

Wiltshire Council

Cabinet

12 September 2017

Subject: Impact of Adult Care Charging Policy

Cabinet Member: Cllr Jerry Wickham, Cabinet Member for Adult Social Care, Public Health and Public Protection

Key Decision: No

Executive Summary

In July 2016, after a period of public consultation facilitated by Healthwatch Wiltshire, the Cabinet agreed to implement a new [Adult Care Charging Policy](#) which came into effect in August 2016. The original Cabinet paper and supporting papers can be accessed [here](#).

The primary changes agreed in this policy were in accordance with the relevant Regulations and statutory Guidance to the Care Act:

- To take 100% of relevant disposable income into account when setting a charge.
- To take the full rate of any Attendance Allowance received into account.
- To update the Council's approach to Disability Related Expenses (DRE) in accordance with Annex C to the statutory Guidance.
- To charge contributions for respite in residential settings in accordance with care at home services.

This paper provides an update on the implementation of this policy, including the Healthwatch review of implementation and actions taken by the Council in respect of that review.

Proposals

The Cabinet is asked to note the progress in implementing the new Charging Policy; the Healthwatch review of implementation and actions taken by the Council in respect of that review.

Reason for Proposals

This paper has been prepared for the Cabinet following the recommendation of the Health Select Committee.

Carolyn Godfrey, Corporate Director

Wiltshire Council

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Purpose of Report

1. This report has been prepared to provide the Cabinet with an update on the implementation and impact of the Adult Care Charging Policy (the charging policy) which came into effect in August 2016, including the Council's response to the report commissioned from Healthwatch into the impact of the implementation of the Charging Policy.
2. The report provides a summary of the actual and projected financial impact of this new policy based on data collected between August 2016 and the beginning of July 2017.

Relevance to the Council's Business Plan

3. The Charging Policy was introduced to achieve compliance with all relevant legislation including the Care Act 2014, align the Council's approach to that of other authorities in the region and ensure the Council can develop a sustainable care and support system which meets the needs of our communities.
4. The Policy will ensure that the Council regularly assesses people who are eligible for adult care services to ensure they contribute what they can afford in accordance with the Care Act and the relevant statutory Guidance.

Background

5. Care and support is not free at the point of delivery. Councils can choose to ask people who receive funded care and support to contribute towards the cost of their care. Support services for carers are not means tested as the Council has chosen not to exercise discretionary powers to charge for carers' support. Certain care services are exempt from means testing in accordance with legislation including aftercare provided further to section 117 of the Mental Health Act 1983, intermediate care and the provision of equipment under the value of £1000.
6. Wiltshire Council has always chosen to make use of the discretionary power to charge individuals with eligible needs requiring care and support contributions towards the cost of their care and support if they can afford to pay. The new

policy did not change this, but changed the way in which the amount of contribution is calculated.

7. Because the Council chooses to charge individuals liable to a charge contributions towards their care and support, the Council's Finance and Benefit (FAB) team conduct financial assessments to ensure individuals only pay what they can afford to do so in accordance with the policy and all relevant legislation.
8. Wiltshire Council currently chooses not to collect contributions for care at home directly. Instead service providers are paid the net cost of care and providers are required collect the contribution directly from the individual or their representative. In situations where the service provider is unable to collect the contribution Wiltshire Council will collect contributions and follow up on debts.
9. The main changes in the new policy, which brings Wiltshire in line with many other local authorities were as follows:
 - Considering 100% of disposable income¹ when determining charges for care and support. (the Council had previously only considered 80%)
 - Taking the full rate of Attendance Allowance into account. (The Council had previously only considered the lower rate even when people are in receipt of the higher amount)
 - Assessing contributions for respite in the same way as other care at home services. (The Council had previously applied a standard contribution for respite)
 - Updated the Councils approach to Disability Related Expenses in accordance with the Care Act (2014) (DRE)²

Main Considerations for the Council

The Impact of the Policy - Increased Welfare Benefits

10. The Council's Financial Assessments and Benefits Team is unusual in that it also undertakes benefits checks for individuals. Increasing benefit take-up not only assists individuals, but also allows the Council to take those additional benefits into account when calculating the charge. Since the implementation of the new Policy, the FAB team have identified a total of 329 new benefits, with an annual value of £561,000.

The Impact of the Policy - Increased contributions for care and support.

11. A total of approximately 3,500 people receive care at home services at any one time, and the Council is required to reassess individuals' contributions regularly. In addition to regular reassessments, customers are required to inform the Council if their financial circumstances change (for example, through an additional benefit income, an inheritance or insurance claim).

¹ Disposable income is the amount an individual has after housing cost, the minimum income guarantee and any DRE costs have been removed.

² DRE are items people have to purchase as a result of a disability or illness. For example, travel to regular medical appointments

12. Since the policy was implemented in August 2016, to the beginning of July 2017, nearly 900 **new** assessments have been undertaken under the new policy. Of the 3,500 service users initially estimated as requiring a reassessment under the new policy, it is now known about 900 will not require a reassessment (for example, if the customer had died; if the customer has moved into residential care; if services are for carers, which are exempt from charging). Just over 600 reassessments have been completed by the beginning of July this year, and a further 188 are held, pending the outcome of new benefits applications.
13. With new assessing staff now in place and fully trained, it is expected that the remaining reassessments will all be completed by April 2018. However, the Cabinet Member has requested a business case be put forward to increase the number of financial assessors on a temporary basis, so that the remaining reassessments can be completed ahead of the original schedule and we can be sure that a) charging has been applied equally across all existing customers and b) the financial benefit for the Council is maximised.
14. The additional charges generated from assessments and reassessments under the new Charging Policy so far is an annualised figure of £164,000 from new assessments and £1.4m from reassessments. However, there is no direct correlation between additional charges and additional income for the Council. This is because Wiltshire Council does not collect contributions/charges for care at home directly but pays service providers the net cost of care and contributions will offset financial commitments rather than generate additional income for the Council. Some customers will also become “full cost payers” as a result of the new policy, and may choose to arrange their own care, rather than have their care managed by the Council.
15. Whilst the implementation of the new Charging Policy has increased the amount that individuals are required to contribute, the scale of the increase in contribution is not wholly attributable to the differences in the new Policy. Some customers had not been reassessed for some time and a small number never assessed. As such, some people should have been contributing an increased amount for a considerable period. Some were identified as having additional income (such as pensions or benefits) which would have been considered under the previous policy but had not been declared to the Council.

Implementing the new policy

16. Before the revised policy was introduced, a full public consultation was completed by Wiltshire Council, facilitated by Healthwatch Wiltshire. The Consultation included writing to over 3000 customers, hosting an online survey and holding a series of public events. In advance of the consultation process starting, local user led and VCSE organisations were engaged and involved to support with producing documentation and commenting on the proposed engagement. The results of the consultation were shared as part of the Cabinet meeting held on the 19th of July 2016. At this meeting the Cabinet chose to agree the recommendations and implement the revised charging policy, on the recommendation of the Health Select Committee it

was requested that further engagement was completed to further assess the impact post implementation.

17. In March 2017, Healthwatch were commissioned to undertake a further exercise on the impact of the implementation of the new policy, focussing on people who had been financially assessed or reassessed within the six months to February 2017. The Healthwatch Report – Wiltshire Council Charging Policy for Adult Social Care - has been published separately by Healthwatch and is attached as Appendix 1. Healthwatch have also provided a covering letter for their report, included as Appendix 2.
18. A total of 90 people responded to the Healthwatch engagement exercise, representing 10% of all service users financially assessed or reassessed under the revised policy by the end of February 2017.
19. Although representing a relatively small proportion of customers, Healthwatch's work has been extremely helpful, and very quickly highlighted a number of areas where processes and information could be changed in order to improve the experience for customers. Many of the issues raised were dealt with quickly and are now embedded in practice. One example of this includes the production of a leaflet now sent out before every financial assessment/reassessment (Getting Ready for your Finance and Benefits Assessment) to explain the process. The leaflet was produced with the support of Healthwatch.

A full list of actions taken to improve the implementation of the new policy is included as Appendix 3.

Overview and Scrutiny Engagement

20. The Health Select Committee (HSC) considered the proposed changes to the Council's charging policy in April and June 2016, prior to the Cabinet decision in July 2016. The Committee resolved that, if the changes were implemented, it would receive and consider an updating report on their impact.
21. Health Select Committee will have considered this Report at its meeting on 5th September 2017.

Safeguarding Implications

22. FAB team members who conduct assessments and re-assessments are aware of safeguarding procedures and make safeguarding referrals if there are any concerns raised during any assessment activity.

Public Health Implications

23. There are no direct public health implications in relation to this update paper.

Procurement Implications

24. There are no immediate procurement implications. Any contracts commissioned by adult care take account of the Charging policy and include clauses relating to collecting contributions where appropriate.

Equalities Impact of the Proposal

25. A comprehensive equalities impact assessment was completed as part of the original consultation in advance of implementing this policy. See the original document [here](#).
26. As noted in this document the primary mitigation in the context of this assessment is ensuring that no individual's contribution is changed until they are assessed in accordance with the revised policy. Re-assessments are based on an individual's circumstances and ensure only relevant income is being taken into account when calculating contributions.
27. All individuals financially assessed under this policy are also offered a benefit check to ensure individuals are in receipt of and claiming all benefits that they are eligible to receive.
28. Based on the re-assessments and assessments completed under this policy to date there is no evidence to suggest the equalities impact of this policy are significantly different than what was identified in the original equalities impact assessment.

Environmental and Climate Change Considerations

29. None applicable

Risk Assessment

30. Unpaid client contributions: The adult care Business Finance Team (BFT) estimates that the team writes off on average approximately £110,000 across all service users in unpaid contributions each year. Contributions for non-residential services are collected on the Council's behalf by service providers. In instances when a customer refuses to pay contributions service providers are required to make three reasonable attempts to collect the outstanding sum before passing the debt back to the Council. It is anticipated that as customers are re-assessed and contributions increased the value of unpaid contributions will increase and there is a significant risk contributions will not be collected due to limited resources within the finance team. All estimates assume that all eligible contributions will be collected.
31. Full cost payers: It is anticipated that this policy will increase the number of individuals deemed "full cost payers". These individuals have assessed eligible needs and assets below the maximum threshold for funding support but have a contribution that exceeds the cost of their personal budget (cost of

care). These individuals pay the full cost of their care until the cost of care exceeds their assessed contribution. This group of customers' contributions will not be realised in contributions collected but should lead to a decrease in Council spend with care at home providers. The Finance Team are working to determine how this impact can be incorporated into budgetary forecasts. An increase in the number of full cost payers will reduce the Council's financial commitment for care and support.

32. It is also anticipated that re-assessments of existing customers will identify individuals who have accrued capital assets exceeding the national maximum threshold and will become self-funding. Self-funding individuals pay the full cost of any care and support they choose to purchase. This will not lead to any increase in contributions but may reduce Council spend relating to individual care at home packages.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

33. Not applicable

Financial Implications

34. For detail, please see paragraphs 12-15 above.

Legal Implications

35. Advice has been sought from Wiltshire Council's legal team with regards to the Policy and its implementation and also with respect of risks associated with collecting unpaid assessed contributions relating to deprivation of assets and the recovery of debt.

Conclusions

36. The implementation of the new charging policy is continuing and a comprehensive program of re-assessments is now underway. It is clear the policy is having an impact on the amount individuals are asked to contribute towards the cost of their care and support.
37. The policy will reduce the financial commitment for the Council in the form of contributions for care and support however it is important to note that the impact is not necessarily seen as income, but as reductions in costs of care and individuals becoming self-funding, so it is difficult to determine the total impact. Continued monitoring is required to understand the long-term impact of this change.

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Appendices

Appendix 1 - Healthwatch Report – Wiltshire Council Charging Policy for Adult Social Care.

Appendix 2 – Healthwatch Report – Covering Letter

Appendix 3 - Charging Policy Implementation – Council response to Healthwatch issues raised.

Background Papers

The following documents have been relied on in the preparation of this report: