

Report to the Cabinet

Meeting to be held on Thursday, 8 August 2019

Report of the Director of Adult Services

Part I

Electoral Division affected:
(All Divisions);

County Council Operated Day Services for Older People - Outcome of Public Consultation on Proposal to Increase Charges and Approval of New Rates (Appendices 'A' and 'B' refer)

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Executive Summary

At its meeting in December 2018, Cabinet considered proposals to increase a range of charges for older people who use the Council's own day services, and who pay 'full cost'. It was agreed that these proposals should be subject to public consultation and this occurred between 25 March and 20 May 2019.

This report contains the findings from that consultation and an updated Equality Impact Assessment.

In the light of the consultation findings, Cabinet is asked to make its decisions on a series of recommendations for the increases in fees for day services, and the implementation timescales.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

Recommendation

Cabinet is asked to:

- (i) Note the findings from the public consultation set out at Appendix 'A' and the findings and analysis contained in the Equality Impact Assessment set out at Appendix 'B'.
- (ii) Approve phased increases to the charges for those older people who pay 'full cost' for council operated day services, with the initial increase taking effect from 1 October 2019 as follows:

- from £31.30 to £34.40 per full day for older people to use the council's day services;
- from £35 to £38 per full day for older people to use the council's day services with transport to and from the centres (where transport is available);
- from £54.75 to £60.15 for older people who have dementia to use the council's day services, reflecting the additional staff costs to support them to attend and take part; and
- from £58 to £63.50 for people who need additional support for dementia to use the council's day services with transport to and from the centres where transport is available).

(iii) Approve a minimum further increase from April 2020 as follows:

- from £34.40 to £37.45 per full day for older people to use the council's day services;
- from £38 to £41 per full day for older people to use the council's day services with transport to and from the centres (where transport is available);
- from £60.15 to £65.50 per full day for older people who have dementia to use the council's day services, reflecting the additional staff costs to support them to attend and take part; and
- from £63.50 to £69 per full day for people who need additional support for dementia to use the council's day services with transport to and from the centres (where transport is available).

(iv) Authorise the Statutory Director of Adult Services, in consultation with the Director of Finance and the Cabinet Member for Adult Services, to approve any further annual increases in charges for self-funders from 2020/21 onwards, on the basis that the charges should be reviewed each year and adjusted to reflect the actual cost of delivery of the council's day services.

Background and Advice

There are a significant number of day services provided by a range of private and voluntary sector organisations across Lancashire. However, the county council's Adult Social Care Service itself provides day services for older people at 13 locations across the county. The centres are used by approximately 620 older people per week at any one time. Some of the day services are provided at standalone sites, and others in facilities immediately adjacent to council run residential care homes.

These day services are important both in helping older people to remain independent, in supporting their relatives and carers and in meeting people's individual needs. That means what is provided varies, but examples include helping with mobility, exercise sessions, baking, crafts and discussion groups.

The day services are also offered to older people who have dementia. This often means the individuals taking part in a similar range of activities but with a greater level of staff support to enable those people with dementia to participate.

The consultation undertaken was on the county council's proposal to increase charges for some of the older people who use these day services. The affected group of older people are those who are assessed as paying the full cost of attending these day services. At the last snapshot count in June 2019, there were 218 people using these services who paid full cost. These are often referred to as 'Self Funders'.

This table shows where our services are situated and the latest count of the numbers of older people who will be affected by this decision.

| Service | Town | Mainstream Day Service for Older People | Day Service for older people with dementia |
|-------------------|--------------------|--|---|
| Byron View | Colne | 3 | 0 |
| Derby Centre | Ormskirk | 22 | 0 |
| De Vitre | Lancaster | 0 | 11 |
| Fosterfield | Chorley | 24 | 4 |
| Lady Elsie Finney | Preston | 3 | 3 |
| Leyland Centre | Leyland | 35 | 0 |
| Mearley Fold | Clitheroe | 9 | 1 |
| Mere Brook | Ormskirk | 0 | 6 |
| Milbanke | Kirkham | 19 | 0 |
| Parkside | Bacup | 14 | 1 |
| Teal Close | Thornton Cleveleys | 8 | 0 |
| Vale View | Lancaster | 26 | 8 |
| Woodhaven | Accrington | 19 | 2 |
| | Total | 182 | 36 |

Current charging arrangements

Many of the people the day services support are recommended to use the services after a social care assessment by the council's adult social care staff. These people are also financially assessed, in order to determine whether they need to pay for the service and, if so, how much.

Those people who pay the full cost themselves to use the day services can opt for a 'pay as you go' billing arrangement.

The current charges paid by the majority of older people who opt for a 'pay as you go' billing arrangement are £31.30 per full day. Where available, people can pay for day services and transport to and from the centres, the full day charges including transport are £35.

Older people with dementia are charged £54.75 to use day services, which reflects the additional staff costs involved. For people with dementia, the full day charges including transport are £58.

Every year, the county council normally increases the charges to use our social care services, to make sure they reflect the actual costs of providing them. However, the Council has not adjusted the charges for people who pay the full cost for these day services themselves since April 2014. The real cost of providing such services has inevitably increased over time, in response to a variety of inflationary pressures. This has now led to a gap in the budget for operating these services of c£60,000 per year.

Consultation Process

At the Cabinet meeting in December 2018, the following increases to charges were considered for those who had been assessed as requiring to pay the full cost of their services ('Self Funders'):

- from £31.30 to £37.45 per full day for older people to use the council's day services;
- from £35 to £41 per full day for older people to use the council's day services with transport to and from the centres (where transport is available);
- from £54.75 to £65.50 for older people who have dementia to use the council's day services, reflecting the additional staff costs to support them to attend and take part;
- from £58 to £69 for people who need additional support for dementia to use the council's day services with transport to and from the centres (where transport is available).

These proposed increases formed the basis for the public consultation, which particularly targeted those people most likely to be affected by the changes – older people who use the services and their relatives or carers.

The consultation questionnaire was mailed directly to the 244 people who, on 25 March 2019, self-funded their use of older people's day services.

For those people who it was believed may have needed support to understand the consultation, the questionnaire was sent to a relevant family member or friend. People were also told about the consultation, as part of our regular day centre meetings and posters were displayed at the centres.

The consultation was also promoted via social media, a press release and on the county council's website. It was promoted to our employees on the intranet and to county councillors via C-First (the councillors' portal).

An email promoting this and other consultations was also sent from the county council's Chief Executive to the Chief Executives of the district and unitary councils, public health, clinical commissioning groups and MPs.

Two electronic versions of the consultation questionnaire were available online at www.lancashire.gov.uk. One questionnaire was made available for service users and the general public, and another was made available for organisations.

The fieldwork ran for eight-weeks between 25 March 2019 and 20 May 2019. Over a third (36%) of people who were sent a consultation questionnaire responded to the consultation. In total, 108 service user/general public consultation questionnaires were completed (88 paper copies and 23 online copies). Two consultation questionnaires for organisations were also completed.

Consultation Key Findings

Appendix 'A' provides a full account of the consultation approach, response and findings.

The key responses are as follows:

- About a quarter of respondents (27%) said that they agreed with the proposal and three-fifths of respondents (60%) said they disagreed with it.
- The most common reason given for agreeing or disagreeing with the proposal was that the increase was too large/unaffordable (43%).
- Respondents were then asked how it would affect them if the proposals were agreed. Respondents were most likely to say that the proposal would have a negative impact on their finances or their use of the service (48%).
- Just less than half of respondents (46%) said that they would use day services about the same, a quarter (25%) said they would use them less often, and about one in eight (13%) said they would stop using them.
- When asked if there was anything else that we needed to consider, or that we could do differently, respondents were most likely to comment about the proposal penalising self-funders even more than they currently were (28%), that it would decrease the quality of life of some older people (21%) and that it was another cut impacting on the most vulnerable in society (21%).

Lancashire County Council response to the main findings:

1. The Increase is too large or unaffordable

The increase in the charges originally proposed within this report is significantly above a routine inflationary uplift as it reflects the need to match the true costs of delivery of day services, and the current charges have not changed since April 2014. It would be followed by a further smaller inflation related uplift in April 2020 and annual uplifts from then on. It is likely that some older people currently using these services will face some difficult financial choices and they may find the increases unaffordable.

However, even at the increased prices, the charges arguably represent good for value money for individuals compared to the cost of residential care or intensive home care.

The costs compare well with the independent sector where the prices for day care indicate the:

- *Average rate is £53.96 per day*
- *Lowest rate is just over £30*
- *Highest rate is just over £95*

This equates to hourly rates for day care range from £4.80 up to a high of £15.00, which compares well against the cost of home care which is typically around £14 to £15 per week.

None of these independent sector rates include the cost of transport that may be offered

The pressures on older people living on relatively constrained pensioner incomes and the pressures on their routine outgoings are not to be underestimated, but the council's charging policy means that people can be financially assessed and those who cannot afford to pay some or all of the costs will be assessed for the contribution they can afford.

2. People will reduce their use of the service or completely stop using the service

This will be a matter for decision by the individuals concerned. But of course it will be regrettable if this increase means people choose to leave the service because of affordability, and that will of course also reduce the overall income to the service in the shorter and possibly longer term.

The impact on the quality of life of some individuals could be significant, but, to any who are concerned about this impact, an offer of a social care assessment or referral to other agencies will be proposed. It may be that some older people will choose a more affordable day care option from among independent sector providers.

3. The unfairness of increasing charges for self-funders

The county council's charging policy is operating in line with statutory guidance set in the context of the Care Act.

It is of course a matter of wide public and political debate as to how the costs of social care services should be funded, and this was subject to debate at full Council in July 2019. But, for the foreseeable future, there is little practical alternative for the council other than to implement national charging policy if it is to maintain an adequate level of services and balance its budget.

If the council did not charge the actual cost of delivery of these day services, they would ultimately become unsustainable for the council to operate. This might manifest itself in a decline in quality and safety of the service, or in financial losses which mean the services would incur an overspend against their budget limits. Given the challenging budget position of the Council overall it could not be assumed

this budget overspend could be off-set by savings elsewhere.

Conclusion

The consultation on these proposed increases has highlighted a range of concerns about the affordability of the increases, its impact on usage rates and the fairness of the package of increases. However, this must be balanced against the need for these important council operated services to balance income and expenditure if they are to be sustainable.

To balance these competing factors the original December 2018 recommendations to Cabinet have been amended to phase in the increase in charges to self-funders. This means that only 50% of the day service increase proposed originally would be applied from 1 October 2019.

The remaining 50% share of the price increase would be applied in April 2020, alongside whatever further inflation based uplift is agreed for the following year.

Admittedly phasing does not address the broader question of the fairness of national charging policy, but Full Council has agreed to make representations on that subject to Central Government.

However phasing does go some way to address the other two concerns raised in the consultation. It will give individuals a longer period to consider the affordability of their present package of day services and make alternative arrangements if they so wish. It will also mean that individuals will in many cases have received a further uplifts in their own private and state pensions at the beginning of April 2020 and so may have slightly higher disposable income in real terms to help them meet the overall cost of the additional increases

Consultations

The full consultation report is contained at Appendix 'A'.

Implications:

This item has the following implications, as indicated:

Risk management

As set out in the report.

Financial

The agreed saving in relation to Older People Care Services – Day Services (SC514) was in total £79,000 and was profiled for delivery over 2019/20 (£40,000) and 2020/21 (£39,000).

The budgetary implications in 2019/20 of the phased implementation of this saving are estimated to result in and in-year pressure of between £20,000 to £30,000.

Alternative ways of managing this in-year saving shortfall will be required, however, if this cannot be found transitional reserve funding will be needed to manage the shortfall, resulting in a reduced balance being available to support the county council's budget in future.

Given the responses from current users of the service, there is a significant risk that some will reduce their usage of the service or cease attendance altogether. This is likely to be a particular challenge in the shorter term of the next year or so, when affected service users will experience a significant above inflation increase to charges in October 2019, followed by a further increase in April 2020, to reflect annual uplifts. The phasing of the increases may reduce the risk of a significant decline in usage.

However, in the longer term, this proposal would put the finances of the day services onto a firmer and more sustainable footing, as and when attendance recovers to its previous level.

Legal

Cabinet is required to fully consider the consultation responses and equality impact assessment when considering the proposal.

Equality Analysis

A full Equality Analysis was completed for the previous Cabinet report. This has now been updated to reflect the findings from the consultation and is set out at Appendix 'B'.

It is clear from the analysis that older people who use these service will be affected by these price increases. However if the services were not provided at all because they were not financially sustainable that would pose even greater challenges to the current users and those who may wish to use the service in the future.

The mitigations contained in Equality Analysis will address some of the concerns but the most significant one is the proposal to phase in the increase in charges as detailed in the recommendations.

List of Background Papers

| Paper | Date | Contact/Tel |
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| Reason for inclusion in Part II, if appropriate | | |
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