

SURREY COUNTY COUNCIL**CABINET****DATE: 22 MARCH 2016****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE,
WELLBEING AND INDEPENDENCE****LEAD OFFICER: HELEN ATKINSON, STRATEGIC DIRECTOR ADULT SOCIAL
CARE AND PUBLIC HEALTH****SUBJECT: CONSULTATION ON A REVISED CHARGING POLICY FOR
ADULT SOCIAL CARE****SUMMARY OF ISSUE:**

The Care Act 2014 supported by regulations and statutory guidance, provides a framework for charging for Adult Social Care services. The Council has some discretion on how to apply the framework to enable people who can afford to contribute towards their care and support to do so, whilst ensuring that those people who are unable to make a contribution, continue to receive the necessary care and support to help maintain their independence and wellbeing.

Income from charging is an important contribution to Adult Social Care's budget. The Council is facing a significant reduction of core central Government funding in 2016/17, alongside an increasing demographic demand for services, particularly in Adult Social Care. This report provides details of proposed changes to the charging policy to increase income to help bridge the funding gap for Adult Social Care services. The report also makes recommendations for a full consultation on the proposals with people who receive chargeable services.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Consult on the following proposals as part of a revised charging policy for Adult Social Care services:
 - The Council will charge an administration fee in any case where the person is able to pay the full cost of their care and support at home but nevertheless asks the council to commission care on their behalf;
 - The Council will increase the amount of available income contributed in charges for non-residential services from 90% to 100%;
 - The Council will include the full rate of Higher Rate Attendance Allowance/ Disability Living Allowance/Personal Independence Payment (excluding mobility elements) in the calculation of income;
 - The Council will no longer give a discretionary allowance of £20 per week when calculating the available income for respite services.

2. That subject to consultation, any changes will take effect from 2 October 2016.
3. That Cabinet receives a further report at its meeting on 14 July 2016, detailing the response to the consultation and the proposed Charging Policy.

REASON FOR RECOMMENDATIONS:

The Council has previously consulted on the policy of charging for care and support. The recommendations made in this report do not change charging for those people in residential and nursing care but may impact on people currently receiving care and support in their own homes and it is right that we consult people who may be adversely affected by the revised proposals. People who can afford to contribute towards their care and support should do so in a fair and equitable way.

DETAILS:

Introduction

1. At the Cabinet meeting on 24 February 2015, it was agreed that the Council would charge for all residential and nursing care and non-residential services using the powers under the Care Act 2014 to help maintain front-line services. The increasing demand for services to support people to live at home together with the reduction in central Government funding means that we have to look again at our charging policy.
2. This report sets out proposals to revise the charging policy for people receiving support in their own homes. The report explains the rationale behind the proposals and the arrangements for a full consultation with the people currently receiving chargeable services who may be impacted by the proposals.

The council will charge an administration fee to full cost payers

3. If, after undertaking a financial assessment, the council identifies that a person's resources are above the upper capital limit, (that is, the amount of savings and investments a person has exceeds, £24,500) the person may request that the council meets their needs. This means that the Council will contract with a provider on behalf of the person in accordance with the council's usual terms and conditions. The Council will ask the person to pay the full cost of their care and support package. In these circumstances, in addition to recovering the full cost of the placement, the council may also levy an administrative charge to cover the cost of putting the arrangements in place.
4. Since the implementation of the Care Act, there has been an increase in the number of people who could arrange and pay for their own support at home, requesting that the Council commission care on their behalf. It is proposed that the Council charges an administrative fee to offset the cost of putting arrangements in place in these circumstances. An initial set-up cost of £295 will be charged at the outset and thereafter a weekly fee of £5 will be charged for each week that the Council commissions support.

5. If this proposal is agreed, and assuming that people continue to ask the council to commission care on their behalf, this would generate an additional £43k per annum. This change will be included in the consultation.

Increase in the percentage of available income taken in charges

6. For people in receipt of non-residential care and support, the financial assessment calculates the service user's total weekly income, less certain disregarded income, statutory allowances, certain housing costs and any disability related expenditure to determine the amount of net disposable income left over to contribute towards the cost of care and support. The Department of Health recommends that local authorities should consider whether it is appropriate to set a maximum percentage of net disposable income which may be taken into account in charges. Many neighbouring local authorities ask people to contribute 100% of net disposable income. A table to show the comparison with other Local Authorities is attached at Annex 1. The current contribution in Surrey is 90% of net disposable income. Increasing the percentage of net disposable income from 90% to 100% would generate an additional £400k per annum income.
7. There are approximately 1,700 people supported by Adult Social Care who would be directly impacted by this proposal; i.e. those people assessed to pay a contribution. People assessed to pay the full cost or receiving free services are not affected by this proposal. The average weekly increase will be £4.85 per week; the range of increases will be £0.21 to £66.47 per week. This change will be included in the consultation.

The full rate of Attendance Allowance/ Disability Living Allowance/Personal Independence Payment (excluding mobility elements) should be included in the calculation of income

8. Attendance Allowance [AA], Disability Living Allowance [DLA] and Personal Independence Payments [PIP] are disability benefits for people who need help with personal care and support. The benefits are intended to help with the extra costs of illness or disability. The Department of Health charging framework permits local authorities to take the benefits into account in full with the exception of mobility elements which must be disregarded when calculating available income.
9. Under the current charging policy, the Council disregards £27.20 per week, equivalent to the 'night-time' support element of both higher rate AA and the higher rate DLA Care Component when calculating available income for care and support at home. This disregard has also been applied to the 'enhanced' rate of PIP daily living component.
10. It is proposed that the Council takes the full rate of AA, DLA and PIP into account. The Council allows for all reasonable disability related expenditure, that is the extra costs of illness or disability when calculating the amount of net disposable income available for charging and therefore the inclusion of these benefits in full is appropriate.
11. There are approximately 700 people currently supported by Adult Social Care who would be directly impacted by this proposal. If this proposal is agreed, this could generate an additional £1.1m per annum in a full year. This change will be included in the consultation.

Removal of the £20 per week disregard when charging for respite care.

12. When assessing a person's ability to contribute towards respite care, in addition to allowing for reasonable household expenditure, the Council disregards £20 per week. This disregard has been in place for many years. It is proposed that the Council removes this disregard from the respite charging policy. It is estimated that around 400 people would be affected by this proposal, which could generate an additional £59,000 per annum in income. This change will be included in the consultation.

Summary of the impact of the proposals

13. The table below summarises the impact of the proposals on people supported by Adult Social Care.

Proposal	Numbers affected	Impact
1. Introduction of an administration fee for full cost payers	Estimated 80 people per annum	New people, full cost payers only. Not impacted by other proposals.
2. Increase in contribution of net available income to 100%	1,700	People currently assessed to pay a contribution will be impacted by this proposal
3. Include full rate of AA/DLA/PIP in the calculation of income	700	Of the 1,700 people currently assessed to pay a contribution 700 may also be impacted by this proposal
4. Removal of £20 per week disregard under the Respite charging policy	400	Not impacted by other proposals. Charges for respite care and support at home are not levied for the same period.

CONSULTATION:

14. Consultation on the proposals agreed by Cabinet will take place from 7 April 2016 to 16 June 2016 for a period of 10 weeks. We will write to people currently in receipt of a chargeable service and to relevant representative groups describing the proposed changes and asking people for their views. People will be invited to respond in writing or via email. The responses will be collated and the outcome of that consultation will be referred back to Cabinet for further discussion and a decision on the final charging policy. The responses will also be used to update the EIA.

RISK MANAGEMENT AND IMPLICATIONS:

15. There is a reputational risk if the Council implements policy changes but fails to consult on matters where the public expect to be consulted. The recommendations in this report will address the risk.

Financial and Value for Money Implications

16. In light of the very significant financial pressures the Council faces, it is important to review the charging policy to ensure that care and support can be

maintained at current levels and services are not subsidised unnecessarily. As such, it is appropriate that, subject to consultation, an administration charge is levied when commissioning care for individuals who have the means to pay for their own care. It is also appropriate to take into account the full rate of AA, DLA and PIP, when allowing for disability related expenditure in the assessment of income.

17. The proposal to increase the percentage of disposal income taken into account when calculating assessed charges for non residential care to 100%, the proposed changes to the how AA, DLA and PIP are factored into calculating an individual's assessed charge and the removal of the £20 per week disregard when charging for respite care are estimated to generate £1.6m of additional income per year towards the forward budget.

Section 151 Officer Commentary

18. The income received from charging for social care is an important aspect of the Council's overall funding. The Section 151 Officer supports the policy changes outlined in this report, which will increase income received from charging to support the delivery of Adult Social Care services.

Legal Implications – Monitoring Officer

17. Whilst there is no statutory duty to consult on proposals to change the way in which a Local Authority carries out its duties, there is an expectation enshrined in case law that any local authority making decisions affecting the public will do so fairly and in a way that cannot be said to be an abuse of power. The accepted method by which a Local Authority can demonstrate its adherence to the fairness principle is by consulting on any changes which would have the effect of withdrawing existing benefits or advantages available to its residents. Such consultation will need to involve those directly affected by such changes together with the relevant representative groups. The responses to the consultation will need to be conscientiously taken into account when the Cabinet makes any future decision.

Equalities and Diversity

18. The equalities impact assessment can be found in Annex 2. This is an initial assessment that will be updated during the consultation.

WHAT HAPPENS NEXT:

20. Consultation on the council's charging policy will take place from 7 April 2016 to 16 June 2016 for a period of 10 weeks.
21. Subject to Cabinet approval of these recommendations, a report on the outcome of the consultation will be brought back to Cabinet on 14 July 2016 with the results of the consultation and a further recommendation to the proposed Charging Policy.

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Consulted:

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William House – Senior Principal Accountant
Deborah Chantler – Principal Lawyer

**Annexes: Annex 1 Comparison of other local authorities
Annex 2 Equalities Impact Assessment****Sources/background papers:**

- Care Act 2014
 - Care and Support Statutory Guidance
 - The Care and Support (Charging and Assessment of Resources) Regulations 2014
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