

Committee: Cabinet

Date: 9th March 2015

Subject: PROPOSED CHANGES TO THE NON RESIDENTIAL ADULT SOCIAL CARE FAIRER CONTRIBUTIONS POLICY

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Recommendations:

- A. That charges for MASCOT, for those customers for whom the council arranges support, become part of the council's overall Fairer Contributions Policy.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 MASCOT is an in-house service which provides assistive technology to over 1000 Merton residents and to organisations within and outside Merton. Assistive technology (also known as telecare) is technology which enhances people's safety and independence. It includes simple pendant alarms, devices which monitor activity and risk such as falls detectors, devices which monitor the safety of the environment such as smoke alarms or temperature sensors, and some GPS devices which can work outside the home. It is an effective way of meeting the care and health needs of Merton's growing population of older and disabled people.

Assistive technology helps people maintain their independence by enabling them to remain at home and also reduces the need for people to receive ongoing social care funded support based on home care or residential care.

The service currently has a separate charging policy to the council's overall Fairer Contributions policy. It means that some people may be falling below basic income levels once they have paid the charges, and also that it can be cheaper to some people (but more expensive to the council) to receive home care compared to assistive technology .

The report sets out five options of continuing with the current policy, charging everyone full cost, making it a free service to everyone, moving the service into a means tested charge for eligible customers and charging full cost to everyone else, or moving the service into a means tested charge for eligible customers but still offering a subsidised service to those on Pension Credit, in line with other adult social care services. The fifth of these options is recommended.

1.2 This report sets out the options available.

2 DETAILS

2.1 With the introduction of self directed support and Personal Budgets the Department of Health issued new guidance to local authorities on the assessment of financial contributions towards the costs of care services. The London Borough of Merton introduced a Fairer Contributions Policy in April 2011. The Fairer Contributions Policy applies to those who receive non-residential care services from the London Borough of Merton either directly or through a Personal Budget. Non residential care services include home care, day care and direct payments. Under this policy service users are financially assessed to make a fair contribution according to their means to the whole package of support received. Assistive technology and Meals on Wheels are not included in the policy

2.2 All service users who are eligible under FACS (the council's eligibility criteria for services or Fair Access to Care Services) have a financial assessment carried out by the Financial Assessment Team. The service users provide details of income such as any pensions, benefits, maintenance, assets or other payments they receive in order to work out the amount they will contribute towards their care. Once the amount of contribution has been set, the customer will not pay more if the amount of services they receive increases, and it ensures that no one falls below a floor level of net income to live on. The net council contribution (the difference between the full cost of support and what the service user contributes) is defined as the service user's personal budget. The service user then has the choice of either the council managing their personal budget to arrange all the care and support they need, or of making their own arrangements for this care and support through taking the personal budget as a "direct payment" to them.

2.3 MASCOT provides telecare to 1,311 residents of Merton, 286 of these residents also receive services from Merton under the FACs criteria. The rest either pay the full cost of the service direct to MASCOT, or pay a discounted rate as set out below. Telecare is also provided to 8 Registered Social Landlords Housing Schemes and 145 people living in other boroughs who pay for the service directly. MASCOT has a pricing schedule that charges out of borough customers a higher rate than Merton clients in order to cover additional overheads for the delivery of the service. Appendix 1 sets out this schedule.

2.4 MASCOT carries out an independent financial assessment for all customers. If a customer wishes to pay the full charge they do not have to have a financial assessment. MASCOT customers who pay the full cost pay between £4.38 and £10.59 per week based on the service they receive as set out in appendix 1.

Those on pension credit are assessed to pay £2.00 per week. MASCOT customers who also receive other non-residential care services from Merton

are subject to financial assessments by both the adult social care Financial Assessment team and MASCOT. This has two problematic consequences in some cases:

- Some MASCOT customers, in receipt of both MASCOT and other non residential social care services, may be charged by both MASCOT and by the rest of adult social care. This could result in a customer's net income being below the Government's "Minimum Income Guarantee".
- In some cases a customer may be assessed to receive home care or residential care with no contribution from the customer, but has to pay the £2 per week minimum charge for MASCOT. This can lead to their being reluctant to accept MASCOT as an alternative to these other services.

2.5 An investigation regarding charges shows that most other local authorities include Assistive Technology in their 'Fairer Contributions Policies'.

2.7 It is not intended to include Meals on Wheels in the Fairer Charging Policy as this is an essential cost of living and so it is reasonable to ask everyone to make a basic contribution to this cost.

3 OPTIONS

1) No Change

To take no action would mean that the 'Fairer Contributions Policy' would not be applied equitably across services provided by Merton and there would be the problems highlighted above.

Appendix 2 offers an example of how the current charging policy has this impact.

2) Charge all MASCOT customers Full Cost

MASCOT would apply the full charge (£4.38 to £10.59) to all 1,311 Merton customers. This would increase income by approximately £147k per annum, but only if all 1,311 customers continued with the service. It was found that 96 customers stopped using the service when the charge for those on 'Pension Credit' was raised from no charge to £2.00 per week in April 2011. Therefore, it is unlikely that if a full charge was applied to all customers that they would continue to use MASCOT telecare and therefore the increased income would be reduced. It is extremely unlikely that the customers on pension credit will continue to pay the full cost, therefore the figures in the table below reflects this. If customers decide to cancel because of the increase in costs we may be putting the most vulnerable people in the borough at risk of having no contact with the outside world.

Description	Number of Customers	Current Charge per week	New Charge per week	Current Income	Notional Increase in Income if full charge applied	Expected Increase in Customer Income	Adjusted Projected Income
				a	b	c	= a + c
Full Payers	703	£4.38 to £10.59	No change	£277,544	£0	£0	£277,544
Part Payers	133	£2.26 to £7.17	£4.38 to £10.59	£21,954	£8,553	£7,099	£29,053
Out of Borough	141	£4.98 to £12.12	No change	£39,757	£0	£0	£39,757
Pension Credit	475	£2.00	(a) £7.59 to £10.59	£46,922	£138,452	-£46,922	£0
Total	1452			£386,177	£147,005	-£39,823	£346,354

(a) All customers who are on pension credit receive the full mobile response service

If customers also receive FACS eligible care services from Merton, they would be required to pay the full cost of MASCOT on top of their assessed contribution for care. This may put some customer's income under the "Minimum Income Guarantee". It is likely that some customers would cancel their MASCOT package and then need more expensive interventions.

3) Free service to residents over 85

Other local authorities are offering free telecare to residents over 85 years, on the grounds that it helps prevent escalation to more costly services.

The UK population is ageing, and in the London Borough of Merton the number of people over 85 is 3,400 projected to increase by 17.6% to 4,000 over the next five years.

MASCOT would offer free telecare to residents that are new to the service and do not have access to another community alarm or warden service. MASCOT currently has 620 service users that are over 85 years old. The income collected per annum from service users over 85 is £160k, so this would be foregone.

We are uncertain of the potential uptake of the free service. If all residents who were not living in a care home or have access to another community alarm or warden service decided to take up the offer the initial cost of providing a free telecare service to the remaining 3,000 residents would amount to approximately £1.044m. MASCOT would also need to employ an additional 9.66fte Mobile Response Officers in order to respond to the additional calls at a cost of £369k per annum and would lose the income of £160k per annum from over 85's.

Cost of Installation of Typical Telecare Package - 2015	
Description	Cost £
Initial Assessment	50.55
Lifeline connect Box plus Amie Pendant	99.00
Smoke Detector	40.80
Bed/Chair Occupancy Sensor Mat	78.00
Temperature Extreme Sensor	46.96
Installation of Equipment	32.81
Total	348.12

Cost of Installation of Telecare for 3,000 residents

£1,044,359

Ongoing costs	£
9.66 Mobile Response Officers	369,000.00
Loss of income	160,000.00
Total per annum	529,000.00

4) Include MASCOT within FACS for customers eligible for support and charge the full cost to those not eligible

Customers who meet the council's eligibility criteria and are in receipt of non-residential services will be financially assessed and contribute towards their care for all services as a whole support package, including MASCOT. There is a projected decrease in income from FACS eligible customers of £14k per annum. For FACS eligible customers this addresses the issues described above in that no one will have less income than the basic income guarantee as a result of the council's charging policy, and it removes the perverse incentive for some service users to refuse a more cost effective way of meeting their needs. However for non FACS eligible customers there will be the same issues of affordability and likely take up as described in Option 2 above.

Description	No of Customers	Current Charge per week	New Charge per week	Current Income	Notional Increase in Income if full charge applied to non FACs	Expected Increase in Income for non FACs	Decrease in Income for FACs criteria customers	Adjusted Projected Income
				a	b	c	d	=a+c+d
Full Payers	703	£4.38 to £10.59	No change	£277,544	£0	£0	-£637	£276,907
Part Payers	133	£2.26 to £7.17	£4.38 to £10.59	£21,954	£7,613	£6,331	-£11,866	£16,419
Out of Borough	141	£4.98 to £12.12	No change	£39,757	£0	£0	£0	£39,757
Pension Credit	475	£2.00	(b) £7.59 to £10.59	£46,922	£104,349	-£44,493	-£2,429	£0
Total	1452			£386,177	£111,962	£6,331	-£14,932	£333,083

(b) All customers who are on pension credit receive the full mobile response service

5) Include MASCOT within FACS for customers eligible for support and continue to offer a means tested and subsidised service for those not eligible.

This will offer the same benefits as Option 4 and also encourage continued wider take up of the service from those not eligible, thus encouraging a preventive approach. There is a projected decrease income for FACS eligible customers of £14k per annum. However it is estimated that this will be more than offset by a decrease in home care costs if more customers are enabled to use MASCOT more. Furthermore, any loss of income is also offset by the fact that the MASCOT service is continuing to grow at a net rate of 9 customers per month increasing income by £18k per annum.

Description	No of Customers	Current Charge per week	Current Income	Decrease in Income for FACs criteria customers	Total Income 15/16
			a	b	=a+b
Full Payers	703	£4.38 to £10.59	£277,544	-£637	£276,907
Part Payers	133	£2.26 to £7.17	£21,954	-£11,866	£10,088
Out of Borough	141	£4.98 to £12.12	£39,757	£0	£39,757
Pension Credit	475	£2.00	£46,922	-£2,429	£44,493
Total	1,452		£386,177	-£14,932	£371,245

4 CONSULTATION UNDERTAKEN

4.1. Charging Policy Group – 31st July 2013

5 TIMETABLE

5.1. Cabinet 9th March 2015

If the policy amendment is agreed the change would be made from 6th April 2015.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 Any financial evaluation has to weigh up the impact on income and the impact on expenditure. Overall Options 2, 3, 4 and 5 all see some loss of income but in the case of option 5 the loss is more limited and it is expected that this will be offset by a reduction in gross expenditure as more FACS eligible customers use assistive technology instead of home care or residential care. For 2014/15 there is a target saving of £70k. This option also most enables continued growth of the service to take place with an associated growth in income.

Options	Description	Current Income per annum	Change in Income Received per annum	Projected Income per annum
1	No Change	£386,177	£0	£386,177
2	Charge all MASCOT customers 'Full Cost'	£386,177	-£39,823	£346,354
3	Free Service to residents over 85	£386,177	-£160,000	£226,177
4	Include MASCOT within FACS for customers eligible for support and charge full cost to those not eligible	£386,177	-£53,094	£333,083
5	Include MASCOT within FACS for customers eligible for support and continue to offer a means tested and subsidised service for those not eligible.	£386,177	-£14,932	£371,245

6.2 There are 286 MASCOT customers who are FACS eligible and receive non-residential care through Merton. A reconciliation of FACS eligible MASCOT customers was undertaken by the Social Services Financial Assessments team. It was found that MASCOT would lose income of £14,932.64 per annum if their customers were included in the Fairer Contributions Policy.

MASCOT customers who also receive a community care service as at 1st Dec 2014		
Number of Customers who pay full/part cost	169	£12,503.47
Number of Customers who pay reduced cost	117	£2,429.17
Projected Loss of Income		£14,932.64

There are 638 customers who are currently receiving homecare with a total of 457,719 hours at £12.50ph provided per annum, costing Merton £5.7m. Adult Social Care would need to reduce at least 1,195 homecare hours in order to supplement the loss of £14,932.64 and a further 5,560 to achieve the savings of £70k.

6.3 There are no resource or property implications

7 LEGAL AND STATUTORY IMPLICATIONS

7.1 Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives local authorities discretion to make charges for certain community care services as are reasonable, subject to the right of an individual satisfying the local authority that he or she should not pay more than it is reasonably practicable to pay.

7.2. Non residential home care services are provided under s29 National Assistance Act 1948. The power to charge for home care services is provided by s17 Health Services Social Security Adjudication Act 1983, which states that an authority providing a service to which the section applies may recover such charge for it, if any, as they consider reasonable.

7.3. Guidance has been issued under s7 Local Authority Social Services Act 1970 to which the Council must have regard when exercising these statutory functions, the Fairer Charging Policies for Home Care and other non-residential Social Services. Fairer Charging provides guidance on the way in which local authorities should deal with capital and income when assessing a person's ability to contribute to their care costs. It advises that charges for different types of non-residential social service, and allied services, and how they affect individuals should be considered together, not in isolation. Regard should be paid to the effect of any charge on a user's net income; net incomes should not be reduced below defined basic levels of Income Support or the Guaranteed Credit of Pension Credit, plus 25%. Charging policies which reduce users' net incomes below these defined basic levels are not acceptable and undermine policies for social inclusion and the promotion of independence.

7.4 Before making changes to charges the council should consult service users and consider the responses to consultation. The Council must have regard to its Public Sector Equality Duty to have due regard to the need to eliminate discrimination, foster good relations and advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant

protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. Relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The proposals contained within this report will assist the Community and Housing Department to provide telecare and response services that prioritise future need and meet requirements of all diverse sections of the community.

8.2 There is an Equalities Analysis attached.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None directly relating to this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None directly relating to this report.

11 BACKGROUND PAPERS USED TO COMPILE THIS REPORT

11.1 Fairer Contributions Guidance – Calculating an Individual’s Contribution to their Personal Budget – Department of Health July 2010


11.2 http://www.merton.gov.uk/health-social-care/adult-social-care/financialassessment/fairer_contributions_policy


11.3 Charging for Residential Accommodation Guidelines – Department of Health

11.4 POPPI - Projecting Older People Population Information System, Sep 2012

<http://www.tunstall.co.uk/Uploads/Documents/Telehealth%20Times%20Issue%2039%20web.pdf>

Appendix 1

PRICES FOR MERTON RESIDENTS 2014/15						
Service	Monitor Only			Mobile Response		
	Green	Yellow	Orange	Red	Blue	Purple
Equipment Provided	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>
	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>
	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>
	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>
		<i>1 sensor</i>	<i>2 or more sensors</i>		<i>1 sensor</i>	<i>2 or more sensors</i>
Price per week	£4.38	£5.88	£7.38	£7.59	£9.09	£10.59
Residents on Pension Credit	£2.00	£2.00	£2.00	£2.00	£2.00	£2.00

PRICES FOR PEOPLE WHO DO <u>NOT</u> LIVE IN MERTON 2014/15						
Service	Monitor Only			Mobile Response		
	Green	Yellow	Orange	Red	Blue	Purple
Equipment Provided	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>
	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>
	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>
	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>
		<i>1 sensor</i>	<i>2 or more sensors</i>		<i>1 sensor</i>	<i>2 or more sensors</i>
Price per week	£4.98	£6.92	£8.86	£8.24	£10.18	£12.12

Appendix 2

The following is an actual example of where savings could have been made, but because MASCOT was not in Merton's Fairer Contributions policy the savings were not achieved.

A customer who received homecare under FACs was financially assessed as contributing £90.54 per week. In addition, the customer paid £7.59 per week to MASCOT for their mobile response service (a). The customer wanted to cancel the homecare afternoon call and have assisted technology in the form of a medication and inhaler prompt through MASCOT. In order to have the assisted technology the customer would be required to pay an additional £3.00 per week to MASCOT (b). The most that the customer would pay towards her home care would be £90.54; therefore it was preferable for the customer to keep the homecare provided than pay £3.00 more for assistive technology.

(a) MASCOT not in FAC's	
Homecare	£90.54
MASCOT	£7.59
Charge to Customer for Homecare and MASCOT per week	£98.13

(b) MASCOT not in FAC's	
Homecare	£90.54
MASCOT to include medication prompt	£10.59
Charge to Customer for Homecare and MASCOT per week	£101.13

The actual cost to Merton for providing afternoon homecare for the customer was £56.09 per week. The cost to Merton to provide the medication and inhaler prompt would have been a 'one off' cost of approximately £150.00.

Actual cost of Evening Homecare Calls per week	£56.09
Cost of MemRabel and Med Dispenser split per week	-£2.88
Possible Savings per week	£53.21

The evening homecare calls would have been stopped with a saving of £2,774.52 per annum.

If MASCOT had been included in the policy the customer would not have been required to pay MASCOT the sum of £7.59, plus an additional cost of £3.00 per week and would have been happy to have the medication prompt installed. MASCOT would not continue to receive the income of £7.59 per week because the customer would not be expected to pay the additional amount.

MASCOT in FAC's	
Homecare	£90.54
MASCOT to include medication prompt	£0.00
Charge to Customer for Homecare and MASCOT per week	£90.54

Actual cost of Evening Homecare Calls per week	£56.09
Loss of MASCOT Income per week	-£7.59
Cost of MemRabel and Med Dispenser split per week	-£2.88
Possible Net Savings per week	£45.62

Therefore, the net saving for cancelling the evening homecare calls would have been £45.62 per week, equal to £2,378.56 per annum.