

**Committee Name and Date of Committee Meeting**

Cabinet – 23 December 2019

**Report Title**

Adult Services Non-residential Care Charging Policy Proposals

**Is this a Key Decision and has it been included on the Forward Plan?**

Yes

**Strategic Director Approving Submission of the Report**

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

On the 17<sup>th</sup> December 2018, Cabinet resolved:-

That public consultation is commenced with service users, carers, providers and support agencies, so as to inform the changes to the current policy and to provide opportunity for the public to give feedback on the following proposals:

**Proposal 1** - To remove the current maximum charge and to charge those people who can afford it the full cost of the services that are provided to them.

**Proposal 2** - Under the new framework, those who can afford it would be charged for the total number of carers attending and providing services, which would mean introducing a charge where more than one carer is provided at the same time.

**Proposal 3** - It is proposed that the liability for charges be from the date on which the service commences, so people will be asked to pay the accrued charges for the services they have received following completion of a financial assessment.

**Proposal 4** - To include the full value high rate Attendance Allowance or Disability Living Allowance, or the enhanced daily living component of Personal Independence Payments, when carrying out non-residential financial assessments.

**Proposal 5** – 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.

An initial review carried out in September and October 2018 was undertaken on the non-residential adult care charging policy which identified key areas for proposed change. This report sets out the outcome of the consultation and provides recommendations for Cabinet to consider on those proposed changes.

The consultation was launched on the 22<sup>nd</sup> July 2019, with an initial planned closure date of the 9<sup>th</sup> September 2019. This was extended for a further three weeks to the 29<sup>th</sup> September, to ensure that there was sufficient opportunity for people to respond. A number of responses were received after the closing date and these have also been included on the basis that it is important to capture as many views as possible from those affected or potentially affected by the proposed changes.

## **Recommendations**

That approval be given as set out below to make changes to the non-residential charging policy.

1. Note the outcome of the consultation as set out in detail in Appendix 3.
2. Approve **Proposal 2** - Under the new framework, those who can afford it would be charged for the total number of carers attending and providing services, which would mean introducing a charge where more than one carer is provided at the same time and **Proposal 3** - It is proposed that the liability for charges be from the date on which the service commences, so people will be asked to pay the accrued charges for the services they have received following completion of a financial assessment, as changes to the non-residential charging policy from April 2020 which are also detailed further in Section 3.
3. Approve the recommended policy changes from the date of implementation for a period of 2 years. The policy will not be reviewed within the two years unless there are statutory requirements to do so.

## **List of Appendices Included**

Appendix 1 Equality Impact Screening  
Appendix 2 Equality Impact Assessment  
Appendix 3 Consultation Outcomes Paper

## **Background Papers**

Cabinet Report 17<sup>th</sup> December 2018.

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Overview and Scrutiny Management Board – 20 December 2019

## **Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Adult Services Non-residential Care Charging Policy Proposals**

### **1. Background**

- 1.1 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 to prevent or delay people from developing eligible needs for care and support. The Council must maintain a service for providing advice and information relating to care and support. It states that Council may make a charge for meeting needs, in order to cover the cost that is incurred in meeting the needs to which the charge applies. In order to do this, a financial assessment is required to determine an individual's financial ability to contribute to their care cost.
- 1.2 A service user who receives care and support in their own home will need to pay their daily living costs such as rent, food and utilities, and must have enough money to meet these costs. Under the care and support statutory guidance 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 that the service user receives an income equivalent to Income Support or the Guaranteed Credit element of Pension Credit plus a minimum buffer of 25%.
- 1.3 An initial review of our current non-residential care charging policy has been carried out, the outcome of which was presented to Cabinet in a report on 17<sup>th</sup> December 2018, resulting in the identification of five key areas for proposed changes in order to update the non-residential charging policy and financial assessment service that are provided by the Council. In turn, these proposals would seek to ensure that there is equity and clarity in how this policy is applied across all recipients of non-residential services.
- Benchmarking against other Local Authorities has shown that the Council's current charging regime, especially in the areas identified are not aligned with the policies of other Authorities. Comparisons are included against each proposal in section 4.
- 1.4 This report sets out the outcome of the consultation and provides recommendations for cabinet to consider on the proposed changes.

### **2. Key Issues**

- 2.1 The Council has finite resources with which to meet the needs of not only an aging population, but one in which the level of need within all groups is increasing. Demand for Council services is likely to continue to grow, year on year, notwithstanding the implementation of a strengths based approach to the provision of support to all.

- 2.2 Currently, the way in which the Council delivers and charges for non-residential services results in the provision of a subsidy for a number of residents who have the financial means to pay the full economic cost. This means that there is less money available within the service to meet other potential demands. It is important that the Council finds a way to manage its limited resources in a way that is equitable to all current users, as well as those who may require support in the future.
- 2.3 Should none of the policy change options described above be adopted, there remains a shortfall of £600k in the adult social care budget for 2020/21. This shortfall would have to be met from elsewhere in the Adult Services budget, further impacting upon the ability to deliver services.
- 2.4 It is important that, if the Council is to successfully manage the rise in demand for its services and ensure that Rotherham residents remain independent for as long as possible, sufficient preventative services are available to achieve this. Such services will need to be developed over the coming years to ensure positive outcomes for the more frail and vulnerable members of the community. The reinvestment of the charges for services is vital in continuing to develop these services.
- 2.5 It is incumbent upon the Council to ensure that all members of the community who have been assessed as requiring care and support receive appropriate services and that there are sufficient resources available to achieve this.
- 2.6 The Council is currently exercising its discretion to charge for services at a rate which is lower than the real cost of delivery and recognises that care and support plans are being subsidised. A number of recipients of the service have the economic resources to meet the full cost of the care they receive. Those on a lower income would continue to receive the same service with no change to their charges. Such subsidies therefore have an impact on the delivery and development of other services given the finite nature of the budget.
- 2.7 All local authorities have to be mindful of the impact that a potential reduction in this subsidy has on people who need services; they must decide whether a path can be found to ensure the effective delivery of future services against the potential financial impact on those who currently receive support.
- 2.8 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 that is carried out as close to the start of service as possible.

- 2.9 Paragraph 8.43 of the Care and Support Statutory Guidance (October 2018) sets out the three areas of discretion that the local authority may consider:
- Disregard additional income
  - Maximum charging
  - Charge a percentage of disposable income
- 2.10 At paragraph 8.46 the statutory guidance states: ‘Local authorities should consult people with care and support needs when deciding how to exercise this discretion. In doing this, local authorities should consider how to protect a person’s income. The government considers that it is inconsistent with promoting independent living to assume, without further consideration, that all of a person’s income above the minimum income guarantee (MIG) is available to be taken in charges.’
- 2.11 Within the context of the statutory guidance, the Council has considered a number of options set out below.
- 2.12 The current policy has set a maximum charge for the non-residential services that an individual receives based on the residential care rate, which places a ceiling on the amount chargeable to cover care costs.
- 2.13 The current policy also only charges for one carer in cases where more than one carer is provided.
- 2.14 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.
- 2.15 Currently the financial assessment is carried out after the needs assessment. The contributions are applied from the point of the financial assessment and not from the point of completion of the care needs assessment based on Department of Health fairer charging policy, which was replaced by the Care Act. Currently there is, on average, a two week gap between the completion of the Care Act assessment and the financial assessment.
- 2.16 The option is available for the Council not to make any changes to the current policies following consultation. For any proposals that are agreed, it is recommended that these are fixed for a period of two years from the date of implementation, subject to further review and consultation after that time period or any legislative changes during that period.

### 3. **Options considered and recommended proposals**

- 3.1 **Proposal 1** - To remove the current maximum charge and to charge those people who can afford it the full cost of the services that are provided to them. ***Not Recommended***

3.1.1 Currently Rotherham Council has a maximum charge of £456 per week per individual in place for non-residential charges, which is based on the current residential care fee to independent providers for older people (65+ yrs).

3.1.2 **Benchmarking analysis:**

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 delivered. Only 3 out of 8 authorities researched in Yorkshire still have a maximum charge for non-residential care services. The current minimum assessed contribution is £1 per week for Rotherham.

Client A - in receipt of supported living scheme £1188.79 per week with savings over £23,250											
	Cost of Service	Rotherham Current Included	Rotherham Proposal 1	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
Charge	1188.79	456.00	1188.79	1188.79	1188.79	1188.79	1188.79	429.00	375.00	1188.79	1188.79

3.1.3 **Consultation outcome:**

173 customers, (86% of all surveys), responded to this question. Of those who responded, 20% agreed with the proposal and 58% disagreed. There was an unclear response from 16% and 6% stated they had no opinion/didn't know.

Many responders favoured retaining a clear maximum charge, with some suggesting as an alternative that this should be reviewed and increased rather than removed entirely.

3.1.4 **Impact Analysis:**

There are 10 people (3 of whom are in receipt of Supported Living within Learning Disability services) who would currently be affected if the maximum charge was removed: the increase in charge would range from £186 to £1,145 per week. This is due to the service users having capital (excluding property value) above the upper capital threshold limit of £23,250, which means that the full charge would apply.

Based on the current number of people who would be affected by this proposal, its implementation would result in additional income of £7,000 per week (£364,000 per annum). The final amount received is likely to be lower, as people's savings reduce to below the capital threshold and the amount they are required to pay is therefore reduced. However as new recipients of a service enter the system who have savings they will be impacted by this proposed change.

If the maximum charge was increased to £550 per week this would still impact on the 10 people, but the increase in income would reduce to £940 per week (£49,000 per annum). A maximum charge of £600 per week would result in additional income of £1,400 per week (£73,000 per annum) and affect the same 10 people.

The principle of paying the full cost of care, where an individual is assessed as being able to afford to do so, (in line with statutory guidance) is well established both nationally and locally. For example, where someone requires residential care (although this sits under another policy and framework guidance), they are required to pay the full cost of care until their personal savings reach the 23k threshold. There is no cap on how much they pay (the full cost of care) only a point at which the Council starts to subsidise the costs of care on a sliding scale. The removal of the maximum charge would support a more equitable and consistent approach to charging across non-residential and residential services.

The impact of the removal of the maximum charge would be a significant change to those current individuals; it would not be a risk to their care and support, but they would need to consider the overall impact and potentially make different choices. For those new to requiring care and support, they would be able to make decisions and plans right at the beginning based on the changes to the policy.

\*However, depending on whether other proposals identified in this report are implemented, this could mean additional service users could reach the current maximum charge, for example, charging for additional carers outlined in 4.2.

The tables below show the range of impact across those affected by any of the options identified above:

<b>Remove maximum charge</b>		<b>Increase Maximum charge to £550</b>		<b>Increase Maximum charge to £600</b>	
Over 65		Over 65		Over 65	
Value of increase	Numbers Affected	Value of increase	Numbers Affected	Value of increase	Numbers Affected
0-100	0	0-100	10	0-100	0
101-200	1	101-200	0	101-200	10
201-300	0	201-300	0	201-300	0
301-400	2	301-400	0	301-400	0
401-500	0	401-500	0	401-500	0
501-600	0	501-600	0	501-600	0
601-700	0	601-700	0	601-700	0
701-800	4	701-800	0	701-800	0
801-900	0	801-900	0	801-900	0
901-1000	1	901-1000	0	901-1000	0
1001-1100	1	1001-1100	0	1001-1100	0
1101-1200	1	1101-1200	0	1101-1200	0
<b>Total</b>	<b>10</b>	<b>Total</b>	<b>10</b>	<b>Total</b>	<b>10</b>



## Breakdown of the individuals potentially impacted by the proposal:

Proposal 1		
Ethnicity_Group	Number of People	Percentage
White	10	100.0%
Mixed / multiple ethnic groups	0	0.0%
Asian / Asian British	0	0.0%
Black / African / Caribbean / Black British	0	0.0%
Other ethnic group	0	0.0%
No data	0	0.0%
<b>Total</b>	<b>10</b>	
CURRENT_AGE_GROUP		
Number of People	Percentage	
18-64	0	0.0%
65+	10	100.0%
<b>Total</b>	<b>10</b>	
Gender		
Number of People	Percentage	
Male	3	30.0%
Female	7	70.0%
<b>Total</b>	<b>10</b>	

3.2 **Proposal 2** - Under the new framework, those who can afford it would be charged for the total number of carers attending and providing services, which would mean introducing a charge where more than one carer is provided at the same time. **Recommended**

3.2.1 The Council's current policy does not charge for an additional carer where more than one carer is provided.

### 3.2.2 Benchmarking analysis:

Benchmarking analysis has identified that all but one of the local authorities in the region charge for more than one carer.

Client A - in receipt of 14 hours care x2 carers charged at £16.27 per hour with savings over £23250.00											
	Cost of service	Rotherham Current Included	Rotherham Proposal 2	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
<b>Charge</b>	455.56	227.78	455.56	455.56	455.56	455.56	455.56	227.78	455.56	455.56	455.56
Client B - in receipt of 14 hours care x2 carers charged at £16.27 per hour with disposable income of £299.52 per week											
	Cost of service	Rotherham Current Included	Rotherham Proposal 2	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
<b>Charge</b>	455.56	227.78	299.52	299.52	299.52	299.52	299.52	227.78	299.52	299.52	299.52

### 3.2.3 Consultation outcome:

174 customers, (86% of all surveys), responded to this question. Of those who responded, 18% agreed with the proposal and 56% disagreed. This was the proposal with the highest proportion of responses in which there was no clarity on whether they agreed or disagreed, (24%) with a number wanting to understand the impact on them personally before stating whether they did or did not agree and 2% stating that they had no opinion/didn't know.

Those in favour understood the Council's need to charge to recoup costs and saw it as fair that more service would equate to higher costs. There were, however, concerns regarding whether residents would opt not to have the service and choose to place themselves at risk. Some responders also raised some concerns on how required service levels would be set and the need for better monitoring of providers' delivery if charges were increased. Some respondents stated that they believed that their current provision of two carers was often not needed, and that this would need to be addressed through a reassessment of care and support needs.

### 3.2.4 Impact Analysis:

Currently the Council has 81 people who have a commissioned second carer. If the Council started to charge for an additional carer and maintain the maximum charge of £456 per week, the average increase in charge would be £160 per week (ranging from an increase of £1 to £228 per week). This could potentially generate additional income of approx. £13k per week (£676,000 per annum) based on an analysis of the current services. An additional 15 people would reach the current maximum weekly charge of £456.

This table shows that the majority of this group would see their charge for services increase between £100 and £228 per week. Range of change to charging illustrated below.

Under 65		Over 65		Totals	
Value of Increase	Numbers affected	Value of Increase	Numbers affected	Value of Increase	Numbers affected
0.00 - 4.99	0	0.00 - 4.99	1	0.00 - 4.99	1
5.00 - 9.99	0	5.00 - 9.99	0	5.00 - 9.99	0
10.00 - 24.99	0	10.00 - 24.99	3	10.00 - 24.99	3
25.00 - 49.99	1	25.00 - 49.99	3	25.00 - 49.99	4
50.00 - 74.99	0	50.00 - 74.99	5	50.00 - 74.99	5
75.00 - 99.99	0	75.00 - 99.99	4	75.00 - 99.99	4
100.00 - 149.99	1	100.00 - 149.99	12	100.00 - 149.99	13
150.00 - 199.99	1	150.00 - 199.99	23	150.00 - 199.99	24
200.00 - 299.99	2	200.00 - 299.99	25	200.00 - 299.99	27
<b>Total</b>	<b>5</b>	<b>Total</b>	<b>76</b>	<b>Total</b>	<b>81</b>

If the maximum charge was removed and proposal 1 and 2 were fully implemented the average increase in charge would be £178 per week (ranging from an increase of £16 to £456 per week). This could potentially generate additional income of approx. £14.3k per week (£744,000 per annum).

If this proposal were implemented people may consider what their options might be with regard to alternative services and provision.

Proposal 1 & 2							
Under 65		Over 65		Totals			
Value of Increase	Numbers affected	Value of Increase	Numbers affected	Value of Increase	Numbers affected	%	
0.00 - 4.99	0	0.00 - 4.99	0	0.00 - 4.99	0	0%	
5.00 - 9.99	0	5.00 - 9.99	0	5.00 - 9.99	0	0%	
10.00 - 24.99	0	10.00 - 24.99	3	10.00 - 24.99	3	4%	
25.00 - 49.99	1	25.00 - 49.99	3	25.00 - 49.99	4	5%	
50.00 - 74.99	0	50.00 - 74.99	5	50.00 - 74.99	5	6%	
75.00 - 99.99	0	75.00 - 99.99	4	75.00 - 99.99	4	5%	
100.00 - 149.99	1	100.00 - 149.99	11	100.00 - 149.99	12	15%	
150.00 - 199.99	0	150.00 - 199.99	13	150.00 - 199.99	13	16%	
200.00 - 299.99	3	200.00 - 299.99	35	200.00 - 299.99	38	47%	
300.00 - 399.99	0	300.00 - 399.99	1	300.00 - 399.99	1	1%	
400.00 - 499.99	0	400.00 - 499.99	1	400.00 - 499.99	1	1%	
<b>Total</b>	<b>5</b>	<b>Total</b>	<b>76</b>	<b>Total</b>	<b>81</b>	<b>100%</b>	

### 3.2.5 Breakdown of the individuals potentially impacted by the proposal:

Proposal 2		
Ethnicity_Group	Number of People	Percentage
White	80	98.8%
Mixed / multiple ethnic groups	0	0.0%
Asian / Asian British	0	0.0%
Black / African / Caribbean / Black British	0	0.0%
Other ethnic group	0	0.0%
No data	1	1.2%
<b>Total</b>	<b>81</b>	
CURRENT_AGE_GROUP	Number of People	Percentage
18-64	5	6.2%
65+	76	93.8%
<b>Total</b>	<b>81</b>	
Gender	Number of People	Percentage
Male	40	49.4%
Female	41	50.6%
<b>Total</b>	<b>81</b>	

3.3 **Proposal 3** - It is proposed that the liability for charges be from the date on which the service commences, so people will be asked to pay the accrued charges for the services they have received following completion of a financial assessment. **Recommended**

3.3.1 The Council currently starts to charge for new services from the date on which the person is informed of their assessed contribution, not the date the service actually starts. The Care Act allows for the charging to be implemented from the point a service starts. This means a loss of income to the Council if financial assessments are delayed.

#### 3.3.2 Benchmarking analysis:

It is common practice across other local authorities to charge from the date on which care starts.

### 3.3.3 Consultation outcome:

168 customers, (83% of all surveys), responded to this question. Of those who responded, 35% agreed with the proposal and 45% disagreed. There were unclear response from 17% and 2% stated they had no opinion/didn't know.

This proposal relates to customers changing or starting new service provision. However, this was misunderstood by many responders as including and issuing a 'backdated' charge for those already on service, (22 surveys, 11% of responders). This confusion may have affected the response rates, but it is worth noting that three of these respondents are included in the 'agreeing with the proposal' figures, 12 did not agree and seven 'didn't know'.

There were also comments that respondents thought that this proposal was already the case and that clearer charging information needs to be supplied, with some stating that the start of charges should be linked to the assessment and that a swifter financial assessment process would be needed so that clients quickly understand, and have choice in, their potential service charges at the very start.

### 3.3.4 Financial Impact Analysis:

Based on current performance over the last 6 months, there is a gap on average of two weeks between the service commencing and the outcome of the financial assessment being reached. The current policy doesn't allow for charging to be accrued from commencement of the service, which results in £1,600 per week (£83,000 per annum) in charges not being collected.

#### **Breakdown of the individuals potentially impacted by the proposals:**

Depending on the proposal outcome and the agreed start date this would only impact on new customers but would negate a potential ongoing loss of income to the council.

3.4 **Proposal 4** - To include the full value high rate Attendance Allowance or Disability Living Allowance, or the enhanced daily living component of Personal Independence Payments, when carrying out non-residential financial assessments. ***Not Recommended***

3.4.1 The Council's current policy is to take only the middle/lower rate of these allowances into account in the financial assessment. This currently affects 1042 people.

This proposal would take into account all the benefits provided to individuals to cover additional needs as well as for care and support. Understandably, the people who are in receipt of these benefits can be amongst the most vulnerable within the Borough, but it is important to be aware that there would be limited risk to their direct care and support should the proposal be implemented. There are a number of safeguards in place, such as the minimum income guarantee, a 'duty of care', formal safeguarding, hardship considerations and discretionary powers for disability related expenditure. If implemented this would mean that the council would ensure that hardship did not arise as a result of the policy change.

The benchmarking analysis table below shows that this is a varied picture across this group of Yorkshire Councils but that this proposal is not out of step, with 5 of the 8 implementing the same approach.

### 3.4.2 Benchmarking analysis:

Client A - receives highest rate disability benefit but has no night time care needs											
	Client income	Rotherham Current Included	Rotherham Proposal 4	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
State Pension	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
Attendance Allowance	87.65	58.70	87.65	58.70	58.70	87.65	87.65	58.70	87.65	87.65	87.65
<b>Total Income</b>		<b>218.70</b>	<b>247.65</b>	218.70	218.70	247.65	247.65	218.70	247.65	247.65	247.65
<b>less</b>											
Standard Allowance	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00
Housing Allowances	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
DRE's	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	16.00
<b>Charge</b>		<b>4.70</b>	<b>33.65</b>	4.70	4.70	33.65	33.65	4.70	33.65	33.65	22.65

### 3.4.3 Consultation outcome:

172 customers, (85% of all surveys), responded to this question. Of those who responded, 20% agreed with the proposal and 60% disagreed. There was an unclear response for 17% and 3% stated they had no opinion/didn't know.

Within the positive responses there were additional suggestions that, if all such income was considered, all related disability/support expenditure would also need to be within the financial assessment. This is aligned to the views of those who strongly disagreed with the proposal, as many believe that the DLA is to provide for the wider additional costs caused by their disability (i.e. Transport) and should not be considered in this financial assessment.

### 3.4.4 Impact Analysis:

This proposal would impact on those with higher rate disability benefit and those with no disability benefits; those with lower disability benefits would see no change. The minimum income guarantee would still apply.

AA/DLA and enhanced rate of PIP, this could result in an additional income of around £18,000 per week (£936k per annum) based on the existing cohort, which would affect around 782 people. The average increase per service user would be around £17 per week (ranging from no increase to £30).

If it is decided to take into account the current higher rate of £87.65 for AA/DLA and enhanced rate of PIP, this could result in an additional income of around £18,200 per week (£946k per annum) based on the existing cohort, which would affect around 782 people. The average increase per service user would be around £17 per week (ranging from no increase to £30).

**Impact of Proposal 4:**

Under 65		Over 65		Totals		
Value of Increase	Numbers affected	Value of Increase	Numbers affected	Value of Increase	Numbers affected	%
0.00 - 4.99	21	0.00 - 4.99	15	0.00 - 4.99	36	5%
5.00 - 9.99	26	5.00 - 9.99	19	5.00 - 9.99	45	6%
10.00 - 14.99	35	10.00 - 14.99	62	10.00 - 14.99	97	12%
15.00 - 19.99	35	15.00 - 19.99	21	15.00 - 19.99	56	7%
20.00 - 24.99	48	20.00 - 24.99	31	20.00 - 24.99	79	10%
25.00 - 29.99	200	25.00 - 29.99	269	25.00 - 29.99	469	60%
<b>Total</b>	<b>365</b>	<b>Total</b>	<b>417</b>	<b>Total</b>	<b>782</b>	<b>100%</b>

**Breakdown of the individuals potentially impacted by the proposal:**

<b>Proposal 4</b>		
<b>Ethnicity_Group</b>	<b>Number of People</b>	<b>Percentage</b>
White	731	93.5%
Mixed / multiple ethnic groups	2	0.3%
Asian / Asian British	33	4.2%
Black / African / Caribbean / Black British	2	0.3%
Other ethnic group	3	0.4%
No data	11	1.4%
<b>Total</b>	<b>782</b>	
<b>CURRENT_AGE_GROUP</b>	<b>Number of People</b>	<b>Percentage</b>
18-64	365	46.7%
65+	417	53.3%
<b>Total</b>	<b>782</b>	
<b>Gender</b>	<b>Number of People</b>	<b>Percentage</b>
Male	361	46.2%
Female	421	53.8%
<b>Total</b>	<b>782</b>	

3.5 **Proposal 5** - To introduce a standard allowance of 30 per cent of disability benefits as an allowance for the Disability Related Expenditure (DRE) allowances that are taken into account as part of the financial assessment. Disability related expenditure is defined by statutory guidance.

**Not Recommended**

3.5.1 Under the current assessment regime the assessor will determine in each individual case the level of disability related expenditure that the service recipient has. 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. This means that DRE allowances vary greatly across each person. 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.

The decisions around what and how to take into account Disability Related Expenditure is possibly the most complex of the proposals to address and assess. Placing a single allowance figure of 30% would impact the most on those without any disability benefits. The overall impact on those with higher rate benefits would be a reduction in charges.

### 3.5.2 Benchmarking analysis:

Client A - receives highest rate disability benefit											
	Client income	Rotherham Current Included	Rotherham Proposal 5	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
State Pension	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
Attendance Allowance	87.65	87.65	87.65	87.65	87.65	87.65	87.65	87.65	87.65	87.65	87.65
<b>Total Income</b>		247.65	247.65	247.65	247.65	247.65	247.65	247.65	247.65	247.65	247.65
<b>less</b>											
Standard Allowance	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00
Housing Allowances	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
DRE's	33.00	33.00	26.80 (30% of 87.65)	19.87	33.00	33.00	33.00	33.00	33.00	33.00	16.00
<b>Charge</b>		5.65	NIL	18.78	5.65	5.65	5.65	5.65	5.65	5.65	22.65

Client B - Receives 58.70 disability benefit											
	Client income	Rotherham Current Included	Rotherham Proposal 5	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
ESA	196.25	196.25	196.25	196.25	196.25	196.25	196.25	196.25	196.25	196.25	196.25
DLA MIDDLE RATE	58.70	58.70	58.70	58.70	58.70	58.70	58.70	58.70	58.70	58.70	58.70
<b>Total Income</b>		254.95	254.95	254.95	254.95	254.95	254.95	254.95	254.95	254.95	254.95
<b>less</b>											
Standard Allowance	151.45	151.45	151.45	151.45	151.45	151.45	151.45	151.45	151.45	151.45	151.45
Housing Allowances	9.48	9.48	9.48	9.48	9.48	9.48	9.48	9.48	9.48	9.48	9.48
DRE's	0.00	0.00	17.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.00
<b>Charge</b>		94.02	76.41	94.02	94.02	94.02	94.02	94.02	94.02	94.02	78.02

Client C - Receives no disability benefit											
	Client income	Rotherham Current Included	Rotherham Proposal 5	Barnsley	Bradford	North Yorkshire	York	Doncaster	Sheffield	East Riding	Wakefield
State Pension	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00	160.00
Occ Pension	93.21	93.21	93.21	93.21	93.21	93.21	93.21	93.21	93.21	93.21	93.21
<b>Total Income</b>		253.21	253.21	253.21	253.21	253.21	253.21	253.21	253.21	253.21	253.21
<b>less</b>											
Standard Allowance	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00	189.00
Housing Allowances	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
DRE's	33.00	33.00	0.00 (No Disability Benefit)	0.00 (No Dis Ben)	33.00	33.00	0.00 (No Dis Ben)	0.00 (No Dis Ben)	0.00 (No Dis Ben)	33.00	16.00
<b>Charge</b>		11.21	44.21	44.21	11.21	11.21	44.21	44.21	44.21	11.21	28.21

### 3.5.3 Consultation outcome:

147 customers, (73% of all surveys), responded to this question. Of those who responded 16% agreed with the proposal and 52% disagreed. There was unclear response from 16% and 17% stated they had no opinion/didn't know.

At 73% of all surveys this was the lowest response rate to any question in the consultation. This seems to be due to a lack of understanding of the proposal, as it was also the highest 'no opinion/don't know' rate at 16%, with many related comments stating that this is an unclear proposal or that they don't understand.

Although some have stated that this may be easier to calculate and simpler to understand, there was a strong consensus that there is a need to retain a personalised assessment because individual needs and related costs vary.

### 3.5.4 **Impact Analysis:**

Based on the latest cohort, there are currently 1797 service users who receive a DRE, with an average allowance of £37 per week (this ranges from £0.09 up to £863). The proposal is to introduce a set allowance or cap, which would then allow more telephone assessments rather than actual visits, resulting in more efficient use of existing resources.

To allow automatically 30% of the higher disability benefit rate of £87.65 as a DRE allowance would affect 1971 people, with an average allowance of £22 per week (ranging from £3.48 to £26.30).

However, this proposal should come with a caveat, as people can still request a full financial assessment, which they will probably choose to do if charges increase significantly; therefore, any additional income is unlikely to be generated in addition to that identified in Proposal 4

The main impact would be on people with no disability benefit, with a 100% increase in charge. There would be a reduction for those on lower rate benefits and a small increase for those on higher rates. The main benefit of this proposal would be a reduction in time spent on financial assessments for the Council.

## 4. **Consultation on proposal**

4.1 The consultation was launched on the 22<sup>nd</sup> July 2019, with an initial planned closure date of the 9<sup>th</sup> September 2019. This was extended for a further three weeks to the 27<sup>th</sup> September 2019, to ensure that there was sufficient opportunity for people to respond.

4.2 Five proposals were consulted on, as detailed in the report. The full consultation report can be found in Appendix 3.

4.3 Methodology:

- Direct posting to all current people in receipt of non-residential services (2,700), this was also repeated as a reminder part way through the consultation period.
- 6 Fully public open events, 96 people attended.
- Bespoke information sessions at Sight and Sound; Older peoples Forum; Extra care housing x3; attracting interest of over 80 people approx.
- Benefits Team Home Visits during the consultation period, circa 200 people informed.
- Locality Team Visits during the period, circa 100 people informed.
- Announcement of consultation email to Subscribers of Adult Care, Housing & Public Health Staff, circa 1,000.
- Support organisations contacted twice, providing and offering information sessions.
- Direct contacts to the Council via email box or phone calls.
- 204 people responded formally to the consultation.



4.4 For proposals 1, 2, 4 & 5, responses were very consistent with regard to the levels of agreement and disagreement, with half of the responders on average not in agreement with the proposal and, on average, 20% agreeing.

4.5 For proposal 3, responses in terms of agreement and disagreement were very close at 41% for and 40% against.

4.6 **General recurrent themes, concerns and suggestions (across all questions)**

- Strong concerns raised across all proposals regarding discrimination against older people and/or those with disabilities.
- General understanding on the need to help those who cannot support themselves, but a significant worry that this will penalise those who have worked and saved.
- Concerns raised that people will choose not to receive the support they require just to save money, putting the ability to pay bills above their own safety and health.
- Consideration needs to be given to whether quality of care and value for money for each individual and whether need would be best met in residential care.
- Information regarding charging policy, regardless of the outcome of this review, needs to be much clearer for customers to understand what they receive, why and the cost.
- Changes in charging should be a transitional, 'stepped' approach for existing customers with some level of flexibility, as a one-size fits all approach may not be appropriate for those worried about how they will manage financially.

5. **Timetable and Accountability for Implementing this Decision**

5.1 It is proposed that any changes to the non-residential charging policy would come into effect on the 6<sup>th</sup> April 2020.

6. **Financial and Procurement Advice and Implications**

6.1 The figures contained within this report are based on the latest cohort of people receiving non-residential care services and are therefore subject to fluctuations in the demand for services. It is also feasible that some people may be affected by more than one of the above proposals, for example, increases in AA/DLA and changes to DRE allowances (Proposals 4 and 5).

6.2 People 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 the equivalent of Income Support or the Guaranteed credit element of Pension Credit, plus a minimum buffer of 25%.

- 6.3 Reviewing some of the allowances and charges highlighted in this report would result in additional income to the Council, which could assist in mitigating budget pressures and savings within Adult Social Care but more importantly developing preventative services for potential future recipients of services.

<b>Proposal</b>	<b>Description</b>	<b>Est. income</b>	<b># of People</b>	<b>Increase in charge</b>
		<b>£000's</b>		<b>Range (£ per week)</b>
1	Removal of the maximum charge*	364	10	184-1,145
2	Commence charging for additional carers	676	81	1-228
3	Charge from the start of service	83	n/a	n/a
4	Include higher rates of AA/DLA/PIP	936	781	0-30
5	Allow 30% of Disability Benefit as DRE allowance			

Should none of the policy change options described above be adopted, there remains a savings target shortfall of £600k in the Adult Social Care budget for 2020/21. This shortfall would have to be taken from elsewhere in the Adult Services budget, further impacting upon ability to deliver services.

- 6.4 There are no direct procurement implications associated with the recommendations detailed in this report.

## 7. Legal Advice and Implications

- 7.1 As noted above, the Council is required to undertake needs assessments under the Care Act 2014 and mandated to meet the eligible unmet needs that are identified. The legislation, regulations and statutory guidance permit the local authority to charge for the services that it delivers within certain parameters, but it should be noted that there is no requirement in law to charge for non-residential care. However, where a charge is to be made, it must comply with the statutory guidance last updated in 2018. The guidance permits the local authority a degree of discretion within which it must act: the options set out above comply with those requirements.

- 7.2 The way in which these proposals have been developed complies with the Equality Act 2010.

7.3 Cabinet are entitled to make the decisions that are set out in the report under Appendix 9 of the Council's constitution. Legal advice has been sought in relation to the preparation of this report. This is a key decision which is included in the Forward Plan and is subject to call-in.

## 8. **Human Resources Advice and Implications**

8.1 There are no HR implications for this report

## 9. **Implications for Children and Young People and Vulnerable Adults**

9.1 There are no immediate implications for Children and Young people, although any policy changes would impact on when young people becoming an adult as the policy does now.

## 10. **Equalities and Human Rights Advice and Implications**

10.1 The Council has a duty as defined in the Equality Act 2010, the main requirements being that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and people who do not share it

10.2 An Equality Impact Assessment has been produced and it is attached at Appendix 1. It has considered the impact of the proposals on older and disabled people as a whole and sought to identify whether any other equality characteristics are impacted upon so that appropriate mitigating actions can be considered. The impact assessment identified that the people who will be affected by the proposals will all be older and/or disabled people, but that no other equality characteristics were impacted upon disproportionately.

<b>Ethnicity_Group</b>	<b>Number of People</b>	<b>Percentage</b>
White	2468	93.5%
Mixed / multiple ethnic groups	101	3.8%
Asian / Asian British	43	1.6%
Black / African / Caribbean / Black British	7	0.3%
Other ethnic group	8	0.3%
No data	13	0.5%
<b>Total</b>	<b>2640</b>	
<b>CURRENT_AGE_GROUP</b>	<b>Number of People</b>	<b>Percentage</b>
18-64	1120	42.4%
65+	1520	57.6%
<b>Total</b>	<b>2640</b>	
<b>Gender</b>	<b>Number of People</b>	<b>Percentage</b>
Male	1112	42.1%
Female	1528	57.9%
<b>Total</b>	<b>2640</b>	

- 10.3 The main actions arising from the Equality, Diversity, Cohesion and Integration Impact Assessment are as follows:

The Council has a legal responsibility to meet identified eligible need under the Care Act and will continue to meet this duty by ensuring no one is asked to pay what they cannot reasonably afford. This will be done through the application of the financial assessment and through looking at individual circumstances where customers are facing difficulties.

Signposting and support to access financial advice and advocacy in its broadest sense is one of the key mitigating factors we have identified to the issues raised in the consultation. Work with appropriate commissioned services and third sector organisations to promote further the support services.

To consider how all communication, web, written and spoken is presented in a simple easily understood way and it is carried out in a manner, at a pace and where necessary with appropriate support that allows service users to understand and question the information they are being given, seek clarity and decide how to proceed.

Address any access equity issues by ensuring Borough wide proactive advocacy/support services for individual's facing financial difficulty or material deprivation

- 10.4 The Equality Impact Assessment also identified the positive impact of the consultation process, providing the opportunity to better understand the potential impact of the proposed changes and identify ways in which these could be mitigated. A further positive impact is the financial assessment process. This seeks to maximise people's income through providing benefits reviews as part of the financial assessment process.

## 11. Implications for Partners

- 11.1 As demonstrated through the consultation there has been anxiety raised about the potential for applying any of these proposals in a new policy. Contact with partners across the voluntary and statutory sectors has increased. The Council has remained in regular communication about the proposals and will inform key partners of the outcomes and plan accordingly with those partners to respond to any impact.

## 12. Risks and Mitigation

- 12.1. As outlined in the report, there are safeguards already in place with regard to personal income guarantees.

## 13. Accountable Officers

Ian Spicer, Assistant Director Independent Living and Support

Approvals obtained on behalf of Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Sharon Kemp	12/12/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	04/12/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	04/12/19

*Report Author: Ian Spicer, Assistant Director of Independent Living and Support*

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