

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

**REPORT OF:**               **Sheila Lock, Interim Strategic Director Care, Wellbeing and Learning**

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### **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 Council's Fees and Charges Report.
4. This policy included some key changes to the current charging policy:
  - to calculate the adult's 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 received a report on 24 May 2016 requesting approval to consult on a policy for Charging and Financial Assessment for Adult Care and Support Services. The outcome of this consultation has informed the proposed policy.

### **Proposal**

6. The proposed policy for Charging and Financial Assessment for Adult Care and Support Services is implemented with effect 1 April 2017.
7. The proposed changes are implemented as originally 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.

## **Recommendations**

9. 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.

### 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 may 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, eg speciality clothing, from £20.60 per week to £15.00.
9. There are currently 1,269 adults paying for community based care provision who could be impacted by these changes.

10. There are specifically 17 adults who will be impacted by the move to charging for 2 carers. The average increase in charge would be £39 per week.
11. 33 adults who are currently assessed pay the £205 capped maximum contribution. Although this is the cohort of adults who would be impacted 3 have capital of less than £30,000 and therefore may have limited means to pay increased charges for a long period of time before depleting their capital to within the limits. There are 12 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.
12. The reduction in DRE would impact on 913 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 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 took place between 20 September 2016 and 13 December 2016.
17. There were 93 respondents to the online survey but not all respondents provided a response to each question. A summary of responses is shown in appendix 3.
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. Concerns were expressed about there being another impact on the older, vulnerable and people with disabilities.
19. Whilst only 5.95% of respondents said yes to currently receiving services 43.2% 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. 100% of respondents live in Gateshead and the majority of respondents (96.43%) were white British.
20. A presentation on the proposed changes was given at the following stakeholder groups which highlighted the 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. A 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 £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 by circa £54,500.

### **Implications of Recommended Option**

24. **Resources:**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms the changes proposed in the policy will result in estimated additional income of £0.350m to contribute to the delivery of the trading and income generation saving of £1m within Adult Social Care and continue to deliver services to those who need them the most.
- 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 4.

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