Fairer contributions – consultation on proposed policy
12 June – 4 September 2015

Introduction
This consultation document explains how the London Borough of Southwark will consider changing the way we work out a person’s contribution towards their care. We are writing a new policy which will be called the ‘Fairer Contributions Policy’. This is your opportunity to have your say on the proposed new Fairer Contributions Policy.

If you are receiving any of the following services you may be affected by the policy changes:

- Personal Budget – personal budgets help you take control of your own social care budget, manage your own support and choose the services that suit you best. You may be receiving direct payments and self-managing your money, or the council or another organisation may be managing your personal budget on your behalf.
- Traditional Community Support Services – such as home care for personal and practical needs, attending a day centre, receiving alarm service or Telecare, or residential respite care periodically.
- Meals service

There is no proposal to start charging carers for services they may receive so these people are not affected.

Share your views
We are inviting you to tell us what you think about the changes set out below. You can send us your views by:

- Completing the short questionnaire enclosed – a prepaid envelope is provided
- Sending your views via email to fcp@southwark.gov.uk
- Speaking to us over the phone on; 020 7525 3555

Consultation Period
We are seeking your response during the consultation period which runs from 12 June to 4 September 2015. Responses to the consultation will be considered by Southwark Council’s Cabinet. The proposed date for starting the new policy is 5th October 2015.
Frequently Asked Questions

Why do we charge for social care services?
Southwark Council’s current policy on charging adults for (non residential) social care services is based on guidance set by the Department of Health. This was issued in September 2003 and is called ‘Fairer charging policies for home care and other non-residential social services: Guidance for Councils with Social Services Responsibilities’.

Since then, the Department of Health has also provided guidance to local authorities on how they should assess contributions under Personal Budgets. The Care Act 2014 and the guidance issued with it sets out a number of principles which local authorities should follow. This includes the need to apply charging rules equally and fairly when assessing ability to pay, so that those with similar needs or similar services are treated the same. This excludes services which the Government has said should be provided free of charge.

What do we do with the money?
The funds raised from client contributions are used to provide social care services. Without this we would not be able to continue providing all the services currently available.

Why do we want to change the way we charge for social care services in Southwark?
We want to change the way we charge for services so that we follow the more recent government guidelines. Also since our original policy was formulated, various changes have occurred, for example, Personal Budgets have been introduced.

The Council is committed to giving people more choice and control over how their social care needs are met through Personal Budgets. In order for this to happen there are changes the Council needs to make to its current charging policies.

The policy of how we charge for services needs updating so that it:
- Is simplified
- Reflects the cost of providing services
- Includes all client groups
- Includes Personal Budgets

Local councils across the country are facing challenging financial times and the way existing services are funded needs to be considered in the face of financial restrictions imposed upon us. We need to be realistic about our available resources, and this includes looking at how people pay a contribution towards the costs of the care they receive.

The information in this document outlines the proposed changes to the way we charge for social care. We would like to hear your views on the
proposals. If you need help with understanding any of the proposals and how they might affect you, please contact us on 020 7525 3555

Please return your comments to us by Friday 4 September 2015

Changes from fairer charging policy to fairer contributions policy

Proposal 1 –
To introduce a ‘no charge’ rule if the result of the financial assessment shows that the service user has to pay less than £3 per week towards the services received

What we do now
At present, we charge service users if they have more than £2 per week available income after the financial assessment. This means that there is a minimum charge of £2 per week to those service users who can afford to contribute.

What we are proposing to change
We would like to introduce a further safeguard to people on the lowest incomes by having a rule which excludes contributions calculated at less than £3 per week.

What alternative proposals have we considered?
Alternatives would be to leave the present £2 per week as the minimum, or to have a higher minimum charge.

Why we are proposing this change
It is not the best use of resources to charge and collect smaller amounts of money and this will further protect the people on lowest incomes. We believe this is a fair level to set.

Example
Mrs A currently receives 5 hours of home care per week and the cost of providing this is £67.25. She is financially assessed and is charged £2.50 towards the cost. Under the new scheme she is still assessed and because the result is less than £3, she is no longer expected to contribute. She will now receive her care free of charge.

Do you agree with this proposal?

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Proposal 2 –
To charge the full amount of what we consider people’s available income (after a financial assessment)

What we do now
When we assess people to see what they must pay towards the cost of services they receive, we take into account their income and their expenditure and therefore how much they can afford.

Currently we take into account savings above £14,250, pensions and state benefits (apart from DLA mobility component, the highest level of DLA care component and the highest level of Attendance Allowance). From this amount we take off housing costs, and disability related expenditure. The government says that we must leave people with a certain amount (the ‘living expenses’) and this amount must be 25% higher than the minimum income guarantee (or equivalent).

The government recommended amounts, including the 25% are;
Age 18-24  £133.00 per week
Age 25-59  £151.38 per week
Age 60+  £189.00 per week

So we then deduct this value as well as the housing costs and disability related expenses and look at the remainder which is the amount of money over and above the government recommended amount. This final value is called ‘available income’.

Currently we only charge 80% of this available income.

What we are proposing to change
We will continue to account for income and expenses as described above, but propose to charge 100% of the available income.

What alternative proposals have we considered?
An alternative would be to keep the 80% level. This would result in a shortfall of funding and a lower level of services could be provided as a result, as there would be less money available.

Why we are proposing this change
We have carefully considered the government’s statutory guidance and have concluded that we need to increase the resources available to protect services to the most vulnerable people in Southwark. This includes looking at how people contribute towards the cost of these services. We are the only council in London who currently charge 80% and most other boroughs charge 100%.
Examples
Mr B currently receives homecare and the alarm service. His care package costs £200 per week and he is financially assessed. The result is that he has £15 available income, and he therefore currently pays £12 per week towards the cost of his service because we charge 80%. Under the new policy, we charge 100% of available income, so his contribution would increase to £15 per week (his services don’t change).

Mrs C currently attends a day centre 2 times per week and has 2 hours of home care. Her care package costs £94.50. She is financially assessed and has £140 available income. Under the current scheme she pays £94.50 per week because the cost of her care is less than 80% of her available income. Under the new rules, her contribution won’t change, because the cost of her care is still less than her available income.

Ms D lives in Supported Living accommodation and is 22 years old. She is currently assessed and under the current scheme she does not have to contribute because her weekly income after expenses is less than £133 per week. Under the new rules her income remains the same and she still isn’t required to pay.

Do you agree with this proposal?

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Proposal 3 –
Include in the policy all people who receive our services when assessing ability to pay a contribution.

What we do now
Under the current policy we do not charge any mental health service users for their non-residential care services. Legally we cannot charge people if they are receiving their care as part of an aftercare package under Section 117 of the Mental Health Act.

What we are proposing to change
We consider it fairer to all to include mental health service users (if they are not receiving their care under Section 117) within the policy. In this way, almost everyone receiving care would be assessed to see if they can make a contribution towards the cost of the care they receive. We will not be financially assessing Section 117 people as this would not be within the current law.

What alternative proposals have we considered?
We believe it is not acceptable to leave the system as it is. The government’s guidance is clear that local authorities should apply charging rules equally and minimise differences between different care settings and our review of other council’s policies shows that charges are usually made to mental health service users unless they are subject to Section 117.

Why we are proposing this change
We have considered the government’s guidance, and believe it is fairer and more equitable to include all service users. We need to ensure that projected increases in demand can be met and therefore need to maximise the amount of charges collected whilst ensuring all clients are financially assessed and retain their Living Expenses. This would be the same as the policies of our neighbouring councils.

Examples
Miss E is a mental health service user and attends a day centre 4 times per week. At the moment she is not subject to charging policy and doesn’t have to pay towards the cost of the service. Under the new contributions policy she is assessed, and because her available income is less than £151.38 (see proposal 2 above) she still doesn’t have to pay towards the service – there is no change to her.

Mrs F is a mental health service user who receives homecare and attends a day centre 2 days per week. Under the new policy, she is assessed and she has £15 available income. She is expected to contribute this £15 per week towards her services.

Do you agree with this proposal?

| Yes | No |
Proposal 4 –
Include residential respite, meals, and alarms (telecare) within the new contributions policy

What we do now
When people have residential respite, we make a ‘flat rate’ weekly charge which is the equivalent of the higher rate of Attendance Allowance. If they have meals at home or at a day centre, we charge a set amount per meal. Some people pay a set charge for their personal alarm, regardless of their financial circumstances. This doesn’t take into account each person’s ability to afford the charge.

What we are proposing to change
We believe it is fairer to include these services within the new policy, and instead of paying separate charges for each, the person will be financially assessed to see what they can afford to contribute towards their services resulting in them being charged only once per week.

What alternative proposals have we considered?
An alternative would be to continue as at present but this is an opportunity to simplify the process and make it fairer.

Why we are proposing this change
We have looked at other councils’ policies and we have considered the government’s guidance. We believe the new contributions system is easier to understand, and is fairer because every person’s financial position is taken into account. People will only be asked to contribute what they can afford.

Examples
Mr G currently receives homecare and he has residential respite twice per year. His home care package costs £200 per week and he is financially assessed. He currently pays £15 per week. When he goes for respite care, he doesn’t receive home care, so his £15 per week charge isn’t made, but he is charged £82.30 per week instead. Under the new scheme, he is assessed and it is found that he can afford to pay £15 per week, so this is his contribution towards his care. It doesn’t change when he has respite care, and he is still expected to contribute £15 but isn’t charged the £81.30 for that week.

Mrs H currently attends a day centre 2 times per week and has 2 hours of home care at weekends. She also has meals delivered 3 days per week. Currently, she pays her assessed charge for the care, and also pays separately for her meals at home. She is financially assessed and pays her current charge of £21 per week PLUS her meals charges. Under the new 100% rules, her contribution changes to £26.25 per week, but this includes the meals service so she no longer has to pay separately for this.

**Do you agree with this proposal?**

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Proposal 5 –
To charge the full cost of the care services if a person’s savings or capital are above £23,250.

What we do now
At present, when looking at a service user’s ability to contribute we use two different rule books – one for non-residential services and another for when
the person lives in a care home. We include their savings or capital when it is above £14,250 (this level is set by government). We apply a tariff income of £1 per week for every £250 of savings above £14,250 and there is no ‘cut-off’ point or maximum for people receiving care in their own home. If they live in a care home, and they have more than £23,250, they automatically have to pay the full cost of their care until their capital is reduced to less than this amount.

What we are proposing to change
We would like to apply a maximum savings amount for those receiving non residential care in the same way as the people in care homes. If a service user has over this amount, we would apply the full charge of the service provided. The upper threshold amount is currently £23,250 (this level is set by government).

What alternative proposals have we considered?
An alternative is to continue with the two separate systems. This is an opportunity to simplify the process and make it more understandable.

Why we are proposing this change
We have looked at other councils’ policies and we have considered the government’s guidance. This proposal would simplify the assessment process and would be the same as the rules used for residential and nursing home cases. This would be the same as the policies of our neighbouring councils.

Examples
Mr J has £60,000 in savings and has a care package of homecare and day care which costs £145 per week. He has retirement pension and attendance allowance, and currently contributes £39 towards the cost of providing the care. Under this proposal, his contribution would increase to £145 per week until his savings reduce to below the £23,250 level.

Mrs K has £45,000 in savings and she also receives a private pension, attendance allowance and pension credit. She contributes £265 per week but as this is the full cost of her care package, she would not have to pay more as a result. When her capital is reduced, she will be financially assessed again.

Do you agree with this proposal?

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Proposal 6 -
To introduce a discount scheme for people who pay by Direct Debit

What we do now
At the moment we apply the charge to the client once the financial assessment has been completed and we send statements of account and invoices regularly. We also send reminders and follow up when the charges are not paid.

What we are proposing to change
We would like more of our clients to pay by Direct Debit because we recognise that it is the most economic way of collecting income and is usually the most convenient method for people. We are proposing to offer a discount to people paying by direct debit which would reduce their weekly contribution.

What alternative proposals have we considered?
An alternative would be to continue charging the same amount regardless of the fact the client is paying by direct debit. This might result in a higher level of income but would not acknowledge and reward the people who elect to pay by a more efficient method.

Why we are proposing this change
We believe it would be fair to recognise the savings this can create and to pass on this efficiency to our clients – similar to schemes used by some utility companies.

Examples
Mr L is financially assessed and the result is he can contribute £25 per week towards his care package. He opts for paperless billing and chooses to pay via Direct Debit – a discount is applied to his weekly contribution.

Miss M is financially assessed and does not want to pay via Direct Debit. She receives no discount as a result and continues to receive invoices which must be paid within the specified time.
Do you agree with this proposal?  
If yes, what level of discount do you favour?  1%  3%  5% (please circle)  

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If you have further comments or alternative suggestions please add them here.
**Summary**

Thank you for reading our proposals and for providing your feedback. Your views will be made anonymous and summarised. This information will be presented by Adult Social Care for consideration at a Council Cabinet meeting. Councillors will then make their decisions regarding the Fairer Contributions Policy.

The report to Cabinet will be available on the Council’s website after 24th September and this can also be obtained via local libraries or your one-stop shop.