

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">COUNCIL</p> <p align="center">25 FEBRUARY 2015</p>	
<p align="center">ABOLITION OF CHARGING FOR HOME CARE SERVICES</p>		
<p>Report of the Cabinet Member for Health and Adult Social Care – Councillor Vivienne Lukey</p>		
<p>Open Report</p>		
<p>Classification - For approval</p> <p>Key Decision: Yes</p>		
<p>Wards Affected: All</p>		
<p>Accountable Executive Director: Liz Bruce - Executive Director - Adult Social Care and Health</p>		
<p>Report Author: Rachel Wigley - Deputy Executive Director and Director of Finance and Resources, Adult Social Care and Health</p>	<p>Contact Details: Tel: 020 8753 3121 E-mail: rachel.wigley@lbhf.gov.uk</p>	

1. EXECUTIVE SUMMARY

- 1.1. London Borough of Hammersmith and Fulham has been charging for homecare services provided to residents of the borough since 2009. Income from charging for a contribution towards the cost of home care services has made a small but significant contribution to funding adult social care.
- 1.2. In December 2014 the administration, as part of its commitment to social inclusion and improving adult social care and in line with its election manifesto pledge, signalled its intention to abolish charges for home care services.
- 1.3. This report details the recommendation to cease charging for homecare services and the customer, financial and staffing implications of the decision.

- 1.4. On 20 January 2015 the Health, Social Care and Social Inclusion Policy & Accountability Committee considered the report and made the recommendations as outlined in section 2.

2. RECOMMENDATIONS

- 2.1 To abolish charging for home care services provided to customers of the Borough on 31 March 2015.
- 2.2 To note that for services delivered up to 31 March 2015, charges will still apply, and to agree that these charges be pursued for a period of 3 months ending 30 June 2015.
- 2.3 To write-off total estimated outstanding home care debt of £133,000 as at 1 July 2015 and delegate authority to write-off the debts to the Executive Director of Finance and Corporate Governance and Deputy Executive Director and Director of Finance and Resources, Adult Social Care and Health.
- 2.4 To request additional provision for bad debt of £91,000 from Corporate Finance from the bad debt provision account.

3. REASONS FOR DECISION

- 3.1. As part of its commitment to social inclusion and improving adult social care and in line with its election manifesto pledge, the administration signalled its intention to abolish charges for home care services.

4. INTRODUCTION AND BACKGROUND

- 4.1. Hammersmith & Fulham Council provides a range of domiciliary services (home care, day care and transport services) to its customers who qualify for the service. The Council has been charging a contribution towards the cost of providing home care services only based on its Charging Scheme since January 2009.
- 4.2. Charges for home care services have been a flat rate of £12.00 per hour since April 2012. The minimum charge unit is 15 minutes or £3.00 per quarter of an hour. Charges for home care services are based on actual hours of services provided.
- 4.3. In 2014/15 the Council has budgeted to collect £441,000 from contributions made by customers towards the cost of homecare provided under the current Charging Policy. Charges are based on income only, including disability related income with assets and savings not considered in the financial assessment.

- 4.4. In December 2014 there were 1287 customers receiving homecare services in Hammersmith & Fulham of which 332 (26%) were contributing towards the cost of care while the remaining 955 (74%) were exempt from charging under the scheme of the Council.

5. CARE ACT 2014

- 5.1. The Care Act will come in to effect from 1 April 2015. It retains the existing discretionary power that local authorities have to decide whether or not to charge for adult social care services.
- 5.2. The above proposal to abolish charges for home care services is line with the discretionary powers provided to local authorities within the Care Act.
- 5.3. The proposal to cease charging for home care services delivered from 1 April 2015 is in line with the powers in the Care Act.
- 5.4. The Care Act coupled with the decision to abolish charges for home care services may draw more customers who could have funded their care otherwise to request for care funded by the Council. It is difficult to quantify this impact on the finances of Adult Social Care.

6. OPTIONS AND ANALYSIS OF OPTIONS

- 6.1. In the summer of 2014 officers submitted a briefing paper to the Cabinet Members for Adult Social Care and Social Inclusion outlining the current position, options for charging and the implication of abolishing charging for home care charges.
- 6.2. The options paper included :
- keep the current charging policy,
 - review of the current charging policy to extend the Scheme to other, elements of domiciliary services and consider capital assets as part of the financial assessment, and
 - abolish charging for home care services
- 6.3. In December 2014 the Council, signalled its intention to abolish charging for home care services.

7. CONSULTATION

- 7.1. The proposed method of consultation would be through the production of the Cabinet Report to be presented to Budget Council on 25 February 2015.

8. EQUALITY IMPLICATIONS

- 8.1 The Council has a discretionary power to charge for social care services provided to residents who live in the community. The power to do so is contained in Section 17 Health and Social Services and Social Security Adjustments Act 1983 ("HASSASSAA 83").
- 8.2 The Council provides a range of domiciliary services (home care, day care and transport services) to residents eligible for its services. However, under the current policy charges a contribution for only homecare services.
- 8.3 The Home Care Charging Policy of the Council is based on the Fairer Charging Guidance for Home Care and Non-Residential Services 2003. The Fairer Charging Guidance ensures that service users are charged only an amount they can afford to pay and in many cases this will result in no charge.
- 8.4 The Charging Policy of the Council takes in to account all customers' income, including disability related income but no assets or savings compared to all inner London schemes taking savings in to account.
- 8.5 Under the Charging Policy home care users in Hammersmith and Fulham are also allowed to keep up to 100% of their disability related income through a full assessment of disability expenditure.
- 8.6 The table below shows a distribution of the weekly assessed contributions of homecare customers as at 31 December 2014. There were 1287 customers receiving homecare services of which 955 (74%) are exempt from charging by virtue of receiving a weekly income less than or equal to the minimum weekly allowance allowed under Fairer Charging Guidance.

Summary of weekly assessed contribution of home care Customers at December 2014

Weekly Assessed Contributions	Customer Numbers	Proportion of customers
£0.00	955	74%
£3.00 - £12.00	55	4%
£12.01 - £24.00	93	7%
£24.01 - £36.00	55	4%
£36.01 - £48.00	65	5%
£48.01 - £60.00	23	2%
£60.01 - £96.00	19	2%
£96.01 - £280.00	22	2%
	1287	100%

9. LEGAL IMPLICATIONS

- 9.1. The Council has statutory power but not an obligation to charge for home care services. As with all statutory discretions it must be exercised reasonably and after consideration of all relevant matters.
- 9.2. Implications verified/completed by Kevin Beale - Head of Social Care Litigation, 020 8753 2740.

10. FINANCIAL AND RESOURCE IMPLICATIONS

Budget Implication

- 10.1. The financial impact of ceasing charges will consist of two elements - an income impact which is quantifiable and the expenditure impact which is difficult to predict.
- 10.2. The decision to abolish charges for home care and will result in annual loss of income of £441,000. There would be cost savings from the administration of home care charging of (£117,000) leaving a net budget shortfall of £324,000. This shortfall is accounted for in 2015/16 MTFS proposals and funded from efficiency savings elsewhere in the Council's budget.
- 10.3. The financial risk of an increase in demand for services is more difficult to quantify. Based on past experience when the Council abolished home care charging in February 2006, there was no significant increase in demand. Any increase in demand will be identified at an early stage so that options for dealing with the budget implications can be developed.

One-off Costs

- 10.4. There are anticipated one-off costs for the write-off of estimated residual home care debt of £132,000 and potential redundancy costs for 3 full time equivalents. While the Department will minimise any redundancy costs, any such costs will be met from Corporate redundancy provision.

Home Care debt

- 10.5. Total home care debt as at 31 December 2014 was £68,998 provided by a bad debt provision of £41,972.

Summary of home care debt – 31/12/2014

DEBT STATUS	VALUE(£)	COMMENT
Age debt over 24 months	£48,990	
Age debt over 12 months	£9,044	
Closed packages	£10,964	
	£68,998	

- 10.6. However, as charges will continue to 31 March 2015, total charges of £140,000 (4 x £35,000 per month) will be raised to 31 March 2015 of which 35% is anticipated to be collected. Total debt as at 31 March 2015 is estimated to increase to £133,000. Therefore, there will be a requirement for additional bad debt provision of £91,000.
- 10.7. Charges raised up to 31 March 2015 will be pursued and collected retrospectively in the usual way up to 30 June 2015.
- 10.8. However, as it is anticipated that only a small proportion of the current and historical charges will be collected and request Corporate Finance to provide the provision required for the remaining bad debt.
- 10.9. The outstanding debt remaining as at 1 July 2015 will be presented to Executive Director of Finance and Corporate Governance and Deputy Executive Director and Director of Finance and Resources, Adult Social Care and Health to be written-off.

Staffing implications

- 10.10. There are currently 7 established posts within the Financial Assessment & Charging Team in Hammersmith and Fulham all filled by permanent members of staff.
- 10.11. Financial assessment, billing and collection of client contributions towards the cost of providing both home and residential/nursing care are carried out by 5 officers of the team. The team is line managed by one officer.
- 10.12. Welfare Benefit Advice is offered to all adult social care customers to maximise their income as part of the current home care charging policy. This function is carried out by one officer of the team.
- 10.13. There is an ongoing review aimed at establishing a shared services Financial Assessment and Charging Team, running parallel to the abolition of home care charging with a timescale of implementation from 1 April 2015.
- 10.14. The future provision and scope of the Welfare Benefit Advice offered to home care users of the borough is part of the above review.

10.15. The full staffing and possible redundancy implications will be detailed in the shared services Financial Assessment & Charging Review report.

11. FINANCIAL RISK MANAGEMENT

11.1. The financial risk of increase in demand following abolition of home care charging is difficult to qualify. However, from past experience there was not a significant increase in demand for the service following abolition and three quarter of current customers do not pay a contribution towards the cost of care.

11.2. Demand for services is monitored closely each month as part of the Council's revenue monitoring process and any budgetary implications highlighted at an early stage.

12. EXECUTIVE DIRECTOR OF FINANCE & CORPORATE GOVERNANCE COMMENTS

12.1 The Director of Finance & Corporate Governance has contributed onwards the financial and resource implications of the intention to abolish home care charging and the governance arrangement of the decision.

12.2 Implications verified/completed by Jane West – Executive Director of Finance and Corporate Governance 020 8753 1900.

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

	Description of Background Papers	Name/Ext of holder of file/copy	Department/Section
	Homecare PAC Papers (published)	Prakash Daryanani – Head of ASC Finance, 020 8753 2523	ASC - Finance