

Adult Services Charging Consultation Report

Consultation Period : 2 November 2010 – 31 January 2011

Summary of Responses

Charging Consultation

Background

Councils throughout the UK are currently under severe financial pressure. This pressure is the result of two significant factors. Firstly, Local Authorities have seen a substantial reduction in the money they receive in grant funding from the Government. Secondly, financial pressure grows year on year due to the rising elderly population and increased demand for care. This problem is exacerbated in Cheshire East because our population is significantly older than the national average.

Cheshire East Council is projecting an over-spend of £9.2m in Adult Services alone (2010/11), despite stringent efficiency measures.

Councils throughout the country are looking at ways to alleviate these financial pressures. Many of them are looking to do this by changing what people pay for care services. The aim of the Charging Consultation carried out by Cheshire East is to explore proposals for doing this. These measures include looking to close the gap between the charges service users pay for commissioned care services and the real cost of that commissioned care service. It also involves looking at new charges that could be introduced to offset the administrative costs the Council pays for certain tasks (e.g. Deferred Charge Agreements and Appointeeships).

The impact of changes will primarily be in the community provision offered to around 4000 customers. Many people will be unaffected by these changes because they are entitled to a free service (66%), some (19%) will see a small change as the % of disposable income as a charge moves from 90% potentially all the way to 100%. Others (8%) paying a flat rate fee may see their charges increase. Full cost or standard charge (7%) will see the greatest increase but would be able to purchase care services from the open market at competitive prices.

Consultation Process

The Charging consultation period ran from 2 November 2010 - 31 January 2011. Throughout this 3 month consultation period, numerous steps were taken to involve and inform those likely to be affected by the changes to the Charging

arrangements, including service users, carers, families, and organisations representing the former groups.

Following feedback at the first event written examples of the effects of the changes were given to the public. The number of examples was also increased during the course of the events following further dialogue and a further consultation event was arranged at the request of the people of Knutsford.

Below is a list of the methods used to provide information about the proposals and the opportunities in which people were given to have their say:

- Public Meetings (listed below)
- Letters in invoices to service users
- Website information
- Formal Consultation events with Presentations
- Facilitated meetings at all day care centres (listed below)
- Consultation specific email account for feedback and responses
- Postal address for open comment and letters
- Individual meetings and telephone conversations
- Poster campaign
- Discussion and engagement with third sector and support groups.
- Presentation to Over-view and Scrutiny Committee on consultation process.
- Briefing to Central and Eastern Primary Care Trust.
- Individual responses to specific letters of concern
- Helpline for people to understand the impact on themselves.

List of formal public consultations

<i>Date</i>	<i>Location</i>	<i>Number of Attendees</i>
25 th November	Nantwich	11
30 th November	Sandbach	5
1 st December	Middlewich	13
6 th January	Crewe	18
7 th January	Wilmslow	10
19 th January	Macclesfield	35
21 st January	Poynton	10
27 th January	Knutsford	25

List of facilitated meetings at Day Care Centres

Informal meetings were also held at day centres across Cheshire East in order to get the thoughts of social care customers. People unable to attend the public events were also able to attend.

<i>Date</i>	<i>Location</i>	<i>Number of Attendees</i>
7 th December 2010	Hollins View	Macclesfield (5)
13 th December 2010	Peatfields	Macclesfield (6)
13 th December 2010	Cheyne Hall	Nantwich (4)
7 th January 2011	Mount View	Congleton (15)
11 th January 2011	Redesmere Centre	Handforth (33)
13 th January 2011	Carter House	Congleton (30)
17 th January 2011	Hilary Centre	Crewe (35)
19 th January 2011	Mayfield Centre	Macclesfield (11)
24 th January 2011	Stanley Centre	Knutsford (30)
24 th January 2011	Macon House	Crewe (20)
25 th January 2011	Salinae House	Middlewich (30)
25 th January 2011	Hilary Centre second event	Crewe (20)

Letters and emails received: 8

General Questions Raised at Consultation Meetings

A number of important questions were posed during the course of the consultation about the process. We have tried to answer the key ones below as they are more general in their nature and were repeatedly raised at different events.

What have you done to reduce the Council's administrative costs?

Since the inception of Cheshire East Council in 2009, Adult Services has realigned care services into 4 Local Independent Living Teams, reduced staff costs by £1.7m, reviewed Care4CE services achieving £2m efficiencies over the past two years, worked with providers of care to identify efficiencies in 2010/11, accessed other funding opportunities for care providers and reduced provider costs through review. Next year will bring further cost efficiencies in business processes.

Why should social care users be the ones to pay?

Wherever possible people are offered re-ablement services for up to six weeks free of charge to improve independence and avoid the need for on-going care services.

Cheshire East is very aware of the burden that is already placed on customers of its social care services and their families and carers. However, the Council has no choice but to act on the financial pressures it faces. An important point to stress is that no one will be asked to pay more than they can reasonably afford and those who do feel commissioned care services are too expensive, the Council can assist them to find alternative, cheaper options in the open market.

All Local Authorities must apply something known as Fair Access to Charging Criteria. These are Government guidelines that ensure that there is some uniformity over charging across the country. It also ensures that social care service users have enough money to live on. However, Council's do have some discretion over some elements of charging. This is the reason for this consultation.

The Council is committed to keeping Council Tax rises at or below inflation until 2013. Council Tax equates to 26% of all Cheshire East Council funding (£177m). The only other area where the Council has flexibility to raise revenue is in charging. The average annual charges paid per head in Cheshire East is £155, the national average is £210 despite Cheshire East being amongst the wealthiest areas in the UK. 30% of charges per year are for Social Care, 23% for Children's Services, 18% for Places Directorate, 11% for Leisure and 18% for other areas.

Can you explain why Adult Services current financial position is so bad?

The problem of the social care budget keeping track with the demands of an ageing population and growing demand for services has been an unremitting problem in Cheshire and in the UK generally. Cheshire East Council has taken substantial steps to try and mitigate this impact. However, the cut in funding from central government means further measures need to be taken.

Why are people punished for working hard and acquiring savings?

It is a national principle laid out by the Government that social care users should pay for services if they can afford to do so. This is long-established in Cheshire East and before that in Cheshire County Council and supported by national policy.

Was the consultation a done deal?

An example comment making this point was:

"Felt it was a pointless. Crazy cuts are going to happen; this is looking at which deck chair to throw off the Titanic first."

The Council recognises something needs to be done about its budget shortfall. It formulated these charging proposals to help tackle this. However, ultimately Councillors will decide whether the proposals are adopted at a meeting of full Council on 14 March 2011. This will be done by taking into account the views expressed at the consultation events which are reflected in this report. No decision will be taken before this meeting.

Why did Councillors not attend more of the public events?

Although Councillors were not able to attend as many events as they would have liked they are very keen to listen to the concerns of the people of Cheshire East and in particular users of social care services. The feedback received during this consultation period will be crucial to how Councillors determine the way ahead for Cheshire East.

Why are social care services not spread out fairly across the Borough?

The Council has a statutory duty to ensure the social care requirements are met of people with critical or substantial needs. The Council has been assessed as achieving this by the Care Quality Commission. The Council also has a duty to deliver these services in as cost effective a way as possible. This means it has had to look at ways to deliver better and more efficient services which inevitably has meant shifts in care provision. However, the Council is committed to making the most of its resources for all service users in Cheshire East.

Charging Questions

General charging questions

- 1. The main issue for the Council within this charging consultation is bringing what it charges closer to the cost of providing a service. Do you think the Council is right to do this? /**
- 2. If the Council does proceed with the increases in charges there will be very little impact on those who pay no charges at present. The main impact will be on those who pay full charge for their care with a lesser impact on those who make a contribution to the cost of their care. If charge increases go ahead is this the right way to proceed in your view?**

Note: As the discussion dealt with a range of issues related to these subjects it was felt more useful to deal with these questions together.

A subsidy is the difference between the cost to the Council of providing a unit of care and the unit price of that care to the customer.

Removing the subsidy from care prices is likely to affect service users currently paying the full cost of care services, for example if they have capital in excess of £23,250 (at 2010/11), if they are paying a charge within a band of care houses (e.g. Extra Care Housing), if they have sufficient income to be able to pay the current full costs of their services or if they pay a flat rate charges for Meals or Transport.

The subsidy will also affect the following areas:

Extra Care Housing:

Extra Care Housing is a supported living service, where people live in their own apartment within a complex offering night and day time care. Maximum charges are based on average hours within bands of care and are subject to the individuals ability to pay through a financial assessment:

Flat Rate Charges

Adult Services currently provide hot meals and transport services to eligible people. These services are deemed to be normal living expenses and therefore are not subject to means testing but are charged for at a standard rate which everyone pays.

Transport. Adult Services currently support 420 individuals with transport provision to and from their Day Care service costing £1.6m per annum. The flat rate charge to the customer is £2.00 per one-way trip, but the cost to the Council is £9 per trip. The Transport provision is subject to consultation and one of the options is to remove significant subsidy from the flat rate charge.

Hot Meals. Hot meals are currently provided to 328 people. The Authority pays £4.78 per meal and recovers £3.25 in a flat rate charge for each meal, leaving a subsidy of £1.53 per meal. The proposal is to remove the subsidy and support people to purchase the meal directly from the provider at the true cost or support people to receive their meals in a different way, for example using the Restaurant facility in Extra Care Housing.

Many respondents expressed frustration at the rises the Council was suggesting. A good number felt that the most vulnerable people in society were being targeted when costs should be shared elsewhere (e.g. by raising Council Tax). This point was also affirmed by Cheshire East LINK. A regular question was what the Council had done to reduce its own costs by cutting bureaucracy as well as jobs (particularly amongst senior staff). Representative comments were:

“If Cheshire East looked at their own high levels of management and got rid of them or those paid £100k per annum took a cut then the £9 million overspend would be easily paid off”

“I feel that the most vulnerable in society are being attacked.”

Other people felt that the Council had no choice but to increase charges because of its financial position.

“If people have the money and are able to contribute then they should contribute.”

One group stated that they felt that this should be done in a phased way so that customer's did not feel a heavy impact immediately. Other concerns raised included whether people on the borderline of paying for social care would particularly suffer e.g.

“Moving the cost burden to those who make a full contribution is not the right or fair way to proceed. It disproportionately penalises those who have modest savings.”

One individual raised the question whether this was part of a transition process into private care.

In Cheshire East LiNk's formal response to the consultation they felt that the proposal was reasonable particularly because it did not affect those who could not afford to pay. However, there was concern expressed over 'borderline' cases where they felt the effect on these people should be minimised.

Note: Cheshire East LiNk is an independent network of people and organisations who want to improve health and social care services in the borough. (<http://www.celink.org.uk/>)

3. If you consider that some subsidy from the Council should remain, where do you believe the subsidy should remain?

Although this was one of the first questions asked at the public events the debate tended to focus on other areas such as the proposed raising of charges instead of this subject. Where it was discussed, people felt that care services should be charged at a rate appropriate to their cost but not at full cost. One person made the comment that;

“We need transparency about what's right for each individual customer group. There should be no cross subsidy as it's dangerous to heavily subsidise some services.”

Other issues raised included whether removing the subsidy from some services would prevent some people accessing that care. There was also a fear expressed that personal care might be difficult to find on the open market.

A formal letter from Harvest Housing addressed issues relevant to people in Extra Care Housing. It states, "...Reducing subsidy, introducing administration fees (yet to be defined) plus the introduction of a new Health and well being charge may make the units financially unsuitable for potential and current residents placing further pressures on the current care system...."

Specific Charging Questions

1. What do you think of the Council's proposal to move the percentage of disposable income considered for a charge from 90% to 95 or 100%?

Notes: This proposal is likely to affect those currently paying an assessed contribution towards care services. The Council's Non-residential charging policy has to meet certain requirements set by the Department of Health. However, there are elements within the formula which the Council is able to review. The Council wishes to review the percentage of disposable income taken as a contribution of the charging formula.

The Council's non-residential charging formula currently first looks at weekly income (including welfare benefits but excluding earned income)

- It then deducts a standard disregard according to age for daily living costs plus 25%. This is set by the Department of Health.
- It then deducts any weekly Housing Costs and Council Tax that is paid, which is not covered by benefits.
- It then calculates and deducts any Disability Related Expenditure an individual has, which is not being covered in disregarded income or provided in their care package.
- The remaining amount is the person's weekly disposable income.
- The Council currently takes 90% of this disposable income as a maximum contribution towards care services.

The effect of increasing the percentage of disposable income as a contribution by 5 or 10% without any changes to unit prices on service users :

	Numbers of service users affected	
	90% to 95%	90% to 100%
No effect as already paying the maximum service charge	196	196
Less than £1 pw increase	485	216
up to £5 pw increase	470	272

up to £5 increase	13	180
up to £6 increase	6	133
up to £10 increase	0	3
TOTAL	1594	1594

Analysis of public responses:

This question arguably provoked the strongest reaction at both the formal and informal consultation events. Many attendees felt that it was going too far to increase the percentage of disposable income taken to 100%. It was felt that this was akin to ‘treating people like babies’ and this took away their human rights. It was also felt that service users should not be ‘treated like cash cows’. Cheshire East LINK felt that the calculation should remain at 90%. However, a number also accepted the current financial position of the Council and felt that some increase was fair (to 95%). It was even raised at one event that there should be a transition to 100% if it meant the financial difficulties could be tackled earlier.

“I can’t see it as attractive to have to contribute extra money. But I will give a bit more as I feel as an individual that we need to make a contribution.”

However, there were views in total contradiction to the proposal. At the Knutsford Consultation Event, in particular, it was felt that the 90% was too high to begin with. One person offered the observation;

“A percentage increase should not be implemented in a time of recession.”

A further comment was:

“I strongly do not agree with the proposal to move to 95% or 100%. Other costs are rising fast and steeply, and as my disabilities increase, it is more costly to keep warm, and manage daily living.”

Many people also questioned how the formula for disposable income was calculated. They felt that it was impossible to take all factors into account when assessing this (e.g. presents for grandchildren, holidays, Xmas etc). One member of the public queried why the Government had the right to determine what someone’s disposable income was.

2. Do you think the Council is right to:

- a. Apply a one-off administrative charge to Deferred payment agreements.**
- b. charge interest immediately and at a rate similar to other local authorities rather than waiting 56 days and charging only base rate plus 1%.**

Notes: The Council currently offers what is in effect an interest free loan to people who enter into long term care leaving their property vacant. The customer is required to pay what they can from their weekly income, deferring the rest of the charge to be collected either when the property sells or when the contract with the Council ends. The Council secures the debt with a Legal Charge on the property, which means it cannot be sold without the Council being notified and collecting the debt owed.

The Council's proposal is to apply a one-off administrative charge to deferred debt to cover the cost of land registry search, legal and administrative time in setting up Deferred Charge Agreements and of applying/lifting the Legal Charge on the property. The Council is also proposing charging interest from the end of the contract rather than the current practice of 56 days after the end of the contract at base rate plus 1% (2.5%) and wishes to review the interest rate currently applied with the intention of increasing the rate in line with other Councils. A number of other Councils apply a charge for arranging Deferred Charges - these charges range from £75 to £500 one off charges. Other Councils apply interest of up to 8% on deferred debt.

Analysis of public responses:

a) A large number of individuals felt that the administrative charge was fair. This was predominantly because they felt individuals were currently gaining from the fact that they didn't need to sell their house: a benefit unjust to everyone else. An example comment was:

"If they are deferring and they have capital I think this is reasonable."

Nevertheless, people felt that the charge should not be excessive, but should be proportionate to the costs incurred by the Council. There were also a few participants who felt that it was not fair to put additional charges on service users at all and that Council Tax should be increased instead.

b) Many individuals again felt that an interest charge was fair. They also agreed with the ending of the 56 day waiting period. One comment was,

"You show me a bank that gives you 56 days grace."

A few individuals felt that the interest charge would be excessive because of the time it might take to sell someone's home. An alternative concept was put forward of asking a customer to sell their home after a period of time (say two years). However, the Council has no rights under law to force a sale. A further comment was that if the Council introduced this measure it should be done in a transparent way.

Cheshire East LINK strongly disagreed with proposal (a) and disagreed with proposal (b).

3. Do you think the Council should apply an administrative charge when managing someone's money of their behalf (e.g. Appointeeship or Managed Personal Budgets?)

Notes: The Council provides the Appointeeship or Managed Personal Budget service to people who lack capacity or are considered too vulnerable to manage their own income themselves (e.g. benefit payments). The Council is seeking to modernise this service and introduce an administrative charge for money management services. Only people who can afford to pay and who choose to have the Council provide their care will be asked to contribute subject to their means.

Analysis of public responses:

Some individuals expressed the view at the events that the Council should implement this proposal. However, there were concerns about the vulnerability of the client group and whether it might be better to absorb these costs into Council Tax or by cutting costs in other areas for instance. A representative comment was:

"I don't feel that charging the disabled or elderly is the right way to maximise income. You should be looking at other areas of the Council instead of targeting vulnerable people"

Again the level of the charge was an important consideration.

4. Do you think the Council is right to charge people who can afford to pay, a fee for brokerage?

Notes: The Council provides brokerage support to a rapidly increasing number of people. This is where we support people to make their own care arrangements (under a direct payment). The Council considers that this increases independence and affords people access to a greater variety of care to meet their needs. There are, of course, a number of people for whom this is not

possible and the Council would continue to make arrangements to care for this group (for example, people who need long term residential or nursing care).

Analysis of public responses:

Limited discussions were had at the events about this question. However, a slight majority of people felt that the proposal was unfair because it advanced charging vulnerable people who had limited capacity to speak for themselves. Again, a fear was expressed that this was part of a privatisation of social work. Some did feel that the proposal was reasonable, however. One remark was:

“No one gets something for nothing. So yes, not unfair to ask people to pay charge”

One other issue that was raised was the impact the policy would have on 3rd sector organisations. Brokerage is currently provided by Age Concern and CCIL (Cheshire Centre for Independent Living) in Cheshire East. There were concerns it would adversely affect their income if their customers dropped as a result of the charge.

Cheshire East LINK expressed general concerns with the availability and costs of brokerage services which it was felt that this would do nothing to address.

5. The Council wishes to pay its contribution towards personal budgets through the Empower Card as this eliminates much costly administration. Do you think this is the right thing to do?

Notes: The Empower Card is a brand new way to purchase social care services using a personal budget. It works like a bank debit card and is loaded with the Council's financial contribution to an individual's care and any extra monies they contribute. They can use this to make purchases and to monitor their spending. This can be tracked via the internet or they can choose to receive paper statements on a quarterly basis. The Council can also use the system to monitor that an individual's spending is meeting their care needs. It is not possible to make cash withdrawals on the card or to go overdrawn on it.

Analysis of public responses:

This question prompted a large amount of debate possibly because there was a specific presentation on this and also because it captured the imagination.

A sizeable majority of people felt that the Empower Card was a very positive development because it helped reduce the administrative costs of sending out an invoice. A comment at the Nantwich event was:

“The Empower Card is not a worry and the idea works well”

Many people felt that it was a more modern approach to tackling the issue of managing personal budgets.

However, a number of linked issues were raised regarding the card. One of these concerned the card’s management. It was felt that the card might be open to abuse from disreputable carers/ or family members. Two individuals felt that the card allowed the Council too much knowledge of peoples spending and that there was an element of “big brother” about it. A further issue leading on from this was that the card singled people out in some way. One person voiced:

“Why should you have to know everything?”

An oft-repeated concern was how older people or those lacking mental capacity would take to the card. Comments included:

“Some older people still don’t like chip and pin and need alternatives as well.”
“So the mentally disabled are going to be forced to use Empower?”

People wanted to know how a customer with these needs would be helped with the process.

6. In some situations the care provider may be willing to collect a contribution directly from customers and the Council will pay the rest of the cost directly to the provider. This process eliminates costly administration. Do you think this is the right thing to do?

Analysis of public responses:

Most people felt that this proposal made sense although a couple of additional issues were raised. One of these concerned the fear that the care provider might pass the costs of their increased administration (the fact they now had to chase customers for money) on to service users.

“Care costs could go up for the extra administration. It could be more streamlined for the Council, but is it for the provider? Will this cost be passed on to the user?”

One individual also wondered if the system might be open to fraud as providers might bill the Council over and above the true cost.

“This assumes care provider submits correct claims which might not always be so”

7. The Council wishes to change its approach to assessing carers for services when the cared for person refuses services, so that there is a financial assessment and a full welfare benefit check. Do you think this is the right thing to do?

Notes: This will affect Carers currently using the free three hour home care service only. The Council currently offers three hours home care per week free of charge to carers where the cared for person refuses to accept services themselves. The Council is considering whether to continue to offer this service although recognises that this provision helps to support carers in their caring role.

This question provoked heated comment. The vast majority of people felt that this proposal was unfair because carers were burdened enough although generally people felt carers ought to be offered a welfare benefit check. There was anxiety that penalising carers might have a knock on effect on service users. A typical statement was:

“Things are usually financially difficult for carers so not too sure about this”

“...do not tamper with the current policy or you risk further isolating an already vulnerable group of carers.”

A further question mark was raised against the comprehensiveness of the proposed financial assessment and whether it could truly capture all of a carer's costs. A similar point was raised for the question on the service user's financial assessment. However, people did feel that the offer of a welfare benefit check for carers was very worthwhile.

8. The Council is looking to amend the charging policy to enable the collection of an Independent Living Fund contribution should this be necessary in the future. Do you think this is the right thing to do?

Notes: Some people with severe needs currently receive a benefit called Independent Living Funds - these funds are currently subject to national review by the Department for Work and Pensions and Department of Health. This is a national scheme that makes money available to enable disabled people to live independent lives in their community rather than in residential care. The ILF is no longer accepting any new applications.

The Council does not charge anyone who receives these funds and is proposing amending the charging policy to enable future charges to be collected subject to the continuation of the fund. Council's will have to adhere to guidance on how these funds will be managed in the future. The Council is simply seeking to amend the charging policy to allow for charging of Independent Living Fund recipients subject to further instructions on how the money is to be managed next year. Currently, people in receipt of Independent Living Fund pay approximately £89 per week towards care purchased with Independent Living Funds. Any charge levied by the Council would come out of this ILF charge so no-one would be disadvantaged.

Analysis of public responses:

There was little discussion over this question mainly because people did not understand the Independent Living Fund and the reasoning behind the question. Almost everyone speaking from a position of knowledge agreed that it made sense to adopt this proposal. This was a question around a technicality which would have little impact on service users overall.

THE IMPACT OF CHARGING PROPOSALS - Summary

If you are assessed as :	Nil Charge	Assessed Charge	Capital over £23,250
Removing Subsidy from Care Prices	No Impact	Impact only for those who can afford to pay.	Will pay more towards commissioned care or be signposted to purchase care independently with support.
Removing subsidy from charging policy	No Impact	All people paying an assessed contribution will see an increase depending on the percentage agreed from consultation.	No Impact as already paying the price of the care. May choose to purchase care independently with support.
Both the above options together	No Impact	All people paying an assessed charge would see an increased contribution within their means.	Would pay more toward commissioned care or be signposted to purchase care independently with support
Administrative Charges	No Impact	Can choose to purchase additional services subject to means, to help with care arrangements.	Can choose to purchase additional services to help with care arrangements.
Carers Charges	No Impact	Will be offered a benefit check and may be required to contribute towards services commissioned directly for them, subject to means test.	Will be charged for commissioned services or be signposted to services to help access services independently.
Independent Living Fund Charges	No Impact	No Impact	Would not be entitled to ILF

Overall Summary

The Charging proposals provoked a wide range of reactions. Many people sympathised with the Council's financial position, others felt that social care service users were already in an economically and emotionally vulnerable position and should not be penalised further. They felt that a Council Tax rise or cuts in bureaucracy and staffing should be explored instead. There was also debate over whether the assessment of what is essential and what is disposable was potentially flawed.

In general, reaction was split on whether additional charges should be implemented. However, it was clear that people did not want an assessment to

be introduced for carers. Inevitably the proposals have proved controversial particularly at a time of economic hardship for many people.

What next?

This report has been sent to all attendees who requested it at the formal and informal consultation events. It has also been made available on the Cheshire East website.

The next step is for Councillors to consider its findings at full Council on 14th March 2011. This is a public meeting which anyone may attend. Questions can be logged before this meeting in order to give time for the answer to be researched (if the question requires technical information which would need to be investigated). A full summary of views can be found at the Cheshire East Council website.

Cabinet decision will be communicated to those affected as soon as possible.

Further comments about the consultation process can be made to the Cheshire East Consultation and Participation Team cpu@cheshireeast.gov.uk or by telephone at 01270 371376. You can also write to the Consultation and Participation Team, Floor 4, Delamere House, Crewe, CW1 2LL.