

# How do we fund adult social care fairly?

16 June to 4 September

[www.southwark.gov.uk/careact](http://www.southwark.gov.uk/careact)

## Introduction

Britain's population is getting older and councils are finding that more people need help with their care. People are currently asked to contribute towards the cost of their care. How much someone contributes depends on how much money they have available after taking into account the amount needed to have a good quality of life.

There have been changes to adult social care following the government's introduction of the Care Act which affects how councils assess needs and provide care and support. We need to ensure there is sufficient funding available to pay for this otherwise the quality of support could suffer and that would not be acceptable.

**So, we are proposing some changes to how we charge for adult care and we want to hear what you think.**

If you receive any of the following services you may be affected by the proposed policy changes:

- Personal Budget – personal budgets help you take control of your own social care budget, manage your own support and choose the services that suit you best. You may be receiving direct payments and self-managing your money, or the council or another organisation may be managing your personal budget on your behalf.
- Traditional community support services – such as home care for personal and practical needs, attending a day centre, receiving alarm service or Telecare, or residential respite care periodically
- Meals service

There is no proposal to start charging carers for services they may receive so these people are not affected.

## Share your views

We would like you to tell us what you think of the proposed changes. You can send us your views by:

- Completing the enclosed questionnaire – a prepaid envelope is provided
- Sending your views via email to [fcp@southwark.gov.uk](mailto:fcp@southwark.gov.uk)
- Speaking to us over the phone on **020 7525 3555**

If you need this document in larger print or need in to be translated, please do get in touch on the number above.

## **Consultation Period**

We are seeking your response during the consultation period which runs from **16 June to 4 September 2015**. Responses to the consultation will be considered by Southwark Council's cabinet. The proposed date for starting the new policy is 5 October 2015.

## **Frequently Asked Questions**

### **1. Why do we charge for social care services?**

Councils can not afford to pay for the entire cost of social care, especially with the population getting older and more people needing help with their care. We therefore need to ask people to make a contribution, to make sure we can provide the best quality care to those who need it.

### **2. How do we make policy about charging for social care?**

Southwark Council's current policy on charging adults for (non residential) social care services is based on guidance set by the Department of Health. This was issued in September 2003 and is called 'Fairer charging policies for home care and other non-residential social services: Guidance for Councils with Social Services Responsibilities'.

Since then, the Department of Health has also provided guidance to local authorities on how they should assess contributions under personal budgets.

The Care Act 2014 and the guidance issued with it sets out a number of principles which local authorities should follow. This includes the need to apply charging rules equally and fairly when assessing how much people can contribute towards their care. so that people with similar needs or services are treated the same. This excludes services which the government has said should be provided free of charge.

### **3. What do we do with the money?**

The contributions people make towards their care is used to provide social care services. Without this we would not be able to provide all the services currently available.

### **4. Why do we want to change the way we charge for social care services in Southwark?**

With the introduction of the Care Act, we want to make sure that we follow government guidelines. We need to make sure that how we charge for care reflects how we provide care now and how many people require care, as over the years different changes have happened; for example, the introduction of personal budgets.

The policy of how we charge for services needs updating so that it:

- Is simpler
- Reflects the cost of providing services
- Includes all people who receive care
- Includes personal budgets.

Local councils across the country are facing challenging financial times. In the face of financial restrictions imposed upon us, we need to be realistic about our available resources. ,This includes looking at how people pay a contribution towards the cost of the care they receive.

**We would like to hear your views on the proposals. If you need help with understanding any of the proposals and how they might affect you, please contact us on 020 7525 3555.**

**Please return your comments to us by Friday 4 September 2015.**

# What are the changes being proposed?

## Proposal 1

### To make sure that those with the least money don't pay anything for their care

#### What we do now

At present, we ask service users to contribute if they have more than £2 per week available income after they have had a financial assessment. This means that those service users who can afford to contribute are charged at least £2 per week.

#### What we are proposing to change

We would like to introduce a further safeguard for people on the lowest incomes by making sure that if the result of the financial assessment shows that the service user has less than £3 per week income available to contribute to their care, they will not be charged.

#### What alternative proposals have we considered?

Alternatives would be to leave the present £2 per week as the minimum, or to have a higher minimum contribution.

#### Why we are proposing this change

It is not the best use of resources to charge and collect smaller amounts of money and this will further protect the people on lowest incomes. We believe this is a fair level to set contributions at.

#### Example

*Mrs A currently receives five hours of home care per week and the cost of providing this is £67.25. She is financially assessed and contributes £2.50 towards the cost. Under the new scheme she is still assessed and because the result is less than £3, she is no longer expected to contribute. She will now receive her care free of charge.*

#### Do you agree with this proposal?

Yes	No
Why?	Why?

## Proposal 2

### To charge the full amount of what we consider people's available income (after a financial assessment)

#### What we do now

When we assess people to see what they must pay towards the cost of services they receive, we take into account their income and their expenditure and therefore how much they can afford.

Currently we take into account savings above £14,250, pensions and state benefits (apart from DLA mobility component, the highest level of DLA care component and the highest level of Attendance Allowance). From this amount we take off housing costs, and disability related expenditure. The government says that we must leave people with a certain amount (the 'living expenses') and this amount must be 25% higher than the minimum income guarantee (or equivalent).

The government recommended amounts, including the 25% are;

Age 18-24	£133.00 per week
Age 25-59	£151.38 per week
Age 60+	£189.00 per week

So we then deduct this value as well as the housing costs and disability related expenses and look how much money a person has over and above the government recommended amount. This final value is called 'available income'.

Currently we only charge 80% of this available income.

#### What we are proposing to change

We will continue to look at income and expenses in the same way, but propose to charge 100% of the available income.

#### What alternative proposals have we considered?

An alternative would be to keep the 80% level. With increased demands for services and budgetary cuts from national government, this could result in a shortfall of funding for necessary services. This would mean that the level of services would suffer, as there would be less money available.

#### Why we are proposing this change

We have carefully considered the government's statutory guidance and have concluded that we need to increase the resources available to protect services to the most vulnerable people in Southwark. This includes looking at how people contribute towards the cost of these services. We are the only council in London who currently charge 80% and most other boroughs charge 100%.

#### Examples

*Mr B currently receives homecare and the alarm service. His care package costs £200 per week and he is financially assessed. The result is that he has £15 available income, and so currently pays £12 per week towards the cost of his service because we charge 80%. Under the new policy, we charge 100% of available income, so his contribution would increase to £15 per week (his services don't change).*

*Mrs C currently attends a day centre twice a week and has two hours of home care. Her care package costs £94.50. She is financially assessed and has £140 available income. Under the current scheme she pays £94.50 per week because the cost of her care is less than 80% of her*

available income. Under the new rules, her contribution won't change, because the cost of her care is still less than her available income.

Ms D lives in Supported Living accommodation and is 22 years old. Under the current scheme she does not have to contribute because her weekly income after expenses is less than £133 per week. Under the new rules her income remains the same and she still isn't required to pay.

### Do you agree with this proposal?

Yes	No
Why?	Why?

### Proposal 3

#### Everyone who can afford to, pays a contribution towards their care, including mental health service users

##### What we do now

Under the current policy we do not charge **any** mental health service users for their non-residential care services. Legally we cannot charge people if they are receiving their care as part of an aftercare package under Section 117 of the Mental Health Act.

##### What we are proposing to change

We think it would be fairer to all to ask everyone to contribute towards their care if they can afford to, including mental health service users (if they are not receiving their care under Section 117). In this way, almost everyone receiving care would be assessed to see if they can make a contribution towards the cost of the care they receive. We will not be financially assessing Section 117 people as this would not be within the current law.

##### What alternative proposals have we considered?

We believe it is not acceptable to leave the system as it is. The government's guidance is clear that local authorities should apply charging rules equally and minimise differences between different care settings. Other councils generally ask mental health service users to contribute to their care costs unless they are receiving services under Section 117.

##### Why we are proposing this change

We have considered the government’s guidance, and believe it is fairer and more equitable to include all service users. We need to ensure that projected increases in demand can be met and therefore need to maximise the amount of charges collected whilst ensuring all clients are financially assessed and retain their living expenses. This would be the same as the policies of our neighbouring councils.

**Examples**

*Miss E is a mental health service user and attends a day centre four times per week. At the moment she doesn’t have to pay towards the cost of the service. Under the new policy she is assessed, and because her available income is less than £151.38 (see proposal 2 above) she still doesn’t have to pay towards the service – there is no change to her.*

*Mrs F is a mental health service user who receives homecare and attends a day centre two days per week. Under the new policy, she is assessed and she has £15 available income. She will be asked to contribute this £15 per week towards her services.*

**Do you agree with this proposal?**

Yes	No
<p><b>Why?</b></p>	<p><b>Why?</b></p>

**Proposal 4**

**To simplify how respite care, meals and telecare are charged**

**What we do now**

When people have residential respite, we make a ‘flat rate’ weekly charge, meaning everyone pays the same, set fee. The fee is the same as the higher rate of Attendance Allowance. If they have meals at home or at a day centre, we charge a set amount per meal. Some people pay a set charge for their personal alarm, regardless of their financial circumstances. The fee is the same no matter what the person’s income is, even if they may not be able to afford it.

**What we are proposing to change**

We believe it will be fairer if, like with other services, people are only asked to contribute towards what they can afford.

Instead of paying separate charges for different services, the person will be financially assessed to see what they can afford to contribute so that they are charged only once per week.

**What alternative proposals have we considered?**

An alternative would be to continue as at present but this is an opportunity to simplify the process *and* make it fairer.

**Why we are proposing this change**

We have looked at other councils' policies and we have considered the government's guidance. We believe the new contributions system is easier to understand, and is fairer because every person's financial position is taken into account. People will only be asked to contribute what they can afford.

**Examples**

*Mr G currently receives homecare. His home care package costs £200 per week and he is financially assessed. He currently pays £15 per week towards his homecare.*

*Mr G goes for respite care twice a year. When he goes, he doesn't receive home care, so his £15 per week charge isn't made. However, he is charged the set fee of £82.30 per week for respite care. Under the new scheme, he is assessed and it is found that he can afford to pay £15 per week, so this is his contribution towards his care. It doesn't change when he has respite care. He is still expected to contribute £15 but isn't charged the £82.30 for that week.*

*Mrs H currently attends a day centre twice a week and has two hours of home care at weekends. She also has meals delivered three days per week. Currently, she is financially assessed and contributes £21 per week towards her home care, PLUS her meals charges. . Under the new 100% rules, her contribution changes to £26.25 per week, but this includes the meals service so she no longer has to pay separately for this.*

**Do you agree with this proposal?**

Yes	No
Why?	Why?

## **Charge the same for non-residential care as we do for residential care, meaning that if a person's savings or capital are above £23,250 their care is not subsidised by the council**

### **What we do now**

At the moment, when we see how much someone can afford to contribute towards their care, people who have care at home and people living in a care home are charged in different ways. For people who live at home, we include their savings or capital when it is above £14,250 (this level is set by government) when we see how much they can afford to pay for care. For every £250 of savings above £14,250 they have, we add £1 per week to how much they are assessed as having available income. There is no 'cut-off' point or maximum saving to this system, for people receiving care in their own home. However, if someone lives in a care home, and they have more than £23,250 in savings, they automatically have to pay the full cost of their care until their capital is reduced to less than this amount.

### **What we are proposing to change**

We would like to ask people living at home with a certain amount of savings to pay the cost of their care, in the same way that people in care homes do. The savings amount at which the full cost of care is paid for, known as the upper threshold amount, is currently £23,250 (this level is set by government).

### **What alternative proposals have we considered?**

An alternative is to continue with the two separate systems. This is an opportunity to simplify the process and make it more understandable.

### **Why we are proposing this change**

We have looked at other councils' policies and we have considered the government's guidance. This proposal would simplify the assessment process and would be the same as the rules used for residential and nursing home cases. This would be the same as the policies of our neighbouring councils.

### **Examples**

*Mr J has £60,000 in savings and has a care package of homecare and day care which costs £145 per week. He has retirement pension and attendance allowance, and currently contributes £39 towards the cost of providing the care. Under this proposal, his contribution would increase to £145 per week until his savings reduce to below the £23,250 level.*

*Mrs K has £45,000 in savings and she also receives a private pension, attendance allowance and pension credit. She contributes £265 per week but as this is the full cost of her care package, she would not have to pay more as a result. When her capital is reduced, she will be financially assessed again.*

**Do you agree with this proposal?**



Yes	No
<p data-bbox="108 208 196 241"><b>Why?</b></p>	<p data-bbox="802 208 890 241"><b>Why?</b></p>

**Proposal 6 -  
To introduce a discount scheme for people who pay by Direct Debit**

**What we do now**

At the moment we send statements of account and invoices regularly. We also send reminders and follow up when the charges are not paid.

**What we are proposing to change**

We would like more people to pay by Direct Debit because it is the most economic way of collecting income, so we can spend more on the care itself rather than administration costs. It is also usually the most convenient payment method for people. We are proposing to offer a discount to people paying by direct debit which would reduce their weekly contribution.

**What alternative proposals have we considered?**

An alternative would be to continue charging the same amount regardless of the fact the person is paying by Direct Debit. This might result in a higher level of income but would not acknowledge and reward the people who choose to pay by a more efficient method.

**Why we are proposing this change**

We believe it would be fair to recognise the savings Direct Debit can create and to pass on this saving to residents – similar to schemes used by some utility companies.

**Examples**

*Mr L is financially assessed and the result is he can contribute £25 per week towards his care package. He opts for paperless billing and chooses to pay via Direct Debit – a discount is applied to his weekly contribution.*

*Miss M is financially assessed and does not want to pay via Direct Debit. She receives no discount as a result and continues to receive invoices which must be paid within the specified time.*

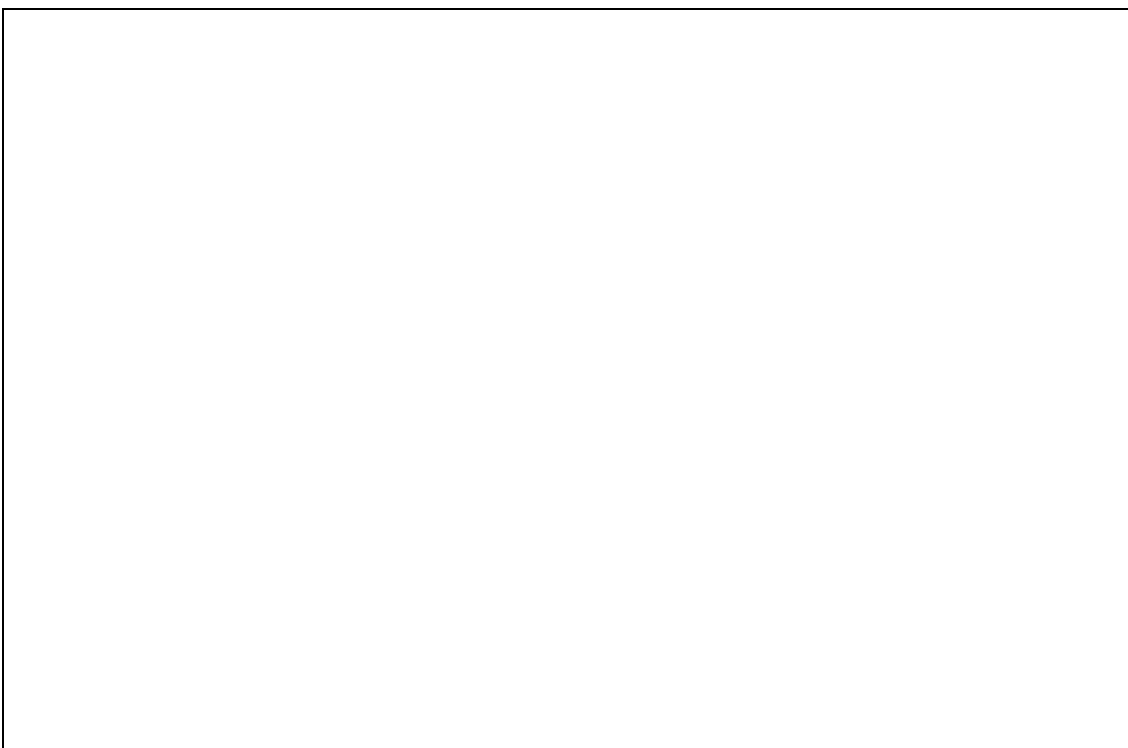
**Do you agree with this proposal?**

**If yes, what level of discount do you favour? 1% 3% 5% (please circle)**

Yes	No
Why?	Why?

**If you have further comments or alternative suggestions please add them here**

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### **Summary**

Thank you for reading our proposals and for providing your feedback. Your views will be made anonymous and summarised. This information will be presented by the adult social care team for consideration at a council cabinet meeting. Councillors will then make their decisions regarding the Fairer Contributions Policy.

The report to cabinet will be available on the council's website after 24 September and this can also be obtained via local libraries or your one-stop shop.