<table>
<thead>
<tr>
<th>TITLE</th>
<th>Consultation on charges for Adult Social Care Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR CONSIDERATION BY</td>
<td>Health Overview and Scrutiny Committee on 23 March 2015</td>
</tr>
<tr>
<td>WARD</td>
<td>None Specific</td>
</tr>
</tbody>
</table>
Care Act consultation on charges for Adult Social Care services

What are we consulting on?

Please give us your views on:

- how we can best support people to make informed choices about residential and non-residential care
- support for carers and whether carers should be charged for their services (if they can afford to pay)
- charging administration fees for arranging services for people who can afford to pay for their own care delivered at their home (self-funders)
- charging fees and setting an interest rate for Deferred Payment Agreements.
- Setting a maximum amount to charge for care that is best met in own home

Why are these charges proposed?

The Care Act 2014 introduces new rights to services. For example, from April 2015, carers will be entitled to the same level of support as people they care for. People who can afford to pay for their own care will be able to ask the Wokingham Borough Council to arrange services on their behalf. As these new rights bring additional costs to Councils across the country, we have to decide whether we should recover these costs, and if so, how. Wokingham Borough Council will not profit out of any proposed charges.

The Council will refer to Care and Support Regulations (Statutory Instruments) and Care and Support Statutory Guidance and Annexes issued under the Care Act 2014. for specific guidance relating to charging and financial assessment. As such, these statutory regulations form the basis of policy, except where the Council exercises its power of discretion as set out in the regulations.

You can find further information about the Care Act 2014 on the Department of Health website:

Does this affect you?

The proposed charges mainly affect carers and people who can afford to pay for their own care (self-funders).

Will the Council continue to provide some free services for carers and self-funders?

Wokingham Borough Council supports a wide range of community based activities provided by voluntary and private sector organisations for people with social care needs and carers, aimed at keeping people well and healthy. There is no financial assessment required to access these services and therefore they are available to people who fund their own care services, as well as carers who do not meet eligibility criteria for support from the Council. Examples of these services include support groups, social activities, information and advice, keeping fit and active.

The Wokingham Information Network (WIN) is a one-stop online window to all the services and information you need about local support services:

http://info.wokingham.gov.uk/kb5/wokingham/info/home.page

What charges will apply to people who can afford to pay for their own care?

Non-residential care

From April 2015, people who are assessed as needing care and support in their own home (e.g. homecare visits) will be given a financial assessment. If they are required to pay the full cost of their care, they can still ask Wokingham Borough Council to arrange services for them. In setting up these services there is an administration cost to the Council and the Care Act allows councils to charge for some of those administration costs.

Please be assured there is no charge for assessing someone’s needs or for developing a care and support plan to help meet their needs.

We’re proposing that, where you ask us to arrange the services, there will be charges to set up the arrangements to begin with, and once a year after that. The charges would cover things like staff time in liaising with providers, and making and receiving payments.
We’re proposing that the charges are split into setup charges and annual charges.

A setup charge could include the costs for services such as:

A. Identifying appropriate providers
B. Negotiating with providers the cost of care and times for care to be delivered
C. Putting contracts into place for services
D. Setting up methods for the individual to pay the care costs, for example by Direct Debit
E. Dealing with payments to providers
F. Queries relating to services received and ensuring support plans are met by providers
G. Raising and collecting care cost charges to the individual receiving the services

We are currently calculating how much this service costs the Council to deliver but expect it to be no more than approximately £550 in the first year.

If there were further setup arrangements needed (for example, changing the service as a result of a change in personal circumstances such as an increased need for support), the setup charge could be higher.

An annual charge payable from year 2 onwards could include the costs for services E, F, and G above. We are currently calculating how much the annual charge will cost the Council to deliver but expect it to be no more than approximately £300.

Residential care

From April 2015, the Council can choose how to support people who can afford to pay for their care and support in full and who are assessed as having care needs that are best met in a care home. We will offer information and advice to people on how their needs can be met.

What are Universal Deferred Payments and what are the proposed charges?

Deferred payment is a scheme which allows someone who is eligible for social care services and who moves into residential care to keep their property. The Council helps with paying care home fees and recovers the money when the property is sold (either
when the person chooses to sell their home or after their death). This means that people should not have to sell their homes in their lifetime to pay for their care.

**Administration costs**

The Council already has a Deferred Payments Scheme. This allows those eligible for adult social care support who would otherwise need to sell their home to pay their care home fees to make an arrangement with the Council to put off (defer) the payment of some of those fees to a later date. The Care Act introduces a Universal Deferred Payments Scheme that aims to make deferred payments more widely available. Within our current Deferred Payments Scheme we do not charge a fee to those using the scheme.

In recognition of the additional costs that we would incur to run a Universal Scheme, the Care Act allows Councils to charge an amount to cover its administration costs. To reflect the national approach, we are proposing to set reasonable fees to cover the administration costs (including legal costs) of setting up and monitoring Deferred Payment Agreements. If we don’t charge these fees to those using the scheme, the Council will have to cover the costs of running the scheme and this would mean possibly increasing other charges, raising Council Tax, or cutting other services. The fees charged would not exceed what it actually costs the Council to administer.

We incur two types of cost in operating Deferred Payments – firstly, the initial costs of setting them up and secondly the continuing or ongoing costs.

Examples of administration costs for setting up Deferred Payment Agreements include (but are not limited to):

- Costs of legal time and administration time spent drawing up the Deferred Payment Agreement
- Costs of accurately valuing property that is being used as security
- Land Registry costs such as searches, placing charges, entries in the register
- Costs of obtaining adequate security (for example where other parties are involved, such as a leaseholder of the property)
- Costs of printing, postage, and office overheads associated with the setup work

We are working on calculating the standard costs of these different elements of administration and legal tasks. For illustration purposes in this consultation, we estimate that an average Universal Deferred Payment Agreement would have set up costs of approximately £900 including the first year’s annual charge.
Examples of ongoing administration costs for monitoring each Universal Deferred Payment Agreement include (but are not limited to):

- Costs of legal time and administration time to ensure all parties are meeting the requirements of the Deferred Payment Agreement
- Costs of reviewing the valuations of the property capital used for security
- Costs of printing, postage, and office overheads associated with monitoring the agreement, including regular statements

We are working on calculating the standard costs of these different elements of administration and legal tasks. For illustration purposes in this consultation, we estimate that an average Universal Deferred Payment Agreement would have running costs of approximately £300 per year payable from the second year onwards.

**Interest rates**

The Care Act allows Councils to charge interest on the deferred fees, so that they can cover the cost of running the Deferred Payments Scheme and support more people to use it. The government will set a national maximum interest rate, but Councils can choose to set a lower interest rate. Using a lower rate would mean people in the Deferred Payments Scheme paying less, but the Council would have to charge more for other services or spend less on other services to cover this.

The national maximum interest rate set by government for deferred payments will be based on the cost of government borrowing and could change every six months. The Department of Health have published information that the maximum interest rate from 1st April to 30th June 2015 will be 2.65%.

**Extra Care Housing**

Many people use money from their property to pay the rental, care and support costs for their Extra Care Housing or Supported Living accommodation (for example, by selling their property and receiving Housing Benefit throughout the period until the property sale completes). We don’t anticipate a significant need for Deferred Payments for this reason. However, there could be exceptional circumstances in which it may be appropriate to enter into a Deferred Payment Agreement with an individual, secured by a legal charge against their property, where there are reasons why they are unable to immediately meet the full care and accommodation rental costs in Extra Care Housing or Supported Living Accommodation.
The Council may also offer Deferred Payments to Extra Care Housing and Supported Living Accommodation where there are exceptional circumstances that would prevent a person paying their full care / accommodation rental costs at that time. As with other users of the scheme, this would only be undertaken if the person could provide adequate security from the value of their property for the deferred payment period.

Deferred Payment Security Debt

The Council will need to ensure that when it agrees a Deffered Payment, there is sufficient security in place for the debt to be fully repayed. The value of the asset, which in the majority of cases would be a property, offered as security will be periodically valued. It is proposed that the maximum amount that can be deferred is capped at 70% of the asset value but that in exceptional circumstances determined by the Council this could be increased to 80%.

What support will you offer to carers and will they have to pay for this?

From April 2015, all carers will be entitled to a carer’s needs assessment. This is an opportunity to think about how caring commitments affects the carer and what support would help them. A carer’s assessment can be done as a joint assessment with the person that is being cared for or as a separate carers’ assessment. A joint assessment means the carer’s views and needs are taken into account when the person cared for is assessed.

If a carer needs help with the assessment and does not have or would rather not ask a friend or a relative to assist, we will provide an independent advocate. The independent advocate will act in the carer’s best interest and will support and represent them to ensure that they understand and are involved in the process.

Sometimes, the best way to support a carer is through services for the person they care for - such as time at a lunch club which then gives the carer a break. There are also services which can be provided directly to the carer such as support groups, training in how to care without risking the carer’s own health, funding to access recreational activities, help with their own domestic tasks or support with education and employment opportunities.

Most social care services are not free, but people are only asked to pay as much as they can afford. This means that many people pay a contribution towards services such as respite care and homecare. The Council can choose whether to apply the same
rules to services provided directly to the carer. Wokingham Borough Council would like to continue to offer services provided directly to carers free of charge.

Although the principle of supporting carers free of charge is our preference, there is the possibility that the demand for carer support will exceed the money available to fund these services. For example the number of carers identified in the 2011 census is 13,902, although only approx. 600 are known to our Adult Social Care. If we were to consider making a charge, the assessed charge must exclude any income from employment in the calculation; however it could take into account any savings a carer has. We may have to introduce some form of charging if demand exceeds the funding available.

How will you set the maximum charges to meet care needs?

The Care Act gives the Council discretion to set a maximum charge for those receiving services in their own home, for example this could be 90% of the usual for purchasing a residential care place. This would mean that everyone whose care package cost is above this rate would be subsidised even if they have means to fund it. The additional cost to the authority of setting a maximum charge is not considered to be a sustainable option for the Council; please see example A below.

Furthermore, the Care Act gives the Council the flexibility to reduce the maximum assessed charge by applying a further reduction of, for example, 10%. This would mean that anyone whose care package cost is above this lower maximum charge would be subsidised. The additional cost to the authority of applying such a % reduction is also not considered to be a sustainable option for the Council in the medium term and would limit the amount of care and support services the Council can provide to people in times of reduced central government funding; please see example B on page 8.

In both of the above cases providing such subsidies would lead to limiting the amount of care and support services that can be provided to people, particularly in times of reduced central government funding.

It would also be unfair as some people who have the means to pay a higher contribution would not be required to do so and it would be contrary to the Council’s existing policy of full cost recovery.

To ensure fairness we need to ask people with the means to pay a higher contribution do so.
Example
A 76-year-old woman living on her own has a State Pension, private pension and Pension Credit, and receives Attendance Allowance. She has been assessed to have £33.90 disability related expenses each week and £11.15 housing expenses ignored each week.

<table>
<thead>
<tr>
<th>Details</th>
<th>As proposed</th>
<th>Example A a maximum charge is set</th>
<th>Example B a further % reduction is applied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income each week</td>
<td>£.p</td>
<td>£.p</td>
<td>£.p</td>
</tr>
<tr>
<td>State Pension</td>
<td>113.10</td>
<td>113.10</td>
<td>113.10</td>
</tr>
<tr>
<td>Private pension</td>
<td>450.00</td>
<td>450.00</td>
<td>450.00</td>
</tr>
<tr>
<td>Pension Credit (Guarantee Credit)</td>
<td>24.13</td>
<td>24.13</td>
<td>24.13</td>
</tr>
<tr>
<td>Pension Credit (Saving Credit)</td>
<td>2.32</td>
<td>2.32</td>
<td>2.32</td>
</tr>
<tr>
<td>Severe Disability Premium</td>
<td>61.10</td>
<td>61.10</td>
<td>61.10</td>
</tr>
<tr>
<td>Attendance Allowance</td>
<td>81.30</td>
<td>81.30</td>
<td>81.30</td>
</tr>
<tr>
<td><strong>a) Total income</strong></td>
<td>731.95</td>
<td>731.95</td>
<td>731.95</td>
</tr>
<tr>
<td>Less Savings Credit</td>
<td>2.32</td>
<td>2.32</td>
<td>2.32</td>
</tr>
<tr>
<td>Less the night element of Attendance Allowance</td>
<td>26.85</td>
<td>26.85</td>
<td>26.85</td>
</tr>
<tr>
<td>Less disability-related spending</td>
<td>33.90</td>
<td>33.90</td>
<td>33.90</td>
</tr>
<tr>
<td>Less housing costs</td>
<td>11.15</td>
<td>11.15</td>
<td>11.15</td>
</tr>
<tr>
<td>Less Basic Living Allowance (£148.35+25%)</td>
<td>185.44</td>
<td>185.44</td>
<td>185.44</td>
</tr>
<tr>
<td>Less additional Basic Living Allowance (10% of £148.35)</td>
<td>-</td>
<td>14.84</td>
<td></td>
</tr>
<tr>
<td><strong>b) Total amount ignored</strong></td>
<td>259.66</td>
<td>274.50</td>
<td>259.66</td>
</tr>
<tr>
<td>c) Total income less total amount ignored [a-b]</td>
<td>472.29</td>
<td>457.46</td>
<td>472.29</td>
</tr>
<tr>
<td>d) Actual Cost of care package</td>
<td>475.00</td>
<td>475.00</td>
<td>475.00</td>
</tr>
<tr>
<td>e) Maximum charge</td>
<td>-</td>
<td>-</td>
<td>425.00</td>
</tr>
<tr>
<td>Council subsidy [d-c]</td>
<td>2.71</td>
<td>17.54</td>
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<tr>
<td>Council subsidy [d-e]</td>
<td></td>
<td></td>
<td>50.00</td>
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</table>
When will the proposed charges apply?

If the proposed charges go ahead, they will come into effect from July 2015.

Your chance to have your say

We would like you to give us your views by completing the online questionnaire www.wokingham.gov.uk/careactconsultation by 5th May 2015.

The results of the consultation will be presented to the Council’s decision-making Executive meeting in June 2015.

If you require assistance with giving your views, please contact Customer Services on (0118) 974 6000.
Care Act Consultation

From April 2015, care and support in England is changing. The new Care Act will help make care and support more consistent across the country.

Please refer to the explanatory leaflet when answering the questions below. This can be found at www.wokingham.gov.uk/careactconsultation

Section 1.a - People who fund the full cost of their own care and support (self funder) that are best met in their OWN home.

If you pay the full cost for care and support in your own home, you will be able to ask us to arrange these services for you.

Under Care Act changes, we can charge an administration fee to set that care up and charge annually afterwards.

We haven’t decided how to do this yet. To help us we want to know how you might use our service for:

Q1  Personalised information and advice about the types of services that could meet someone’s needs
    ○ Yes
    ○ No
    ○ Don’t know

Q2  Support to prepare a plan of how best to meet care and support needs
    ○ Yes
    ○ No
    ○ Don’t know

Q3  Someone who could discuss your requirements directly with the provider (s) and agree the amount of care to be offered and the price
    ○ Yes
    ○ No
    ○ Don’t know

Q4  Arranging care and support with the provider directly e.g. contracting on your behalf
Care Act Consultation

We’re intending to charge for this but it would not cost you more than it costs the Council to provide. Therefore:

Q5 As a self-funder, would you still access this type of service if Wokingham Borough Council charged?
- Yes
- No
- Don’t know
- Does not apply
- Depends on charge

Q6 Do you think the Council should charge self-funders a set up charge, if they arrange care and support services on their behalf?
- Yes
- No
- Don’t know

Q7 Do you think the Council should charge self-funders an annual charge, if they arrange care and support services on their behalf?
- Yes
- No
- Don’t know

Q8 Please select as many as appropriate

<table>
<thead>
<tr>
<th>Identify providers</th>
<th>Negotiating and times care to be delivered</th>
<th>Putting contracts into place for the service</th>
<th>Setting up methods for the individual to pay the care costs for example by Direct Debit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Which of these should we include in the proposed set up charge?</td>
<td>☐</td>
<td>❌</td>
<td></td>
</tr>
<tr>
<td>Which of these should we include in the proposed annual charge</td>
<td></td>
<td>☐</td>
<td></td>
</tr>
</tbody>
</table>

Q9 We haven’t decided how we will support those of you who fund your own care. We could use council staff and/or other specialist organisations. Which would you prefer?
- Yes
- No
- Don’t know
- No preference
- Does not apply
I would prefer to be supported by Council staff
I would prefer to be supported by specialist organisations within the community
Care Act Consultation

From April 2015, care and support in England is changing. The new Care Act will help make care and support more consistent across the country.

Section 1.b - People who fund their own care and have needs that are best met in a RESIDENTIAL or NURSING care home

Under Care Act changes, we will offer information and advice to people on where their needs can be met in a residential care home.

To help us, what information would be useful to you when making decisions about residential care?

Q10 What kind of information would be helpful for you in making a decision about the right residential home?

☐ The location of the residential home
☐ The cost of staying at the residential home
☐ The number of people who live at the residential home
☐ The activities available at the residential home
☐ The type of people and different needs that the residential home can support
☐ Ratings of the quality of the residential home, such as inspection reports by the Care Quality Commission
☐ Other

Q11 Which format would you prefer this information in?

☐ Leaflet(s)/brochure
☐ Online
☐ Audio
☐ Braille
☐ Other

Q12 Is there anything else we should consider in relation to the support services for those who pay for their own care?
Q13 Is there anything else we should consider when applying this proposal to existing self-funders whose services are currently arranged by the Council?
SECTION TWO - Universal Deferred Payments

A deferred payment scheme means those who are eligible, and would need to sell their house to pay for their care home, can sign up to an agreement with the Council to put off payment until a later date.

Under Care Act changes, deferred payments will be more widely available however it will cost us more money to run. New rules will mean we can charge an administration fee to set up this process and charge annually afterwards to cover costs for running it.

Q14  
Do you think that the Council should charge a fee to recover the administration costs of setting up each Deferred Payment Agreement under the new Universal Deferred Payments Scheme?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

Do you think that the Council should charge an annual fee to recover the ongoing administration costs of monitoring each Universal Deferred Payment Agreement?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Don't know</th>
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We can charge interest on the deferred amount which would allow us to support more people. Government will set a national maximum rate to charge but we can set our rate lower. Government rates are based on the cost of government borrowing and could change every six months.

Q15  Do you think the Council should use the maximum interest rate set by the government for deferred payments, or a lower rate?

- National maximum rate
- A lower local rate
- Don't know

In exceptional circumstances we could set up a deferred payment agreement for those people who are unable to immediately pay the full costs for Extra Care Housing or Supported Living Accommodation.
Q16 Do you think that the Council should also offer a Deferred Payments Scheme in exceptional circumstances to people moving from their property into rented Extra Care Housing and Supported Living accommodation?

- Yes
- No
- Don't know

In order to agree a deferred payment option, we always need to ensure that the final debt will be fully repaid. This is usually secured against a property and we would regularly review its value. Under proposals, 70% of the value of the property is the maximum you would pay back but in exceptional circumstances it could be increased to 80%.

Q17

Do you agree that the maximum amount deferred should be limited to 70% of the asset value?

- Yes
- No
- Don't know

Do you agree that in exceptional circumstances the maximum amount deferred can be 80% of the asset value?

- Yes
- No
- Don't know
SECTION THREE - Carers

If you are a carer, you will be able to have a carer’s needs assessment. This is an opportunity to think about how caring affects you and what support could help you.

Q18 Do you think you would be likely to need independent advocacy to take part in a carer’s assessment or review in future?

- Yes
- No
- Don't know
- Not applicable

Often the best way to support a carer is through the services of the person they care for such as a lunch club which allows the carer a break or by support groups, education and employment opportunities and recreational activities - to name just a few.

Most services are not free and social care customers are asked to pay as much as you can afford. We can apply the same rules to carers too.

Q19 Do you think Wokingham Borough Council should continue to offer services provided directly to carers free of charge?

- Yes
- No
- Don't know

We want to continue to offer these services free of charge, however more carers may need support than our funding can cover. If this is the case, we may have to charge for carers’ services.

Q20 In these circumstances would you support the introduction of a charge applied only to those carers who have savings in excess of the Department of Health ‘upper limit’ which is currently £23,250?

- Yes
- No
- Don't know
SECTION FOUR - Setting the maximum amount you will pay for care that is best met in your own home

The Care Act gives the Council discretion to set a maximum charge for those receiving services in their own home, for example this could be 90% of the usual residential care rate. This would mean that everyone whose care package cost is above this rate would be subsidised even if they have means to fund it. The additional cost to the Council of setting a maximum charge is not considered to be a sustainable option for the Council.

Furthermore, the Care Act gives the Council the flexibility to reduce the maximum assessed charge by applying a further reduction of, for example, 10%. This would mean that anyone whose care package cost is above this lower maximum charge would be subsidised. The additional cost to the authority of applying such a % reduction is also not considered to be a sustainable option for the Council and would limit the amount of care and support services the Council can provide to people in times of reduced central government funding.

In both of the above cases providing such subsidies would lead to limiting the amount of care and support services that can be provided to people, particularly in times of reduced central government funding.

It would also be unfair as some people who have the means to pay a higher contribution would not be required to do so and it would be contrary to the Council’s existing policy of full cost recovery.

To ensure fairness we need to ask those people with the means to pay a higher contribution do so.

Q21 Do you agree that Wokingham Borough Council should NOT set a maximum charge?
- Yes
- No
- Don’t know

Q22 Do you agree that Wokingham Borough Council should continue to charge the maximum assessed charge?
Care Act Consultation

Q23  Do you have any other comments?

Thank you for taking the time to complete this consultation