

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF EDUCATION, ADULT & CHILDREN'S SERVICES

TO:	POLICY COMMITTEE		
DATE:	13 FEBRUARY 2017	AGENDA ITEM:	10
TITLE:	REVIEW OF CARE AND SUPPORT CHARGING AND FINANCIAL ASSESSMENT FRAMEWORK - INFORMATION REPORT		
LEAD COUNCILLOR:	COUNCILLOR EDEN	PORTFOLIO:	ADULT SOCIAL CARE
SERVICE:	ADULT SOCIAL CARE	WARDS:	BOROUGHWIDE
LEAD OFFICER:	STEVE SAUNDERS	TEL:	0118 937 3284
JOB TITLE:	PRINCIPAL PERSONAL BUDGET SUPPORT OFFICER	E-MAIL:	<a href="mailto:Stephen.saunders@reading.gov.uk">Stephen.saunders@reading.gov.uk</a>

#### 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Reading Borough Council consulted on and implemented a Charging and Financial Assessment Framework as part of implementing the Care Act 2014 in Reading. The Act and associated Regulations and Guidance set out the principles and rules on Charging and Financial Assessment which all Councils needed to follow, and set out the discretionary elements which Councils could decide locally.

The Council's Adult Care and Support Charging and Financial Assessment Framework, implemented in April 2015 and subsequently revised in April 2016, incorporated some of the local decisions made in the Councils previous charging policies - such as the Fairer Charging Policy for Adult Care and Support.

The impact of government cuts means Councils are currently facing an unprecedented financial challenge and subsidising of services, such as those listed in this report, is no longer affordable. Many Councils are reviewing services to identify where changes can be made so they can continue to run within significantly reduced budgets. These reviews are critical to ensure Councils are financially sustainable in the coming years.

In Reading, Adult Care has been undergoing a Transformation Programme to do just that, and as part of this programme, a review of the Charging and Financial Assessment Framework for Adult Care and Support is taking place. Four proposed changes went out for public consultation on 13<sup>th</sup> December for 90 days. The outcome of this consultation and the recommended actions including proposed amendments to the policy detailed in this report will go to ACE Committee on 20<sup>th</sup> March 2017 for final approval for implementation from 1<sup>st</sup> April 2017.

- 1.2 The proposed changes, if agreed and fully realised, would result in estimated additional annual income of £630,336.

## 2. RECOMMENDED ACTION

That Policy Committee notes the content of this report for information and notes that delegated authority has previously been given to ACE Committee on 20<sup>th</sup> March 2017 to make a final decision post consultation.

## 3. POLICY CONTEXT

### 3.1

- **Care Act 2014, sections 14, 17, 69 and 70.**

Within this statutory framework, the Council has the flexibility to implement a charging and financial assessment policy taking local circumstances into account.

- **Adult Social Care Transformation Programme.**

Includes projects aimed at delivering adult social care in the most efficient and cost effective way whilst meeting our statutory obligations.

- **RBC Care and Support Charging and Financial Assessment Framework, effective from 1<sup>st</sup> April 2015.**

This is the local policy put in place following public consultation on ASC charging at the end of 2014/start of 2015.

- **Provision of Free Preventative and Carer Support Policy, agreed at March ACE Committee 2015**

This sets out the adult social care services the Council offers free of charge to people with support needs, whether or not they are eligible for adult care services.

## 4. PROPOSALS CURRENTLY OUT TO CONSULTATION (ends 13<sup>th</sup> March 2017)

### 4.1 Removing allowances and disregards from the Financial Assessment.

- a. Treatment of income from borders and lodgers - Proposal to remove the current disregard of the first £20 of income from lodgers.
- b. Allowances for housing costs - Proposal to consider actual costs of rent (net of benefit), mortgage payment (net of benefit), Council Tax (net of benefit) and consider Life Insurance and Buildings and contents insurance expenses as part of everyday living costs covered within the Minimum Income Guarantee.
- c. Assessment of couples (adults who live with a spouse/partner) - If someone has a partner they live with, proposal to assess their individual financial situation (including 50% of any joint income and joint capital assets). We propose to offer an affordability check to them and their partner to ensure that the assessed charge does not leave them and their partner's combined financial situation below minimum income levels. If the affordability calculation indicates that the charge would bring joint financial resources below minimum

income levels we would make an allowance in their individual financial assessment to lower their charge to a level that is affordable.

- d. Treatment of disability benefits and disability related expenses (DRE) - For people who receive any Attendance Allowance (AA) or Disability Living Allowance (DLA) or Personal Independence Payment (PIP) we propose applying a standard Disability-related expense in their financial assessment of £5 per week unless a full disability-related expense assessment is requested. We propose making some small amendments to our local Disability-Related Expense (DRE) Guidance - although these are still in line with Care Act Regulations, Statutory Guidance and national best practice<sup>1</sup>.

**Estimated additional income to Reading Borough Council - £448,000 per annum**

**Things to consider** - More service users would be assessed to pay something towards services (estimated increase from 54% to 68%).

People with low incomes and savings will not be affected by these changes.

#### **4.2 Assistive Technologies and Telecare.**

If we arrange a Telecare system to be installed (such as sensors & alarms linked to a phone system to alert in an emergency) we propose to include the ongoing Telecare service cost as part of a Personal Budget for care and support - which is subject to a financial assessment of someone's ability to pay for their services. We will continue to provide other preventative services as per the Provision of Free Preventative and Carer Support Policy (agreed at March ACE 2015)

**Estimated additional income to Reading Borough Council - £7,000 per annum**

**Things to consider** - Inclusion in and therefore charging against a Personal Budget will bring Telecare in line with other ongoing care services.

#### **4.3 Respite breaks/short stays in registered care homes**

If a care and support plan includes a short stay in a registered care home (e.g. for planned respite care), the proposal is to charge (subject to a financial assessment of someone's ability to pay) the cost of the care home. They would pay the lower of the full cost of the care home accommodation or their Assessed Maximum Weekly Charge (if any).

**Estimated additional income to Reading Borough Council - £25,788 per annum**

**Things to consider** - Any possible increase in income may be reduced if some people choose not to access respite or arrange and pay privately.

#### **4.4 Meals and refreshments provided at council day centres.**

For attendance at one of our day centres, we propose charging for meals and refreshments separately. People would be charged either:

- the full cost day centre rate (**EXCLUDING** the cost of meals/refreshments); or

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<sup>1</sup> National Association of Financial Assessment Officers Best Practice Guides

- their 'Assessed Maximum Weekly Charge' (if any) for non-residential care if this amount is lower than the full cost AND if attendance at a day centre is part of their care and support plan to meet eligible need(s).

AND, a small flat-rate charge to cover the cost of meals and refreshments (paid to the day centre).

**Estimated additional income to Reading Borough Council - £27,378 per annum**

**Things to consider** - Risk of slightly lowered attendance as for some, meals will no longer be free.

## **5. OTHER AMENDMENTS TO THE ADULT CARE AND SUPPORT CHARGING AND FINANCIAL ASSESSMENT FRAMEWORK**

### **5.1 Backdating charging to when the care service began.**

We currently choose to apply any means tested charge from the day the Financial Assessment is completed. The proposal is to apply any means tested charge from the start date of the care and support service. The application of the charge from the start date of the service would be applied to all people who have a new care and support service starting from 1 April 2017.

**Estimated additional income to Reading Borough Council - £100,000 per annum**

**Things to consider** - The Department of Health expects local authorities to avoid creating large and unexpected bills for people. Consideration will need to be given to cases where there has been a significant delay in completing their Financial Assessment.

### **5.2 Amendment to the administration fee for Deferred Payments and Interim Funding.**

The Care Act allows Local Authorities to charge a fee to cover the costs it incurs in operating Deferred Payment schemes. This may include legal fees (including the cost of peoples' time in drawing up the legal documents), Land Registry fees, asset valuation fees, and 'other administration costs' including postage, printing, overheads and peoples' time in setting up and maintaining the arrangements.

New legal and administration fees are based on average timings and costs for Deferred Payment/Interim Funding cases that have been dealt with since April 2015, and have been benchmarked against both comparator Local Authorities and neighbouring authorities.

The Council's Legal Services department costs for a 'basic' Deferred Payment Agreement are £400. (The published basic legal fee for 2015/16 and 2016/17 is £300). The Council's published example of legal fees for a 'basic' Deferred Payment Agreement will reflect the £400 cost from 1<sup>st</sup> April 2017.

It is proposed that the Council increases 'Other Administration Fees' as follows:

- Increase the Administration Set-up Fee for a DPA from £83.00 to £135.00.

(This would bring the cost of setting up a 'basic' DPA to £535 from 1<sup>st</sup> April 2017, exclusive of Land Registry fees and valuation fees. An increase from £433).

- Increase the Annual Administration Fee for DPAs and Interim Funding from £100.00 to £225.00.

**Estimated additional income to Reading Borough Council - £3,520 per annum**

**Things to consider** - Estimated additional income may be lower if more people make alternative private care home funding arrangements instead

### **5.3 Amendment to the administration fee for Self Funders.**

The Care Act allows Local Authorities to apply an administration fee to cover its costs. Current fees: Set up fee: £182. Ongoing annual fee: £65.

Administration costs for self funders have been reviewed. New fees calculated by estimating time per year to source care options, confirm arrangements, generate a purchase order, set up client invoicing, pay invoices to care providers, ongoing client invoicing, amendments to care arrangements (change to hours, schedule or care provider), suspensions/restarts of care, client invoicing queries and reconciliation of charges. Proposed new fees: Set up fee: £250. Ongoing annual fee: £200.

This has been benchmarked against other Local Authorities and these fees are lower than Bracknell, Hampshire and Wokingham.

**Estimated additional income to Reading Borough Council - £8,650 per annum**

**Things to consider** - Estimated additional income may be lower if people instead choose to arrange their own support.

### **5.4 Clarity on how charges for support will be calculated and reconciled.**

Proposed wording to be added to the Charging and Financial Assessment Framework for Adult Care and Support:

'Where applicable, your assessed contribution will be applied to the contract agreement between the Council and the provider of your service. These contracts set out the circumstances under which providers can claim payment for services not provided to the service user.

For day centre services and respite/short breaks in a registered care home, your assessed charge will not be applied if the service user, or someone on their behalf, gives the service provider and/or Reading Borough Council at least 7 days' notice.

#### **Hospital Admissions**

Where the service user is admitted to hospital as an emergency, your assessed contribution will not be applied as long as the service user, or someone on their behalf, notifies the service provider and/or Reading Borough Council as soon as possible so that your care can be suspended until your discharge date.'

**Estimated additional income to Reading Borough Council - £10,000 per annum**

**Things to consider** - Adding this to the Charging and Financial Assessment Framework will assist with dispute resolution.

#### **5.5 Charge for service from the Community Reablement Team (CRT) after the service users goals have been met.**

Once CRT goals have been met, if the service from the carers does not end, an hourly cost of the service is applied. The service user will be financially assessed to means test whether they should make a contribution towards this care. The proposal is for different hourly rates to be applied to the continuation of the service dependant on the circumstance.

1. If Reading Borough Council is making arrangements for ongoing care an hourly rate of £16.88 is applied for care from CRT in the meantime. (£16.88 is the average cost of our Home Care Framework)
2. If the client is self-funding and wants to make their own future care arrangements and if, after a reasonable period of notice care arrangements haven't been made, an hourly rate of £37.55 will be applied to any care provided by CRT after that point.

£37.55 is the actual hourly cost of the carers as reablement carers are trained to very high standards to perform reablement work. This will allow CRT carers to be freed up to help other people meet their reablement goals.

#### **Estimated additional income to Reading Borough Council - Negligible**

**Things to consider** - Not anticipated that anyone would pay the higher rate for any extended period of time.

#### **5.6 Review of the provision of Independent Financial Information and Advice.**

Proposal to continue working partnership with My Care My Home to provide Reading Borough residents with independent financial information and access to regulated financial advice in respect of paying for care and support. New Memorandum of Understanding can be drawn up ready to be in place from 1<sup>st</sup> April 2017.

#### **Estimated additional income to Reading Borough Council - £0**

**Things to consider** - Current provision comes at nil cost to Reading Borough Council.

### **6. CONTRIBUTION TO STRATEGIC AIMS**

#### **6.1 Aim 1. Safeguarding and protecting those that are most vulnerable;**

The changes proposed are intended to continue to meet the fundamental principles of charging and financial assessment set out in the Care Act 2014 - That is to :-

1. ensure that people are not charged more than it is reasonably practicable for them to pay for care and support;
2. be comprehensive - to reduce variation in the way people are assessed and charged;
3. be clear and transparent - so people know what they will be charged;

4. apply the charging rules consistently - so those with similar needs or services are treated the same and minimise anomalies between different care settings; and

**Aim 6. Remaining financially sustainable to deliver these service priorities.**

5. be sustainable for the Council in the long-term.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".
- 7.2 A public engagement exercise will raise awareness of the changes proposed to the Council's Adult Social Care charging policies, provide the opportunity to address queries and concerns about how these changes will be applied, and obtain community feedback to inform how Reading Borough Council should apply the discretionary charging powers conferred on local authorities by the Care Act.
- 7.3 A public 90 day consultation has been launched to seek the public's views on 4 of the proposals set out in this report.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 Members are under a legal duty to comply with the public sector equality duties set out in the Equality Act 2010. In order to comply with these duties, Members must seek to prevent discrimination, and protect and promote the interests of 'protected' groups.
- 8.2 An equality analysis will need to be prepared, so that Members can give conscious and open minded consideration to the impact of the equality duty before implementing a new Adult Social Care Charging and Financial Assessment Framework. An initial Equality Impact Assessment indicates that the proposed changes could have a disproportionate adverse impact on people with disabilities and older adults. The final equality analysis will be informed by the public consultation to help the Council to understand and address the issues relevant to its obligations as a public body under the Equality Act.

## **9. LEGAL IMPLICATIONS**

- 9.1 As well as introducing a number of new duties, the Care Act confers a series of powers on local authorities in relation to the provision of Adult Social Care, including when and how charges may be applied.

Section 14 of the Care Act 2014 gives local authorities the power to charge for care and support provided to adults.

Where local authorities exercise their discretion under Section 14 of the Care Act to charge adults for care and support services provided, Section 17 of the

Act specifies the duty to carry out a financial assessment of the adult's ability to pay for those services provided to them. The Care and Support (Charging and Assessment of Resources) Regulations 2014 and guidance on Charging and Financial Assessment should be adhered to when developing charging policies.

The exercise of a power by a local authority involves local discretion, so it is the adoption of local policy to describe how this discretion will be exercised which gives the Council a full and proper mandate to act. The public consultation will inform how Reading Borough Council exercises its charging discretions under the Care Act with effect from April 2017, so providing clarity and certainty.

## **10. FINANCIAL IMPLICATIONS**

- 10.1** The review of the Charging and Financial Assessment Framework for Adult Care and Support is part of a Fees and Charges project with an income target of £400,000 in 2017/18. The proposed changes, if agreed and fully realised, would result in estimated additional annual income of £630,336.