

AGENDA ITEM: 8 (f)

DERBYSHIRE COUNTY COUNCIL

CABINET

15th JULY 2014

REPORT OF THE ACTING STRATEGIC DIRECTOR – ADULT CARE

**TIMESCALE FOR THE CHANGE IN CLIENT CONTRIBUTIONS AND THE
INTRODUCTION OF TRANSPORT CHARGES**

ADULT CARE

1. Purpose of the Report

To seek approval for the phasing of the increase to co-funding contributions and the implementation date for transport charges.

2. Information and Analysis

In order to contribute towards the Adult Care savings target, on 17th June 2014, Cabinet approved the following changes to charging for services:

- an increase in co-funding charges
- the introduction of a transport charge as part of a new transport policy

During the consultation period held between January 28th 2014 and April 21st 2014 many respondents commented on the impact the proposed changes to the Co-Funding proposal and the proposed charge for transport would have on their household budget. This was evidenced by 59.4% of respondents who did not agree with a proposed increase in Co-Funding and 57.4% of respondents who did not agree with the proposal to reduce the level of income a client can have before they start contributing towards their care. 34.1% of respondents disagreed with the proposal to introduce a £5 charge per journey for transport provided by the Council to enable clients to attend services. Many of the respondents also chose to submit comments on the proposals and, an illustrative sample of those were included in the report on the outcome of consultation which was considered by Cabinet on June 10th 2014. Further representation was made to Cabinet members following the publication of the Cabinet report on June 10th 2014.

As a result of the concerns expressed, further consideration has now been given to the best means of ameliorating the impact of the proposed increases in contributions, while still recognising the size and scale of the cuts to the Council's budget which have to be addressed. The revised proposals contained in this report mitigate over the next two and a half years the impact of an increase in Co-Funding and delay the introduction of a charge for transport until April 2015.

2.1 Increasing the client co-funding contribution for non-residential services

Cabinet approved the following changes to the co-funding policy:

- Co-Funding contributions to be increased with a further report being presented at the next Cabinet meeting;
- The income protection buffer being set at 25% above basic benefit rates;
- Clients with over £50,000 capital (not including their main home) to pay 100% of the costs of their care

As a results of further work carried out there are the following recommendations:

- To phase the impact on clients, it is recommended that the co-funding contribution should be increased to 75% of lower rate Attendance Allowance (AA), middle rate Disability Living Allowance (Care) (DLA) or standard rate Personal Independence Payment (PIP) over a 30 month period, with an increase to 65% on Monday 29th September 2014, 70% in April 2016 and 75% in April 2017 (the dates in April 2016 and 2017 to be linked to the annual uplift of benefits). In April 2015 the co-funding contribution will increase in line with the increase in benefits, but the percentage contribution will remain at 65%.
- Changes to the income protection buffer were considered, but on grounds of cost it is recommended that the buffer be set at 25% for all clients. The loss of income by removing the differentials between below pension age clients and above pension age clients would have been as follows:

% of AA/DLA/PIP	Loss of Potential Income
65%	£2.715m
70%	£2.425m
75%	£2.328m

- To charge clients with capital in excess of £50,000 as proposed in the 17th June Cabinet report, with an implementation date of 29th September 2014.

2.2 Introducing a transport charge

Cabinet approved the introduction of a flat rate charge of £5 per day for transport provided, which was a change from the original proposal of £5 per journey.

It is recommended that this charge be delayed until 1st April 2015 to lessen the impact of this change and the increase in co-funding being introduced at the same time and to allow for a review of clients who currently access transport provided by Adult Care.

3. Financial Considerations

The phasing of the increase in co-funding contributions will reduce the income levels from those projected in the initial report. The loss of income over the next three years is estimated to be:

- 2014/16 £258,000
- 2015/16 £516,000
- 2016/17 £129,000
- **Total** **£903,000**

This one-off loss of income will be met from the Council's General Reserves.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality of opportunity; and environmental, health, human resources, property and transport considerations.

5. Background Papers

Cabinet reports of 21st January 2014:

- Consultation on Proposed Changes to Eligibility for Adult Social Care and Increased Contributions for Non-Residential Care
- Consultation on the Introduction of an Adult Social Care Transport Policy

Cabinet report of 17th June 2014:

- Proposed changes to Adult Care policies on transport, client contributions and the eligibility threshold

6. Key Decision

Yes

7. Is it necessary to waive the call-in period?

No

8. OFFICER'S RECOMMENDATIONS

That Cabinet approve the phased introduction of the increase to Co-funding contributions over a 30 month period as outlined in the report.

That Cabinet approve the start date for Transport Charges to be 1st April 2015.

Mary McElvaney
Acting Strategic Director – Adult Care
County Hall
MATLOCK