Wandsworth Borough Council

**Adult Social Services**

**Consultation Information on the Proposed Changes to our Adult Social Care Charging Policy from April 2018**

**December 2017**

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# Introduction

## Purpose of this document

This document explains our proposed changes to the current Adult Social Care Charging Policy, which are scheduled to come into effect from 1 April 2018. It will demonstrate the impact of each change on the service user and provide details of national policy.

This document sets out our proposals for:

* Aligning the amount when someone pays the full cost of their care and support (known as the Upper Capital Limit) for non-residential and residential services
* Introducing a standard disregard amount in a financial assessment for people with a registered disability to support themselves, known as Disability Related Expenditure
* Standardising and simplifying the administration fee and interest payment for a Deferred Payment Arrangement
* Changing the way respite care services are charged, bringing this in line with non-residential care charges.

An explanation of for the key terms can be found in the relevant sections of this document.

## Why are we doing this?

All people in receipt of social care and support are financially assessed to determine the contribution they can reasonably afford to pay towards the cost of their care and support. National legislation, including the Care Act 2014 and the Care and Support Statutory Guidance, provide the framework within which local authorities can decide their policies. Recently there have been changes which impact this, including policies from central government as well as changes in the marketplace.

The United Kingdom has an ageing population and an increasing number of people requiring support from local Councils. This has made it a challenge when trying to support larger numbers of people with the same resources. Services are under growing pressure, and we need to be sure we can continue to provide high quality support on a sustainable basis. We therefore want to make sure we are providing fair, simple and clear policies to help people understand how much they need to contribute towards their care and support services and make it simpler for staff to apply.

## What do we want to achieve through these proposals?

By updating our Charging Policy, we are aiming to achieve the following:

* Everyone will receive a financial assessment to calculate how much they can afford to contribute to their care whilst maintaining a fair quality of life.
* Everyone will receive the level of support they require, regardless of how much they can contribute to the cost. Nobody will be asked to pay more than they can afford.
* People will receive all benefits and disregards to which they are entitled.
* We will provide a clear and robust framework for charging for Adult Social Care that keeps service users and carers well informed.
* We will ensure that changes are made in a manner that is fair and sustainable, and prioritise support for those most in need.

## How to get involved

We are keen to hear the views of everyone who would like to comment on these proposals.

To give us your views please take part in the consultation at:

<https://haveyoursay.citizenspace.com/wandsworthasd/asc-charging-policy>

If you would like a paper copy of the questionnaire please contact us using the contact details below.

If you have any questions, would like more information or require this document in a different format, please contact us:

Email: [financeAT@wandsworth.gov.uk](mailto:financeAT@wandsworth.gov.uk)

Post: Financial Assessment Team, PO BOX 65985, London, SW18 9JS.

All the information you provide will be treated in the strictest confidence. It will not be attributed to you personally or passed on to third parties and will only be used for the purposes of this consultation.

# Proposed changes to the current fees and charges policy

## Proposal 1: Bring the Capital Limit for non-residential services in line with that of residential services

The Upper Capital Limit (UCL) is the maximum amount of savings or capital a person can have available to them whilst still receiving financial contributions from the Council towards the cost of their care and support services. If someone has an amount over the UCL, they are known as a ‘self-funder’; i.e. someone who can afford to pay the full cost of their care and support. Once their savings and capital falls below this limit, a new assessment will be done and the appropriate amount they can afford to contribute will be calculated.

**What is the policy now?**

Currently, the Upper Capital Limit is set at £23,250 for someone being assessed for residential services, and £25,000 for someone seeking non-residential support.

**What are we proposing to do?**

We propose to standardise the amount, which will bring it in line with Department of Health’s Care and Statutory Support guidance. An amount of £23,250 is proposed for both residential and non-residential services, which will then make it clearer and consistent for all service users. It will also allow the Council to continue to support those who need it most.

**Who will this affect?**

We are proposing to apply this change to all new service users from April 2018. Any existing service users would be protected, unless they had capital below the upper capital limit but their circumstances change (e.g. receipt of an inheritance) in a way that puts them above the new upper capital limit of £23,250. In this case, they would be considered a self-funder from April 2018.

**Case example**

A service user needs care and support at home which costs £98 per week and has savings of £24,000.

***What happens under the current policy?***

As this service user’s capital is below £25,000, they would be required to contribute towards their care, based on a financial assessment. The financial assessment calculates that they can contribute £51 per week and the Council will fund £47 per week of the total care cost of £98 per week.

***What would happen under the proposed policy?***

As the service user’s capital exceeds the limit for receiving council-funded support, they would be given information and advice to arrange their own care as a self-funder. In future, should their capital fall below £23,250 they would be entitled to some financial support from the Council towards their care costs, based on a financial assessment.

**What does this mean for current service users?**

If a person has savings under £23,250 or they have over £23,250 but below £25,000 then this change will not affect them unless their capital and savings increase above the limit after April 2018 perhaps due to an inheritance.

If a person is new to the service from April 2018 and has over £23,250 in savings then they will be regarded as a self-funder and will have to pay the full cost of their care until their savings fall below this amount.

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## Proposal 2: Introduce a standard disregard for Disability Related Expenditure

Disability Related Expenditure is the additional amount of expense due to their disability. This could include additional heating costs, laundry, or specialist equipment. Disability related expenditure can be claimed by anyone who receives a benefit due to their disability such as Disability Living Allowance, Personal Independence Payment and Attendance Allowance. The disregard is shown in the financial assessment as an allowance and has the effect of reducing a person’s contribution towards their care and support to recognise the fact that they must spend money because of their disability, which someone without a disability would not have to pay.

**What is the policy now?**

Currently in Wandsworth, we conduct individual reviews for everyone who must spend money because of their disability who requests a review. To do this, we ask for proof of purchase for services and items. The maximum amount we will disregard is currently capped at £48 per week and the average amount disregarded for current service users is £14.90 per week.

**What do we propose to do?**

Our proposal is to introduce a standard amount of disregard for disability related expenditure that will apply to anyone in receipt of a benefit due to their disability. This will avoid the need for a review, which some service users find intrusive, will provide certainty of income and will reduce the burden of monitoring on both the individual and Council staff. We propose that the standard disregard be £15.00 per week, which will mean that service users will no longer be required to submit evidence to confirm their expenses.

However, if someone believes that that they have costs more than £15 per week, then they would still be able to request an individual review to potentially apply for a higher disregard. They would need to then provide proof of their expenditure to confirm this.

**Who will this affect?**

This change will apply to new service users who receive a disability benefit from April 2018 and any existing service users whose care needs have changed but they have less than the standard disability expenditure amount of £15 per week. Any existing service user, who has more than the standard rate, will retain the higher figure of disability expenditure.

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**Case example 2**

A service user has a physical disability and requires care and support which costs £128 per week. The service user receives attendance allowance and uses some of this to pay for a gardener at £10 per week and towards the costs of servicing his mobility scooter at an annual cost of £104. Overall this equates to expenditure of £12 per week from their disability benefits.

***What happens under the current policy?***

The service user is required to provide details of expenditure from their disability benefits, including receipts, so that this can be considered in their financial assessment. The service user’s financial assessment allows a disregard of disability benefit income of £12 per week, based on the weekly cost of gardening and maintenance of mobility scooter. Should they choose not to provide receipts to evidence these disability-related expenses, then the disregard would not be given. Based on this, the service user’s contribution would be £68 per week (or £80 if no receipts are provided in relation to the disability-related expenses). The Council’s contribution would be £60 per week (or £48 per week if no evidence provided for disability-related expenses).

***What would happen under the proposed policy?***

The service user will receive a standard disregard of £15 per week from their disability benefits to cover disability-related expenses. No further information will be required, unless they have disability-related expenses which exceed £15 per week, in which case they would need to provide details to the Council so that these can be considered in the financial assessment.

## Proposal 3: Simplify the fees and the way we calculate interest for a Deferred Payment Arrangement

Service users who own their own home may be eligible to defer some of their care costs by applying for a Deferred Payment Agreement (DPA). A deferred payment is effectively a loan where the difference between the cost of the residential home and the client contribution is paid by the Council to then be repaid from the eventual sale of their home. A DPA will involve a formal agreement between the Council and the service user, whereby a legal charge (or mortgage) will be placed against the service user’s property until the repayment of fees has been made in full. The deferred payment increases monthly as the care home is paid. The service user will receive an annual statement detailing important information about the deferred payment including how much is owed.

* 1. **Administration Fees**

The Council can recover the cost of administering the deferred payment scheme and lending the money through an administration fee and an interest charge.

**What is the policy now?**

The current administration fees passed to the service user are a mixture of variable and one-off over the period of the deferred payment. This means it isn’t clear from the outset how much the deferred payment will cost, which might discourage people from taking up the offer. The current costs are:

|  |  |  |  |
| --- | --- | --- | --- |
| Detail | Frequency | Fee | Fee over 3 years |
| Production and set up | One off | £300 | £300 |
| Monitoring & statement production | Annual | £200 | £600 |
| Equity limit recalculation | Annual | £150 | £450 |
| Agreement termination | One off | £170 | £170 |
| Agreement termination | One off | £6 | £6 |
| Property valuation/revaluation | Annual | £250 | £450 |
| Legal services fee-registering charge | One off | £500 | £500 |
| Legal services fee- removing charge | One off | £250 | £250 |

**What do we propose to do?**

We propose to introduce a standard one-off administration fee of £2726 from April 2018 charged upfront following take up of the deferred payment. This will provide more clarity and make it easier for service users to work out the cost of a deferred payment as an option for them compared to other products or options e.g. equity release scheme.

**Who will this affect?**

This change will only apply to new Deferred Payment Agreements from April 2018.

**What does the Care Act say?**

The Care Act 2014 allows all Councils to recover their costs associated with administering the deferred payment agreement scheme and the expectation would be that Councils would do so.

* 1. **Interest Rates**

As well as the cost of the care, DPAs incur interest on the amount owed. This rate is set nationally, and is currently 1.65% per annum. Councils can decide when the interest is added to the deferred payment.

**What is the policy now?**

Currently interest is calculated daily and added (compounded) to the deferred payment. This means each day 1.65% of the balance outstanding is added to the amount of the deferred payment.

**What do we propose to do?**

We are proposing to change this so that interest is calculated and added to the deferred payment once per year at the end of the calendar year. This will slightly reduce the interest paid by the service user but it will simplify the deferred payment for the service user and the Council.

**Who will this affect?**

The new interest rate will apply to all new and existing deferred payments from April 2018.

## Proposal 4: Change the way we financially assess for respite care so that it is calculated the same way as non-residential services

Many people with social care needs are supported by friends or relatives in their own home. On occasion, these people may wish to stay in a respite facility to provide their carers with a break.

**What is the policy now?**

Currently, the contribution for respite care is financially assessed in the same way as the contribution for residential care. This means that the current calculation does not consider the fact that the service user will still have a home to maintain and associated bills to pay for whilst in respite care. The current policy means that a new financial assessment must be done when arranging respite care, as it is a different charging policy to the one used for their non-residential care and support services, which is the service the person would normally be receiving before and after the period of respite care.

**What do we propose to do?**

We propose to change this so that the contribution for respite care is calculated the same way as the non-residential services. This would mean that the calculation considers ongoing housing costs such as utilities, mortgage or rent payments. It would also mean the same assessment can be used for non-residential care and respite care, saving time and resources for both the Council and the service user or their representative.

**Who will this affect?**

This change will apply to all service users who use the respite service from April 2018. If a person receives care and support in a residential setting then this change will not affect them.

If a person receives care and support at home and wants to use a respite service for a short period then from April 2018 they will be financially assessed in the same way as they are for the non-residential services they receive. This will normally mean their contribution will be lower than under the current policy and will be the same as the amount that they pay towards the non-residential care and support services that they receive.

**Case example 3**

Service user requires care and support at home costing £378 per week, as well as respite care providing regular short breaks for the family carer, costing £700 per week. Service user’s income is £277 per week.

***What happens under the current policy?***

Service user receives a financial assessment to calculate the weekly contribution towards care at home and a separate financial assessment to calculate contribution for the weeks spent in respite care. This means a service user contribution of £73 per week for the period when receiving care at home and £246 per week when receiving respite care in a care home. The Council’s contribution would be £305 per week for the period of care at home and £454 per week for respite care.

***What would happen under the proposed policy?***

There is a single financial assessment covering all services received during the year and the service user’s contribution is £73 per week. The service user’s contribution remains the same in this example; however this may not always be the case, dependent upon the cost of respite care and cost of the care provided at home.

**Have your say**

## *For more information, please contact the Financial Assessments Team by:*

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