

Summary Sheet

Committee Name and Date of Committee Meeting

Cabinet Meeting – 17th December 2018

Report Title

Adult Services non-residential care charging policy review

Is this a Key Decision?

Yes

Strategic Director Approving Submission of the Report:

Anne Marie Lubanski, Strategic Director of Adult Care, Housing and Public Health

Report Author:

Richard Smith, Interim Assistant Director of Independent Living and Support

Ward(s) Affected:

Borough-wide

Summary:

The Care Act 2014 focuses on improving people's independence and wellbeing. It makes it clear that it is the duty of the Council to provide or arrange services that help prevent or delay people developing needs for care and support. The council must maintain a service for providing advice and information relating to care and support. It states that Councils may make a charge for meeting needs, covering the cost that is incurred by the Local Authority in meeting the needs to which the charge applies. In order to do this, a financial assessment is required to determine an individual's contribution to their care cost.

The purpose of this report is to set out the options available to the Council for non-residential care charges, including options for the financial assessment. An initial review has been undertaken on the non-residential adult care charging policy and has identified key areas for proposed change. This report sets out our current policy which has been benchmarked against other Authorities in the region, and outlines a number of proposed changes for consultation.

Recommendations:

1. That approval be given to commence public consultation with service users and carers so as to inform the changes to the current policy and to provide opportunity for the public to provide feedback on the following proposals:-

- (a) The removal of the maximum charge for non-residential care, while maintaining the minimum charge of £1.
- (b) The introduction of charges where additional carers are provided.
- (c) Amend the policy so that service users are charged from the start of their service provision, instead of from when they are informed of their financial contribution following their financial assessment.
- (d) To include the full value of high rate Attendance Allowance and Disability Living Allowance, and the enhanced daily living component of Personal Independence Payments, when carrying out non-residential financial assessments for all services not just services provided at night.
- (e) To consult on a standard list or rate of Disability Related Expenditure (DRE) to be allowed in the financial assessment.

List of Appendices Included:

Appendix 1 Impact on Service Users

Background Papers:

None

Council Approval Required:

No

Exempt from the Press and Public:

No

Adult Services Non-residential care charging policy review

1. Recommendations

- 1.1 That approval is given to commence public consultation with service users and carers so as to inform the changes to the current policy and to provide opportunity for the public to provide feedback on the following proposals:
 - 1.1.1 The removal of the maximum charge for non-residential care, while maintaining the minimum charge of £1.
 - 1.1.2 The introduction of charges where additional carers are provided.
 - 1.1.3 Amend the policy so that service users are charged from the start of their service provision, instead of from when they are informed of their financial contribution following their financial assessment.
 - 1.1.4 To include the full value of high rate Attendance Allowance and Disability Living Allowance, and the enhanced daily living component of Personal Independence Payments, when carrying out non-residential financial assessments for all services not just services provided at night.
 - 1.1.5 To consult on a standard list or rate of Disability Related Expenditure (DRE) to be allowed in the financial assessment.

2. Background

- 2.1 The Care Act 2014 focuses on improving people's independence and wellbeing. It makes it clear that it is the duty of the Council to provide or arrange services that help prevent or delay people developing needs for care and support. The council must maintain a service for providing advice and information relating to care and support. It states that Councils may make a charge for meeting needs, covering the cost that is incurred by the Local Authority in meeting the needs to which the charge applies. In order to do this, a financial assessment is required to determine an individual's contribution to their care cost.
- 2.2 A service user who receives care and support outside a care home will need to pay their daily living costs such as rent, food, utilities, and must have enough money to meet these costs. Their income must not be reduced below a specified level after charges have been deducted. This is known as the 'Minimum Income Guarantee' and is designed to promote independence and social inclusion. The Minimum Income Guarantee ensures income equivalent of Income Support or Guaranteed Credit element of Pension credit plus a minimum buffer of 25% is maintained by service users.
- 2.3 An initial review of our current non-residential care charging policy has been carried out, resulting in the identification of several key areas for proposed change in order to modernise the service provided by the Council and to allow the services to be spread equitably across the population of Rotherham. Benchmarking against other Local Authorities has shown that in some areas our policies are not aligned with the policies of other Authorities.

2.4 It is acknowledged that any change to existing policy will require consultation with stakeholders in order to inform the changes to the policy.

3. Key Issues

3.1 The Council has discretionary power to charge for non-residential care services, covering the cost that it incurs in meeting service users' needs. The amount of the charge is determined by a financial assessment carried out at the start of service.

3.2 The current policy has set a maximum charge based on the lower rate of residential care which limits the amount chargeable for covering care costs.

3.3 The policy also only charges for one carer in cases where more than one carer is provided.

3.4 The process for carrying out the financial assessment at present takes into consideration only the lower rate of Attendance Allowance and Disability Living Allowance, and the standard rate of Personal Independence Payments where services are only received during daytime hours. This is the case even where the service user is in receipt of the higher and enhanced rates of these payments.

3.5 Currently the financial assessment is carried out after the care needs assessment. The contributions are applied from the point of the financial assessment and not the care needs assessment.

4. Options considered and recommended proposal

Outlined below are the proposals that are to be consulted upon:

4.1 Minimum/maximum charge

Currently Rotherham Council has in place a maximum charge of £445 per week per individual for non-residential charges. Benchmarking has shown that most Authorities in the region do not have a maximum charge and therefore charge up to the full cost of the service. Only 3 authorities in the Yorkshire and Humberside region still have a maximum charge for non-residential care services. The current minimum assessed contribution is £1 per week for Rotherham.

The proposal is to remove the maximum charge so as to charge up to the full cost of the care, and to retain the minimum charge of £1 per week.

4.2 Additional carers

Currently the Council does not charge for an additional carer where more than one carer is provided. There are currently 37 service users who have a commissioned 2nd carer plus a further 6 who are currently receiving a Direct Payment/Managed Account who would be eligible for the additional charge. Benchmarking analysis has identified that half of the Authorities in the region now charge for more than one carer.

The proposal is to commence charging for additional carers where applicable.

4.3 Charge from start of service

The current policy is to commence the charge for new service users from the date the client is informed of their contribution and not the date the service actually starts. This could mean a loss of income to the Council if financial assessments are delayed, as payments are not retroactive.

The proposal is to start the actual charge from the date service commences, in line with Care Act statutory guidance, therefore service users would receive a backdated charge.

4.4 Review of Disability Related Expenditure (DRE)

The Council currently assesses service users on an individual basis, taking into consideration their needs and circumstances. As such any costs arising from a disability will be considered in the financial assessment and evidence of these costs is expected to be provided. These costs should be justified within the service user's care plan.

The proposal is to review our current policy to determine whether our allowance is fair and equitable across Rotherham and to consider putting in place a standard list or rate of allowances, in line with our neighbouring Authorities.

4.5 Attendance Allowance/Disability Living Allowance/Personal Independence payments

- Attendance Allowance has two rates which are currently – lower (£57.30) and higher (£85.60)
- Disability Living Allowance Care component (DLA) has three rates which are currently – low (£22.65), medium (£57.30) and higher (£85.60)
- Personal Independence Payments Care component (PIP) has two rates which are currently– standard rate (£57.30) and enhanced rate (£85.60).

The present policy is to take the middle/lower rate of these care allowances into account in the financial assessment where services are only received during daytime hours.

For example, where a service user is in receipt of higher or enhanced rate of £85.60 and does not receive night time services, we currently only include £57.30 (the lower rate) in the financial assessment. When benchmarking, 7 out of the 10 authorities who responded take into account the higher/enhanced rate in their financial assessment.

However, the mobility component of DLA/PIP whether low or high will still be disregarded from the financial assessment.

The proposal is to include the full value of high rate Attendance Allowance/DLA and enhanced daily living component of PIP in all non-residential financial assessments.

4.6 The option is available for the Council not to make any changes to the current policies and therefore not to go to consultation. This option is not recommended due to the continuing pressures on Council finances, and based on the benchmarking undertaken against other Councils which shows that Rotherham Council is not aligned with them.

5. Consultation

5.1 Consultation is to be carried out with stakeholders through an online questionnaire and face to face sessions over a 12 week period. This consultation will be planned for early 2019, with letters being issued prior, to advise service users of their opportunity to feed back. The outcome of the consultation exercise will inform the future non-residential charging policy.

6. Timetable and Accountability for Implementing this Decision

6.1 The final recommendations will depend on the outcome of the consultation with stakeholders. A further report on the outcome of the consultation and recommended changes to the current charging policy will be provided to Cabinet in the summer of 2019.

7. Financial and Procurement Implications

7.1 These proposals form part of the Council's Medium Term Financial Strategy. There are approximately 2700 service users who receive a non-residential care service. A benchmarking exercise was undertaken within the Yorkshire and Humberside region which highlighted different practices in some areas of non-residential charging. If these proposals were introduced, this would bring the policy more in line with those of neighbouring authorities and also contribute towards reducing the financial pressures facing Adult Services and the Council. If all the proposals to be consulted on were approved following consultation this would reduce the subsidy of the service by around £600k in a full year.

7.2 There are no procurement implications arising as a result of this report.

8. Legal Implications

8.1 Proposed changes to policies which the council is required by law to have in place and which have the potential to impact upon adults in the Rotherham area should take into account the views of all relevant stakeholders. Amending a policy without formal consultation would leave the council open to a potential legal challenge.

9. Human Resources Implications

9.1 There are no Human Resources implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no implications for children and young people as the policy affects people over the age of 18.

11. Equalities and Human Rights Implications

11.1 The council has a duty to promote equality and diversity in all the work it does and services it delivers. An Equality Analysis will be undertaken post consultation, to inform and support the final recommendations.

12. Implications for Partners and Other Directorates

12.1 The main implications are for Finance and Customer Services, which have been engaged with the policy review and will remain engaged throughout the consultation process.

13. Risks and Mitigation

13.1 The risks of not agreeing to the recommendations are that the council continues to maintain policies which are not in line with other Authorities, and this may be detrimental to the financial sustainability of the Council.

14. Accountable Officer(s)

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services (S.151 Officer)	Mark Scarrott	29.10.2018
Assistant Director of Legal Services (Monitoring Officer)	Gerry Gillen	19.10.2018
Assistant Director of Human Resources	N/A	N/A
Head of Procurement	N/A	N/A

Report Author: Richard Smith, Interim Assistant Director of Independent Living and Support

This report is published on the Council's website or can be found at:

<http://modern.gov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Appendix 1: Impact on Service Users

Review of Non-Residential Charging Policy

Introduction

Rotherham has approximately 2700 service users who receive non-residential care services. An initial review has been undertaken on the non-residential care charging policy which included benchmarking against other local authorities in the Yorkshire and Humberside region (10 out of the 15 Authorities responded to a questionnaire). The following areas have been identified and reviewed with suggested proposed changes including the impact on service users and the Adult Services revenue budget. Any proposed change to the existing charging policy would require consultation with service users and carers and this report is asking for approval to consult on the following range of proposals.

Proposed areas for review and impact

1. Removal of Maximum Charge

Currently we have a maximum charge of £445 per week for non-residential charges which is based on the current residential care fee to independent providers for Elderly service users.

There are a very small number of service users who are in receipt of Supported Living within Learning Disability services who would be currently be affected if the maximum charge was removed, the increase in charge would range from £744 to £1155 per week, this is due to the service users having capital (excluding property value) above the Upper capital threshold limit of £23,250, therefore the full charge would apply. Where a person has capital between £14,250 and £23,250 the Council must apply a savings tariff. This assumes that for every £250 of capital, or part thereof, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs. For example for savings of £18,250, this is above the lower capital limit of £14,250 by £4,000, dividing this by £250 produces a tariff income of £16 per week. As service users capital reduces, this will result in a gradual reduction in service user contributions. Any capital below £14,250 is ignored in the financial assessment.

Of these service users the majority would fall below the Upper threshold after approximately 4 weeks with the remaining after 6 months.

However, depending on whether other options identified below are implemented this could mean other service users could reach the current maximum charge, i.e. double handling.

Most Authorities in the region do not have a maximum charge and charge up to the full cost of the service, only 3 out of the 10 who responded still have a maximum charge for non-residential care services (Doncaster, Sheffield and Leeds).

The current minimum assessed contribution is £1 per week. Few Authorities have a minimum charge and those that do are around £1 (Doncaster, Barnsley, Sheffield and Hull).

2. Commence charging for additional Carers

Our current policy does not charge for an additional carer where more than one carer is provided. Currently we have a small number of service users who have a commissioned 2nd carer (Domiciliary Care) plus a very small number who are currently receiving a Direct Payment/Managed Account who would be eligible for the additional charge.

Benchmarking analysis has identified that a number of the Authorities in the region now charge for more than one carer (Wakefield, East Riding, Barnsley, Hull and Sheffield).

If we started to charge for an additional carer the average increase in charge would be £164 per week (ranging from an increase of £55 to £250 per week). This could potentially generate additional income of approx. £260k per annum based on an analysis of the current services users.

3. Charge from the start of the service

We currently commence the charge for new service users from the date the client is informed of their contribution and not the date the service actually starts. This could mean a loss of income to the Council if financial assessments are delayed.

The proposal is to start the actual charge from the date service commences, in line with Care Act statutory guidance, therefore service users would receive a backdated charge. Based on current performance this could be up to an average of 3 weeks after the service starts.

4. Include the High rates of Attendance Allowance/Disability Living Allowance/Personal Independence Payments

Our present policy is to take the middle/lower rate of these allowances into account in the financial assessment for approx. 930 service users.

Attendance Allowance has two rates – lower (£57.30) and higher (£85.60), Disability Living Allowance Care component (DLA) has three rates low (£22.65), medium (£57.30) and higher (£85.60) and Personal Independence Payments Care component (PIP) standard rate (£57.30) and enhanced rate (£85.60).

Where a service user is in receipt of higher or enhanced rate of £85.60 and do not receive night time services we currently only include £57.30 in the financial assessment.

If it is decided to take into account the higher rate of £85.60 for AA/DLA and enhanced rate of PIP this could result in an additional income of around £12k per week (£620k per annum) based on the existing cohort, this would affect

around 690 service users. The average increase per service user would be around £23 per week (ranging from £1 to £29).

In terms of benchmarking 7 out of the 10 authorities who responded take into account the higher/enhanced rate in their financial assessment (Wakefield, East Riding, Barnsley (PIP only), Hull, Leeds, North Yorkshire and Sheffield).

5. Review Disability Related Expenditure (DRE)

During the financial assessment any reasonable costs resulting from the customer's disability will be taken into consideration. The additional costs should be over and above those of a person without a disability and it is expected that evidence of the costs would be provided.

The customer's care plan should also indicate that additional allowances are justified. Our policy is to assess customers on an individual basis that takes account of individual need and circumstances.

A current list of disability related expenses with an indication of amounts to be allowed is shown in the table below. These are in line with allowances recommended by the National Association of Financial Assessment Officers (NAFAO). This is used as a guide to calculate DRE allowances and the list is not exhaustive.

Disability Related Expenditure Allowances

Item	Amount	Evidence
Community Alarm System	Actual cost unless included in Housing Benefit or Housing Related Support subsidy	Bills from provider
Privately arranged care	Actual cost if Social Worker confirms requirement as part of the Care Plan and Council supported care is reduced accordingly up to £25.64	Signed receipts for at least 4 weeks using a proper receipt book
Private Domestic Help	Actual cost if Social Worker confirms requirement as part of the Care Plan and Council supported care is reduced accordingly up to £25.64	As per privately arranged Care
Laundry/Washing Powder	£3.76 per week	Care Plan will have identified an Incontinence problem. Identify more than 4 loads per week
Dietary	Discretionary as special dietary needs may not be more expensive than normal	Details of special Purchases
Gardening	Discretionary based on individual costs of garden maintenance up to £6.78	As privately arranged Care
Wheelchair	£3.92 per week manual £9.52 per week powered	Evidence of purchase. No allowance if equipment provided free of charge
Powered bed	Actual cost divided by 500 (10 yr life) up to a maximum of £4.33 per week	Evidence of purchase if available
Turning bed	Actual cost divided by 500 up to a maximum of £7.59 per week	Evidence of purchase if available
Powered reclining chair	Actual cost divided by 500 up to a maximum of £3.44 per week	Evidence of purchase if available
Stair-lift	Actual cost divided by 500 up to a maximum of £6.13 per week	Evidence of purchase without DFG input
Hoist	Actual cost divided by 500 up to a maximum of £3.00 per week	Evidence of purchase without DFG input

Based on the latest cohort there are currently 1588 service users who receive a DRE with an average allowance of £36 per week (this ranges from £0.06 up to £264). One proposal would be to introduce a set allowance or cap which would then allow more telephone assessments rather than actual visits and therefore result in more efficient use of existing resources.

Benchmarking data received shows a wide range of DRE allowances across authorities within the region, further work is being undertaken with NAFAO to understand the position nationally.

To cap the DRE at the current average of £36 per week would affect 651 service users (41%). To cap the DRE at say £60 per week would impact on 295 service users.

Summary

The above figures are based on the latest cohort of service users receiving non-residential care services and are therefore subject to fluctuations in the demand for services. It is also feasible that if that some service users may be affected by more than one of the above proposals, for example, increases in AA/DLA and changes to DRE allowances.

Service users receiving local authority-arranged care and support other than in a care home need to retain a certain level of income to cover their daily living costs. Under the Care Act 2014, charges must not reduce people's income below a certain amount but local authorities can allow people to keep more of their income if they wish. This amount is known as the Minimum Income Guarantee. This is equivalent of Income Support or Guaranteed credit element of Pension Credit plus a minimum buffer of 25%.

Reviewing some of the allowances and charges highlighted in this briefing note would result in additional income to the council of a minimum of £600k in a full year and assist in mitigating budget pressures and savings within Adult Social Care.