

SURREY COUNTY COUNCIL**CABINET****DATE: 14 JULY 2016****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE****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:**

One of the Council's strategic goals for the wellbeing of residents is to support our residents to live longer and live well. We do this in many ways with the aim of enabling people to live independently at home in their own community. We also support people to return home sooner from hospital with the care they need. Surrey's population is both rising and ageing. It is estimated that older people will make up 20% of the population by 2021, increasing the demand on health and social care services.

Income from charging is an essential contribution to Adult Social Care's budget to support the delivery of Adult Social Care Services to help people live and age well. The Council has faced a significant reduction of core central Government funding for 2016/17, alongside the increasing demographic demand for services.

At the Cabinet meeting on 22 March 2016 it was agreed that the Council would consult on proposals to revise the charging policy for Adult Social Care. If the proposals are not implemented, then it is likely that the additional savings required in their place, would affect a much wider range of individuals in receipt of care services. The proposed changes to the charging policy are therefore a more equitable approach, as they are based on each person's ability to pay towards their care, subject to their personal circumstances.

This report summarises the responses to the consultation and sets out a new charging policy for Adult Social Care services. The Cabinet should consider the summary of consultation responses which can be found at Annex 1.

RECOMMENDATIONS:

It is recommended that:

1. The Cabinet approves the charging policy for Adult Social Care at Annex 2.
2. These changes take effect from 3 October 2016.

REASON FOR RECOMMENDATIONS:

In light of the very significant financial pressures the Council faces and the increasing demand for services, it is important to review the charging policy to ensure that those

who are assessed as being in a position to contribute towards their care costs are making an appropriate contribution that will help maintain high quality care and support for all residents of Surrey with eligible social care needs.

The proposals do not significantly change charging for the majority of people in receipt of non-residential care and support, but will contribute to the sustainability of providing adult social care services.

The proposed policy will continue to provide an open and transparent framework which will enable people to make informed decisions about how their care and support needs may be met and will bring the Council's charging policy in line with the majority of other local authorities.

DETAILS:

The Council will charge an administration fee to full cost payers

1. If, after undertaking a financial assessment for care and support, the Council identifies that a person's resources are such that they are able to pay the full cost of their care and are not entitled to receive funding from Adult Social Care, the person may still ask the Council to meet 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. However, 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 cost of the support, the Council may also levy an administrative charge to cover the cost of putting the arrangements in place.
2. The Cabinet agreed to consult on whether or not to charge a fee to cover the cost of putting arrangements in place, including any ongoing costs. A summary of the consultation responses is attached at Annex 1, proposal 1.
3. It is recommended that a charge will be made to offset the cost of putting these arrangements in place for new full cost payers. 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. If agreed, the charges will be introduced from 3 October 2016 and will be subject to annual review.

Increase in the percentage of available income taken in charges

4. 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 Council's current charging policy is to take 90% of the net disposable income (after all allowances for expenditure) in charges.
5. Most neighbouring local authorities ask people to contribute 100% of net disposable income. Out of 15 county councils surveyed, including the majority with a close proximity to London, 13 councils ask people to contribute 100% and one authority is currently consulting on an increase to 100%. A table to show comparison with other county councils is attached at Annex 3. Increasing the percentage of net disposable income taken (after all allowances for

expenditure) from 90% to 100% would generate an additional £400k per annum income to the Council.

6. The Cabinet agreed to consult on whether or not to increase the amount of disposable income taken in charges from 90% to 100%. A summary of the consultation responses is attached at Annex 1, proposal 2.
7. It is recommended that the Council increases the percentage of available income taken in charges from the current 90% to 100%. The level of the disagreement with this proposal has been considered along with the potential benefit to the Council in supporting the sustainability of Adult Social Care services. If agreed the increase would take effect from 3 October 2016.

The full rate of Attendance Allowance (AA)/Disability Living Allowance (DLA) /Personal Independence Payment (PIP), excluding Mobility elements, to be taken into account as income

8. These disability benefits are for people in need of care and support and are intended to help with the costs of illness or disability. The Department of Health charging framework permits local authorities to take these benefits into account in full (with the exception of mobility elements which must be disregarded) when calculating available income. Under the current charging policy the Council disregards £27.20 per week, equivalent to the 'night time' support element of the higher rate of AA/DLA and the 'enhanced' rate of PIP daily living component. Taking the full rate of these benefits into account will generate an additional £1.1m per annum.
9. The Cabinet agreed to consult on whether or not to include the full rate of AA, DLA and PIP when calculating the amount of a person's available income for charging. A summary of the consultation responses is attached at Annex 1, proposal 3.
10. It is recommended that the Council takes the full rate of AA, DLA and PIP into account. The level of the disagreement with this proposal has been considered along with the potential benefit to the Council in supporting the sustainability of Adult Social Care services. 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. If agreed the change would take effect from 3 October 2016.

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

11. 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 was entirely at the Council's own discretion and has been in place for many years. Removal of the £20 disregard will generate an additional £59,000 per annum in income.
12. The Cabinet agreed to consult on whether or not to remove the discretionary disregard when calculating the amount of a person's available income for charging. A summary of the consultation responses is attached at Annex 1, proposal 4.

13. It is recommended that the Council no longer applies the disregard of £20 per week when charging for respite care. The level of the disagreement with this proposal has been considered along with the potential benefit to the Council in supporting the sustainability of Adult Social Care services. If agreed the change would take effect from 3 October 2016.

Summary of the impact of the proposals

14. The table below summarises the impact of the proposals on people who are 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 only, full cost payers. 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:

15. Consultation on the proposed changes to the council's charging policy took place from 7th April 2016 to 16th June 2016 for a period of 10 weeks.
16. Consultation documents were sent to 6,992 people currently in receipt of chargeable services. A second letter was sent to the 700 or so people potentially impacted by two proposals to highlight the offer of a new financial assessment and encourage the return of the questionnaire. At the end of the consultation period we received 1,649 completed questionnaires, a response rate of 24%. The consultation documents included an accessible version. The consultation was also available on line via Surrey Says and 77 responses were received by this route. An analysis of the responses received is attached at Annex 1.
17. People were given the opportunity to comment on the proposals and a wide range of views were expressed, ranging from those who disagree with charging for social care services to those people who believe that the proposals were reasonable in the current financial climate. The responses have been considered and reflected in general terms in the Equality Impact Assessment (EIA) Annex 4.
18. Some people took the opportunity to raise matters with us about their care and support needs or their financial circumstances and we are in the process of following up on these requests.

19. Engagement has taken place with representatives of relevant user led organisations in relation to the potential impact of the changes and a detailed response has been received. Representatives from several user led organisations contributed to the EIA.

RISK MANAGEMENT AND IMPLICATIONS:

20. 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 reflect both the response rate and the analysis of responses received.

Financial and Value for Money Implications

21. In light of the very significant financial pressures the Council faces, it is important to review the charging policy to ensure that people who are assessed as being in a position to contribute towards their care are making an appropriate contribution that helps maintain high quality care for all residents of Surrey with eligible social care needs. As such, it is appropriate that administration charges are levied when commissioning care and support for individuals who have the means to make their own arrangements.
22. The proposal to increase the percentage of disposal income taken into account when calculating assessed charges for non residential care to 100% and taking into account the full rate of Attendance Allowance (AA)/Disability Living Allowance (DLA) /Personal Independence Payment (PIP), excluding Mobility elements, and removal of the £20 per week disregard when charging for respite care is estimated to generate £1.6m of additional income towards the forward budget. This will help to reduce the impact on front line services and will bring Surrey in line with the majority of other local authorities.
23. The additional £1.6m of income forecast from the proposed changes to Surrey's charging policy set out in this paper would reduce the requirement for savings to be delivered against the Adult Social Care budget.

Section 151 Officer Commentary

24. 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

25. In recognition of its duty to consult, the Council carried out a 10 week consultation process which resulted in 1,649 completed responses. The consultation exercise was directed at consultees who were considered most likely to be affected by the proposals. All responses have been collated, summarised and will be considered by the Cabinet prior to making a decision on the recommendations made in this report. The Council is therefore satisfied that the duty to consult has been fulfilled.
26. When considering the recommendations, the Equality Act 2010 requires the Council to have due regard to the need to advance equality of opportunity for people with protected characteristics. Most of those affected by these

recommendations will have a protected characteristic so the public sector equality duty applies. Members should take into account the contents of the Equality Impact Assessment annexed to this report which sets out the positive and negative impacts of the proposals and an action plan. The assessment shows that there are some negative impacts that cannot be fully mitigated. In reaching the decision therefore, Members must balance the negative effect of the proposals on those who have been assessed as being in a position to contribute towards their care costs against the overall benefit of the sustainability of the provision of adult care services for vulnerable people with protected characteristics.

Equalities and Diversity

27. The equalities impact assessment can be found in Annex 4.

WHAT HAPPENS NEXT:

28. Subject to the Cabinet agreeing the recommendations:
- a) The Council will publish its revised policy on its website
 - b) Use the policy to revise its relevant public information
 - c) The policy will be implemented from 3 October 2016 and people will be reassessed accordingly.
 - d) The actions arising from the EIA will be implemented

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Consulted:

Helen Atkinson – Strategic Director Adult Social Care & Public Health
 William House – Senior Principle Accountant
 Deborah Chantler – Principal Lawyer

Annexes: Annex 1 Responses to the Consultation 2016
Annex 2 Charging Policy – Adult Social Care Services
Annex 3 Comparison with other County Councils
Annex 4 Equalities Impact Assessment

Sources/background papers:

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