

**CABINET MEETING – 16 JANUARY 2013**  
**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Maximum Contribution for Social Care Charging

**Author(s):**

Executive Director of Health, Housing and Adult Services

**Purpose of Report:**

- I. The purpose of this report is to seek agreement to the proposed changes to the Social Care Contributions Policy.

**Description of Decision:**

Cabinet is recommended to agree:

- a) The review of the maximum contribution a customer can make towards their personal budget for non residential social care.
- b) The removal of the maximum contribution cap to bring this in line with the standard rate of residential care (currently £394.80).
- c) To update the contributions policy in line with Department of Health Guidance

**Is the decision consistent with the Budget/Policy Framework?      Yes**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

- i. Greater equity for customers.
- ii. Facilitate the implementation of Personalisation
- iii. Bring Sunderland in line with many National and Regional Authorities.

**Alternative options to be considered and recommended to be rejected:**

Do not review the maximum contribution.

Review the maximum contribution to a figure between the current rate and the standard rate of residential care.

**Impacts analysed:**

**Equality**

**Privacy**

**Sustainability**

**Crime and Disorder**

<p><b>Is this a “Key Decision” as defined in the Constitution?</b>            <b>Yes</b></p>	<p><b>Scrutiny Committee</b></p>
<p><b>Is it included in the 28 Day Notice of Decisions?</b></p> <p><b>Yes</b></p>	

**REPORT OF EXECUTIVE DIRECTOR OF HEALTH, HOUSING AND ADULT SERVICES**

**Maximum Contribution for Social Care Charging**

**1.0 Purpose of the Report**

- 1.1 The purpose of this report is to seek agreement to the proposed changes to the Social Care Contributions Policy.

**2.0 Description of the Decision (Recommendations)**

- 2.1 The decision required is to review the Maximum Contribution a customer can make towards their personal budget for non residential social care.
- 2.2 It is recommended that the maximum contribution is in line with the standard rate for residential care in the City. This is currently £394.80 per week.
- 2.3 To update the contributions policy in line with Department of Health Guidance.

**3.0 Introduction/Background**

- 3.1 The Contributions Policy for Social Care was agreed by Cabinet in February 2012 and has been live since April 2012.
- 3.2 The policy was introduced in line with the changes to social care associated with the introduction of personalisation.
- 3.3 The previous charging policy, that applied a charge for units of service (such as an hour of home care, a day of day care or a night of short break) was not workable with the new, more flexible system of personalisation that allows customers to choose how they will spend their personal budget to meet their own needs.
- 3.4 A policy was needed that could ask customers to make a contribution against their personal budget and not against individual services.
- 3.5 The policy that was developed and agreed works as follows:
- A customer receives a financial assessment in conjunction with their care assessment.

- This assessment calculates the maximum contribution they can afford to make on a weekly basis – up to the current maximum weekly contribution of £108.70.
- When their support plan is completed and their weekly personal budget is known, the actual contribution they make is calculated.
- This calculation compares their weekly personal budget with their weekly maximum contribution – the customer is asked to contribute up to their own maximum weekly contribution, if their personal budget is less than this figure, then they will contribute the lesser figure; if their personal budget is greater than this figure, then the Council will top up the difference (either via a direct payment, or through the direct provision / commissioning of services for which the customer can be invoiced).
- The contribution covers every service that is purchased using the customer's personal budget, including short break (that was previously assessed for separately).

3.6 A programme of reviewing all customers who were previously assessed under the old charging policy is underway, with a completion date of 31 March 2013.

#### **4.0 Current Position**

4.1 As part of the introduction of the Contributions Policy, it was intended that the Maximum Contribution would be reviewed, the plan being to increase this to the standard rate of residential care (currently £394.80 per week).

4.2 At the time the new policy was agreed, the Dilnot report into the cost of social care had been published and the Government White Paper on the future of social care (that was expected to include charging) was due to be issued later in the year.

4.3 It was decided that the Contributions Policy would be agreed without the change to the maximum contribution. The reason for this was that the Dilnot report looked at capping the total contribution a person can make towards their social care in their lifetime. It was felt that it would be helpful to defer this element of the policy until such time as the contents of the Government white paper was known.

4.4 The Government white paper has now since been released. It does not address the charging issues previously raised – it is not expected that this will be addressed before the next election (from May 2014). With this in mind, it is recommended to go ahead with the review of the Maximum Contribution as previously planned.

## 5.0 Reasons for the Decision

5.1 An element of the agreement of the Contributions Policy was that the Maximum Contribution would be reviewed later in the year.

5.2 The reasons for the decision to increase the Maximum Contribution Cap to bring it in line with the standard rate for residential care (currently £394.80) are as follows:

- Equity for all customers – those customers who are able to afford a higher contribution than £108.70 are provided with a subsidy in the current system, as their maximum contribution is capped, whereas those who can only afford a small contribution (i.e. lower than the current cap) receive no subsidy – meaning that the Council are subsidising only those who are better off.

For example, a customer who can afford a contribution of £220 per week is assessed as being able to afford £108.70, therefore receives a subsidy of £111.30. A customer who can afford a contribution of £20 per week receives no subsidy and is asked to pay as much as they can afford.

- A change in the maximum contribution brings Sunderland more in line with other Local Authorities both regionally and nationally.
- The reason for the use of the residential care rate is that Fairer Charging Guidance issued by the Department of Health prevents a Council charging more for care at home than for residential care, as this would offer a perverse disincentive to customers to opt for residential care while they are still able to live independently.

5.3 A number of minor changes to policy wording are also being proposed to strengthen its operation in practice and to take account of updated Department of Health Guidance from October 2012.

- Guaranteed Income Payments made under the Armed Forces Compensation Scheme have been added to disregarded income following 2012 guidance update.
- Included confirmation that where an individual does not provide full financial information that they would also be assessed to pay the maximum.
- Advised where an individual wishes additional expenditure to be taken into account that this is done through a separate review process.
- Clarified that only heating costs in excess of Government figures can be allowed as expenditure.
- Clarified that it is Sunderland's policy to disregard War Disability and War Pensions fully rather than the first £10 per week.
- Removal of Community Care Alarms as an allowable expenditure

## **6.0 Alternative Options**

- 6.1 Do not increase the maximum contribution cap at all. This would mean that the contributions policy remains inequitable, particularly for those customers who are less well off – with the Council continuing to subsidise the better off only.
- 6.2 Increase the maximum contribution cap to a figure between £108.70 and the standard rate of residential care. This would mean that the Council continues to subsidise only those who can afford to contribute over the maximum figure that is selected. It would also mean that there is no basis for the maximum contribution figure selected (as is the case with £108.70 which related to the previous contributions policy of the equivalent of 10 units of service).  
An option could be that the figure used could be a percentage of the residential care rate, which would at least provide a basis for the use of the figure selected.

## **7.0 Impact Analysis**

### **7.1 Equalities**

An impact equality assessment has been completed to show that this change to the contributions policy is non discriminatory. This is in Appendix One.

### **7.2 Privacy Impact Assessment (PIA)**

A privacy impact assessment is not required for this change to the policy. Reviewing the maximum contribution does not change the collection of information for a financial assessment or the governance around storing this information securely.

### **7.3 Sustainability**

There are no concerns about the sustainability of the review of the maximum contribution. Only those who can afford the increase in contribution will be impacted. Every customer receives a financial assessment that looks at all of their income, savings and expenditure (based on Government guidelines) so no one would be asked to contribute more that they could reasonably afford.

## **8.0 Other Relevant Considerations / Consultations**

### **8.1 Financial Implications / Sunderland Way of Working**

There is a potential impact on income; however this is dependent upon the level of personal budget customers receive as well as on their financial assessment. The creation of the Contributions Policy was in line with the Sunderland Way of Working bringing a proportionate level of interaction with our customers at an appropriate point in their journey. The review of the maximum contribution makes this more equitable for all customers.

### **8.2 The Public**

Prior to the agreement of the Contributions Policy at Cabinet in February 2012, a 12 week public consultation was undertaken relating to the proposed changes that the new policy would bring about to charging for social care in Sunderland.

8.3 The consultation involved a questionnaire that was sent to our current customer base. This was also made available to the wider public via the internet. It also involved attendance at a number of user groups and forums to enable as many of our customers or potential customers to have a say as possible.

8.4 The proposed change to the maximum contribution was included in the consultation.

8.5 Customers were asked whether they believed removing the maximum contribution cap so that all customers were assessed to pay as much as they could afford was a fairer system. In total 36% agreed that this system would be fairer, with 59% disagreeing (and 5% choosing not to respond to the question).

8.6 It has been confirmed that because this consultation has been completed, and the decision was only deferred, there is no requirement to go back out to consultation on the same issue.

## **9.0 List of Appendices**

9.1 Impact Equality Assessment

## **10 Background Papers**

10.1 No background papers were relied upon in the preparation of this report.

