

TITLE OF REPORT: **Charging and Financial Assessment for Adult Care and Support Services**

REPORT OF: **Caroline O'Neil Strategic Director Care, Wellbeing and Learning**

Purpose of the Report

1. Cabinet is requested to recommend to Council that the policy on Charging and Financial Assessment for Adult Care and Support Services be implemented following consultation.

Background

2. The Care Act 2014 and the regulations made under it provide a legal framework for charging for care and support. It enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
3. The charging policy provides a transparent, consistent and fair framework for the Council to use when assessing an individual's ability to pay towards any social care services they are assessed to receive. The actual charges for Adult Social Care Services are reviewed annually and are defined in the Councils Fees and Charges Report.
4. This policy included some key changes to the current charging policy:
 - to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
 - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
 - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.
5. Cabinet approved the new policy for Charging and Financial Assessment for Adult Social Care and Support Services in March 2017 and this was implemented in April 2017. However, following the implementation some concerns were raised regarding service users being unaware of the consultation process. The implementation of the policy was therefore halted, and the charging framework reverted to the previous arrangements. A further period of consultation took place. The outcome of the consultations has informed the proposed policy and additional recommendations.

Proposal

6. The proposed policy for Charging and Financial Assessment for Adult Care and Support Services is implemented with effect 1 April 2018.
7. The proposed changes are implemented as consulted upon.

8. Some minor amendments to the wording of the Review and Appeals section of the policy are proposed which include a 20 working days timescale for appeal and subsequent review of the appeal. This is not considered a significant change in the policy.
9. That in light of comments from members of the public, a period of tapering be included in respect of those people who will be most impacted by the policy, which will limit the immediate impact and enable people to undertake appropriate financial planning (Appendix 6).

Recommendations

10. Cabinet is requested to recommend that Council approves the proposed policy for Charging and Financial Assessment for Adult Care and Support Services as set out in appendix 2 to this report.

For the following reasons:

- (i) To meet the statutory requirements of the Care Act 2014 and the regulations made under it.
- (ii) To provide a transparent, consistent and fair framework for the provision for charging and financial assessment for all adults receiving care and support services.

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Policy Context

1. The Care Act 2014, which provides a legal framework for charging for Adult Social Care:
 - Section 14 of the Care Act provides Local Authorities with the power to ask adults to make a contribution for the cost of their social care.
 - Section 17 of the Care Act allows Local Authorities to carry out a financial assessment to determine the amount a customer can afford to contribute towards the care services they receive.
2. The policy has been designed in line with Care and Support Regulation (Statutory Instruments) and Care and Support Guidance and Annexes issued under the Care Act 2014.
3. This update on the charging regime will support the Council's aspirations set out in Vision 2030 and the direction of travel set out in the Council Plan and, in particular, shared outcomes for Live Well Gateshead and the Council Pledge to make Gateshead a place where everyone thrives and tackling inequalities.

Background

4. The Council's Adult Social Care provides a range of services for vulnerable people but is reliant on income from charges to help pay for them. Without this income, service levels could not be maintained.
5. The Council has decided to charge for services as, any authority which recovers less revenue than its discretionary powers allow is placing an extra burden on its population or is foregoing resources which could be used to the benefit of the service.
6. This policy aims to produce a transparent, consistent and fair framework for charging and financial assessment for all adults that receive care and support services following an assessment of their needs, and taking account of their individual financial circumstances.
7. Charges for care services are reviewed annually and are defined in the Adult Social Care Fees and Charges Schedule.
8. This policy included some key changes to the current charging policy:
 - to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
 - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
 - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.

9. There are currently 1787 adults paying for community based care provision who could be impacted by these changes. It should be noted however, that this analysis represents a “snap shot”, as the client base for Adult Social Care changes on a regular basis, and therefore both the costs of peoples’ care packages and the financial circumstances of these individuals fluctuate and change, as the client base changes.
10. There are currently 15 adults who will be impacted by the move to charging for 2 carers. The average increase in charge would be £40.00 per week.
11. 54 adults who are currently assessed pay the £205 capped maximum contribution. Although this is the cohort of adults who would be impacted, some adults’ capital is not significantly over the national threshold, and therefore they would have limited means to pay increased charges for a long period of time before depleting their capital to within the limits. There are approximately 50 adults who have not provided financial information who have agreed to pay the maximum contribution; these adults would be eligible for a financial assessment which may limit the increase in contribution. **Appendix 5** sets out further details of the statistical impact of the proposed changes.
12. The reduction in DRE would impact on approximately 850 adults paying for services. Whilst the proposal is to limit the set amount of DRE there remains provision in the policy for an individual assessment to be requested if there is evidence that the DRE standard amount is insufficient to cover their individual needs.
13. The amount an adult is required to contribute towards the cost of their care is based on an assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.
14. Local benchmarking has been undertaken and highlights that there is a mixed approach to the application of a cap on the maximum contribution with 4 out of 7 councils who responded not having a cap for those with the ability to pay. All the councils that responded charge for 2 carers where this is required. There is a mixed approach to application of the DRE allowance with a number undertaking individual assessment.
15. Financial modelling suggests the changes outlined above will realise in the region of £0.350m additional income towards the cost of providing care. The actual extent of the increase in income will be determined by individual financial assessments.

Consultation

16. Consultation on the policy and the proposed changes originally took place between 20 September 2016 and 13 December 2016. This policy decision was agreed by Cabinet and Council in March 2017 and the charging policy was implemented in April 2017. As some service users had not been notified of the consultation process as intended, a decision was made to cease implementation of the policy and to undertake a further consultation exercise. The second consultation period took place between 29 June 2017 and 31 July 2017 and contained a slight amendment to one of the proposal questions (proposal 3) in order to aid clarity in light of feedback from the first consultation exercise. It was then subsequently discovered that the examples provided were based on financial information from the previous year’s (2016/17) fees and charges so a letter with additional examples was sent to those people where the rate would make a material difference to their financial assessment to explain this. People were invited to send in any additional comments via post,

email, telephone or at the consultation sessions which were held on 4 and 9 January 2018.

17. There were 93 respondents to the first online survey and 190 to the second but not all respondents provided a response to each question. A summary of responses is shown in appendices 3 a, b and 4.

Appendix 3a – reflects the on line responses to the initial consultation undertaken in December 2015 – January 2016

Appendix 3b – reflects the on line responses to the second consultation undertaken in June 2017 – July 2017

Appendix 4 – reflects the comments and suggestions received throughout the consultation. As a number of comments were similar in nature, they have been summarised and a collective response given.

18. The majority of comments received were regarding the fairness of the system with some believing contributions should be based on ability to pay and others questioning whether the amount people are left with is sufficient to meet their daily living costs. Others disputed that the charges would have little impact on Council budgets considering the small numbers affected and would be more costly to implement. Concerns were expressed about vulnerable people with the greatest needs being penalised, and potentially being put at risk by refusing care to minimise cost increases, or putting extra pressure on informal carers. Several suggestions included raising costs but at a more gradual rate to allow existing clients the opportunity to plan for these increases. A summary of responses can be found in appendix 4.
19. Whilst only 35.68% of respondents said yes to currently receiving services 60.06% responded yes to either having or living with someone who has a disability. There was a good cross section in terms of the age and employment status of those who responded. 98.67% of respondents live in Gateshead and the majority of respondents (97.42%) were white British.
20. A presentation on the proposed changes was given at the following stakeholder groups which highlighted the original online consultation:
 - Physical Disability and Sensory Impairment Board
 - Carers Partnership
 - Autism Steering Group – followed up via e-mail
 - Learning Disability Partnership Board – via e-mail
21. The Cabinet Members for Adult Social Care have been consulted

Alternative Options

22. The alternative option would be to continue with the current charging policy and not introduce any of the proposed changes but this would not result in a Care Act 2014 compliant policy and would not bring us in line with the position applied by most other councils to assist in the ability to continue to provide services to those that need them most.
23. An ongoing cap on the weekly contribution rate at a level aligned to the residential care fee rate, as it is in some other local authorities, a rate of circa £500 would apply

for Gateshead. Capping the weekly contribution rate to £500 would result in the Council foregoing resources which could be used to the benefit of the service.

Implications of Recommended Option

24. Resources:

- a) Financial Implications** - The Strategic Director, Corporate Resources confirms that on the basis of the current client information held by the Council the changes proposed in the policy will result in estimated additional income of £0.545m to contribute to the delivery of the 2017/18 trading and income generation budget saving of £1m within Adult Social Care and continue to deliver services to those who need them the most. The impact of mitigating the decision and providing a cap on the maximum weekly amount in 2018/19 of £500 is £0.185m.
- b) Human Resources Implications** - There are no human resource implications directly arising from this report
- c) Property Implications** - There are no property implications directly arising from this report

25. **Risk Management Implication** – Comprehensive consultation has mitigated the risk of legal challenge and the ability to adopt the policy as proposed.

26. **Equality and Diversity Implications** – An equalities impact assessment has been undertaken following the outcome of the consultation responses and is attached at appendix 5.

27. **Crime and Disorder Implications** - None

28. **Health Implications** – contributions would be based on a person's ability to pay and are only levied following a full financial assessment. As such, charging has a limited negative effect on people's health and well-being

29. **Sustainability Implications** - None

30. **Human Rights Implications** - None

31. **Area and Ward Implications** - the report relates to a policy which has a borough wide impact.

32. Background Information

Care Act 2014
Equalities Impact Assessment