head of Revenues as this progresses to ensure cohesion with the agreed annual charging process for future years.

CONCLUSIONS

26. An annual review of the costs of delivering individual services, the current level of income generated, alongside benchmarking information from other Local Authorities, has identified limited opportunity for increasing charges for the coming financial year.

27. National guidance supporting the implementation of Self Directed Support brings new challenges in the approach to charging for Social Care Services, encouraging Local Authorities to move away from the traditional service based charges, to that of a proportion of a person's individual budget.

28. As the CHCP continues to develop SDS policy and practice, this is likely to bring changes to the way we calculate and collect charges.

RECOMMENDATIONS

29. It is recommended that Cabinet:-

- (a) Note the update on the developing context of charging for the CHCP in relation to the Social Care (Self Directed Support) Scotland Act 2013;
- (b) Approve the following proposals with regard to charging for 201/16 :
 - i. charges for services provided to other Local Authorities be reviewed to ensure full cost is recovered,
 - ii. charges for residential short breaks are kept in line with nationally set minimum contribution rates,
 - iii. all remaining service charges remain at 2014/15 rates.

REPORT AUTHOR

CHCP Director : Julie Murray

Lynne Samuel

Finance Business Partner (CHCP)

Tel No : 0141 577 6108

Email : lynne.samuel@eastrenfrewshire.gov.uk

Cabinet Contact:-

Councillor Alan Lafferty
Convener for Social Work and Health

Office: 0141 577 3108

BACKGROUND PAPERS

COSLA, National Strategy & Guidance for Charges Applying to Non-residential Social Care Services 2014/15.

Cabinet, 17th April 2014, CHCP Charging Update 2014/15, Report by Director of CHCP.

Cabinet, 25th November 2010, Charging for Services 2011/12, Report by Director of CHCP.

KEY WORDS

A report setting out the context of developing charging policy within the CHCP, and recommendations for service charging in 2015/16.

Key Words: CHCP, charging for services, self directed support, individual budgets