

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
19th September 2017**

REPORT AUTHOR: County Councillor Cllr Stephen Hayes
Portfolio Holder for Adult Social Care

SUBJECT: Response to the Full Council Amendment on the Rise in
Charges for Meals and Attendance at Day Centres (older
people)

REPORT FOR: Decision

1 **Summary**

- 1.1 The purpose of report is to consider the request of Full Council at its meeting on the 13th July for Cabinet to restore the charges for attendance and meals at PCC Day Centres (older people) to their pre April 2017 level with immediate effect.

2 **Proposal**

- 2.1 It is proposed that following reconsideration of the detail outlined in the body of this report that Cabinet re-approve the proposal that was agreed at the Cabinet Meeting on 14th March 2017 (See Appendix A for the Cabinet report dated 14th March 2017).

3 **Background**

- 3.1 The maximum charge (cap) for Community Based Social Care Services is set by the Welsh Government. It was £60 per week up until March 2017 and was last increased from £55.00 to £60.00 in April 2015.
- 3.2 The Welsh Government changed the cap to £70 from the 1st April 2017 as part of the revised Charging Regulations. It is open to authorities to operate a lower maximum weekly charge than set in the Charging Regulations if they wish, however, Cabinet chose due to the challenging budget position, to align to the governments recommendations, hence the report to Cabinet in March.
- 3.3 The March Cabinet Report proposed a revision in all community service charges within the existing policy, not just Day Centre attendance. It also proposed an uplift in the charge for a meal from £5 to £7.50 to better reflect the true cost of providing a meal whilst also seeking and implementing ways to reduce the very high unit costs involved in delivering a meal to reflect the £7.50 rate that was being set.
- 3.4 The issue of charging for meals sits outside the Charging Regulations and the Local Authority has no statutory duty to provide a meal, however they may be

required to provide support to access a meal where a care assessment indicates the need for ongoing support to access or reheat a meal, but that does not have to take place within a day centre and will not include everyone that attends a day centre.

4 About the 50% Rise in Charge

4.1 Around one third of Community Based Service (Social Care) users do not pay towards the cost of their services following a financial means test.

4.2 The meal cost charge was raised from £5 to £7.50 (which includes a £2 charge for all day refreshments).

4.3 The costs of attendance to a day centre was raised from £10 to £15

- Charge for both attendance and a meal (including refreshments) prior to 1st April 2017 £15
- Total charge for both attendance and a meal (including refreshments) post 1st April is £22.50

A 50% rise in charge.

4.4 The actual average unit cost to the Council for both is £53.39 excluding transport which if we were to recoup in full (and Powys is entitled to do so) would be a rise of 255%. Therefore Powys is still providing a significant subsidy even for those who pay for their attendance in full.

4.5 The way in which the Fair Charging arrangements work is that people are assessed and then billed for the whole package (excluding meals which sits outside Fair Charging), including attendance at the Day Centre (if that has been agreed as part of the care package).

4.6 It should be emphasised that the means test and the way it is applied should ensure that everyone who is charged for a service can afford to pay, if they cannot afford to pay they would not be charged. Again meals sit outside this means test but that allowances for general living, including the purchasing of food and paying for utilities will be considered.

4.7 The table below illustrates the numbers of clients by Care Team who have been affected by the rise in charge since April 1st 2017.

4.8 The rise in charge relates to their whole care package, including domiciliary care etc., and not just the Day Centre but excludes the meal and refreshments.

4.9

Older persons D/C only split by area Team	No of clients where charge increased during test week	Extra income generated per week	average increase in cost per client week
Ystrad	8	£89.25	£11.16
Brecon	16	£135.00	£8.44
Radnor	14	£97.65	£6.98
Newtown	48	£394.65	£8.22
Welshpool	7	£45.00	£6.43
Totals	93	£761.00	£8.24

4.10

These **weekly** figures have been calculated for all those attending a Day Centre (for Older People) by taking a test week and comparing it with what PCC billed based on actual services charged at £15 for Day Centre attendance compared with a charge of £10 (the cost prior to the rise) Day Centre attendance. The average difference charged can be seen in the last column (above). However with a cap at £70 per week no client would be charged over that cap and their means test would have tested their ability to pay.

4.11

The £70 cap includes the combined package of care so any home care / direct payment charges will be factored into the calculation - the increased Day Centre Charge has been billed since week beginning 8th April 2017 by Business Support.

5 Day Centre Costs and Charges

5.1

Based on 2015-16 figures (the last period for full year figures and excluding meals and refreshments) the average unit cost of a daily session per person at a day centre is:-

- £38.74 (excluding capital costs)
- £42.55 (including capital costs)
- The highest unit costs is £49.80 (£55.93 including capital costs) and the lowest unit cost is £29.34 (£31.08 including capital costs)

5.2

Attendance costs above exclude transport costs which is an additional average cost of £22.18 per service user per day.

5.3

This means that even after the £15 charge, for those who pay it, Powys is still significantly subsidising the cost (by £23.74 per person per day) on the unit cost excluding capital costs.

6 Options Considered / Available

6.1 Option 1

To uphold the decision made by Cabinet on the 14th March 2017 which approved:-

Option 3

To increase the daily charge for Daycentre attendance to £15 per day.

Option 4

Increase the charge for meals at Older Daycentres to £7.50 per day. This charge includes light refreshments such as tea / coffee with cake and biscuits. This is a flat rate and charge that falls outside of the scope of the means test.

6.2 Option 2

To reject the decision made by Cabinet on the 14th March 2017 and request that the service plan for an alternative approach.

7 Preferred Choice and Reason

7.1 The recommendation of the Portfolio-Holder for Adult Services is Option 1 because:-

- The Council has followed the Charging Regulations and has adopted the Welsh Governments rise in the £70 cap.
- All service users are means tested and if they are unable to pay for their care package including attendance at a day centre they would not be charged.
- All service users whose financial circumstances have changed are free to seek a review of their financial position (i.e. a new means test).
- During the consultation on the Review of Day Time Activities a recurring theme emerged of peoples' (carers and users) preparedness to pay more if the service was still available to users.
- The cost of a meal and refreshments has been market tested and that the £7.50 is a fair and accurate reflection of the cost and that work is currently taking place to ensure a position of cost neutrality to the Council based on the £7.50 charge.
- National bench marking (against other authorities) has also indicated that the £7.50 charge is in line with what other authorities provide (where they still have Day Centres)
- The Council is not legally obliged to provide a meal, but does so because it is a valued part of the service.
- Not adhering to the original decision will have a significant impact on the ability of the service to make the savings assigned in the budget to Day Time Opportunities.

8 Impact Assessment

8.1 An Impact Assessment was completed for the original Cabinet decision on 14th March. The proposal is to uphold that decision therefore it is not appropriate for

a new Impact Assessment to be completed at this point in time. Please see Appendix 2 for original Impact Assessment.

9 Corporate Improvement Plan

9.1 The proposals outlined in the Cabinet on 14th March fit under the following two priorities outlined in the Corporate Improvement Plan:-

- Services delivered for less: Remodelling council services to respond to reduced funding
- Supporting people in the community to live fulfilled lives • Developing

9.2 In addition the proposal was one of the key methods of helping to achieve the challenging saving target set in the MTFP not just on the Day Time Opportunities budget of £150,689 for 2017-18 (approximately 9.17% of the total budget), but on the total Adults Social Care budget.

10 Local Members (s)

10.1 The impact on both Option 1 and Option 2 is County wide.

11 Other Front Line Services

11.1 The original report was co-written between Adult Social Care and Income & Awards, upon whom there is also be an impact.

12 Communications

12.1 The report is of public interest and may require a media response depending what the decision is.

13 Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

13.1 **Legal** - The recommendation can be supported from a legal point of view.

13.2 **Finance** - The Finance Business Partner notes the content of the report. The increase to the maximum charge for Community Based Services from £60 to £70 per week is in line with Welsh Government legislation. This includes short term respite placements in a care home which is in line with the recommendation in the Social Services and Well-being (Wales) Act 2014. This will generate approximately £239k additional income and will mitigate the 2016/17 income shortfall in the baseline budget of changes around charging for a residential respite placement, previously assessed and charged under 'CRAG', but from April 6th 2016 must be treated as a Community Based Service. This means that service users following a financial assessment may receive a free service or pay up to a maximum charge of £70 per week for a single episode of care. Also services for carers being non chargeable. Previously estimated as a shortfall in income to baseline budget of £141k but in reality was approximately £250k in 2016/17.

To increase the daily charge for Day Centre attendance to £15 per day and the

increase charge for meals to £7.50 per meal is in line with the Councils income policy to review charges at least annually, benchmark against other Councils and ensure subsidisation is kept to a minimum, they will generate £40k and £50k respectively.

If the original decision is reversed, the service will not mitigate the shortfall in the cost of producing and the additional inflationary costs re staffing, utilities and groceries in 2017/18 re meals and it will have a significant impact on the ability of the service to make the savings assigned in the budget to Day Time Opportunities.

13.3 **Corporate Property** (not appropriate)

13.4 **HR** (not appropriate)

13.5 **ICT** (not appropriate)

14 Scrutiny

14.1 This report will not be due for scrutiny

15 Statutory Officers

15.1 The Strategic Director Resources (S151 Officer) notes the comments made by finance and adds that the increase takes advantage of the changes permitted by Welsh Government. The Proposal also retains the budget position of the service in meeting its savings target.

15.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: “I note the legal comment and have nothing to add to the report”.

16 Members’ Interests

16.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>To uphold the original decision made by Cabinet in respect of Option 2 and 3 outlined in the report of the 14th March 2017 to:-</p> <ul style="list-style-type: none"> • charge £15 for Day Centre attendance • charge £7.50 for the provision of a two course meal and all day refreshments including 	<p>To take advantage of the opportunity provided by Welsh Government to provide additional income to support the funding of the service (as outlined in the March 14th Report).</p> <p>That Option 2 could result in significant additional cost to the Council and that the savings plan for</p>

cake and biscuits.	Day Time Opportunities would be jeopardised. For all the reasons outlined in para 7.1.
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Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Hazel Dukes (Senior Manager – Social Care Delivery)
Date By When Decision To Be Implemented:	Immediateley

Contact Officer: Dominique Jones Tel: 01597 826603 .. Email: Dominique.Jones@powys.gov.uk

Background Papers used to prepare Report:

Appendix A -Report to Cabinet dated 14th March 2017I
Appendix B – Impact Assessment (for Cabinet Report 14th March 2017)

CABINET REPORT TEMPLATE VERSION 5

ⁱ The Care Management Teams are split by area and would be responsible for assessing the needs of those who live in that area these service users would be making use of one of ourday centre services.