

PERTH AND KINROSS COUNCIL

Scrutiny Committee

23 September 2015

**REVIEW OF INVOICING ARRANGEMENTS FOR THE HOUSING AND
COMMUNITY CARE CONTRIBUTIONS POLICY****Report by the Executive Director (Housing and Community Care)****PURPOSE OF REPORT**

The Convener of this Committee requested a review of the circumstances surrounding the administration of the invoicing arrangements for the Housing and Community Care Contributions Policy following adverse press publicity earlier this year. This report examines the background to events leading up to the press publicity; the invoicing process; action already taken and planned to address the situation; and also sets out the current position in relation to this activity.

1. BACKGROUND

- 1.1 The way non-residential care and support services are provided to service users changed following the introduction of the Social Care (Self-directed Support) (Scotland) Act 2013. As a consequence it was anticipated that service users would choose to purchase a wider range of services and equipment than was previously available to them and that the variety of such services would extend over coming years. The previous non-residential care services charging regime was no longer fit for purpose. The Contributions Policy was developed to be sufficiently flexible to accommodate the changing nature of the service landscape. Perth and Kinross Council were the first Council in Scotland to introduce such a policy and other Councils are now moving towards a similar model.
- 1.2 As the Contributions Policy was such a significant shift from the previous charging regime, extensive consultation was undertaken prior to the policy being considered by Housing and Health Committee on 13 March 2013 (Report Number 13/113 refers). The main changes which required consideration were:
 - asking service users to pay towards the total cost of their planned package of care and support; and
 - the move to annual invoices, thus facilitating the delivery of efficiency savings (2.0 full time equivalent posts).
- 1.3 The early focus during the implementation phase was on Learning Disabilities service users and this was managed as a specific project, particularly the initial communications visits.

- 1.4 Transitional protection was awarded to other service users who would come into the Contributions Policy but who had previously been charged for specific services. It was agreed that they would continue to pay for services based on the previous charging regime. This transitional protection would remain in place until such time as their care and support package was reviewed and changed, including any change to a non-chargeable service such as personal care. At that time, it was anticipated that it would take at least 5 years until all protections were lifted. Prior to implementation on 1 February 2014 a letter (Appendix 1) was sent to these service users informing them of the new policy but also advising that it did not affect them at that time.

2. ANALYSIS OF ISSUES

2.1 Planned Workload/Timescales

Learning Disabilities Service Users

At the outset, it was anticipated that approximately 300 service users in receipt of services would be invoiced for the first time from June 2013.

Communication was seen as critical and as part of the implementation plan it was agreed that Social Work staff would meet with service users initially to discuss the change in policy. Normal procedure was then to be followed: i.e. an Assessment Officer would offer a visit to complete the financial assessment/income maximisation process and then written notification of the service user's individual contribution would be sent out to them (or their agent).

Transitional Protection Service Users

It was expected to take at least 5 years for all of the 3,200 transitionally protected service users to have their care and support package reviewed and changed, and consequently lose their protection.

2.2 Actual Workload/Timescales

Learning Disabilities Service Users

The Senior Management Team decided that service users who were assessed as being due to pay a contribution to their care and support package should receive an additional personal visit to discuss the financial impact on them, discuss any concerns they had, and also inform them of the Discretion Panel process (the process whereby service users can request a reduction or waiver of their contributions due to financial hardship/extenuating circumstances).

These additional personal visits were successful. However, there were only 200 learning disabilities service users who required a visit as 100 were assessed as not being liable to make a contribution. These additional visits had an impact on the resources available within the Assessment and

Charging Team as experienced staff members had to undertake them over a 5 month period during 2013.

The implementation of invoicing under the new policy was delayed until 1 February 2014 to accommodate this project work.

Transitional Protection Service Users

To support the introduction of Self-directed Support, 5 additional Reviewing Officers were recruited within Community Care to reflect the number of service users requiring a Self-directed Support Outcome Focussed Review in line with Care Inspectorate requirements. This, in turn, generated a higher number of service users having their package changed than had previously been anticipated. Since implementation of Self-directed Support on 1 April 2014, approximately 85 service users per month are losing their transitional protection. Based on this level of activity it is now anticipated that all protections will be lost by mid-2017 (this was previously anticipated to be mid-2019).

2.3 Complaints

Learning Disabilities Service Users

From the approximately 200 service users receiving an invoice for the first time, 48 applied to the Discretion Panel for a review of their calculated contributions. 12 service users were awarded part or full discretion. The remaining 36 service users' applications (75%) were not upheld. Two cases not upheld are being resubmitted with additional information and each case will be considered on its individual circumstances.

The small number of complaints that arose from this group of service users suggests that the approach taken in terms of communication and information sharing was the correct approach to have adopted to ensure the successful implementation of this project. Hence, it is now being repeated for those service users losing their transitional protection.

Transitional Protection Service Users – Older People/Physical Disabilities

Complaints were received from approximately 20 of the 1,300 (1.5%) service users who had lost their transitional protection. The complaints related primarily to the revised invoicing arrangements where protections were lost following a review and change to service users' care and support packages.

The complaints related to:

- Invoices being sent separately from the letters
- Final reminders being issued
- Poor communication regarding the loss of protection and the Contributions Policy now being applicable to individuals

The volume of work from service users losing their transitional protection led to a build-up of outstanding letters and invoices that were not being processed quickly enough, exacerbating the complaints. Following the recent changes in communication and billing arrangements, one complainant has acknowledged the positive steps already taken by the Council to remedy the situation.

The backlog of pre-December 2014 calculations, notification of contributions, and issuing of invoices peaked at around 750 during late 2014 and has now been cleared.

As at 9 September 2015, there were 268 financial assessments to be completed for non-residential care services as follows:

Financial Assessments Requested by Social Work Teams/Service Users

<u>Month Requested</u>	<u>Requested</u>	<u>Completed</u>	<u>Outstanding at end of month</u>
Outstanding at 30 May 2015			150
May 2015	247	215	182
June 2015	308	245	245
July 2015	302	187	360
August 2015	134	174	320
September 2015	100	152	268

In addition to the 268 financial assessments yet to be completed, there were also 647 financial assessments for non-residential care services which had been completed but were yet to be calculated as follows:

Financial Assessments Completed and Passed for Calculation

<u>Month Received</u>	<u>Received</u>	<u>Calculated</u>	<u>Outstanding at end of month</u>
Outstanding at 30 April 2015			611
May 2015	215	34	792
June 2015	245	278	759
July 2015	187	258	688
August 2015	174	222	640
September 2015	152	145	647

Therefore this is just in excess of the normal 'work in progress' position for the Assessment and Charging Team.

2.4 Contributing Factors Leading to Backlog

Implementation of Self-directed Support

The implementation of Self-directed Support from 1 April 2014 was inextricably linked to the implementation of the Contributions Policy. This

caused significant change for Community Care staff in respect of how they reviewed service users' care packages on a day-to-day basis and has, in turn, exacerbated the workload implications for the Assessment and Charging Team.

In order to assist with the new process and ensure quality data input, an experienced member of staff from the Assessment and Charging Team was seconded for 6 months (from July to December 2014) to deliver 1-1 training sessions and provide ongoing support to staff in order to improve the process. This again impacted on the Assessment and Charging Team as inexperienced staff had to cover the ongoing workload. Community Care staff continue to require systems advice and support, taking up a considerable amount of Assessment and Charging Team time.

The pre-planning undertaken in respect of Learning Disabilities service users prevented a large volume of complaints – the majority of queries received were seeking clarification on how the charges had been calculated rather than the principles of the policy or level of the charges being invoiced.

The majority of complaints received since 1 April 2014 were in respect of the loss of transitional protection for those service users covered by these interim arrangements.

Assessment & Charging Process

When a service user loses their transitional protection, this generates twice as much work as a service user who starts receiving services for the first time since, as well as completing all new start paperwork, all “service ceased” paperwork has to be completed for their traditional charges.

Any change in a service user's overall care and support package for a service covered by the Contributions Policy (including personal care which is free for people aged over 65) results in the loss of their protection and recalculation of their contribution under the new policy. Previously, where there was only a change to e.g. Free Personal Care, it would not have resulted in any additional work for the Assessment & Charging Team.

Communications

On the basis of feedback from service users, the Senior Management Team requested a review of the notification letters sent to service users following completion of their financial assessment. The issuing of notification letters was suspended during the time taken to review and approve the new letters. It was also agreed at this time that invoices would be sent out with the letters, instead of being sent out separately. This, however, requires close co-operation with the Council's Finance Division, as invoices are prepared by them before being passed to the Assessment & Charging Team to be collated with letters and then issued to service users. This additional step, whilst improving communications to service users and/or their families has resulted in additional processing time. In order to reduce the processing time,

discussions took place to consider allowing the Assessment & Charging Team to print invoices direct. This was granted and the new arrangement has been in place since 5 June 2015.

Limitations of the SWIFT System

Perth and Kinross Council has taken an innovative approach to Self-directed Support which is different to every other Local Authority in Scotland. This has required our SWIFT client database to be amended to fit the agreed local processes.

Limited Resources - Assessment & Charging Team

There is a reliance on key individuals within the Assessment & Charging Team. These individuals have been taken out of the team for substantial periods of times, as discussed above, to facilitate the introduction of the new process. Temporary staff have been recruited to assist the team during these times, however, considerable training is required for new staff, further tying up resources within the team.

The assessment and charging process remains a manual, spreadsheet-based system, resulting in longer processing times; therefore additional manual checking by staff is required to prevent errors entering the system.

2.5 Actions Taken to Remedy This Situation

SWIFT

Discussions are underway to clarify the project development and implementation implications of the SWIFT system to accommodate the Perth and Kinross Council approach to Self-directed Support and contributions procedures.

Communications

Assessment & Charging Team staff are attending Community Care team meetings in order to improve communications and understanding of the process. Assessment Officers will also be based within all Community Care teams and establishments on a weekly rota to provide ongoing support to colleagues on assessment and charging matters.

Following customer feedback, the financial assessment form has been reviewed along with an additional form for Community Care staff to use to confirm their initial conversations with service users. Implementation of this new process is currently being rolled out.

Assessment & Charging Team Processes

In January 2015, an operational restructure of the team was undertaken whereby 3 members of staff were dedicated to clearing the 374 financial

assessments that had been completed prior to December 2014. The remaining staff worked on new financial assessments.

Additional temporary resources were agreed by the Senior Management Team in March 2015 (in order to replicate the communications strategy used for learning disabilities service users in 2013) for those service users who lose their transitional protection. This means that service users will be offered a personal visit following the financial assessment, but prior to receiving any invoice for their contribution. These new temporary staff started in June/July 2015 and time was set aside for their training before they were operating at full productivity. These posts are funded until 31 March 2017. The extra personal visits being undertaken are resulting in a number of additional Discretion Panel applications and meetings of the Panel have therefore been arranged on a four-weekly basis to process the applications as quickly as possible.

These additional resources have also allowed a Finance Officer to have the capacity to develop a programme of work incorporating key tasks such as reviewing processes and procedures, improving information to service users and staff, and reviewing the future structure of the team.

Other Improvements

The improvements implemented since the backlog arose, following both service users and staff feedback, include -

- streamlined back-office processes within the Assessment & Charging Team to shorten the time taken for notifications of contributions to be sent to service users and their families
- improved communications between the Community Care and Assessment & Charging Teams
- new processes for collecting financial assessment information quicker
- adapted electronic systems in order to reduce manual processes
- reviewed and amended notification letters to service users in order to make it clearer how much they are being asked to pay, and for what services
- reviewed communications strategy and the allocation of additional resources to this in order to ensure that service users and their families are fully aware of the impact that the Contributions Policy will have on them

2.6 Existing Situation

The 3 people dedicated to clearing the backlog of calculations relating to financial assessments completed prior to 1 December 2014 were working on 374 calculations as at January 2015. This backlog has now been cleared, despite some staff turnover during the early part of 2015.

Currently there are 647 service users who have completed a financial assessment, but have not yet received notification of their contribution or an invoice.

There are also 268 financial assessments which have been requested but are yet to be completed. This includes service users who have only recently, or are yet to commence their services. In comparison, there were 406 financial assessments outstanding on 22 January 2015.

Work has been started on developing an implementation plan for Mental Health services to be included within the Contributions Policy. The work required for this will further impact on the Assessment and Charging Team, but it is anticipated that with the additional staff recently recruited, this will not result in delays to financial assessments or calculations for this group of service users.

2.7 Timescales to Resolve

The backlog of outstanding calculations will be cleared by late-Summer 2015. In order to achieve this, the workload within the Assessment and Charging Team has already been restructured and members of the team have committed to working additional hours when they are able to do so.

In order to improve communications with service users and reduce the time taken to complete calculations, a temporary Assessment Officer and 3 temporary Finance Support Assistants have been recruited through to March 2017. This will allow the adoption of the successful communications strategy deployed in the implementation of the policy for learning disabilities service users (e.g. additional personal visits to explain the calculations to service users and their families before invoices are issued).

As part of the restructure within the Assessment & Charging Team and following the training of the new temporary members of the team, an experienced Finance Officer from within the team has started concentrating on various process and system developments in order to improve the overall assessment and charging process for service users and their families as well as officers required to implement them.

Moving forward, it is intended that the Assessment and Charging Team will have a target of 4 weeks from initial request to completion of financial assessment, calculation, and notification being sent to the service user. This will ensure that service users do not receive large backdated invoices in future.

3. CONCLUSION AND RECOMMENDATIONS

In summary, the initial implementation of the new Contributions Policy for 300 Learning Disabilities service users was well planned for during 2013, but to allow for individual visits the invoicing for services was delayed until February 2014. This was a successful project, despite this being the first time these

service users were invoiced, due in the main to the significant amount of time devoted to the preparation and personal visits.

To date, around 1,300 of the 3,200 transitionally protected service users have had their care package reviewed and changed following an SDS outcome focussed review and have consequently lost their transitional protection. The volume of referrals, particularly those requiring assessment or reassessment at the point of the review of their care and support package has exceeded the anticipated level of demand. This in turn, has contributed to a higher than anticipated volume of invoicing activity. This increased level of activity resulted in a small number of complaints regarding the existing invoicing arrangements which required to be addressed at the same time as this significant peak in workload.

It is recommended that Committee:

- (i) Notes the circumstances surrounding the recent invoice administration issues, the progress to date in dealing with this situation, and the future target for processing work.

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Approved

Name	Designation	Date
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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	None
Consultation	
Internal	None
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 *This section should set out how the proposals relate to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:*

(iv) *Supporting people to lead independent, healthy and active lives*

Corporate Plan

- 1.2 *This section should set out how the proposals relate to the achievement of the Council's Corporate Plan Priorities:*

(iv) *Supporting people to lead independent, healthy and active lives; and*

2. Resource Implications

Financial

- 2.1 There are no additional recurring financial implications as a consequence of this report. The original efficiency savings from the permanent reduction of 2.0 fte posts is secure.

Workforce

- 2.2 Four additional temporary staff have been recruited on a non-recurring basis until March 2017.

Asset Management (land, property, IT)

- 2.3 N/A

3. Assessments

Equality Impact Assessment

- 3.1 N/A

Strategic Environmental Assessment

- 3.2 N/A

Sustainability

- 3.3 N/A

Legal and Governance

- 3.4 N/A

Risk

- 3.5 This report highlights plans to resolve the invoicing backlog and therefore mitigates the ongoing reputation risk to the Council given recent adverse publicity around this issue.

4. Consultation

Internal

- 4.1 N/A

External

- 4.2 N/A

5. Communication

5.1 N/A

6. BACKGROUND PAPERS

None.

7. APPENDICES

Appendix 1 – letter issued to transitionally protected service users on 29 January 2014

Dear

Contributing Towards Support – xxxxxxxxxxxx

I am writing to let you know about some changes we are introducing to the way we ask xxxxxxxxxxxx to contribute towards the cost of her support. Please be assured though, that we are not asking xxxxxxxxxxxx to pay any more than she currently pays towards the services she receives, however, there are some changes that you need to be aware of.

You may know that people who use certain services, such as older people's day care, home care and community alarms, are currently asked to pay a weekly charge towards the cost of providing these services.

We want to give people more choice and control over the ways in which they can be supported in their home and in their local community. To achieve this, and in response to the feedback we have received from people who currently receive services, we are changing the way people will contribute to the services they receive.

From 1 February 2014 adults who receive support provided by, or organised through, the Council's learning disabilities, mental health, drug and alcohol, physical disabilities and older people's services, will be asked to pay a contribution towards the total cost of their package of support.

All contributions will be based on an individual financial assessment to make sure that people are not asked to pay more than they can afford. As we already have financial assessment information for xxxxxxxxxxxx, you do not need to provide this to us again.

To make sure that xxxxxxxxxxxx is not disadvantaged by this new policy, we are not going to ask you to pay any more than she currently pays for services. This protection will stay in place until her package of support changes. After any change xxxxxxxxxxxx's contribution will be recalculated based on the total cost of the new package of support, and the amount of money she is asked to contribute may change then. This will be fully explained to you at the time.

While the amount xxxxxxxxxxxx is asked to pay will not change, the introduction of our Contributions Policy will mean some changes for you from 1 February 2014. These changes are:

- We want to make the whole process of making a contribution simpler for you, so instead of receiving separate invoices for the different individual services xxxxxxxxxxxx receives, you will make one overall payment towards her full care and support package.
- Annual billing: from 1 April 2014 you will receive one invoice per year for all of xxxxxxxxxxxx's non-residential care services with a four-weekly payment plan

detailed on it. Our preferred payment option is by Direct Debit. If you already pay by Direct Debit you don't have to do anything, it will be done for you. If you wish to start paying by Direct Debit, please call the Charging Team on 01738 476995 to arrange this.

- The only exception to the above will be for attendance at day care/day opportunities sessions or for hours or homecare. xxxxxxxxxx will continue to be charged for these services based on the numbers of sessions attended or hours received until the package of care changes.

If you would like more detail, a full copy of the new Contributions Policy can be found at www.pkc.gov.uk/carecharges or by calling the Charging Team on 01738 476995.

If you have any questions about xxxxxxxxxx's individual contribution or the content of this letter, please call the Charging Team on 01738 476995 who will be happy to help.

Yours sincerely

John Walker
Executive Director (Housing & Community Care)