

ADULT AND PUBLIC HEALTH PORTFOLIO

DECISION SCHEDULE



Monday 12th March 2007

at 9.00 am

in Committee Room 'B'

Councillor R Waller, Cabinet Member responsible for Adult and Public Health will consider the following items.

1. KEY DECISIONS

No items

2. OTHER ITEMS REQUIRING DECISION

2.1 Home Care Charges 2007/8 – *Director of Adult and Community Services*

3. ITEMS FOR INFORMATION

No items

4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

No items

ADULT & PUBLIC HEALTH PORTFOLIO

Report To Portfolio Holder

12 March 2007



Report of: Director of Adult and Community Services

Subject: HOME CARE CHARGES 2007/8

SUMMARY

1.0 PURPOSE OF REPORT

To recommend the Fairer Charging rate for Home Care for 2007/8.

2.0 SUMMARY OF CONTENTS

Home care and other domiciliary services are subject to discretionary charges under the Fairer Charging Guidance from Department of Health. Hartlepool's established charging policy is based on a rate per hour, based on the cost of provision, and with each user being assessed on the maximum they can afford to pay.

When the new policy was brought in for 2003 some users were better off, but others would have paid substantially more per week. Members therefore agreed to a 30% discount to the hourly rate, to be phased out over time. The discount rate currently stands at 10%.

A further reduction in the discount (from 10% to 0%) is proposed. This will be on top of increases relating to the rising costs of service provision.

The report sets out the implications of these proposals.

3.0 RELEVANCE TO PORTFOLIO MEMBER

The charging policy and income budget fall within this Portfolio.

4.0 TYPE OF DECISION

Non-Key.

5.0 DECISION MAKING ROUTE

Portfolio only.

6.0 DECISION(S) REQUIRED

To set the Fairer Charging rate for Home Care for 2007/8.

Report of: Director of Adult and Community Services

Subject: HOME CARE CHARGES 2007/8

1. PURPOSE OF REPORT

- 1.1 To recommend the Fairer Charging rate for Home Care for 2007/8.

2. FINANCIAL IMPLICATIONS

- 2.1 The increase in charges through a reduced discount will lead to increased income over and above inflation of approximately £75,000. Income levels have been less than expected this year, and this would restore them to budgeted levels for 2007/8.
- 2.2 If the charges were not increased then alternative savings would need to be found to stay within the departmental budget allocation. This would probably entail deletion of posts.

3. BACKGROUND TO THE CHARGES

- 3.1 The current 'Fairer Charging' Policy was set in September 2002 after considerable scrutiny and consultation, and reviewed and re-affirmed in February 2004. The Policy was that there would be an hourly charge to reflect the scale of the package, but only up to a weekly amount that each user is assessed as being able to pay. This amount takes into account income, living costs, and disability related expenditure. Each person is assessed by specialist staff, and at the same visit advice is given on state benefits. A third of service users (the least well off) are assessed as being able to pay nothing. They will not be affected by any increase in the hourly rate.
- 3.2 The hourly rate was set at 75% of the typical price paid for contracted home care. However it was recognised that some people (usually those with larger incomes and sizeable packages) would be worse off under this new policy, so there was some protection built in by a further 30% discount on that rate, to be phased out over time.

4. OPTIONS FOR 2007/8

- 4.1 In April 2006 the hourly rate was updated to 75% of £9.62, less a 10% discount, making the current rate for charges £6.50 per hour. An inflationary uplift would bring the contracted rate to around £10.10 per hour from April. Leaving the discount at 10% for next year would lead to a charging rate of £6.75 per hour (ie a 3.8% increase).
- 4.2 Following the established policy of reducing the discount (in this case to 0%) would increase the hourly rate to £7.50. This would be a 15.4% increase over the current rate, though the extra paid by any individual would depend on their disposable income. It should raise the extra income required to balance the budget, and is therefore the rate recommended. The implications of the preferred option are discussed below.

5. IMPLICATIONS OF THE PREFERRED OPTION

- 5.1 The estimated effects of increases of 3.8% and 15.4% are shown on the attached table (**APPENDIX A**). The charging formula is constructed such that those most able to pay, and receiving the largest packages of care, would experience the highest income. Even with a 15.4% increase it is estimated that over a third of people would not be charged for the service. The proportion of users paying over £40 per week would increase from 26% to 32%.
- 5.2 Last year's increase was of a similar percentage to that recommended for 2007/8, due to the gradual phasing out of the discount, and very few problems were encountered. The small number of people who asked to change their packages as a result of the increase were monitored to ensure they were not put at risk, and a similar approach would be taken this year.
- 5.4 We have yet to test the proposed rate against that which neighbouring authorities may be charging, but our current rate is certainly not one of the highest.
- 5.5 The cost of operating a charging policy in staff time and processing costs is approximately £120,000 per annum. Income is currently running at £720,000 pa. Increasing the charge would not affect the costs, so the proportion of income available to support services would increase.
- 5.6 A very important part of the financial assessment visit is to provide advice and guidance on the benefits to which service users may be eligible. A significant amount of additional benefits are received each year as a result.

6. **RECOMMENDATION**

- 6.1 That the Fairer Charging rate for Home Care for 2007/8 be set at £7.50 per hour, subject to the test of ability to pay.

APPENDIX A

	<i>April 06</i>	<i>Reflecting Higher Costs</i>	<i>Reducing Discount</i>
<u>Calculation of Rate:</u>			
Provider rate	£9.62	£10.10	£10.10
@75%	£7.22	£7.50	£7.50
Discount	-10%	-10%	-
Charge/Hr (rounded)	£6.50	£6.75	£7.50
% Increase		3.8%	15.4%
<u>Weekly Assessed Charges:</u>			
Nil Charge	231	231	231
£0-20	132	109	102
20-40	125	133	116
£40+ per week	<u>169</u>	<u>184</u>	<u>208</u>
	657	657	657
Projected Income	720,000	740,000	815,000

NB Figures quoted are prior to the April re-assessments