Consultation – Adult Social Care Charging Policy

Bristol City Council wants your views on the Charging Policy for adult social care.

The Charging Policy ensures that everyone pays the appropriate amount for the services they receive, based on need and ability to pay.

Bristol City Council wants your opinion of some changes that are being considered to reflect the Care Act, a major piece of national legislation concerning care and support for vulnerable people.

For more details, please follow this link – https://bristol.citizenspace.com/business-change/adult-social-care-charging-policy

The Care Act

The Care Act has introduced some changes into care and support in England. To find out more about the Care Act and to read our Care Act factsheet please visit http://www.bristol.gov.uk/page/adult-care-and-health/care-act-2014

Have your say on what happens locally

We are consulting you so that you can give your views on our proposals before any decisions are made. We want to hear your views on a range of proposals including:

1. Deferred Payments Agreements
2. Respite
3. The full cost of care
4. Financial assessments
5. Arrangement fees

Please respond before 18th February 2016

You can share your views about our proposals in one of two ways:

1 Complete the feedback form online at: https://bristol.citizenspace.com/business-change/adult-social-care-charging-policy

2 By post – Please write to the following:

Charging Policy Consultation, Client & Carer Finance, People Directorate, PO Box 3176, Bristol City Council, Bristol, BS3 9FS
INTRODUCTION

Bristol City Council is seeking the views of the people of Bristol on the implementation of the financial aspects of The Care Act, 2014, which would change the City Council’s charging policy for care and support to vulnerable adults.

The Care Act 2014 is a new legal framework putting the wellbeing of people at the heart of care and support services. The Care Act will help to improve people’s independence and well-being. Local authorities must provide or arrange services that help prevent people developing needs for care and support or delay people deteriorating such that they would need ongoing care and support.

The Act describes a series of new duties and responsibilities on local authorities about care and support for adults and also gives local authorities the power to decide on a new charging framework.

We want your views on items that will influence the Council’s charging policy for care and support services.

THE CARE ACT - The Act has two phases.

- Phase 1 – from 1 April 2015 introduced some minor changes that affected how some people are charged for care and support:
  - New Charging Framework;
  - Universal Deferred Payment Agreements.

- Phase 2 – from 1 April 2016 will introduce a series of changes, including some where local authorities need to make decisions about how to charge for care and support:
  - Administration Charges;
  - Amending the point at which Services Users become liable for charges.

To assist and inform you, it is useful to set this consultation exercise, and the decisions that the Council needs to take about charging for social care services for adults, within the context of the current financial climate.

Adults Social Care Budget (People Directorate)

The net spend for Residential and Nursing Care is £58 million. The spend for Homecare Services and net spend towards Direct Payments is £39 million.

As the Council currently charge a person in receipt of Residential and Non-residential Service, this generates an income of £8 million for Residential and £6 million for Non-
residential services (Home Care and Direct Payments). If the Council did not charge for these services a further £14 million of cuts from the Adults Social Care budget would need to be made which would significantly reduce the amount of services provided in future years.

The demand for these services is certain to increase further over the coming years due to an ageing population and increases in the number of people with complex needs.

Each year the Council also faces rising costs associated with the delivery of care. Reductions in funding from central Government are expected to continue.

In light of the changes in the Care Act, this consultation exercise is taking place in relation to the changes in the new Charging Framework for care and support services that are discretionary.

**Charging and Financial Assessment**

Bristol City Council currently charge for care in residential accommodation and care provided in other non-residential settings (such as at home) and a financial assessment takes place in order to determine how much a service user must contribute towards the costs of their care. The Council consider the service users’ income, savings and any assets they own; this might include any investments or property, and then calculate how much the service user can afford to pay towards the cost of their care.

Prior to the Care Act, Bristol City Council charged service users for care and support in residential accommodation and conduct financial assessments for contributions towards that care in accordance with the ‘Charging and Residential Guide’ (CRAG) and for care in non-residential settings in accordance with the ‘Fairer Charging Policies for Home Care and other non-residential Social Services’ (FC).

The Care Act 2014 regulates local authorities’ powers to charge for adult social care services. The Act provides a single legal framework for charging for adult social care and support. It enables a Council to decide whether or not to charge a person when arranging to meet a person’s care and support needs. A single financial charging policy replaces the Fairer Charging for Non-Residential Services and the Charging for Residential Accommodation Guide.

Bristol City Council decided not to change current practice with regards to charging for care and support services and to do so within a single financial charging policy, in accordance with the Care Act 2014. The decision to charge allowed the Council to maintain its commitment to provide care and support to local residents and allows the continuation of key services which assist and protect the most vulnerable people.
Areas subject to consultation:

1. **Deferred Payment Agreement**

**Discretionary items**

A universal Deferred Payment Agreement is one of the key elements of the Care Act 2014 with regulations that came into effect from 1 April 2015.

A Deferred Payment Agreement is when a person ‘defers’ or delays paying the cost of their care until a later date. The Council will pay the deferred care charge and recover the monies once the property is sold or once the person has passed away.

Bristol City Council had previously offered a similar scheme, whereby the City Council placed a charge on a property to cover social care costs. Not all local authorities did this.

The Government has introduced this scheme to help people avoid having to sell their home in their lifetime to pay for their care home costs, and to ensure that a consistent system is in place across the country. Under the new regulations Deferred Payment Agreements must be offered to anyone who meets the qualifying criteria which are:

- Anyone who is assessed as having eligible needs that the local authority decide should be met through a care home placement;
- Anyone who has less than (or equal to) £23,250 (2015/16) in assets excluding the value of their home (i.e. in savings and other non-housing assets); and
- Anyone whose home is not disregarded, for example, occupied by a spouse or dependent relative.

The Care Act states Deferred Payment Agreements may also be offered to others who do not meet the criteria and that administration costs and interest may be charged on Deferred Payment Agreements.

The regulations state that the interest charged and added to the deferred amount will be compounded, meaning that interest is applied to the full outstanding balance inclusive of previous interest charges. It also states that interest can accrue on the amount deferred even once someone has reached the limit of what the local authority will allow them to defer. It can also accrue after someone has died up until the point at which the deferred amount is repaid to the local authority.

In accordance with regulations made under the Care Act Councils can recoup the administrative costs associated with Deferred Payment Agreements which include (but are not limited to):

- Registering a legal charge with the Land Registry against the title of the property;
- Land Registry search charges and any identity checks required;
- Postage, printing and telecommunication charges;
- Costs of time spent by those providing the service;
- Cost of valuation and re-valuation of the property;
- Costs for removal of charges against property.
Bristol City Council decided to introduce an administration fee in accordance with the suggestions made in the Care Act. The charges to be applied will only cover costs incurred by the Council in direct relation to the agreements. The charges have been adopted by other Councils in the South West of England, to ensure consistence for service users. The costs are a £500 set up fee and an annual fee of £100 per annum in subsequent years.

**Interest Rates**

Bristol City Council’s previous Deferred Payment Agreement charged a monthly simple interest rate based on the rate at which it borrows money. The interest is applied 56 days after the Deferred Payment Agreement has ended. The new scheme has introduced compound interest that is applied from the date of the start of the deferment. (Set at 2.25% - from 1st July2015)

In accordance with regulations made under the Care Act the Deferred Payment scheme effective from 1 April 2015 is intended to be run on a cost-neutral basis, with Councils being able to recoup the costs associated with deferring fees by charging interest. This means that the Council will not make a ‘profit’ from offering the DPA scheme, but we only recover the costs involved, including the overheads involved in administering the scheme.

As described above, the Council’s financial position makes it important that it does not incur costs that will put additional pressures on its financial situation. A decision not to charge interest would result in a reduction in funding of care and support to vulnerable adults.

2. **Respite**

Respite care provides eligible individuals with a planned break, which may be facilitated in a number of ways to best suit the needs of the individual or their carer. This can take place in a care home or in the service user’s own home.

Currently, Bristol City Council charges for respite based on a fixed schedule of charges.

We are proposing to change this and charge based on how much the service actually costs, such as the number of days that a person uses the service.

3. ** Recovering the cost of care**

The Care Act describes the City Council’s ability to recover the costs of social care services commissioned to support vulnerable people:

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The Care & Support (Charging & Assessment Resources) Regulations 2014 – Costs of putting in place arrangements to meet needs – Part 2
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**Sec 5.** Where a local authority is meeting needs because Condition 2 in section 18, or Condition 2 or 4 in section 20, of the Act is met, the charge the authority may make under section 14(1)(b) of the Act may only cover the cost that the authority incurs in putting in place the arrangements for meeting those needs.

The Care Act permits all charges to be applied from the start of the service and to enable the local authority to recharge based on the services that have been commissioned to meet eligible needs. This may in some circumstances be greater than the actual service delivered, for instance if the City Council commissions a flexible service that is designed to reduce over a period of time as service users regain independent living skills, or alternatively if the City Council has commissioned services in a way that can increase or decrease according to changing need – for instance in an Extra Care Housing service where an individual may need different levels of support over time.

The Care Act also allows the recovery of all direct costs. This includes instances where ‘additional services’ are required to meet the needs of vulnerable people, which may include requiring two carers rather than one.

At present, charges for non-residential services apply from the first Monday after the financial assessment has been completed. This can be several weeks after care has actually begun. In all other respects, the financial arrangements for home care assume that individuals will pay based on actuals – i.e. hours delivered, at actual cost.

The City Council is now able to backdate charges to the point at which a service starts. This change would realise significant income, as it would lead to recovery of charges for home care that is currently provided free for a period of up to eight week – 60% of which is provided to service users who are subsequently found to be chargeable. If there were to be a change in policy this would be supported by robust process about reasonableness around collection of the charges especially the initial backdated amount.

4. **Light Touch Assessments and new ways of completing financial assessments**

The Care Act 2014 states that in some circumstances a Council may consider carrying out a ‘light-touch’ financial assessment. In order to do so, the Council must be satisfied on the basis of evidence provided by the person that they can afford, and will continue to be able to afford, any charges due.

The main circumstances in which a Council is permitted to consider carrying out a light touch financial assessment are:

- Where a person has significant income and savings and capital and does not wish to undergo a full financial assessment for personal reasons, but wishes nonetheless to access support from the Council in meeting their needs. In these situations the Council may accept other evidence instead of carrying out the financial assessment and consider the person to have income and savings and capital above the upper limit.
• Where the Council charges a small amount for a particular service which the service user is clearly able to afford and carrying out a financial assessment would cost more for the Council to perform than the cost of the service.

• When an individual is in receipt of benefits which confirm that they would not be able to contribute towards their care and support costs, such as Jobseekers Allowance

At present, most review of service users’ non-residential financial contributions take place by visiting service users’ homes to discuss the change in their financial circumstances. In a minority of circumstances, the City Council can carry out a ‘light touch’ financial assessment, where we are satisfied on the basis of evidence provided by the individual that s/he can afford, and will continue to be able to afford, any charges due.

In some other circumstance, it should be possible to provide service users with an interim financial assessment at an earlier stage – principally by taking self-declared information from service users (on financial income and assets) and by making an assumption around Disability Related Expenditure (DRE), rather than working out an individual’s actual DRE, as happens currently. All individuals would still be offered a full financial assessment. There are some standard national figures for DRE, which are currently used as estimates prior to actual calculations. These could be used in an interim assessment.

Bristol City Council introduced a maximum charge in 2011 for people eligible for a financial means test. This applies to the contribution they are required to pay towards non-residential services. The maximum charge was set at £300.00. The Council charges people for the services they actually received.

5. **Charging for Local Authority Support in Arranging Care**

There are instances where an individual in a non-residential setting (such as at home) has financial assets above the financial limits and would not be entitled to financial support but still wishes for the Council to arrange for their care and support to be put into place. This could be for a variety of reasons such as the person finding the system too difficult to understand, or wishing to take advantage of the Council’s knowledge of the local market of care and support services.

Regulations made under the Care Act give the Council a power to charge what is known as an ‘arrangement fee’ for providing support to set up a service for someone who would be liable to fully fund their own care. The regulations state that arrangement fees charged by the Council must cover only the costs that are actually incurred in arranging the care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider. It may also cover any administration costs. This is a service which Bristol City Council currently provides free of charge.

- Arrangement fees **must cover only the costs that the City Council actually**
incurs in arranging care. Arrangement fees should take account of the cost of negotiating and/or managing the contract with a provider and cover any administration costs incurred.

- The City Council must not charge people for a financial assessment, a needs assessment, the preparation of a care and support plan. This means that any arrangement fee would only relate to a proportion of the brokerage and commissioning/contract management costs, not care management support.
- The City Council is able to make this charge in form of a flat fee for self-funding clients who ask for this support, provided that this charge can be demonstrated as proportionate and not exceeding actual costs. This is significant as it would not be feasible to calculate an individual share of commissioning and brokerage costs per client.
- The City Council would see a feasible fee as of the order of £150, and would like to hear views from service users, carers and others on the level of this charge.