

CABINET

16 July 2019

Title: Adults' Care and Support Charging Policy	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: Mark Tyson, Commissioning Director, Adults' Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti, Director of People and Resilience	
Summary <p>The Care and Support Charging Policy is in place to ensure that individuals, who are receiving community-based services from Barking and Dagenham's Adults' Care and Support, pay a fair contribution towards the cost of their care and support.</p> <p>The policy was initially introduced in 2011, in response to Government guidance on the charging system. The policy was reviewed and amended in 2015, following the introduction of the Care Act 2014.</p> <p>Sections 14 and 17 of the Care Act (2014) give local authorities the discretionary powers to charge for the care and support services provided to service users and carers. The Act includes a number of parameters which councils must adhere to if they take the decision to charge service users. However, beyond these, there is flexibility in the way each local authority can charge service users.</p> <p>This report proposes changes to the Adults' Care and Support Charging Policy. These proposals will have an impact on the way service users are financially assessed and in turn, the amount some individuals will be required to contribute towards the cost of their care. Importantly, the newly drafted policy is much clearer and easier to understand. Charging for social care services is a complex area so this will be a significant improvement. The changes will raise additional income for the Council at a time when, despite government grants and the additional council tax precept for social care, there are rising costs and demand pressures which are outstripping these income sources.</p> <p>These changes affect the charging policy as it applies to community-based services (broadly, homecare, personal assistants, day care, supported living and extra care). There is a national framework which governs the charging for residential and nursing care.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree the proposed final Adults' Care and Support Charging Policy at Appendix 2 of the report;
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, to further approve any minor alterations to the proposed final Adults' Care and Support Charging Policy at Appendix 2; and
- (iii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, to approve a Disability Related Expenditure Policy and a related Guidance Note for the Council.

Reason(s)

The Adults' Care and Support Charging Policy has been reviewed for the first time since it was refreshed in April 2015 following the introduction of the Care Act. As a result of this review a refreshed policy, which includes a number of material changes, is being proposed.

The proposed changes to the charging policy will also help the Council to work towards the vision of One borough; One community; No-one left behind in the following ways:

A new kind of council – The proposals detailed in this briefing will help to improve the policy, not only making it clearer for residents but also making it easier for the council to administer.

Empowering People – The proposed changes reframe the policy, moving away from it being solely the responsibility of the council to pay for social care to it being the responsibility of the individual to pay for their care, such they have the means to do so. Not only does this empower people to be the driving force behind the care and support they receive it also is in line with ethos of Community Solutions.

Inclusive growth – Making the proposed changes will provide the Council with the means to uplift the rates it pays for care and support to ensure that providers are remunerating their staff to an acceptable level. Due to the nature of care and support many of the individuals employed by the providers used by the local authority live in the borough of Barking and Dagenham.

Citizenship and partnership – As part reviewing the charging policy, we will also be moving from paying for services net of client contributions to paying them gross of contributions. This move will mean that the Local Authority will be the party who collects contributions from service users in all cases where currently, for some services such as residential and nursing care the provider are the ones collecting the money. Moving to this model will be remove the burden of collecting the income from our provider market.

1. Introduction and Background

- 1.1 The Adults' Care and Support Charging Policy was initially introduced in 2011, in response to Government guidance on the charging system. The policy was reviewed and amended in 2015, following the introduction of the Care Act 2014, and further changes made.

The Care Act 2014

- 1.2 The way in which a local authority can charge individuals for the community-based services they receive is governed by the Care Act (2014). It is a complex area with many aspects relating to what can and can't be charged for, and what income and expenditure is taken into account. In relation to the charging for services the Act states:

- The overarching principle is that people should pay what they can afford.
- Where a Council decides to charge it must follow the Care and Support (Charging and Assessment of Resources) regulations.
- Individuals with capital between the lower and upper limits (£14,250 & £23,250) will contribute. All capital below the lower limit should be disregarded. Where an individual has capital between the lower and upper limits, they may be charged £1 per week for every £250 in capital between.
- The Local Authority must not charge individuals more than it costs them to provide the service.
- Earnings from current employment must be disregarded.
- After charging, individuals must be left with the minimum income guarantee (MIG), which is equivalent to Income Support plus a 25% buffer.
- The value of the property they occupy must be disregarded.
- Two people with similar needs and receiving similar care should not be charged differently.
- Local Authorities may take most benefits into account however the following must be fully disregarded:
 - (i) Direct payments;
 - (ii) Payments made to veterans under the Armed Forces Compensation Scheme
 - (iii) The mobility component of Disability Living Allowance
 - (iv) The mobility component of Personal Independence Payments
- Where Disability-related benefits are taken into account, the Local Authority should make an assessment and allow the person to keep enough to pay for

disability related expenditure to meet any needs not met by the Local Authority.

- The following services should be provided free of charge:
 - (i) Reablement
 - (ii) Community equipment (up to £1,000)
 - (iii) Support provided to people with Creutzfeldt-Jacob disease
 - (iv) Aftercare services under Section 117
 - (v) Any service, or part of service, the NHS has a duty to provide

Locally Defined Parameters

1.3 As stated above, a number of the elements of the Charging Policy are dictated by national legislation (the Care Act 2014). There are, however, a number of locally defined parameters in the current Care and Support Charging Policy which can be changed at the discretion of the local authority, they are:

- In addition to the Minimum Income Guarantee, the Council took a decision to allow people to retain an additional 25% of a service users' chargeable income after the financial assessment has been undertaken. The status of this decision is unclear, and it is not set out in the current policy but is referred to in the consultation documentation. It is, however, what is happening in practice and therefore has been established as a policy in principle.
- Services to carers are non-chargeable.
- Contributions under £5 a week are not collected.
- The Local Authority will charge a flat fee of £300 when arranging care for self-funders.
- Where 100% of disability related benefits are considered a flat rate disregard will be applied as set out below:
 - (i) Disability Living Allowance (DLA) - £5 disregarded
 - (ii) Attendance Allowance (AA) lower rate and DLA middle rate & Personal Independence Payment (PIP) Lower rate - £15 disregarded
 - (iii) DLA & AA higher rates & Personal Independence Payment (PIP) Enhanced rate - £25 disregarded
- An additional £10 a week is allowed for those aged 85 and over.

Disability Related Expenditure

1.4 One of the most complex areas is the allowances that can be made for the costs incurred by someone as a direct result of their disability. This may be, for example, specialist diets, or daily supplies for personal care. Statutory guidance requires that where disability-related benefits are taken into account, the local authority should

make an assessment and allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority.

- 1.5 As this is a complex process, which relies on judgments about what is deemed reasonable, and frequently involves on-going discussion with the Financial Assessment Team, it is proposed that a Disability Related Expenditure Policy and a Guidance Note is developed.

Transitional Protection

- 1.6 It should be noted that changing the Adults' Care and Support social care data base from the SWIFT to Liquid Logic brought some changes in the way each system undertakes financial assessments. The changes were in relation to the point in the financial assessment process elements of disability related benefits and disability related expenditure are disregarded.
- 1.7 These differences meant that service users client contribution would be higher when assessed in Liquid Logic. To overcome the difference when moving to Liquid Logic any existing clients had a Transitional Payment included on their assessment to ensure their contribution wouldn't increase when transferred. Any new clients from the 1 April 2018 are assessed under the Liquid Logic method.
- 1.8 In order to ensure that the local authority wasn't running a two-tier financial assessment process, which would be against Care Act Guidance, all Transitional payments were removed from the beginning of the 2019-20 financial year. If the individuals affected by the removal of the Transitional Payments are still in receipt of services at the point of implementation, they will also be impacted by the proposals detailed in this report.
- 1.9 There has been extensive consultation and communication on the current round of proposed changes detailed in this report. This is important to note, as a number of residents have fed back that the removal of transitional protection was not carried out with sufficient communication. We will continue to ensure that at each future point in the process (after agreement of any changes by Cabinet, and at each stage in the process that follows) we will lay out clearly what will happen next.

2. Proposal and Issues

- 2.1 Following an in-depth review, it is proposed that the charging policy is completely refreshed which includes a number of key changes. These key changes have been broken down into two groups; those that will be implemented in October 2019 and those that will be implemented in April 2020. On both occasions the changes will be made from the first Monday of the month.
- 2.2 The reason for staging the implementation dates for the proposed changes is that some changes will require service users to review their disability related expenditure and request this to be disregarded from the assessment process. Therefore, it is necessary to give more time to this part of the process. On behalf of

the Council, officers have committed to developing a clearer policy and guidance (which would be done jointly with disability representative groups), and therefore an April 2020 implementation date is realistic.

Proposed changes from October 2019

2.3 Collecting contributions under £5

The current policy disregards all contributions under £5 a week, due to the fact that at the time it was felt that it would cost more than this to collect. However, the implementation of the new social care database (Liquid Logic) means that this is no longer the case and it is proposed to start collecting these, making the policy fairer for all.

2.4 Disregarding an additional 25% of chargeable income

The current policy states that the Council will follow national guidance in applying the Minimum Income Guarantee, leaving all service users with at least an income equivalent to Income Support plus 25%. However, in practice we have been applying a threshold of the Minimum Income Guarantee plus 25%, which is considerably higher. This is not what is stated in the current policy and it is proposed to keep the wording the same but amend the process to reflect this.

2.5 Changing when charging begins

The current policy states that service users begin paying a contribution once they have been financially assessed. It is proposed that this is changed to start contributions at the point at which the service user begins receiving their chargeable service. Our new systems allow us to more quickly give an 'indicative' amount that may be charged following the completion of the Financial Assessment to allow the service user to save the money they owe until once a full financial assessment is undertaken.

2.6 Removing the additional £10 a week disregard for those aged 85+

The current policy offers an additional protection of £10 per week for people aged 85 or over. There is little basis for offering this enhanced protection to just this age group therefore it is proposed that this is removed to ensure a fairer policy.

2.7 The charging of self-funders

Regulations permit us to charge self-funders for the costs involved in arranging their care and support, should they wish us to do this for them. We set out that we will levy such a charge, but the process and circumstances are unclear, and we will be more definitive on this.

2.8 Changes in terminology

The current policy is out of date in describing the various disability-related benefits and Universal Credit, and we propose changing it to reflect the current benefit system.

2.9 Service users subject to Section 117

For service users in receipt of aftercare following a stay in hospital (under Section 117 of the Mental Health Act 1983), we currently do not charge for all of the care

and support provided. This is not in line with the principles of Section 117, and we should be clearer about not charging for the services being provided under the specific care order and charging for other services provided. For example, this may include accommodation support in supported living, even if elements of care and daily support are to be disregarded.

2.10 Clear waiver process

The current policy has a waiver process which is undefined, and which does not assist service users and carers in understanding when and how we will consider a waiver. Over the years an inconsistency has arisen in the implementation of the policy which is increasingly unfair. We propose to remove the option of applying a waiver but to clearly define the process a service user can follow should they feel that the Care and Support Charging Policy has not been followed when their financial assessment was undertaken.

2.11 Contributions based on planned or actuals

We currently have a mixture of practice on whether we charge service users based on planned care to be delivered (with adjustment for any actual lower or higher provision), or on the actual care delivered. We should be clearer on the approach that we use.

Proposed changes from April 2020

2.12 Disregarding Elements of Disability Related Benefits

Barking & Dagenham Council is currently providing a relatively generous level of Disability Related Expenditure Disregards as detailed in point 1.3. It is proposed that these 'standardised' disregards are removed, and individuals who are spending money in relation to their disability can claim for their actual expenditure to be disregarded, with the aid of a much clearer Disability Related Expenditure Policy, to be developed in partnership with local disability charities.

Impact of the proposed changes

2.13 Due to the way financial assessments are undertaken each of the proposed changes have an impact on each other, therefore we are unable to show the breakdown of the financial impact per change. Therefore, any financial impact testing would be the impact should all the proposals be implemented.

2.14 Approximately 1,600 service users currently have an active community financial assessment. The financial impact the proposals would have on these individuals has been modelled and is summarised below. In reading these figures however, there is an absolutely essential caveat: there are the worst-case scenarios, and assume that there are no claims for disregard of expenditure related to people's disability (because we are unable to predict how people will claim). This is clearly not a realistic likely outcome, and people will continue to have the opportunity to claim for us to set aside those reasonable costs which are incurred through having to manage day-to-day life with a disability.

2.15 The summary of impact, before the application of any disregarded income related to managing a disability is as below. Currently the 'fixed' amounts that are disregarded are £5, £15 and £25 per week, dependent on the benefits received, which can provide the reader with a sense of the scale of possible positive impact on these figures should people make equivalent claims.

- 536 people are currently not contributing towards the costs of their care package and would continue not to should the proposals be implemented.
- 62 people are contribution now and would see no change in the amount they pay
- 107 people would be required to start paying towards the cost of their care package. This would range from 15p to £49.83 a week,
- 902 people are currently paying a contribution which will increase should the changes be implemented. On average the increase would be £38.15 a week, an increase of 107.8%.

Discussion on proposed benefits and impacts of the new Policy

2.16 There will be adverse financial impact on some service users, resulting from higher charges. However, the work undertaken to review and improve the policy still confers a number of benefits for different parties in the care and support system.

Service users

2.17 Although no one likes contributing towards the cost of their care services the proposed refreshed policy makes it clearer that social care is not a free service. The revised policy clearly states that it is the responsibility of the service user, if they have the means to do so, to pay for the care and support they receive.

2.18 There are some points in the current policy which lack clarity, also there are some elements which do not reflect the process used when financial assessments are being undertaken. The proposed changes will also help to resolve some areas of the policy which could lead to unfairness or inconsistency in how it could be applied.

2.19 There are also some elements in the policy which brought inconsistency to how charging operated for different services users, which is difficult to sustain. The new policy is therefore fairer and more consistent.

2.20 In terms of absolute financial impact on individuals, the Council now has a much stronger set of support services in place for residents facing financial hardship, principally through the new Homes & Money Hub in Community Solutions. This support will more proactively be offered to residents who are facing charges for the social care so that their income can be maximised. It is also intended that we will introduce an enhanced support offer into the Financial Assessment process, so that

residents are supported through the process and can understand better what they can claim for.

- 2.21 This is particularly important when it comes to the proposals around reviewing the Council's policy on assessing service users' Disability Related Expenditure (DRE), which will make it fairer for people who have disability related spend which should be disregarded from the financial assessment process. The new DRE protocols will include nationally set rates for elements of disability related spend which will remove the aspect of personal judgement as to what is classified as reasonable spend.
- 2.22 Finally, as is highlighted by the recent judgment of the Local Government & Social Care Ombudsman, there are some issues in the application of finance processes around social care that need to be resolved; this policy will provide a clearer and more robust basis for the operation of the charging process.

The Council

- 2.23 The proposed policy will help to make the Council a better run organisation, it will be a more robust document which will help the financial assessment team and social workers when working with service users and their representatives.
- 2.24 Since the last time the Care & Support Charging Policy was reviewed in 2015, the Council has been forced to cut a further £63m from its running costs. This has forced the local authority to look at all areas of spend and income and embark on a significant programme of changes to try and bring services within the available funding, without merely cutting them completely. However, despite this, Social Care services in Barking and Dagenham remain under considerable pressure and as a result there is a real need to review the amount residents are required to contribute towards the cost of their care and support packages.
- 2.25 The Government have not yet announced a long-term solution to the shortfall in the funding for Adult Social Care which has now reached crisis levels. As a short term measure the Government have allowed Councils to raise Council Tax rates to help ease the pressure of funding these services, which Barking and Dagenham have done, but there is still a significant shortfall. Resources for social care continue to be under severe pressure, despite the allocation of additional Government grants and the council tax social care precept. Costs for the provision of these services, as well as demand for them, continues to rise at a rate that outstrips these additional 'stopgap' funding measures. Therefore, the Council must consider opportunities to increase income for these services, and must therefore review areas where it has been more generous than other authorities.
- 2.26 The impact of this decline in resources, whilst faced with increasing costs, is that the quality of the entire care sector begins to deteriorate. It is critical that the Council is able to keep pace with the costs of the provision of social care, and therefore it is necessary that all sources of potential income are reviewed. In terms of, for example, the additional 25% of income which can currently be retained by service users (above the minimum Income guarantee), this means that a smaller

number of service users retain additional income, whilst the overall market in adult social care services declines for want of the necessary investment.

- 2.27 Following a complaint to a Care Home in Havering about the handling of an individual's charging, the Local Government Ombudsman (LGO) used their discretion to open up the complaint to be about the Council's actions in the case.
- 2.28 Following their investigation, the LGO published a report in the public interest, highlighting the failings in the case. This was considered by the Council's Assembly in May 2019. The key matter is the policy of the Council of paying care homes net of the contribution paid by the service user and any third party. The LGO holds, and has set out clearly, that this is contrary to the Care Act guidance
- 2.29 Although the LGO findings are in relation to the way the Council pays and charges for residential care, which isn't covered by the charging policy, there are a number of common issues which lack clarity and the refreshed policy is an opportunity to address these. Although the changes resulting from the LGO complaint will make the process of paying for residential based services easier for all parties it will result in an increase in cost for the Council as we will be required to collect all client contributions directly instead of allowing the care homes to do this on our behalf.

Social care providers

- 2.30 In addition to the pressures on the Council's budgets the cost of delivering Adult Social Care services is rapidly increasing. The National Living Wage (NLW) was introduced in 2016 and in that time the minimum wage for people aged 25 and over has increased from £7.20 to £8.21 an hour and this is expected to increase to £9 an hour by April 2020. Although we believe that these increases were greatly needed it has placed a significant impact on the cost of delivering these services. In addition to the NLW the introduction of the national auto enrolment Workplace Pension Scheme has also increased costs. In 2017 employers had to pay in 1% of their employees' salary in if they wished to remain in the scheme, this has now risen to 3%.
- 2.31 The contracts the Council have in place for domiciliary care for adults are due to come to an end in January 2020. These contracts do not have a set value as spend is dependent on need, for 2018/19 the forecast spend is estimated to be c£10m, which was already a significant increase on the year before. Due to a number of factors, including those listed in the paragraph above, the cost of these services is expected to increase when the contracts are re-tendered. Currently the average rate the Council pays for home care is in the region of £15.60 an hour. Following the retender, officers are forecasting a potential increase of between 10% and 20% in the total cost of provision of these services.

Assurance: Legal Advice, Internal Audit, and Overview & Scrutiny

- 2.32 External specialist legal counsel was sought, via Legal Services, to ensure that the proposed policy is fully compliant with all relevant guidance and that there were no ambiguities which should be clarified further.

- 2.33 The advice received was that overall the proposed policy was excellent with only minor points which needed further clarification. The proposed policy has been updated to reflect these points.
- 2.34 Bearing in mind the observations of the Ombudsman on one aspect of social care charging, the service is also intending to invite an internal audit judgment in the new year on how the changes have been implemented to ensure that sound controls are in place and there is an opportunity to fix any implementation issues early in the process. The matter has also been added to the forward plan of the Overview & Scrutiny Committee for review.

3. Options Appraisal

- 2.35 In addition to the proposals above the following options were considered:

Option 1 – Do nothing – REJECTED

The first option considered was to keep the existing policy as is, this option was rejected due to a number of reasons.

Upon reviewing the current policy, a number of issues were identified which could cause inconsistencies and unfairness amongst service users. It is also out of date in terms of the terminology used in relation to a number of benefits it references.

As detailed in this report the current policy does not fit with the local authority's vision and priorities, significantly it is not a document which helps the council to be a well-run, efficient organisation.

Keeping the policy as is would also not provide the opportunity for the council to generate any additional income which is needed to ensure that it is in the position to pay for high quality, reliable services for its residents.

Option 2 – Make all possible changes to increase income – REJECTED

The second option considered was to take all steps available to the council to maximise the income from service users. In addition to the proposals detailed in the report this would include the following changes:

- **Charging carers** - We do not currently charge for carers' support, and we continue to believe strongly that the work that informal carers contribute to the social care system is of immense value to society. Therefore, charging for support provided to carers would fail to acknowledge this contribution, and be counter-productive.
- **Changing the way we charge for respite care** - We currently do not charge specifically for respite support, instead continuing the established charge for the service user through the period of respite. We do not propose to change this due to the administration and complexities for the service user, the carer,

and the Council. This is consistent with the provision of an amount for respite services being within the personal budget on which the financial assessment is based.

- **Reducing protected income levels** – Statutory guidance states that after charges have been applied and household expenses have been taken into consideration service users will retain a weekly income which is the equivalent of at least basic income support or pension credit plus 25%, this is known as the Minimum Income Guarantee (MIG). When calculating service user MIGs every individual is given the equivalent of the above benefits including all disability related premiums whether they qualify for them or not. The option of changing this practice so service users only get the premiums if they qualify for them was considered and rejected as this wouldn't be in line with neighbouring boroughs and would be very labour intensive to implement.

3. Consultation

3.1 A Public consultation event has been undertaken regarding these proposals. The consultation consisted of the following:

- The consultation went live on the borough's Online Consultation Portal on Monday 13 May 2019.
- Letters were sent to all community service users with open financial assessments on Monday 3 June 2019. These letters included an estimate of how the individual would be affected by the proposals for October 2019 and those for April 2020.
- Two Public Consultation Events were held on Wednesday 19 June & Monday 24 June 2019
- The consultation ended on Thursday 27 June 2019

3.2 The consultation received the following responses;

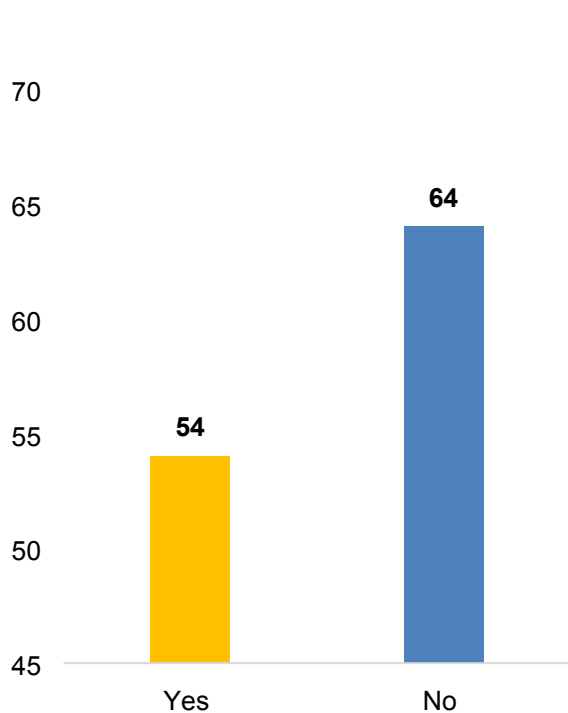
- 120 people have completed the hard copy of the consultation questionnaire;
- 10 people have completed the consultation questionnaire via the online portal;
- Over 55 people have called the council regarding the consultation;
- 29 people have called the ILA regarding the consultation;
- 5 people have been visited by the ILA to support them complete the questionnaire;

- 37 people booked onto the public consultation events.

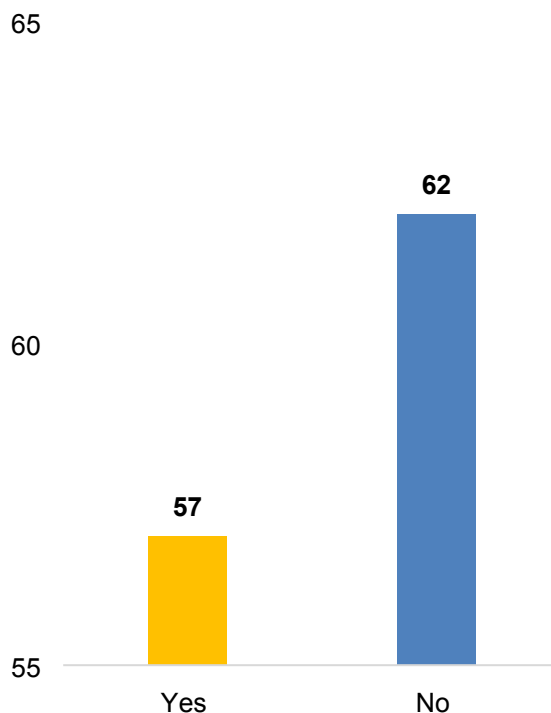
- 3.3 In terms of the feedback received, there is support for a clearer route for disagreeing with the financial assessment, and the improvements in the clarity of the policy itself were welcomed by all attendees at the service user consultation events. There is also support, though very marginal, for being clear that charging should start when the chargeable service begins, and a stronger voice in favour of taking the opportunity to charge self-funders for the Council's work in managing their services for them.
- 3.4 However, it is clear that there is a margin of opinion against a number of the proposals put forward, but that margin is variable, with no proposal receiving universal opposition. In discussions at the service user events there was a strong view in favour of the fairness of some of the proposals (charging people when their assessed charge falls below £5, and removing the £10 additional amount for over-85s, for example). There is a more mixed response to the removal of the additional 25% income allowance, and to the changes to disability related expenditure. However, the conversations at the service user events were helpful in exploring this opposition, with a number of people there recognising that there was potential for a fairer system in this approach.
- 3.5 It is apparent from the conversations that views can differ between those living with lifelong disability and those receiving social care for frailty in older age. The latter, having had the ability over their life to build up more resources and income into older age, are disproportionately affected by the removal of the 25% additional income allowance, which in turn is more likely to be supported (as is the removal of the additional £10 for 85+ year olds) by those with (or involved in the care of) people with lifelong disability.
- 3.6 Further information regarding the age and disabilities of those affected by these proposals can be found in the Equalities Impact Assessment which is included as appendix 3 of this report. It is clear however that there are substantially more people aged over 85 impacted by over £40 a week than any of the other client groups. Likewise, there are significantly fewer people with Learning disabilities in this cohort of service users compared to those with physical support needs. People with learning disabilities are the most prominent group in service users impacted by between £30 and £40 a week which is due to proposals relating to disability related benefits.

Feedback received – Questionnaires

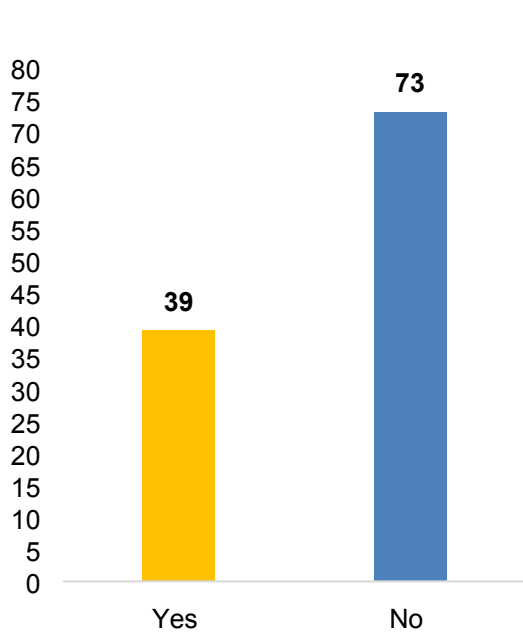
Do you think the Council should start collecting contributions under £5 a week?



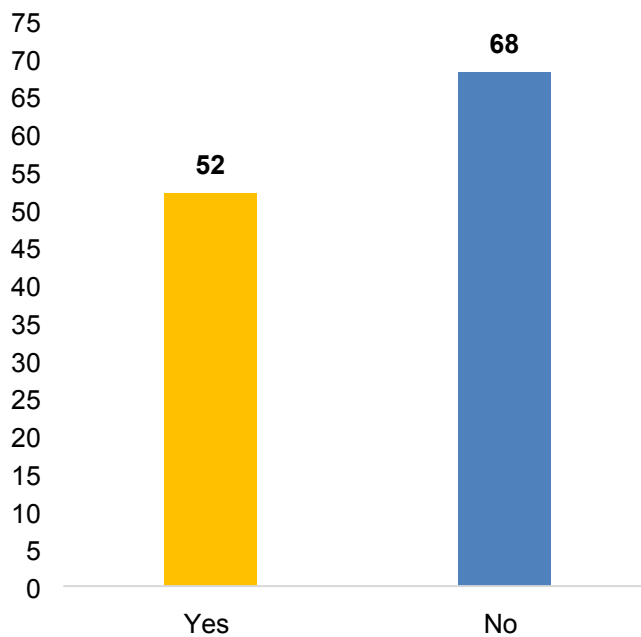
Do you think the Council should start charging service users at the point their chargeable service begins?



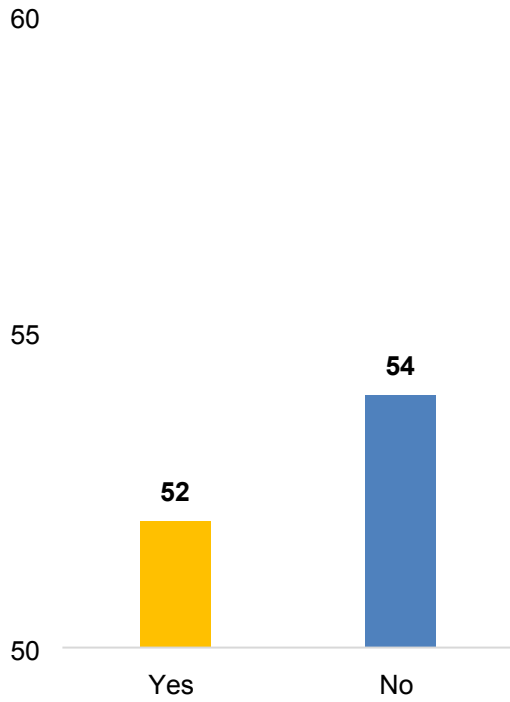
Do you think the Council should stop disregarding 25% of a service users' income in addition to the MIG?



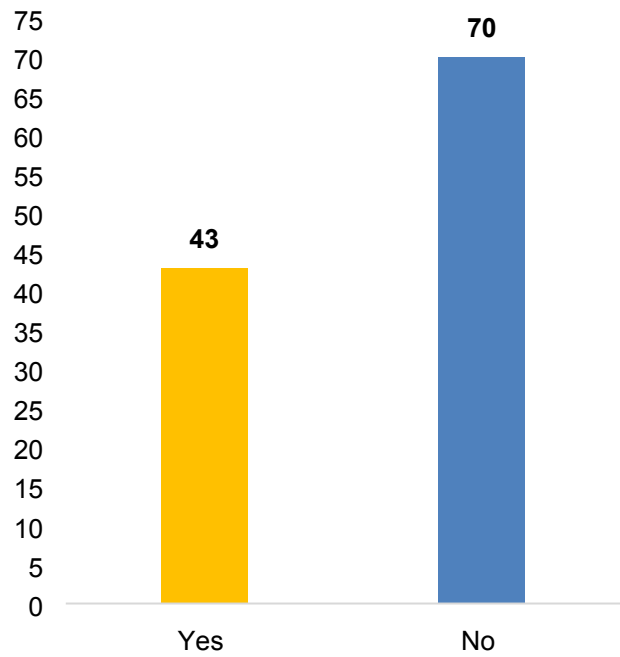
Do you think the Council should stop the additional £10 a week disregard for those aged 85+?



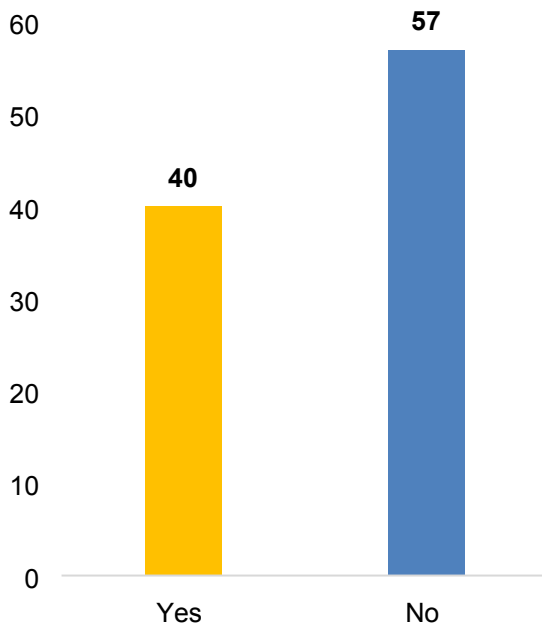
Do you think the Council should change the way it charges self-funders, so they are charged an annual fee rather than a one-off fee?



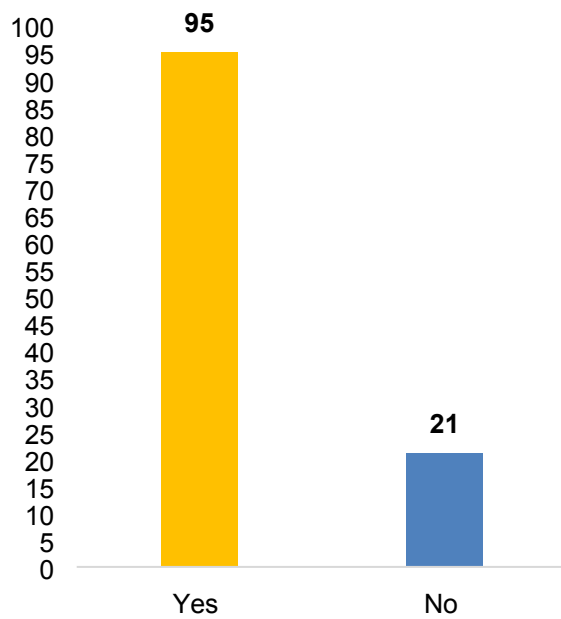
Do you think the Council should change the way elements of Disability Related Benefits are disregarded?



Do you think the Council should change the element relating to those subject to Section 117?



Do you think the Council should clarify what you should do if you do not agree with the outcome of the financial assessment?



Feedback received – Consultation Events

3.7 As previously stated two public consultation events were held, one in Dagenham and the other in Barking with 37 people signing up to attend.

3.8 Feedback received from these events was:

- All who attended agreed that the subject was very complex and difficult to comprehend.
- People with disabilities generally agreed with the proposals as long as the process to claim for DRE to be disregarded was simple and easy to undertake.
- People came to the consultation events to discuss specific issues (not necessarily linked to the Charging Policy) and the meeting format helped to solve these. These conversations lead to a number of proposal, such as quarterly engagement events with service users and carers with senior members of staff from the Council.

3.9 It was overwhelmingly clear from the discussions with service users that the Council will need to invest in the financial assessment process (including the introduction of a visiting service), in order to ensure that service users are better supported to engage with the financial assessment process and, in particular, are supported to claim any DRE they are legally entitled to.

4. Financial Implications

Abdul Kayoum, Principal Accountant - Corporate Finance

4.1 From the very beginning of the post war Welfare State, individuals with sufficient means to do so have been expected to contribute towards the cost of social care and this is implicitly assumed in the way Social Care is funded by the Government.

4.2 As has been consistently reported to Cabinet, the Social Care budget for Adults is under severe financial pressure. This resulted in an overspend of £4m (across the Adults and Disabilities service blocks) for the last financial year (2018/19) and there is a high risk of recurring overspends in 2019/20. This is one of the most serious risks to the long-term financial sustainability of the Council.

4.3 It is therefore vitally important that the Council explore all options to mitigate these financial pressures. This report sets out some proposed amendments to the Charging Policy that are expected to increase the level of contributions received from individuals. This will reduce the pressure on the Council.

4.4 The total impact of these changes cannot be reliably estimated at this stage. However, a reasonable estimate might be around £0.5m or more. This will be used to reduce the level of overspending within current budgets rather than taken as a

further saving. The increased income should reduce the risk of more drastic actions needing to be taken in order to remain within budget.

5. Legal Implications

Lindsey Marks Deputy Head of Legal Community

- 5.1 External senior specialist counsel's advice was sought, via Barking and Dagenham's Legal Services, to ensure that the proposed policy is fully compliant with all relevant guidance and that there were no ambiguities which should be clarified further.
- 5.2 Senior specialist counsel advised that overall the proposed policy was excellent with only minor points which needed further clarification. The proposed policy has been updated to reflect those points.

6. Other Implications

6.1 Risk Management

A number of the proposals for the refreshed Care and Support Charging Policy will impact the amount service users are required to contribute towards the costs of their care and support package. To help minimise this financial impact the Council will:

Provide a benefits check – When undertaking assessments, the Financial Assessment team review the benefits service users are in receipt of to ensure that they are receiving all the income that they are entitled to. If it is found that they are not collecting benefits that they could be service users will be advised of this and signposted to resources which can support them to do so.

Develop the DRE processes – Developing robust procedures for reviewing, and where appropriate, disregarding a service users disability related spend from the financial assessment process will help them to manage their financial situation and ensure that their contribution is affordable. The refreshed policy includes a section of the DRE process and makes it clear to service users that this is something they can request if it is applicable to their situation.

Provide support via Community Solutions – For the people who are most greatly affected by the changes they will be referred to the Homes and Money Hub which is located in Community Solutions who will support them to manage their financial situation.

Signpost to voluntary sector support – Where appropriate service users will be signposted to local voluntary sector organisations who can provide financial management and budgetary support. The contact details of the Barking and Dagenham Citizens Advice service, Step Change and the Money Advise service are all included in the revised policy.

6.2 **Staffing Issues**

Making any changes to the Adults' Care and Support Charging Policy will result in extra pressure being placed on the workforce.

Implementation will result in service users having questions about the changes, requesting to be re-financially assessed and complaining about their revised contributions. It is anticipated that the areas which will see the largest increases in contact will be the Financial Assessment Team, Social Workers and the Complaints Department. Where required additional short-term resources will be put in place.

The proposed changes in this report will result in a greater level of income being collected by the General Income Team which is located within Elevate. Once the financial impact is clear the impact on this team can be fully assessed. This will have to be considered in-line with the wider impact on them of changing the payment for residential care services from net of client contributions to gross. This change is in response to the LGO complaint and is planned to come into effect in April 2020.

As previously stated there would be a requirement to invest in the financial assessment process (including the introduction of a visiting service) to ensure that service users are supported to claim any DRE they are legally entitled to.

6.3 **Corporate Policy and Equality Impact**

A full Equalities Impact Assessment has been completed and is attached to this report.

6.4 **Safeguarding Adults and Children**

Making changes to the Care and Support Charging Policy, which could result in an individual's contribution increasing, could potentially lead to service users deciding to stop receiving their care package if they do not want to pay the increased amounts. This will be monitored and where it is felt that the individual is placing themselves at risk a safeguarding concern will be raised and looked into.

Failure to invest further in adult social care services will result in a steady decline in their quality (and, by extension, safety), as workforce becomes more unstable and providers find it difficult to continue sustain their businesses. It is important, therefore, that the Council looks at opportunities for increasing income where they are available.

6.5 **Health Issues**

It is recognised that increasing client contributions can place a significant amount of stress on this already vulnerable cohort of people. To try to mitigate these stresses the local authority will, fully consult on the proposed changes, provide a full benefits check, signpost to organisations who can offer financial support and, for those most greatly affected, provide support via the homes and money hub.

Public Background Papers Used in the Preparation of the Report:

- *Care Act Guidance*

List of appendices:

- Appendix 1: Additional survey information
- Appendix 2: Proposed charging policy
- Appendix 3: Equalities Impact Assessment