Consultation on proposed changes to Wigan Council’s Community Care Charging Policy

In recent years the Council has faced significant financial challenges due to cuts in the funding it receives from central government. Working with residents as part of “The Deal” the Council has already made £100m savings since 2010/11, while at the same time transforming and improving services.

The Council needs to make further reductions of £60m over the next 4 years, whilst the demand for services continues to grow.

In the council’s ‘Deal for the Future’ consultation, residents told us that supporting vulnerable people should be a key priority. In support of this, the council has applied the Government’s 2% precept to enable an extra £2m to be spent on adult social care. However, the need to look across all services to deliver the level of savings required in response to funding cuts and rising demand for care services remains.

Wigan Council is asking for your views on proposals to change its policy on how much people pay for the care they receive at home. Your views are really important to us in helping us to shape and improve our services.

The proposals around charging will help to raise additional income, allowing us to continue to protect our frontline services and provide care. We also want to make sure that everyone gets the right support they need and that the way the services are funded is fair for everyone. By bringing in increases in charges for those assessed as being able to afford it, we will be able to make sure the most in need are supported.

Through the Deal for Adult Social Care and Health we are changing the way we provide social care and health support in the borough. We are moving away from traditional day care provision to provide greater opportunities for individuals to connect into their local communities and access a wide variety of activities and support. The transformation of the way we deliver services comes at a time when Wigan Council is facing an increase in the number of people needing care, including people who have more complex needs and more demand for support.

Those who need more complex care will still be supported and these proposals will mean the most vulnerable people across our borough will get the appropriate care they need.

The council’s current charging policy

The council charges for home care (at home or in a supported living or extra care setting), day care, assistive technology and Shared Lives services, as well as where someone receives a direct payment. However charges are capped at a maximum charge, which is determined by a financial assessment. The actual charge that someone pays is the lower amount of their maximum charge or the cost of the services they receive.

The financial assessment looks at a person’s income from pensions or state benefits, together with any savings or investments that they have. An allowance is made for any housing costs (Council Tax, rent and mortgage payments) and any spend which a person incurs as a result of their disability. This is someone’s assessed income.
In addition the government says that, after paying any charges for care, everyone should be left with enough income to meet their daily living costs, such as food, gas and electric. This is known as the minimum income guarantee.

The difference between someone’s assessed income and the minimum income guarantee is their disposable income. Councils have discretion how much disposable income they can take into account when charging someone for their care. Wigan Council currently takes 75% of disposable income into account. This is more favourable than that of other Greater Manchester councils.

**The proposals**

The council is consulting on two proposals:

a) To increase the current level of disposable income taken into account in the financial assessment from 75% to 90%.

Wigan residents have benefited from a community care charging policy that is more generous than other councils within Greater Manchester. Increasing the level of disposable income to 90% will bring Wigan in line with other councils.

b) To remove the difference between what it costs the council and what the council charges for home care and Shared Lives services.

Wigan Council currently subsidises the above services. Removing the subsidy from those who are assessed as being able to afford to pay the difference will generate additional income and help to protect our vulnerable residents.

Any changes will be only decided after the consultation has been completed and all the responses considered. Any increase to charges would come into effect later in 2016.

**So what do these proposals really mean?**

a) As an example, Mary is 70-years-old and receives a weekly income of £272.55 from pension credit and disability benefits. She spends £15.15 a week on additional laundry and heating costs because of her disability. The Council’s minimum income guarantee for someone over state pension age is £193.40 per week.

The calculation of the weekly amount, which the council currently takes into account for Mary, is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed income (weekly income less disability-related spend)</td>
<td>257.40</td>
</tr>
<tr>
<td>Less: minimum income guarantee</td>
<td>193.40</td>
</tr>
<tr>
<td>= Disposable income</td>
<td>64.00</td>
</tr>
<tr>
<td>Mary’s maximum weekly charge (75% of £64)</td>
<td>48.00</td>
</tr>
</tbody>
</table>

Mary’s actual weekly charge is the lower amount of £48 or the cost of the service she receives.
If the capped charge was based on 90% of disposable income, Mary’s maximum charge would increase to £57.60 per week i.e. 90% of the £64 disposable income figure. Mary’s actual weekly charge would now be the lower amount of her maximum charge (£57.60) or the cost of the services she receives.

Where someone has savings or investments above a government set figure of £23,250, they have to pay the full cost of their care.

Some people don’t pay anything, either because they do not have any disposable income or because they are exempt from charging.

b) Some of the charges which the council currently makes to people receiving care are less than what it costs the council to buy the services from care providers, as shown in the table below.

<table>
<thead>
<tr>
<th>Service</th>
<th>Current Charge to the service user £</th>
<th>Current Cost to the Council £</th>
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<tbody>
<tr>
<td>Home care</td>
<td>13.48 per hour</td>
<td>13.80 per hour</td>
</tr>
<tr>
<td>Shared Lives respite / short term break</td>
<td>No charge</td>
<td>39.87 per night</td>
</tr>
<tr>
<td>Shared Lives day care</td>
<td>6.10 (up to four hours session) and 12.20 (over four hours)</td>
<td>15.75 (up to four hours), £21.00 (four to six hours) and 26.25 (six to eight hours)</td>
</tr>
</tbody>
</table>

If Mary receives 3 hours home care per week, her weekly charge would increase by 96p from £40.44 (3 hours at £13.48 per hour) to £41.40 (3 hours at £13.80 per hour).

Who is affected?

The two proposals will impact most service users, although people who do not pay anything at the moment will not be affected. People who will be asked to contribute more to the cost of their care will continue to pay only what they can afford to pay following a financial assessment, which will include helping them to maximise any benefits that they are entitled to claim. The proposals would generate additional income by removing the subsidy from those who can afford to pay for the services they receive.

How much income could be raised?

It is difficult to estimate precisely how much additional income the proposals would achieve as the impact on individual service users will vary, depending on their financial circumstances and the package of community care services they receive. However it is expected that additional income of around £600k to £700k per year would be achieved which would contribute towards the Council’s £60m savings target over the next four years, whilst protecting care services provided to the most vulnerable.

We welcome your views on the proposals.
## Glossary

<table>
<thead>
<tr>
<th><strong>Subsidy</strong></th>
<th>This is the amount funded by the Council representing the difference between the cost of care services to the Council and the charge to the service user.</th>
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</thead>
<tbody>
<tr>
<td><strong>2% Precept for Adult Social Care</strong></td>
<td>This is the amount the government has allowed local government to increase Council Tax to specifically meet increased Adult Social Care costs as a result of an ageing population and an increase in the number of people with complex care needs. This is at the same time as continuing cuts to Council funding.</td>
</tr>
</tbody>
</table>
|**Shared Lives**| Shared Lives Service works with adults who need support due to disability, age or illness. The service supports people to develop meaningful friendships that enable them to live life to the full in their local communities. It can help them achieve goals such as going to college, develop travel skills, visit places outside Wigan and go on holiday.  

Adults who need support are carefully matched with Shared Lives champions, who are local people with shared interests or simply someone that they get on well with. |
|**Assistive Technology**| Assistive technology refers to equipment or systems that support a person to maintain or improve their independence, safety and wellbeing. |