

Charging for care and support services: a consultation

What is this consultation about?

The Council is considering making a number of changes to its policy on charging for care and support services such as home care, enabling services, and day care services. **These changes do not affect people who live in a care home.**

All of the changes that the Council is considering would mean that some people would have to pay more for their care and support services, although different changes would affect different people, and some people would continue to get services without being charged.

You can comment on the proposals in the separate form provided. The questions are numbered to assist you.

Why is the Council considering these changes?

The Council has to reduce its budget by £36million over the next three years.

To make these savings, the Council has needed to look at every part of its budget, to consider whether spending is absolutely necessary, and whether income can be increased. Like many local authorities, we have to make difficult decisions and focus on things we have a statutory or legal duty to deliver.

There are national rules about charges for care and support services. In a number of ways, the Council's current charging policy is more generous than these rules require. We are considering making changes which would bring the Council's policy more closely in line with the minimum legal requirements.

Question 1 on the consultation form asks for your views about this.

What are the national rules about charges?

There are national rules about what services can be charged for, and how Councils must assess people's ability to pay. The details are complicated¹, but the main points are:

¹ They can be found in full on the internet. The legal regulations are available at www.tinyurl.com/ChargingRegs, and the government guidance setting out the rules in more detail is at www.tinyurl.com/CSGuidance. Unfortunately these are not easy documents to understand.

The national rules say what is the most a person can be asked to pay; councils may charge less than this if they decide they can afford to.

Councils can charge the person who needs care and support, and can also charge friend or family carers for any support provided directly to them as carers.

Councils can't charge anyone more than the cost to the Council of providing their services.

Councils must carry out a financial assessment of each person to decide how much they can afford to pay (though if someone wants to keep their finances to themselves, they can turn down a financial assessment and just pay the full cost).

Councils can charge the full cost of services provided to anyone who has more savings than the **capital limit** (currently £23,250).

Otherwise, councils must make sure that after paying charges people are still left with at least a **minimum income guaranteed amount**. This minimum amount varies depending on the person's age, whether they are part of a couple, and the level of their disability or their caring responsibilities (the rules for assessing these are linked to social security benefits rules).

Councils must ignore some income, including earnings from work, when they assess what someone can afford to pay. However they can take account of occupational pensions and most social security benefits.

However much money a person has, a council must offer to arrange the services they need (except for care home accommodation), though some people may prefer to make private arrangements so as to have as much control as possible over their care arrangements. If someone with savings above the capital limit does ask the Council to arrange services, an administrative charge can be made for doing this.

How does the Council's current policy go beyond the national rules?

The Council's policy is more generous than required by the national rules in a number of ways:

The national rules say that people receiving certain benefits are entitled to ask for an assessment of their **disability-related expenditure**, which should be subtracted from the amount which they are assessed as able to pay. The Council automatically assumes that some of each person's income pays for disability-related expenditure without requiring an assessment of what they actually spend.

The guaranteed minimum income which we ensure that someone in a **couple** is left with after paying charges is higher than required by the national rules.

We don't charge people living in **rural areas** the full cost of their home care, although it costs us more to provide them with services than for people in more densely-populated parts of Northumberland.

There are some **day services** which we don't currently charge for, and others which we don't charge the full cost for.

We offer a **discount for payment by Direct Debit**.

We don't charge an **administrative fee** for arranging services for people who can afford to pay the full cost.

We are now reviewing all of these differences from the minimum national requirements. The following sections of this consultation document explain each of these issues further, and say what changes we are thinking of making. We want to hear as many views as possible about all of the issues before making any firm decisions.

How do the proposals contribute to the Council's budget savings?

If all of the proposals in this consultation document are implemented, we estimate that this will save the Council about **£1.1m** annually. We expect this saving to arise in two ways:

- An increase in income from charges.
- An increase in the number of people choosing to make arrangements independently instead of asking the Council to arrange their care. This will *reduce* income from charges, but will help us to achieve a separate saving by reducing the amount the Council spends on subsidising the cost of care services.

The Council's existing yearly income from charges for non-residential services is **£6.25m**. Its expenditure on these services is **£41.5m**.

We would expect any increase in the number of people choosing to make private arrangements mainly to result from choices made by people who would be assessed as able to pay the full cost of their care. In that situation, if the cost to someone of a private service is about the same as the charges which they would have to pay to the Council, people may opt for private arrangements as a way of having more control over the way in which their service is provided.

If people do make this choice, the Council's income will reduce rather than increasing, but the Council's expenditure on paying the services will reduce by a larger amount, so the overall effect on the Council's finances will be similar.

The Council's draft budget for 2019/20 includes a saving of **£2.5m** in what the Council spends on paying for care and support services, and a saving of **£450,000** for increased income from charges. We hope to achieve much of

the £2.5m saving by finding better ways to meet individual people's needs. We believe that some of this saving will arise from people choosing to make private arrangements if the Council does not subsidise the home care it arranges.

Anyone who is assessed as needing community-based care and support services has a right to ask the Council to arrange these². Therefore the amount saved from the proposed changes will either come from increased income, or through reduced costs. The overall financial effect of the proposals would be the same, whichever choices people make.

Couldn't savings be made in other ways?

Social care services for adults account for more than 30% of the Council's budget, so it would be very difficult for the Council to make savings of the level required without some reductions in spending on adult social care.

However, if you feel that the Council should be making savings in other ways, please let us know. There is detailed information about the areas in which the Council is already thinking of making savings on the Council's website, along with information about how you can comment on these plans. If you do not have access to the internet, you can ask to see this information at your local library.

The plans for savings also include making savings in other parts of the budget for adult social care.

Question 2 on the consultation form asks for your views about this.

Disability-related expenditure allowances

The national rules on charging say that if a Council takes account of income from certain disability benefits in its financial assessment, it must also offer an assessment of what other costs the person has related to their disability, which they may need this money to pay for. The benefits concerned are Attendance Allowance, or the care component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP).

When we have consulted about charges in the past, we have been told that many people do not like the idea of producing detailed evidence of their expenditure as part of a financial assessment. To reduce the need for this, the Council currently sets standard figures for the 'disability-related expenditure' which it assumes people will need to be able to pay for, without asking for evidence. People only need to produce evidence of expenditure if they believe that their actual disability-related expenditure is higher than this.

² The legal position is different for people who need to move into a care home. If they can afford to make private arrangements, and are able to do so, they do not have a right to have arrangements made by the Council.

When people have a financial assessment, they are given an information sheet explaining what kinds of expenditure we take into account.

The standard amounts which we allow without evidence of expenditure depend on people's benefits:

- If someone is getting:
 - Attendance Allowance at the 'lower' rate;
 - Disability Living Allowance (Care Component) at the 'middle' rate;
or
 - Personal Independence Payment (Daily Living Component) at the 'standard' rate

we assume that they will have disability-related expenditure of £20 per week. (All three benefits are currently set at a weekly rate of £57.30)

- If someone is getting the 'high' or 'enhanced' rate of any of these benefits (currently £85.60 per week), we assume that they will have disability-related expenditure of £48.30 per week
- Otherwise we assume disability-related expenditure of £5 per week.

Anyone who wishes can ask for a specific assessment of their disability-related expenditure. We will look at the records of what they have needed to spend money on. If their spending is higher than the standard amount we have allowed, we will adjust the financial assessment to take account of this. In practice only a very small number of people ask for a specific assessment of their expenditure.

There are a number of ways in which the Council could change its policy. We would expect that reducing standard allowances would increase the charges that people pay, although we cannot predict for certain what the savings would be, because we don't know how many people would choose to have a detailed assessment of their disability-related expenditure, or how many of those would have their charges reduced as a result.

Examples of changes which the Council could make are:

1. It could stop making any standard allowances for disability-related expenditure, and only take account of this in a financial assessment, if the person asks for a detailed assessment of their spending needs.
2. It could keep standard allowances, but reduce all of them, for instance by £5 a week. This would mean that everyone currently assessed as able to pay charges, would be assessed as being able to pay £5 a week more, unless an assessment of their expenditure showed that it was higher than the revised standard allowance.

3. It could change just the highest level of standard allowance – for instance by reducing just the highest standard allowance from £48.30 per week to £35. This would mean that anyone currently getting one of the relevant disability benefits at the rate of £85.60 a week, would be assessed as able to pay £13.30 a week more, unless an assessment of their disability-related expenditure showed that it was higher than £35 a week. This financial assessment would need to look particularly carefully at any costs that the person has as a result of a need for support during the night, which is often one of the reasons for a person being paid the higher rate.

We think it would be unfair to remove standard allowances altogether, and require people to produce detailed evidence of their expenditure before we make any allowance for these extra costs. However, very few people have asked us for a detailed assessment of their costs, so we may be making higher standard allowances than we need to.

Our provisional proposal is to choose the third option above.

Question 3 on the consultation form asks for your views about this.

Couples

The law says that when we assess people's ability to pay charges, we can consider only the finances of the person receiving services. If that person has a spouse or partner, Government guidance says that we should start by assuming that the person benefits from half of the household income, regardless of who this is paid to, though we also consider special circumstances.

At present, when we calculate how much money someone who has a spouse or partner must be left with after paying charges, we compare their income with the same minimum figure that we use for single people. This can mean that people who are part of a couple are treated more generously than people who live on their own. For instance if all of a couple's income comes from social security benefits and the state pension, and one or both of them needs care and support services, they will be asked to pay much less in charges than they would pay if they were receiving the same benefits but living on their own. Sometimes this has meant that if one member of a couple is later left on their own, they face a sudden increase in the charges they have to pay.

The national rules on charges for couples were clarified in 2015, and it is now clear that a local authority can set a lower minimum income figure for people who have a spouse or partner, in the same way that the social security system does. This makes a more consistent policy possible.

Our proposal is to use the national minimum income figures in future.

This will make no difference to people who pay the full cost of their services because they have savings above the capital limit (currently £23,250). However for many other people who have a spouse or partner, it will mean

that the maximum weekly charge which they are assessed as able to pay will increase.

- If one or both of the couple are over pension credit age, by £43.90
- Otherwise, by £19.45 (this is less because the minimum income figure for adults below pension credit age is lower)

Question 4 on the consultation form asks for your views about this.

Home care costs in rural areas

It costs more to provide care services in the most rural parts of Northumberland. In the county's larger towns, care workers often have only a short walk from one person they are visiting to the next person. In rural areas, care workers may have a long drive each time they visit someone who needs help, sometimes several times a day.

Because of this, we have to pay care agencies more to provide care in rural areas. Currently, we pay:

- £14.36 an hour for home care in the South East of the county, where the cost of providing the service is lowest;
- £15.08 an hour in more rural areas
- £20.84 an hour in the areas where it is hardest to provide home care – which roughly corresponds to the National Park area and the North Pennines Area of Outstanding Natural Beauty.

We keep these areas under review to make sure that we are paying what we need to in each locality, and may make some changes before next April.

At present, people pay us the same hourly charge wherever they live, which is based on the lowest rate we pay, in the County's most urban areas. This means that we are subsidising the cost of care services for people in rural areas, even if they can afford to pay the full cost. (If people have low incomes, the hourly charge usually makes no difference to what they pay, since this is based on what they can afford.) We are now reviewing this subsidy for rural residents.

The Council is proposing to change its charging policy to one based on the cost to the Council of arranging the service for each person.

However we propose to make two exceptions to this, to avoid the risk that a small number of people might have to pay much higher charges than other people getting similar services:

- People living in the "very rural" areas might in some cases be asked to pay very large increases if charges were based on full costs – a small number would see their weekly payments increase by more than £90 per week. In those areas, our proposal is that people would be asked to pay

what their service would have cost us in other parts of rural Northumberland. The Council would subsidise the difference between this and the actual cost of their home care.

- There can sometimes be other occasions when we have to pay unusually high rates to provide home care for someone in an area which we have not designated as 'very rural', because for some reason the usual providers are not able to provide a service. In those cases, we will charge only what a service from the usual provider for the same area would have cost us.

The proposed policy would mean increased charges for some people living in rural areas, although if this policy was introduced now, the majority of rural home care users would pay no more than they do at present. The Council arranges home care for about 700 people in rural Northumberland, and of these only about 200 would pay more. Of those, only 35 people would see an increase in their weekly charges of more than £10, and none would see an increase of more than £25.

These figures outline what people would pay if the Council's policy was changed immediately. The Council reviews the fees paid to home care providers each year, to take account of up-to-date information about providers' costs. The final charges in each year will be based on the actual cost to the Council of the services. The actual charges from next April are likely to increase due to issues for care agencies such as recruiting enough staff in rural areas and the cost of travel time for care workers making short visits.

Question 5 on the consultation form asks for your views about this.

Day services

The Council's general policy is that users of day services pay charges based on what the service costs the Council. But there are currently a number of exceptions to this. We are considering changing to a consistent policy of charging the full cost for all day services, subject to an assessment of the amount people can afford to pay.

This would affect a small number of mental health day services for which there is currently no charge. We will contact users of those services separately to let them know how they might be affected, and give them an opportunity to share their views with us.

There are also some other day services where the current charges we make are below what the service costs us. This includes day services run by the Council, and a small number of services provided by voluntary organisations. We are proposing to adjust these charges to match what the services cost. This is not strictly speaking a change in the Council's policy, but it may significantly increase charges for some users of these services who have

been assessed as able to pay more. We will let users of these services know separately how the daily charge for these services may change.

Question 6 on the consultation form asks for your views about this

The discount for Direct Debit payment

When the Council first introduced a charging policy based on detailed assessment of people's ability to pay, Direct Debit was still a relatively new payment method for many people. At that time the council offered a financial incentive to switch to payment by Direct Debit because of the cost to the council of sending out invoices. We therefore offered a 4% discount on charges for people who paid by Direct Debit.

The financial incentive to opt for Direct Debit payment now seems less necessary.

We are considering three options:

- We could end the discount from April 2019 for everyone.
- We could continue to offer the discount to people currently receiving it, but not to new service users.
- We could reduce the discount to a lower level – for instance by changing it to a lower percentage than 4%.

Question 7 on the consultation form asks for your views about this.

Administrative fees

In some circumstances, councils are allowed to charge an administrative fee to cover the cost of arranging services, in addition to the cost of the services themselves. This applies when:

- The person using the service is assessed as able to pay the full cost because they have savings or other assets worth more than the nationally-set capital limit (currently £23,250).
- The person (or someone with the legal power to act on their behalf) has chosen to ask the council to arrange services, when they could have financially afforded to make private arrangements. (Councils can't make an administrative charge if the person doesn't have the mental capacity to be able to make private arrangements, and there is nobody with the legal power to do so on their behalf).

Any charge would cover a fair share of the cost of making financial and contractual arrangements – there would be no charge for assessing the person's needs and drawing up a plan to meet them. We estimate that a charge which covered the relevant costs would be about £3.45 per week for

people who opt to pay for the service by Direct Debit, and £4.00 per week for people who choose to pay by invoice – these figures would be reviewed each year.

Question 8 on the consultation form asks for your views about this

Who would be worst affected by the proposals?

When the Council makes its decision about what changes to make to its charging policy, it will consider a report setting out what we believe the impacts will be on particular groups of people. The Council is required by the Equality Act to consider whether there would be a disproportionate impact on people who share one of a list of 'protected characteristics'.

One of these is disabled people. We know that any increases in charges will specifically affect people with a disability or long-term health condition, since those are the main groups of people who need social care services. But we would welcome comments on the specific impact of these proposals on people with particular kinds of disability or health condition.

Other 'protected characteristics' which the council must consider are:

- Age. We know that most of the Council's income from social care charges comes from older people, because working age adults with a disability or long-term health condition are less likely to have savings or pensions. We would welcome comments on whether any of the proposals would unfairly affect people in particular age groups.
- Sex. More women than men use most social care services, and it is still more common for women to provide unpaid care rather than men, though this may be changing. Please let us know if you believe that some of the proposals would unfairly affect one sex more than another.
- Marriage or civil partnership. The proposed changes to the way we assess the financial resources of people who are in a couple will particularly affect people who are married or civil partners. Please tell us if you think this would be unfair.
- Religion or belief, sexual orientation, race, pregnancy and maternity, or gender reassignment. We don't at present think that the proposals will have significantly different effects on people who differ in these ways. But please tell us if you think we are wrong.

We would also be happy to consider comments on how the proposals might have particularly significant effects on other groups of people not specifically identified in the Equality Act.

Question 9 on the consultation form asks for your views about this

Should some people pay *lower* charges?

The Council has not made any firm decision yet about how it will change its charging policy, so it is not impossible that it might in the end decide to make changes which would reduce some people's charges rather than increasing them. However in current financial circumstances the Council would be likely to have to make additional savings in some other area to pay for this.

If you believe that some specific aspect of our charging policy is seriously unfair, or that some specific group of people are being charged more than they can reasonably afford to pay, please do tell us about this. We want to make sure that the Council knows about all the issues that matter to people when it makes its final decision.

There are many ways in which the charging policy could be changed to reduce what some people have to pay. Some examples, which Government guidance says that councils ought to consider, include:

- Taking into account only a proportion of the extra income which someone has above the minimum amount which they must be left with after paying charges. Like many other authorities, the Council currently takes all of this additional income into account. If it took into account only 50% of the additional income above the minimum, the Council would collect **£2.2million** a year less in charges. If it took into account only 75% of the additional income, it would collect **£1.1million** a year less in charges.
- The Council could set a maximum weekly charge. The cost of this would depend on the level of the maximum. For instance setting a maximum charge of £200 per week would cost the Council **£460,000** a year.

Another way in which the Council could reduce charges would be to make no charge when it provides services directly to carers – partners, family members and friends who provide care and support without being paid. Some councils charge for services provided to disabled people, but not for support provided to help their carers to cope with the impact of caring on their own lives – for instance government guidance suggests that carers could be helped by paying for them to buy computers, or join gyms, or pursue hobbies.

When we have consulted in the past, carers have told us that services provided directly to them aren't usually their highest priority. There are two things that carers have told us are usually more important. One is that the person they care for has reliable care services to carry out tasks which the carer couldn't safely carry out, or couldn't manage alongside the rest of the things in their lives that are important to them. The other is that they can get a break from caring when they need it, with care services available to keep the person they care for safe while the carer is away. Both of these are about services provided to the cared-for person rather than direct support for the carer – so they would be charged for even if services provided directly to the carer were not charged for.

Because of this, we do not think that ending charges for services provided directly to carers would be the best way to support carers within the limited budget available. We currently think that more effective ways to support carers are to take their needs fully into account when we plan care services, and to continue to give financial support to Carers Northumberland, the county-wide voluntary organisation which helps carers to learn from each other's experiences, and to access training and support. But we would welcome comments on this issue.

Question 10 on the consultation form asks for your views about this.

If you are not sure how you might be affected

If you have questions about how the proposals might affect you personally, please either send us an email at SCFinance@northumberland.gov.uk, or phone us on (01670) 622 891. Please don't use these contact points to reply to the consultation.

Responding to this consultation

You can respond to this consultation in three ways:

- By using the online form on the Council website, available at www.northumberland.gov.uk/carechargesconsultation. If you are able to respond in this way, it helps us to reduce our administrative costs.
- By completing the paper form which you should find with this consultation document.
- If you can't use the online form and the paper form is not suitable for you – for instance because you want to give a longer answer to some of the questions that will fit in the boxes – please send us a letter or an email, using headings to make it clear which questions you are answering.

Email responses should be sent to carechargesconsultation@northumberland.gov.uk.

Letters should be sent to:

Care charges consultation,
Freepost RTKS - TSRU - RJKR
Adult social care,
County Hall,
Morpeth
NE61 2EF

Please make sure that responses arrive by 21 December 2018. We may not be able to take account of comments received later than that.