

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

3 OCTOBER 2017

JOINT REPORT OF THE CORPORATE DIRECTOR OF SOCIAL SERVICES AND WELLBEING AND HEAD OF FINANCE

FINANCIAL ASSESSMENT AND CHARGING FRAMEWORK UNDER THE SOCIAL SERVICES AND WELLBEING (WALES) ACT 2014

PAYING FOR CARE

1. Purpose of Report.

- 1.1 To seek Cabinet approval, following the formal consultation exercise, to implement a new Charging Policy for residential services and update the policy for non-residential care services following the implementation of the Social Services and Wellbeing (Wales) Act 2014.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 This report links to the following improvement priorities in the Corporate Plan:
- Helping people to be more self-reliant;
 - Smarter use of resources.

3. Background.

- 3.1 Prior to the introduction of the Social Services and Wellbeing (Wales) Act 2014, residential charges were assessed in line with Welsh Government Guidance, Charges for Residential Accommodation Guide (CRAG) and the National Assistance Act 1948. Non Residential care charges were assessed in line with the Fairer Charging Policy and the Social Care Charges (Wales) Measure 2010. The introduction of the 2014 Act provides for a single legal framework for charging for care and support. It provides a local authority with the discretion to charge.
- 3.2 On 15th March 2016 Cabinet received a report outlining the main areas within the 2014 Act that provide the council with discretion to charge for:
- Residential care;
 - Short-term residential care after 8 weeks;
 - Interest on deferred payments and levying administration costs;
 - Preventative services and assistance;
 - Arranging care and support in a care home for residents who have savings above the capital threshold of £30,000 from 10th April 2017;
 - Services directly provided to carers as a result of a carer's assessment.

- 3.3 The report also stated that the non-residential charging policy, which was agreed by Cabinet on 30th April 2013, would also be reviewed as part of the consultation exercise.
- 3.4 Cabinet approved the undertaking of a formal consultation exercise to inform a new charging policy for residential care services and to update the non- residential care charging policy as a result of the 2014 Act.

4. Current situation / proposal.

- 4.1 Following the March 2016 Cabinet report, detailed work has been undertaken to look at the implications of changing the discretionary aspects of the charging policy. A consultation exercise has also taken place.

Consultation

- 4.2 In December 2016, the consultation document was published on the council's website for a twelve week period. The consultation document was circulated to the following stakeholder groups:
- Head of Demographic services for distribution to County Borough Councillors;
 - Bridgend Association of Voluntary Organisations (BAVO) for circulation to the Health, Social Care and Wellbeing Network;
 - Bridgend Public Services Board;
 - Relevant officers within Adult Social Care.
- 4.3 Facebook and twitter were used to promote the consultation including a Facebook advert and the council tweeted its 8314 @Bridgend CBC followers and posted to its 6832 Facebook users.
- 4.4 The online survey gave respondents the ability to respond on a variety of devices including laptops and smartphones.

Summary of Responses

- 4.5 The responses received via various channels are detailed below:
- 214 responses to the consultation were received in total. Of the responses received they were all online submissions and no paper versions of the survey were returned;
 - There were 60 interactions using social media;
 - 2 queries were received by email. There were no responses by letter or telephone;
 - 100% of the responses were received in English; no one elected to complete the survey in Welsh.
- 4.6 Almost 97% of the responses received identified that they were living within the Borough, with 31% identifying themselves as a family member or friend, 20% stating that they were a carer and the remaining 39% stating that they preferred not to say.

- 4.7 When analysing the age of respondents, two in three respondents were aged between 45 and 64 years of age with 3% having identified themselves as having received care from preventative services or prison based services in the past. Only 1% of people identified themselves as having received care in a care home setting.
- 4.8 Whilst 50% of respondents said that they were likely or very likely to end services if the proposals were introduced and whilst 40% chose neither unlikely nor likely, only 4% identified themselves as service users.

Responses to the proposals were as follows:

- 4.9 Questions asked:-
- a) The council is proposing to charge for the cost of care and support in a care home;**
 - b) The council is proposing to apply an inflationary increase to these costs each year.**
- 4.10 The council has a responsibility to keep a sustainable market; the funding received via the Revenue Support Grant has always been based on the assumption that income would be collected via charging (previously under Charging for Residential Accommodation Guide (CRAG)).
- 4.9 Bridgend County Borough Council collected £4.688m via care home charges in 2016/17. This level of income is part of the core budgets for Adult Social Care, In essence, if the council does not charge for care home placements, there would be a deficit in the budget in excess of £4.6m which equates to a full year cost of 164 placements per year or other services. On an annual basis, both locally and nationally, the council is fully aware of the pay and price increases that care providers face, but has a responsibility to maintain and support a sustainable care market so charges will need to reflect pay and price increases.
- 4.10 The response to the survey is as follows:

Table 1

The council is proposing to charge for the cost of care and support in a care home and apply an inflationary increase each year.	
Agree	41%
Disagree	47%
Neither Agree/Disagree	12%

- 4.11 Whilst 47% disagree with the proposal to charge for the cost of care and support in a care home, the council has responsibility to keep a sustainable market that is fit for purpose and has a responsibility to ensure a quality workforce. The council also needs to take into account the Consumer Price Index (CPI) and national living wage increases.
- 4.12 It is recommended that:
- a) The council continues to charge for the cost of care and support in a care home;**

b) The council applies an inflationary increase each year.

4.13 Questions asked:-

- a) The council is proposing to charge administration fees (on a cost-neutral basis) for the arrangement of a Deferred Payment Agreement for those in residential care;**
- b) The council is also proposing to charge interest on any debt secured against an interest in land/property, from the date of death.**

4.14 Both of these are new abilities to apply a charge. A Deferred Payment is offered to a resident who owns /or has a share in a property and has assets over the funding limit as a result of this interest in property. The Deferred Payment allows a resident to accrue a debt against the value of their property until such time that it is sold or the resident's estate is settled.

4.15 Historically, the council has offered this arrangement informally and has been unable to charge to make these arrangements, however, the legislation now requires councils to formalise this via Deferred Payment Arrangements (DPAs).

4.16 Due to the strict criteria contained within a formal DPA, not all cases meet this criteria and so there are others ways councils are able to secure debts against property. The new charge is to take account of the additional work that is required to implement the formal arrangement.

4.17 There are currently nine formal DPAs in place and there have been twenty five applications for DPAs in the last three years. There are many variances as to the cost of setting up the DPA but it is estimated, on average, that this costs £500 to set up each agreement taking into account officer time. Using last year figures as a general guide, this would generate an annual income of £4,500.

4.18 In terms of charging interest on any debt that is secured against a property, the majority of properties are sold during a person's lifetime. However, there are some cases where this doesn't happen and there can be long delays in families taking the appropriate action to administer an estate where the majority of money is owed to the council. Charging interest after death would ensure that the administration of an estate is dealt with in a timely manner.

4.19 Currently, there are 17 cases where there is a debt secured against their property where the property forms part of the residents estate, with a total estimated debt of £334,000. If these cases are used as an example and the highest rate of interest is applied in line with that of the County Court rate of 8%, this would generate an income of £26,720.

4.20 The response to the survey is as follows:

Table 2

The council is proposing to charge administration fees (on a cost-neutral basis) for the arrangement of a Deferred Payment Agreement for those in residential care. The council is also proposing to charge interest on any debt secured against an interest in land/property, from the date of death.
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Agree	18%
Disagree	74%
Neither Agree/Disagree	8%

4.21 Whilst this is an additional burden on the Service, the numbers could be absorbed into current staffing levels and it is noted that 74% of respondents disagreed with the proposals.

4.22 It is recommended that:

- a) **The council does not charge administration fees for the arranging of a DPA;**
- b) **The council does not charge interest on any debt secured against an interest in land/property from the date of death.**

4.23 Questions asked:-

The council is proposing to:

- a) **Continue to charge any temporary respite stays in a care home that exceeds eight weeks (but not a permanent stay) under the residential charging rules.**
- b) **Continue to allow a £10 per week discretionary allowance for temporary respite stays.**
- c) **Not charge for short term respite (up to 8 weeks) for service users under the age of 21.**

4.24 Prior to the new legislation, all respite care was charged under the residential charging rules known as CRAG regardless of the length of their respite stay. The new legislation states that short break stays of 8 weeks or less should be charged under the non-residential rules and, as such, would be charged no more than £70 per week. This change in the rules means that a person who already receives homecare or day care may not pay any more for the respite care that they receive. The legislation allows councils to charge for any respite stays that are extended over the 8 weeks or are longer than 8 weeks under the residential charging rules.

4.25 Historically the council has:

- always allowed people to retain an additional allowance for temporary respite stays of £10 per week to meet any ongoing commitment associated with the costs of maintaining their home.
- not charged for respite services offered to people who receive the service between the ages of 18-21.

4.26 Whilst the council has not charged historically for respite services between the ages of 18-21, this was a local agreement and not part of the charging regulations. In terms of a consistent policy for all ages, the council could now charge for this age category. Currently there are two service users who are within this age group, if it is decided to charge for all ages, there could be a transitional period for these two current service users until they attain the age of 21. Therefore, all new service users would be charged in line with the policy.

4.27 The response to the survey is as follows:

Table 3

The council is proposing to charge any temporary respite stays in a care home that exceeds eight weeks (but not a permanent stay) under the residential rules, continue to allow a £10 per week discretionary allowance and not charge for short term respite (up to 8 weeks) for service users under the age of 21.	
Agree	43%
Disagree	47%
Neither Agree/Disagree	10%

4.28 It is recommended that:

- a) **Temporary respite stays over more than 8 weeks, or stays that are intended to last more than 8 weeks from the outset, be charged under the residential charging rules.**
- b) **A £10 home commitments allowance should be made for all temporary respite stays.**
- c) **Charge all adults over the age of 18 for respite services and offer a transitional period for people between the ages of 18-21 that are already receiving this service.**

4.29 Question asked:-

- a) **The council is proposing the introduction of a (cost neutral) annual fee to cover administrative costs of arranging care and support in a care home with a care provider when asked to do so. (This will only affect residents with savings above £30,000).**

4.30 The legislation now allows people to approach the council for support and assistance in arranging care and support in a care home where a resident has the financial means above the funding threshold (currently £30k). Prior to the new legislation, BCBC was not involved with the arrangements for these placements; therefore, this places an additional burden on the council, in terms of care management, finance and administration time. To date there has been involvement in making arrangements for six placements under this new responsibility.

4.31 The response to the survey is as follows:-

Table 4

The council is suggesting the introduction of a (cost neutral) annual fee to cover administrative costs of arranging care and support in a care home with a care provider when asked to do so. This will only affect residents with savings above £30,000.	
Agree	57%
Disagree	31%
Neither Agree/Disagree	12%

4.32 As this is a new responsibility with additional costs, it is recommended that an annual fee is applied for arranging a placement and that this is increased annually

in line with inflation. The fee has not been calculated as it would be difficult to estimate the time required for each case however we would take into account time based on the case, the administration and financial charging time involved.

4.33 It is recommended that;

a) A cost neutral administration fee is introduced to recover the additional costs councils face. The introduction of this fee would assist in recovering the cost of the new service without the need to cover the same from existing budgets.

4.34 Question asked:

a) The council is proposing to continue not to charge for services directly provided to carers as a result of a carers' assessment.

4.35 A key priority for the Authority in line with the new Act, is to support carers to continue in their caring role. This is supported nationally and figures from carers in Wales show that they save the economy £8.1 billion a year by providing the care and support that they do.

4.36 Research conducted by Carers Wales demonstrated that a Carer providing just three hours of care per week would save services significant amounts of money on an ongoing basis. If, for example, a carer in Bridgend provided over 10 hours of care per week it would cost the Authority in the region of £10k to purchase the same level of care, if that figure was then applied to the 18,000 carers identified in the population assessment, figures would be significant. Carers provide a highly valued role and service and save the Authority a significant amount of money because of the role that they carry out. The income generated from charging carers would be small in comparison to increased costs if people chose not to continue with their caring role as a result of charging.

4.37 Also, if carers are not able to meet their own wellbeing needs, they are at risk of becoming unwell and requiring support services of their own, this would be in addition to the support that the council would need to provide to the person that they care for, potentially increasing costs and demands further.

4.38 The response to the survey is as follows:

Table 5

The council is proposing to continue not to charge for services directly provided to carers as a result of a carers' assessment	
Agree	74%
Disagree	14%
Neither Agree/Disagree	12%

4.39 It is recommended that:

a) The council continues not to charge for services directly provided to carers as a result of a carers' assessment.

4.40 Question asked:

a) The council is proposing to continue not to charge for preventative services and services provided in prisons.

4.41 In relation to preventative services, the Council has taken the view that because these largely consist of information, advice and short term support services it would not be reasonable to charge in the same way as managed care services are charged for. Preventative services are designed to help individuals and families remain independent for as long as possible and so these services should be readily available and accessible to communities without a charge. Furthermore, many preventative services are provided in partnership with third sector and voluntary organisations. It would be against the aims and objectives of these organisations to charge for their services.

4.42 The response to the survey is as follows:

Table 6

The council is proposing to continue not to charge for preventative services and services provided in prisons	
Agree	44%
Disagree	38%
Neither Agree/Disagree	18%

4.43 It is recommended that:

a) The council continues not to charge for preventative services and services provided in prisons.

4.44 Issues to consider

Impact on Service Users

Based on the number of people currently being charged the above proposals would not affect 80% of them. In the majority of cases, most service users will see no real change to their current charge as a result of these proposals. The most significant change would be to those service users who have the means to pay the fees themselves either because they have a property or savings more than £30,000.

Neighbouring Councils

4.45 As part of the development of this policy, a comparison has been made with other local authorities in Wales. The majority of the new legislation would be consistently applied to any person in Wales, however, the discretionary elements will be locally considered. The main areas that are different include:

- Deferred payments;
- Interest charged on debts that are secured over land/property after the person has died.

Implications for Bridgend County Borough Council

- 4.46 The council needs to fully comply with legislation laid down in the Social Services and Wellbeing (Wales) Act 2014.
- 4.47 Largely, the proposals are to mirror existing charging arrangements or to cover additional expenditure that councils will incur. The greatest impact would be on those people that have savings over the capital threshold (currently £30,000), such as the setting up the arrangements for a DPA or setting up a contract for a residential placement where the resident has the financial means to make their own arrangements.

Effect upon Policy Framework and Procedure Rules

- 5.1 The changes to the charging policy are set out in this report.

6.0 Equality Impact Assessment

- 6.1 An initial Equality Impact Assessment (EIA) screening and full EIA was completed prior to this report. Please see attached at **Appendix 1**.
- 6.2 The Adult Social Care charging policy applies only to people who are receiving social care services. This can include people from any of the specific equality groups. The policy does not have a differential impact on people in these groups as it is applied in a consistent manner.
- 6.3 The Full Equality Impact Assessment reinforces the detail in the initial screening which is that services are provided to the most vulnerable groups such as disabled and older people and, as such, there will be a greater impact on these protected characteristic groups. However, any agreed changes to the policy will apply across all equality groups.

7. Financial Implications.

- 7.1 The financial implications are difficult to predict for a number of reasons. Largely these charging arrangements will mirror existing arrangements and many people will see no change to their charge.
- 7.2 The greatest impact would be for people who have the means to pay their care costs in full themselves, either because they have a property or savings more than the capital limit.
- 7.3 As the council's policy prior to the Act was not to contract for residents who have the financial assets to pay in full themselves, there is a lack of clarity regarding the numbers of people within Bridgend that may now ask the council to do this.

8. Recommendation.

- 8.1 Cabinet is recommended to note the report and the consultation exercise and approve that the Council:
- Continues to charge for the cost of care and support in a care home;

- Applies an inflationary increase each year for the cost of care and support in a care home;
- Does not charge administration fees for the arranging of a Deferred Payment Agreement;
- Does not charge interest on any debt secured against an interest in land/property from the date of death;
- Under the residential charging rules begin to charge for temporary respite stays over more than 8 weeks, or stays that are intended to last more than 8 weeks and that a £10 commitments allowance should be made for all temporary respite stays;
- Charge all adults over the age of 18 for respite services and offer a transitional period for people between the age of 18-21 that are already receiving this service;
- Introduce a cost neutral administration fee to cover additional costs that the Council would face when arranging care and support in a care home with a care provider when asked to do so (this will only affect residents with savings above £30,000);
- Continue not to charge for services directly provided to carers as a result of a carers' assessment;
- Continue not to charge for preventative services and services provided in prisons.

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September 2017

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10.0 Background documents

Equality Impact Assessment
 Part 5 of the Social Services and Wellbeing (Wales) Act 2014