Have your say

Proposed changes to our Fairer Contributions Policy for adult social care

14 November 2016 to 6 February 2017

Consultation document
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Foreword from Councillor Sachin Rajput

Despite economic growth, Barnet Council faces a significant budget gap between now and 2020. This means that many of the council’s services have to make savings and do things differently to ensure we can continue providing the services we know that residents value and rely on.

To address these challenges, Barnet Council has changed its adult social care services to make sure they provide better quality, are more effective and deliver the best possible value for money. However, we are approaching the limit of savings that can be achieved through providing services more efficiently.

We now need to review and adjust the financial contributions that people pay towards the costs of their services to make sure that charges and fees are both fair and able to sustain good quality services in the future.

I appreciate that many people receiving care, their family and carers may be concerned about the proposed changes. We want to reassure you that we are committed to protecting the most vulnerable people who use adult social care services.

For residents in Barnet, the Council is committed to ensuring that these changes are delivered fairly for people receiving care, their family and carers. Contributions towards the costs of care will continue to be assessed on the basis of income, savings and outgoings to make sure that no one is asked to pay more than they can afford.

Councillor Sachin Rajput
Committee Chairman, Adults and Safeguarding Committee
Introduction

We are seeking your views on changing our Fairer Contributions Policy in a way that is fair and prioritises support for those in greatest need.

These proposals are about fees and charges for community based (non-residential) care services which include: home care, day care, supported living, extra-care housing, direct payments and other services financially assessed under our Fairer Contributions Policy.

Our Fairer Contributions Policy has remained largely unchanged since 2011. However in the last five years there have been a number of changes from central government which directly or indirectly impact on local authority contribution policies. These include changes to welfare benefits, new community care legislation and market changes within the care sector. This consultation sets out our proposals to change our Fairer Contribution Policy.

We need to consider these changes because Barnet adult social care services are under growing pressure. The amount of money available for Barnet Council to spend has reduced and will continue to reduce over the coming years. There is also growing demand for adult social care services driven by population growth and an increase in life expectancy.

Despite economic growth, Barnet Council faces a significant budget gap of £61.5 million between now and 2020. This means that many of the council’s services have to make savings and do things differently to ensure we can continue providing the services we know that residents value and rely on.

To address these challenges, Barnet Council has changed its adult social care services to make sure they provide high quality, effective care and deliver the best possible value for money.

Barnet Council has identified further savings to arise from delivering services more efficiently and effectively. The council will consider whether or not to apply the Social Care Precept and on the level of Council Tax as part of the budget setting process which concludes in March 2017.

In addition, we need to review and adjust the contributions that people pay to make sure that charges and fees are fair and sustain services. Contributions towards the costs of care will continue to be assessed based on an individual’s income, savings and outgoings to make sure that no one is asked to pay more than they can afford.

We estimate that these proposals for non-residential care services would generate an additional £290,000 to cover the cost of care in 2017/18.

We appreciate that many people receiving care, their family or carers, may be concerned about the proposed changes. We want to reassure you that we are committed to protecting the most vulnerable people who use adult social care services.

We are doing this now because our plan to review our Fairer Contributions Policy in 2014 was rescheduled to fall in line with the implementation of the financial aspects of the Care Act. Now that
central government has postponed the implementation of the financial aspects, we are proceeding with the review of our fees and charges.

In this document we set out our proposals for:

• raising the maximum contribution for home and day care to reflect the current cost of care
• including the full amount of Disability Allowance and Attendance Allowance as income
• changing our policy on guaranteed minimum income.

We propose to support people who may be negatively affected by these changes by capping any increase in contributions to £20 per week for the first two months.

In proposing to make changes to fees and charges for services our aims have not changed:

• everyone receiving social care will continue to receive a Financial Assessment to decide whether they are able to pay a contribution
• no one will be asked to pay more than they can afford
• we will continue to make sure people receiving care and their carers receive all the benefits that they are entitled to.

What do we want to achieve through these proposals?

• ensure that our financial assessments are kept in line with the Department of Health’s guidance on the guaranteed minimum income used to assess contributions
• continue to make sure that our fees and charges reflect the actual cost of providing care services
• ensure that these changes are made in a way that is fair and prioritises support for those in greatest need
• support the Adults and Safeguarding Committee to realise its total savings target of £14.4m between 2017 and 2020.

We would like to hear your views on these proposals

The consultation is open to all Barnet residents, anybody using adult social care services in Barnet, their carers and families, community and voluntary organisations and those that work with adults in the borough.

The findings from the consultation will contribute to the final recommendations made on the changes to the Fairer Contributions Policy. If approved, our intention is that the changes would come into effect from 1 April 2017.

You can share your views by:

• completing a questionnaire online at engage.barnet.gov.uk,
• completing a paper questionnaire - available from engage.adults@barnet.gov.uk or call 020 8359 3289
• coming along to one of our drop in sessions to discuss how the proposals may affect you and to get help to complete the questionnaire:
  • Thursday 24 November: 10am to 1pm at Edgware library
  • Thursday 15 December: 1.30 to 4.30pm at Hendon library
  • Wednesday 11 January: 1.30 to 4.30pm at Barnet Independent Living Centre
  • Tuesday 17 January: 2 to 5pm at South Friern library.

If you require this questionnaire in another format or you would like someone to help you to complete the questionnaire, please email engage.adults@barnet.gov.uk or call 020 8359 3289.

The consultation is open from 14 November 2016 to 6 February 2017.

Background information

Residents in receipt of social care are financially assessed to decide the contribution that they should make to the cost of their care. For community based services, the national legislation (Care Act 2014, Care and Support (Charging and Assessment of Resources) Regulations 2014) provides the framework within which local authorities must decide their local policies.

These proposals are about fees and charges for community based (non-residential) care services which include: home care, day care, supported living, extra care, direct payments and other services financially assessed under our Fairer Contributions Policy.
Proposals for changes to fees and charges

Proposal 1: Raising the current maximum rates for home care

Currently, the maximum amount someone using home care services will pay as their assessed contribution is £13.84 per hour. In 2011 this amount reflected the average cost of providing home care services.

Our proposal is to raise the maximum rate for home care services from £13.84 per hour to the lowest hourly rate we pay to our providers (currently £15.28 per hour). This would start in April 2017 and be reviewed annually.

This amount represents the lowest hourly rate we pay to our new providers for home care services. The increase would only be paid by those who have been assessed to pay the maximum contribution towards their care services.

We also propose that the maximum charge rate for home care is reviewed annually. This will ensure the rates used in future continue to reflect what we actually pay to care providers.

Example

Miss A has been assessed to pay for the full cost of her care because her savings are above the £23,250 threshold limit.

<table>
<thead>
<tr>
<th>Current contribution</th>
<th>Under the proposed changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receives 5 hours of home care a week and pays £69.20 (5 hours x the maximum charge of £13.84).</td>
<td>Miss A's contribution increases by £7.20 to £76.40 (5 hours x £15.28) which is the lowest of the amounts paid to the Council’s new home care providers.</td>
</tr>
</tbody>
</table>

There are 60 – 70 people whose level of disposable income after being financially assessed means that they have to pay the maximum contribution, under this proposal they will contribute more.

There are also around another 120 people currently receiving home care services who either have savings or capital above the threshold (£23,250 for 2016/17) or do not want to tell us about their finances and have agreed to pay the maximum contribution, under this proposal they will contribute more.

To support people who may be negatively affected by these changes we would cap increases in contributions to £20 per week for the first two months.

Proposal 2: Raising the current maximum rates for day care

Currently, the maximum contribution that someone using day care would pay is £37 per day. This amount has not changed since 2011.

Our proposal is to raise the maximum charge for day care to reflect the actual amounts that we pay to care providers for an individual’s day care.
Unlike our proposals for the home care maximum charge, we are proposing that the day care maximum charge will be different amounts for different people depending on their provider and the day care service provided. Most people’s day care costs around £48 per day, but a few people receive care that costs more.

We also propose that the maximum charge rate for day care in the Fairer Contributions Policy is updated annually to make sure the rates used in future continue to reflect what we actually pay care providers.

**Example**

Mr B goes to a day centre once a week and has been assessed to pay for the full cost of his care because of the level of his savings and income.

Mr B’s day care provider charges £48.77 per day.

<table>
<thead>
<tr>
<th>Current contribution</th>
<th>Under the proposed changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>£37 per week</td>
<td>£48.77 per week, which is the amount paid to the care provider by the Council.</td>
</tr>
</tbody>
</table>

There are currently around 30 people receiving day care services who pay the maximum contributions. This is because they have sufficient disposable income after being financially assessed or their savings or capital is above the threshold (£23,250 for 2016/17) or they have chosen not to tell us about their finances and have agreed to pay the maximum contribution, under this proposal they would contribute more.

To support people who may be negatively affected by these changes we would cap increases in contributions to £20 per week for the first two months.

**Proposal 3: Including the higher rate of Disability Allowance and Attendance Allowance as income**

These proposals would affect people who receive:

- the higher rate of Disability Living Allowance (Care Component)
- the higher rate of Attendance Allowance
- Personal Independence Payments.

The Disability Living Allowance Mobility Component and the mobility part of Personal Independence Payments will continue to be disregarded from the financial assessment and is therefore unaffected by this proposed change.

Those people who receive night time care services from the Council and are in receipt of the higher rate care component of Disability Living Allowance or higher rate of Attendance Allowance will not be affected by this proposal. The full amount of these benefits is already taken into account for those individuals so these proposals will not affect their situation.
Currently if someone is in receipt of the higher rate of Disability Living Allowance (Care Component) and they do not receive care during the night, their financial assessment does not treat the difference between the higher rate and the middle rate of Disability Living Allowance (Care Component) as assessable income. This means that this amount (currently £27.20 per week), is not taken in to consideration when assessing their weekly income.

Currently if someone is in receipt of the higher rate of Attendance Allowance, their financial assessment does not treat the difference between the higher rate and the lower rate of Attendance Allowance as assessable income. This means that this amount (currently £27.20 per week), is not taken in to consideration when assessing their weekly income.

The Care Act guidance has changed the way councils are allowed to treat the higher rate disability benefit payments when assessing people for their financial contributions. The guidance also allows councils to treat the full Personal Independence Payment as income when assessing contributions.

**We propose to include the full amount of higher rate care component of the Disability Living Allowance and higher rate of Attendance Allowance when determining how much someone can afford to contribute towards the cost of their care. We would also treat Personal Independence Payments (standard and enhanced rate) in full as income.**

Of the 2,600 people in receipt of care, there are about 530 people who receive the higher rate of benefit and currently pay a contribution. There are another 350 people receiving the higher rate of benefit who do not currently pay a contribution. These people currently have £27.20 of benefits that is not treated as income when assessing their contribution towards care.

The people affected receive a range of non-residential care services including direct payments, home care, day care, supported living and extra-care housing.

To support people who may be negatively affected by these changes we would cap increases in contributions to £20 per week for the first two months.

**Further information**

- Residents who have eligible needs for adult social care services are financially assessed to determine how much they can afford to contribute towards the cost of their care package.
- We follow the Care Act 2014 rules and guidelines in our financial assessments.
- Our financial assessments take into account most benefits people may receive from the Department for Work and Pensions, including Attendance Allowance and the care component of Disability Living Allowance.
- Generally, Disability Living Allowance is paid to those under 65 and Attendance Allowance to those aged over 65.
- Disability Living Allowance is being phased out by the Department of Work and Pensions in favour of Personal Independence Payments, though there are many similarities between these two benefits.
- When people transfer from Disability Living Allowance to Personal Independence Payments, the council must consider how this will impact on their financial assessment and therefore on how much they will be asked to contribute towards their care.
Mrs C lives on her own and has a personal budget of £138.40 per week which pays for 10 hours home care to meet the care needs she has during the day time.

<table>
<thead>
<tr>
<th>Current assessment</th>
<th>Assessment after proposed changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed income</td>
<td>£</td>
</tr>
<tr>
<td>Attendance Allowance</td>
<td>£65.10</td>
</tr>
<tr>
<td>(£82.30 less £27.20)</td>
<td></td>
</tr>
<tr>
<td>State pension</td>
<td>£119.30</td>
</tr>
<tr>
<td>Pension Credit</td>
<td>£98.15</td>
</tr>
<tr>
<td>Total income</td>
<td>£272.55</td>
</tr>
<tr>
<td>Allowable expenses</td>
<td></td>
</tr>
<tr>
<td>Guaranteed minimum income</td>
<td>£194.50</td>
</tr>
<tr>
<td>Disability related expenses</td>
<td>£30.00</td>
</tr>
<tr>
<td>Total allowable expenses</td>
<td>£224.50</td>
</tr>
<tr>
<td>Maximum assessed contribution (income minus expenditure)</td>
<td>£48.05</td>
</tr>
<tr>
<td>Mrs C’s contribution</td>
<td>£48.05</td>
</tr>
</tbody>
</table>
Example

Mr D, aged 30, lives on his own in supported living accommodation. The total cost of his personal budget to pay for his care is £500 per week.

<table>
<thead>
<tr>
<th>Current assessment</th>
<th>Assessment after proposed changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed income</td>
<td>£</td>
</tr>
<tr>
<td>Partial Disability Living Allowance (care component)</td>
<td>£82.30 less £27.20</td>
</tr>
<tr>
<td>Disability Living Allowance (mobility component)</td>
<td>£57.45 disregarded</td>
</tr>
<tr>
<td>Employment Support Allowance</td>
<td>186.90</td>
</tr>
<tr>
<td>Total Income</td>
<td>242.00</td>
</tr>
<tr>
<td>Allowable expenses</td>
<td></td>
</tr>
<tr>
<td>Guaranteed minimum income</td>
<td>151.45</td>
</tr>
<tr>
<td>Disability related expenses</td>
<td>30.00</td>
</tr>
<tr>
<td>Total allowable expenses</td>
<td>181.45</td>
</tr>
<tr>
<td>Maximum assessed contribution (income minus expenditure)</td>
<td></td>
</tr>
<tr>
<td>Mr D’s contribution</td>
<td>60.55</td>
</tr>
</tbody>
</table>

Proposal 4: Changing our policy on guaranteed minimum income

Under our Fairer Contributions Policy, the amount someone contributes towards the cost of their care is based on their income.

The lowest level of income that everyone should have to live on to meet everyday living costs is called the guaranteed minimum income. This is used to protect how much disposable income people have after contributing towards the cost of their care.

These amounts are currently set in our Fairer Contributions Policy at the existing benefit rates plus an additional 25%.
Every year the council's guaranteed minimum income is normally increased in accordance with Department of Health guidance. This year for the first time the Department of Health maintained its guaranteed minimum income at 2015/16 levels even though some benefits increased.

Under our current Fairer Contributions Policy we assessed contributions using the new benefit rates + 25% as our guaranteed minimum income. This has resulted in a gap between the Department of Health’s guaranteed minimum income and the Council’s guaranteed minimum income. This led to the council receiving lower contributions of around £100,000 in 2016/17.

We propose to align the Council's guaranteed minimum income within our Fairer Contributions Policy to the Department of Health’s guaranteed minimum income which is set in April every year or the current level whichever is the highest.

### Example

Mrs E, aged 70 has a personal budget of £290.64 which pays for 21 hours home care

<table>
<thead>
<tr>
<th>Current guaranteed minimum income</th>
<th>Under the proposed changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs E pays an assessed contribution of £43.05 per week.</td>
<td>Mrs E would still pay an assessed contribution of £43.05 per week.</td>
</tr>
<tr>
<td>This amount would change if the guaranteed minimum income level set by the Department of Health increases above the current £194.50 set by the council.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total assessed income</th>
<th>Total assessed income</th>
</tr>
</thead>
<tbody>
<tr>
<td>£272.55</td>
<td>£272.55</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allowable expenses</th>
<th>Allowable expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability related expenses</td>
<td>£35.00</td>
</tr>
<tr>
<td>Guaranteed minimum income</td>
<td>£194.50</td>
</tr>
<tr>
<td>Total allowable expenses</td>
<td>£229.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maximum assessed contribution (income – expenditure)</th>
<th>Maximum assessed contribution (income – expenditure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>£43.05</td>
<td>£43.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mrs E’s contribution</th>
<th>Mrs E’s contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>£43.05</td>
<td>£43.05</td>
</tr>
</tbody>
</table>

Note that Mrs E’s contribution in this example does not change. This will be the case unless the Department of Health’s guaranteed minimum income is increased above the current level for Mrs E set by the council.
For more information:

tel: 020 8359 3289   email: engage.adults@barnet.gov.uk
or visit: engage.barnet.gov.uk