

HERTFORDSHIRE COUNTY COUNCIL

**ADULT CARE AND HEALTH CABINET PANEL
FRIDAY 8 SEPTEMBER 2017**

Agenda Item No.

3

ADULT SOCIAL CARE CHARGING CONSULTATION

Report of the Director of Adult Care Services

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1. Purpose of report

- 1.1 To detail the Director of Adult Care Services' (ACS) plan to undertake a formal consultation on proposals to change how the council charges for non-residential (community based) adult social care services.

2. Summary

- 2.1 The council last reviewed its policy for charging for non-residential (community based) adult social care services in 2010.
- 2.2 Since then the national charging framework has been updated by The Care Act 2014, The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance. In addition a number of anomalies have been identified in respect of how charging is applied; it is therefore timely to revisit the council's arrangements. Further, there has sustained pressure on funding for adult social care.
- 2.3 As the council wishes to continue to provide a wide range of services to as many people as possible and to collect a fair contribution towards them a review of the council's current charging policy has therefore been conducted and a number of possible amendments to the policy have been identified. This paper sets out the plans that the Director of ACS has made to hold a period of public, service user and stakeholder consultation in order to seek views on the proposed changes.
- 2.4 Following any consultation that takes place it is proposed that a paper will then be brought to Panel and then to Cabinet setting out the results of the consultation. Cabinet will then be able to decide whether to implement any or all of the proposals with a suggested implementation date of April 2018.

3. Recommendation/s

- 3.1 Panel is invited to discuss and recommend the plans of the Director of Adult Care Services to consult on proposed changes to how the council charges for non-residential (community based) adult social care services.
- 3.2 Panel is invited to recommend that a further report setting out the proposed amendments and the results of the consultation will be brought to Panel and Cabinet at the end of the consultation period, with a view to Cabinet making the final decision any new charging arrangements.

4. Background

- 4.1 Hertfordshire County Council agreed revised charging arrangements for community based adult social care services in 2010. The current charging policy for community based services is available on the internet at the following location:

[Paying for your care costs | Hertfordshire County Council | www.hertfordshire.gov.uk](http://www.hertfordshire.gov.uk)

- 4.2 Since this time the national charging regime for adult social care has been amended by the implementation of The Care Act 2014 and The Care and Support (Charging and Assessment of Resources) Regulations 2014 (“the Regulations”) and The Care and Support Statutory Guidance (“the Guidance”).

Section 14 of the Care Act 2014 provides a single legal framework for charging for care and support where a local authority arranges care and support to meet a person’s needs. Section 17 of the Care Act provides for a financial assessment of an individual’s resources to determine the level of financial contribution. The overarching principle of the Care Act supported by the Guidance and Regulations issued under it is that people should only be required to pay what they can afford. The framework is based on the following principles to:

- a) ensure that people are not charged more than it is reasonably practicable for them to pay
- b) be comprehensive, to reduce variation in the way people are assessed and charged
- c) be clear and transparent, so people know what they will be charged
- d) promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control
- e) support carers to look after their own health and wellbeing and to care effectively and safely

- f) be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet their needs
 - g) apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings
 - h) encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
 - i) be sustainable for local authorities in the long-term.
- 4.3 The Guidance and Regulations ensure that an individual will only be asked to pay a contribution if they can afford to do so as they provide for individual to have a level guaranteed minimum income which is set by the Department for Work and Pensions and provides sufficient funds to cover an individual's daily living costs. In addition the council allows an additional 25% of income to be kept to pay for non-essential living costs.
- 4.4 In the light of the impact of the Care Act 2014 on charging arrangements, a review has been conducted of the council's current policy for charging for non-residential (community based) services.
- 4.5 The review has identified a number of areas where amendments to charging arrangements are recommended to help the sustainability of adult social care and remove anomalous charging arrangements. These are summarised below. Financial modelling is based on clients receiving services as of April 2017. Appendices A to E give further detail on each proposal and worked examples of potential impacts:

Appendix A - Higher Rate Attendance Allowance and Higher Rate Disability Living Allowance (Care Component)

<https://www.gov.uk/attendance-allowance/overview>

<https://www.gov.uk/dla-disability-living-allowance-benefit/overview>

- 4.6 Both Attendance Allowance and Disability Living Allowance are benefits awarded to enable an individual to pay towards the cost of their care. At present when working out how much an individual can afford to pay for social care the council find how much income an individual receives; it can exclude or 'disregard' certain types of income when making this calculation:
- At present, for **Attendance Allowance (AA)**, the council does not include in someone's total income calculation (or 'disregards') the difference between the higher rate and the lower rate of Attendance Allowance

- At present, for **Disability Living Allowance (Care Component) (DLA)**, the council disregards the difference between the higher rate and the middle rate.

4.7 In future it is proposed to include the full value of these benefits when calculating how much income an individual receives from April 2018. This means that when conducting financial assessments, those receiving AA and DLA (Care Component) would have a higher income against which to calculate charges payable.

4.8 The change would align how the council treats AA and DLA (Care Component) with how the Council already treats Personal Independence Payments¹, which are taken into account in full. This change is allowable under the Regulations and Guidance.

4.9 Financial modelling indicates that including the full amount of Attendance Allowance and Disability Living Allowance (Care Component) in the financial assessment will increase income by around £2.8 million per annum.

4.10 A number of other authorities are already including or planning to include these elements of benefit when working out charges as set out in the table:

Local Authority	Response
York	Planning to introduce from April 2017
Kingston	Already implemented
Bristol	Already implemented
Peterborough	Already implemented
Windsor and Maidenhead	Already implemented
Surrey	Already implemented
Brighton and Hove	Included from April 2017, for new clients
East Sussex	Included from April 2017, for new clients
North Yorkshire	Already implemented
Leeds	Already implemented
Essex	Already implemented

- *A further 11 LA's are actively considering including the higher rate.*

¹ Personal Independence Payments (PIP) were introduced in 2013 to replace Disability Living Allowance (DLA) for new claimants ages 16 to 64.

Appendix B - 'Double Handed' Care (having more than one carer at a time)

- 4.11 In some instances more than one carer is required to deliver a service (sometimes known as 'double handed' care). Currently, the council applies a charge as if only one carer is present. In other words, the council ignores the costs of the second carer when deciding how much should be charged. This approach is of particular advantage to full cost charge payers who ask the council to arrange their care and who currently benefit from this anomaly in comparison with other self-funders who arrange their own care.
- 4.12 So that the client contribution fully reflects the cost of providing the service, it is proposed that the charge is based on the cost of both carers providing the service from April 2018, for service users receiving 'double handed care'. Financial modelling indicates that implementation of this approach will generate an increase in income of £1 million per annum.

Appendix C -'Flexicare' Accommodation Bandings

- 4.13 Some accommodation provision includes care provision, and one of these services is called 'Flexicare'. Flexicare provision is based on levels (or bands), which are reflect the level of care required by an individual. Client financial contributions are also based on these bands and the contribution is levied at the 'mid-point' of the band so a fixed amount is paid regardless of how many hours are provided within the band.
- 4.14 Feedback from social workers and providers, together with a review of commissioned packages, demonstrates that the overall needs profile of people in Flexicare has increased over recent years and continues to rise. Over time, provision has graduated to the high end of each care band. This means that the current way of setting contributions at the mid-point of the care band no longer appropriately reflects the hours of care typically being delivered to an individual.
- 4.15 It is proposed to increase the amount charged per level/bands from April 2018 as follows:

Current Band	Hours	Current Charging Base (assumed mid-point)	Proposed new Charging Base	Weekly Increase as indicated by financial modelling
Low	0-3	1.5	3	2,781.97
Medium	3-10	7	8.5	2,508.62
High	10+	14	15	421.36
Weekly Increase				5,711.95
Annual Increase				297,821.07

- 4.16 Financial modelling indicates that implementing this approach will generate additional income of £297k per annum.

Appendix D - Telecare

- 4.17 The council could chose to levy a charge for those users of telecare services provided by Serco who do not receive any other social care services. Such a course of action will bring these Serco service users in line with users currently receiving equivalent services from North Herts Careline who pay a weekly amount of £3.25.
- 4.18 Charging this fee for telecare for service users who do not receive any other social care service from April 2017 would increase income up to £309k per annum.

Appendix E - Transport

- 4.19 Door to door transportation is available for journeys to and from day centres. The current charge for transportation does not reflect the true cost of providing the service and is subsidised by the Council. The average cost of a journey in one of the council's fleet vehicles was £6.89 in 2014/15. The council currently charges £1 per journey. Day tickets for local buses cost in a range of £4 to 6.30 per day. The council proposes to increase its charge to £2 per journey / £4 per day from April 2018 to reflect a more realistic contribution towards the cost of providing the service.
- 4.20 Financial modelling indicates that £47k would be generated annually from implementation of such a measure were the proposals to be implemented as a charge for which a financial assessment is required. If, subject to legal discussion, the council treated these charges as separate from the financially assessed charges for social care, then higher sums would be generated.

5 Public Consultation and next steps

- 5.1 Before a final decision is made on these proposals a period of consultation with service users, their carers, representative bodies and the public is proposed.
- 5.2 The proposals will be framed into a consultation questionnaire, a draft of which is provided at Appendix F. Accessible formats of the consultation document will be produced including video and easy read. The Co-Production Board will work with the council to help design case study information that will convey the impact of the changes. Each individual affected by the changes will also receive a personal letter setting out the likely impact on them individually.

- 5.3 In addition, online facilities will also be available and a dedicated phone line will be set up for people to express their opinion or discuss the likely impact on their individual circumstances. Two focus group meetings open to service users, members of the public and stakeholders will be held to explain the proposals and seek views upon them. Such a consultation needs to be open for a minimum of 12 weeks.
- 5.4 A further report to panel and Cabinet will be produced at the end of that period summarising the feedback received for decision making on the proposed way forward.
- 5.5 Subject to Cabinet's decision a piece of project work will take place to implement the necessary IT changes and financial assessment changes required to implement any adopted proposals, working to a timetable of 1 April 2018 for implementation of the new charging proposals.

6 Financial Implications

- 6.1 A summary of the anticipated income from each individual proposal is set out in the table below. Note that it is not appropriate to simply total each proposal in order to assess the overall increase in income likely, as some individuals will be affected by more than one proposal and due to charging thresholds the impact may not be straightforwardly cumulative.

Area	Annual Increase in Income	Appendix
	£'000	
Attendance Allowance and Disability Living Allowance (Care Component)	2,800	A
Double-Handed Care	1,000	B
Flexi Care Accommodation	297	C
Telecare	309	D
Transport	47	E

7 Equalities Implications

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equality implications of the decision that they are making.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this

requires decision makers to read and carefully consider the content of any Equalities Impact Assessment produced by officers.

- 7.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 An Equality Impact Assessment has been undertaken and this is annexed at Appendix G. Whilst it is felt that the proposed changes will have an individual and cumulative effect on those upon which they impact, it should be noted that the financial assessment process which forms part of the Care Act Guidance ensures that an individual will only be asked to pay a contribution if they can afford to do so. The Policy will continue to allow the guaranteed minimum income as set by the Department for Work and Pensions which provides sufficient funds to cover an individual's daily living costs. In addition Hertfordshire County Council allows an individual to keep 25% of their income which allows for additional funds to pay for non-essential living costs.

Background Documents:

The Care Act 2014

<http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted/data.htm>

Care & Support Regulations 2014

<http://www.legislation.gov.uk/ukdsi/2014/9780111124185>

Care & Support Statutory Guidance

<https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

Appendix A - Higher Rate Attendance Allowance and Higher Rate Disability Living Allowance (Care Component)

Appendix B - 'Double Handed' Care (having more than one carer at a time)

Appendix C - 'Flexicare' Accommodation Bandings

Appendix D - Telecare

Appendix E - Transport

Appendix F - Consultation – Charging For Non-Residential
(Community-Based) Adult Social Care Services

Appendix E - Transport

Appendix F - Consultation – Charging For Non-Residential (Community-
Based) Adult Social Care Services

Appendix G - Equality Impact Assessment (EqIA)

Are attached as separate documents.