

## RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

### CABINET

18<sup>TH</sup> JULY 2017

#### ADULT SOCIAL CARE CHARGES - 2017/18

#### JOINT REPORT OF THE GROUP DIRECTOR, COMMUNITY AND CHILDREN'S SERVICES AND THE GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES, IN DISCUSSIONS WITH THE RELEVANT PORTFOLIO HOLDERS, COUNCILLOR G HOPKINS AND COUNCILLOR M NORRIS

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#### 1. PURPOSE OF THE REPORT

The purpose of this report is to:

- 1.1 Note amendments made by Welsh Government to the rules relating to Adult Social Care Charges as set out in Parts 4 and 5 of the Social Services and Well Being Act 2014 effective from 10<sup>th</sup> April 2017.
- 1.2 Set out proposals for the levels of charging for non-residential care services provided to individuals in receipt of adult social care services for the financial year 2017/18.

#### 2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Note the amendments made by Welsh Government to the rules relating to adult social care charges effective from 10<sup>th</sup> April 2017 (see paragraphs 3.1 to 3.5 of the report);
- 2.2 Consider and, if appropriate, approve that there be no increase to the hourly charge rate for costs of non-residential care services provided to individuals in receipt of adult social care services (see paragraphs 4.2 to 4.5 of the report);
- 2.3 Consider and, if appropriate, approve the proposed revised weekly maximum charge for non-residential care services of £70 per week, in line with the revised limit determined by Welsh Government for 2017/18 financial year (see paragraphs 4.6 to 4.9 of the report). **It is proposed**

**that implementation of the revised maximum charge be effective from the 1<sup>st</sup> October 2017.**

- 2.4 Subject to agreement of paragraph 2.3 above, approve the transfer of the additional income generated for 2017/18 to the Medium Term Financial Planning and Service Transformation Reserve (transition funding) (see paragraph 4.10 of the report).
- 2.5 Consider and, if appropriate, approve implementation of any future year increases to the maximum charge for non-residential care services in line with any future year amendments made to Welsh Government guidance (see paragraph 4.11 of the report); and
- 2.6 Consider and, if appropriate, agree to initiate a consultation on withdrawing the additional discretionary disregard currently applied in respect of Disability Related Expenditure (see paragraphs 4.12 to 4.19 of the report). from the 1<sup>st</sup> April 2018; and
- 2.7 Subject to agreement of paragraph 2.6 above, agree to receive a further report detailing the results and feedback from the proposed consultation process (including the results of an Equality Impact Assessment undertaken) – in order for Cabinet to determine whether and how it wishes to progress with the proposal referred to in paragraph 2.6.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 During December 2016 and January 2017 the Welsh Government held a public consultation in respect of a number of proposed changes to adult social care charges. The outcome of the consultation was that the following amendments to the rules relating to adults social care charges should be implemented with effect from 10<sup>th</sup> April 2017:
  - (a) The amount of money people can keep without having to use it to pay for residential social care would increase from £24,000 to £30,000.
  - (b) Financial assessments for charging for care and support would require a full disregard of War Disablement Pension.
  - (c) The minimum amount a person in residential social care can keep from their income to spend as they wish increases from £26.50 to £27.50 a week.
  - (d) A rise in the maximum charge for non-residential care and support to £70 a week
- 3.2 It should be noted that the final local government settlement for 2017/18 included additional funding to support the financial implications of the amendments set out above in respect of (a) to (c) above.

- 3.3 Individuals' charges are in the process of being reassessed in order to reflect the above changes relating to (a) to (c) as set out by Welsh Government.
- 3.4 The potential implications of those changes set out above in (d) are shown in below in Section 4.
- 3.5 Should proposals set out in 4.5 and 4.7 below be approved, a full means test reassessment of individual's income for non-residential care services will be undertaken during July and August 2017.

#### **4. BACKGROUND**

##### **Levels of Charges for Non-Residential Care Services**

- 4.1 At the Cabinet meeting on the 9<sup>th</sup> February 2017 a number revisions to the Council's fees and charges were approved. It was agreed at that time that charges in respect of non-residential Adult Social Care should be subject to review following the outcome of the Welsh Government consultation exercise.

##### **Hourly Charge for non-residential care services provided to service users**

- 4.2 The current hourly charges for non-residential care services is £17 per hour for domiciliary care and £17 per visit for day care services; these charges have remained static since they were revised in September 2014.
- 4.3 The general inflationary increase agreed by Cabinet and applied to most services in 2017/18 was 2.25%.
- 4.4 The estimated income foregone by freezing charging rates for non residential care services would amount to £10k (in a full year), However given the time required to reassess all service users and provide the necessary notice of the revised charges it is likely that income foregone for 2017/18 would be approximately £5k.
- 4.5 Accordingly, it is recommended that the hourly rates in respect of non-residential care services remain unchanged for 2017/18 financial year.

##### **Maximum weekly charge for non-residential care services**

- 4.6 Welsh Government guidance in respect of Charging for Non-Residential Care Services determines a maximum level of weekly charge for care services.
- 4.7 Following the Welsh Government consultation which ended in January 2017, the maximum level increased from £60 to £70 for financial year 2017/18. To enable the appropriate re-assessment of the financial

circumstances of all service users in line with the Council's means tested assessment for non-residential care services, **it is proposed that implementation of the revised maximum charge be effective from the 1<sup>st</sup> October 2017.**

- 4.8 It is estimated that additional income of £0.314M per annum (full year) would be generated from this increased contribution to care costs.
- 4.9 It is estimated that 646 of the current 1370 service users who currently contribute towards their non-residential care service will be affected, with an increased charge of no more than £10 per week (subject to a revised means test assessment).
- 4.10 The additional income generated as a result of this increase has not been factored into the budget for 2017/18 and so can be transferred to the Medium Term Financial Planning and Service Transformation Reserve (transition funding). The part year additional income is estimated at £0.157M.
- 4.11 The Welsh Government consultation also highlighted the intention to review the levels of maximum charge for 2018/19 and beyond. It determined that an engagement exercise will take place with stakeholders during 2017/18 to review maximum levels in further years in the expectation that it will reach £100 per week by the end of this Welsh Government's term in 2021/22. **It is proposed that the Council implements future year changes to the maximum charges in line with any amendments made to the Welsh Government guidance until 2021/22.**

#### **Level of disregard for Disability Related Expenditure**

- 4.12 All Councils are required to carry out a financial assessment to determine if an individual will be required to contribute towards the cost of their care.
- 4.13 The financial assessment ensures that a standard amount, known as the 'Minimum Income Amount', is allowed for to cover day to day living costs and Disability Related Expenditure. This rate varies depending on an individual's age but in all cases is 45% more than the basic entitlement to a relevant welfare benefit (e.g. incomes support). 10% of the additional 45% is to cover disability related expenditure.
- 4.14 An individual's "Minimum Income Amount" will vary depending on individual circumstances including their age and benefit entitlement, typical examples of the main benefits based on 2017/18 rates, are as follows:

Pension Credit (aged 60+) = £231.06

Income Support (aged 18-65yrs) = £183.19

Employment & Support Allowance (aged 18 – 65yrs) = £158.99

- 4.15 Disability Related Expenditure is the money that people spend on things which are essential to help with their disability.
- 4.16 As mentioned above, the Welsh Government require a standard allowance of 10% (of the basic amount a person would be assessed as needing to live on under Income Support or Pension Credit rules) to be included within the financial assessment calculations for each individual. This is to allow for the additional costs relating to their disability that they might expect to incur in looking after themselves, their home and any transport/travel needs.
- 4.17 In addition to this, Rhondda Cynon Taf under its current charging policy applies a further 5% discretionary allowance to any Attendance Allowance or Disability Living Allowance (Care) (AA or DLA) received by an individual. It applies to all individuals in receipt of AA or DLA irrespective of what extra expenditure they may incur. For someone in receipt of middle rate DLA this currently equates to an additional £2.75 per week; for someone in receipt of higher rate DLA this amounts to £4.11 per week.
- 4.18 The cost to the Council to apply this additional discretionary 5% allowance varies and is dependent on an individual's financial circumstances. In order to establish an accurate cost a full assessment of all individuals will need to be undertaken. It is estimated that the additional annual income in respect of this policy change could be between £0.070M and £0.100M per annum. **It is proposed that changes would be implemented with effect from 1<sup>st</sup> April 2018.**
- 4.19 It is proposed to initiate a consultation on the level of disregard, the results of which would be presented to Cabinet to enable a decision to be made on whether or not and if so how it wishes to implement the proposal.

## **5. EQUALITY AND DIVERSITY IMPLICATIONS**

- 5.1 In developing these proposals an Equality Impact Assessment has been undertaken to ensure that:
- The Council meets the requirements of the Public Sector Equality Duties; and
  - Due regard has been taken of the likely impact of the decision in terms of equality and discrimination.
  - It is intended that a full Equality Impact Assessment will be undertaken in respect of the proposed amendment to the level of disregard relating to Disability Related Expenditure, should the Council initiate a consultation on implementing changes to its policy.

## **6. CONSULTATION**

- 6.1 Welsh Government has undertaken a public consultation exercise in respect of the amendments to the rules relating to adult social care charges, as such, it is felt that no further consultation is required relating to the proposal to revised the maximum weekly charge for non residential care services.
- 6.2 The proposal to withdraw the additional discretionary disregard allowance in respect of Disability Related Expenditure is a specific change to Council Policy and therefore it is considered that a period of consultation should be undertaken.

## **7. FINANCIAL IMPLICATION(S)**

- 7.1 The financial implications arising from the report recommendations are set out in the main body of the report.

## **8. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 8.1 Recent amendments to the legislative requirements in respect of adult social care charging are set out in the main body of the report.
- 8.2 All relevant consultation and common law requirements relating to the proposed consultation process, if initiated by Cabinet, relating to the proposed withdrawal of the additional discretionary disregard allowance in respect of Disability Related Expenditure would need to be complied with and consultation undertaken in line with existing Council policy and procedures.

## **9. LINKS TO THE COUNCILS CORPORATE PLAN / OTHER CORPORATE PRIORITIES/SIP**

- 9.1 Fees and charges income is a critical component of the funding arrangements for many services. Setting out an appropriate level of fees contributes to securing service sustainability and in many cases helps to manage demand and target resources more effectively. This all supports services contributing effectively to the delivery of Corporate Plan priorities.

## **10. CONCLUSION**

- 10.1 This report sets out amendments made by Welsh Government to the rules relating to adult social care charges as set out in Parts 4 and 5 of the Social Services & Well Being Act 2014 effective from 10<sup>th</sup> April 2017.
- 10.2 This report sets out proposals for adult social care charges for financial year 2017/18

- 10.3 The implementation of these proposals would include a re-assessment of the financial circumstances of all service users in line with the Council's means tested assessment for non-residential care services.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**18<sup>th</sup> JULY 2017**

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**Background Papers:**

Social Services and Wellbeing Act 2014

Cabinet – 9<sup>th</sup> February 2017

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