

DECISION-MAKER:	CABINET
SUBJECT:	DRAFT ADULT SOCIAL CARE CHARGING POLICY
DATE OF DECISION:	6-Feb-24
REPORT OF:	COUNCILLOR FIELKER – LEADER OF THE COUNCIL (previously CABINET MEMBER FOR ADULTS, HEALTH AND HOUSING)

<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
An update is proposed to the Adult Social Care (ASC) Charging Policy for April 2024. A new policy has been drafted with eight significant areas of change, along with an Equality and Safety Impact Assessment.	
A public consultation on the changes ran from 25 th September to 5 th November 2023. The feedback has been reviewed. No changes are proposed to the draft policy (with the exception of minor wording amendments to improve clarity). However, feedback has been noted and will affect the way we implement and communicate the changes.	
RECOMMENDATIONS:	
(i)	That the Cabinet review and approve the new Adult Social Care charging policy for April 2024, as attached at appendix 1
(ii)	To note the eight proposed changes to the policy as listed below.
(iii)	Following consultation with the Cabinet Member for Adults, Health and Housing, that the Executive Director for Wellbeing and Housing be given delegated authority to make minor amendments to the policy as appropriate (see section 9 of the policy).

Change 1	Improve the process for managing people's disability-related expenses, in order to encourage more customers to claim.
Change 2	Simplify, and explain more clearly, the way we charge for care which is cancelled.
Change 3	Explain more clearly how charges are issued when care first starts.
Change 4	Change the method for calculating the cost for non-residential care, from an average rate to the actual cost. This will result in increased charges, but only for those not eligible for funding support, using the means test.
Change 5	Introduce charges for transport. This will result in increased charges, but only for those not eligible for funding support, using the means test.
Change 6	Increase the administration charges for processing deferred payment loans.
Change 7	Change the Minimum Income Guarantee rate used for new customers aged between 60 and state pension age.
Change 8	Improvements to the general structure and accessibility of the policy document.

REASONS FOR REPORT RECOMMENDATIONS

1.	The Adult Social Care charging policy was last amended in 2019 and is due for revision. Having an effective charging policy is a key requirement for both Care Act 2014 compliance and CQC inspection readiness.
2.	A complete review of our charging practices has highlighted areas where the existing policy is out of date, unclear, impractical to operate or out of step with other Local Authorities.
3.	The policy needs to allow annual increases in charges, and explain how this is done. The proposed ASC charging policy has been designed to align with the general approach to Southampton City Council ("SCC") fees and charges.
4.	A moderate increase in income from charges is anticipated if the proposed policy is approved. The extent of this increase depends on the future uptake by customers of the disability-related expenses option.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5.	For all 8 changes, leaving the existing policy unchanged was an option. The "Reasons for Report Recommendations" section above explains why that option was rejected.
6.	Change 4: Charging for non-residential care at actual cost: Alternative proposals were: <ul style="list-style-type: none"> a) Staying with average charging. Rejected because this means we subsidise care for people not eligible for funding support. b) Actual cost with a cap. Rejected because we would continue to subsidise the most expensive care for people not eligible for funding support, using the means test. Of the other Charging Policies reviewed, only Blackpool and Essex mention a charge cap.

DETAIL (Including consultation carried out)**7. Timeline**

Key dates for the charging policy consultation and implementation are:

31-Aug-23	Cabinet Member Briefing: Executive Director approval to proceed to public consultation; Delegated Decision Notice signed
25-Sep-23	Consultation started
12-Oct-23	Overview and Scrutiny Management Committee review completed
5-Nov-23	Consultation ended
21-Dec-23	Cabinet Member Briefing: Final policy and report approved
Jan-24	Letters to clients likely to see increased charges (making clear that changes are dependent on outcome of Cabinet)
6-Feb-24	Cabinet Meeting
March 24	If approved, letters to customers explaining final changes and new charges for 2024-25*
1-Apr-24	If approved, new policy goes live

*March is the usual time for revised charges to be issued for the following financial year. This is constrained by the publication of benefit rates and approval date of council tax rates.

Details of proposed changes

8. There are eight changes proposed. These are listed in the Recommendations section above. Seven are changes to policy and the eighth relates to improving the presentation and accessibility of the policy document. Given the complexity of the charging process, a considerable amount of background needs to be provided, to explain what each change will mean in practice. This is written in the Equality and Safety Impact Assessment (see Appendix 4), along with an analysis of the impact and ways in which this impact can be mitigated.

Background Research and Benchmarking - Other councils' charging policies

9. Other councils' charging policies (including geographical and statistical neighbours, where the information was available) were reviewed in order to:
- Assess the most common approaches to charging
 - Understand where Southampton City Council sits, on the spectrum of charging options
 - Review and compare other councils' charging rates for specific types of care
 - Find examples of good presentation practice.

From this review, we have noted the following, in relation to each of the proposed changes:

- Handling of disability-related expenses: There are a wide variety of

approaches in terms of how much information is supplied. Nearly all councils base their rates on the data provided annually by NAFAO (National Association of Financial Assessment Officers) as SCC do. Nothing we are proposing is significantly different, except that we propose to include more detail in our Rates Document than we see in a number of other councils' documentation.

- Cancellation of care: Only a minority of councils go into detail about this. Our proposed policy simplifies the previous explanation of cancellation charges, with the aim of reducing the significant number of billing queries we receive concerning charges for cancelled care.
- Charges when care first starts: A level of back-dated charging is unavoidable when non-residential care first starts. We now propose to explain this more clearly, learning from good examples of wording in other councils' policies). This is alongside other clarifications which are being provided to improve our current policy.
- Calculating the cost of non-residential care using the actual cost instead of an average rate: Out of 19 councils we reviewed where the charging approach was clear, we found five councils, including Hampshire County Council and Isle of Wight Council (IOW) who state or imply that they charge at the actual cost, as we are proposing to do. The other 14 councils use average rates.
- Charging for transport: Many councils charge for transport, including Hampshire and BCP. We are unusual in providing this service free of charge. Three councils (Brighton and Hove, Coventry and Plymouth) go further, and charge the customer for transport on top of their assessed contribution towards their care).
- Increasing administration charges for deferred payment loans: Fees vary widely but our new fees are well within the envelope of other councils' fees. For example, Hampshire and IOW charge more than our proposed, increased fees.
- Changing the Minimum Income Guarantee (MIG) rate used for people aged 60 to state pension age: Most councils explain MIG rates and many list the allowances published by government annually. We did not find any examples of councils being more generous than the published government allowances. Our proposed policy will:
 - a) restore the rates used for people aged between 60 and pension age, down to the government rates, for future new customers, and
 - b) highlight that we apply a more generous MIG rate to people in the 18-25 age group. This is a long-standing policy of being more generous towards the younger age group, which we have not previously stated.
- Improvements to the general structure and accessibility of the ASC Charging Policy document: Councils' presentation of their charging policy varies widely. Some present the bare minimum, others have long and

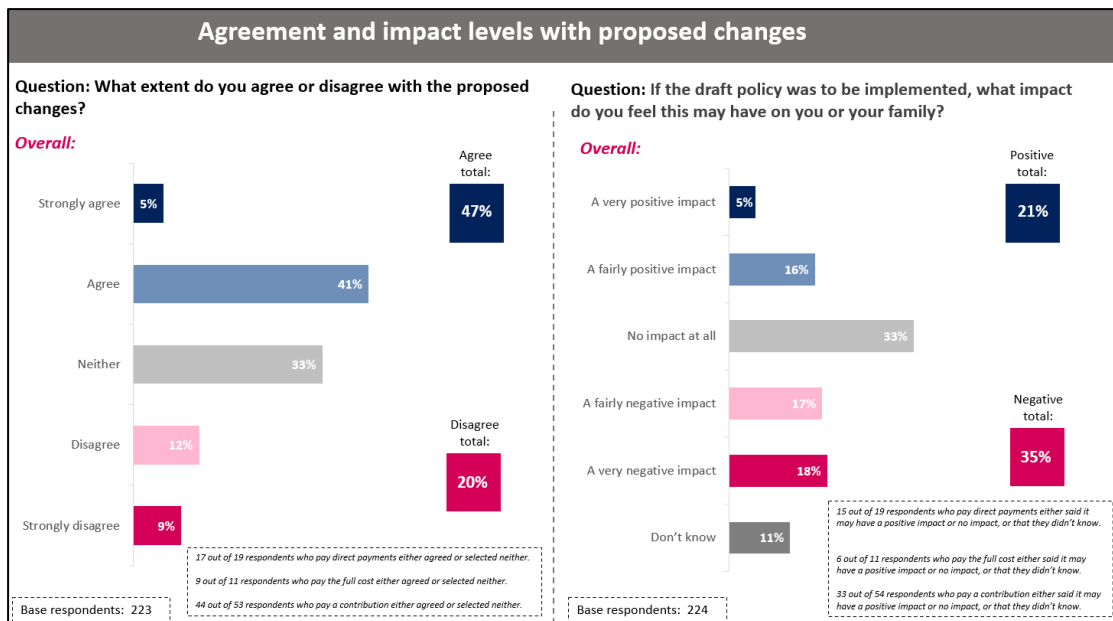
	<p>complex policies in separate pdf documents. We have worded the proposed policy using good examples of structure, diagrams and language, taken mostly from Hampshire County Council, City of York Council and BCP Council.</p>															
	<p>Consultation</p>															
10.	<p>A six-week consultation has been completed. The consultation followed a standard process, with a dedicated web site. Overall there were 1499 clicks on this web site, with the majority occurring in the first week of the consultation period. The web site provided:</p> <ol style="list-style-type: none"> a) access to an online questionnaire. This described each of the 8 changes in summary and in detail for those who wanted to see the detail. b) A link to a downloadable hard copy of the questionnaire (136 clicks) c) Details of online and in-person engagement events (25 clicks) d) An email address and phone number for queries and feedback e) A list of the relevant documents, including: <ul style="list-style-type: none"> -Draft ASC Charging Policy (223 clicks) -Rates Document (companion to the policy) (156 clicks) -Flowchart (companion to the policy) (59 clicks) -Draft Equality and Safety Impact Assessment (26 clicks) -Easy Read version of proposed policy changes, made available midway through the consultation period (29 clicks) f) Frequently Asked Questions (these were developed as the consultation progressed). 															
11.	<p>Communications alerting people to the consultation were issued as follows:</p> <ul style="list-style-type: none"> • Letters were posted to all current recipients of care either provided by or funded by SCC. • Letters were emailed to all care providers and a large number of community and voluntary groups • Staff were briefed and encouraged to share details of the consultation • Posters were displayed in libraries and on SCC Housing notice boards • A5 leaflets were distributed via Communicare and the Stronger Communities team. • Electronic communications were issued at the beginning of the consultation and throughout, via social media (12,000 messages in total) and SCC e-bulletins (230,000 messages in total). 															
12.	<p>The following engagement events were held:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Time</th> <th>Location</th> <th>Hosted by</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>Wed 11 Oct</td> <td>7-8pm</td> <td>Medwall Court Community Room, Thornhill</td> <td>SCC</td> <td>2</td> </tr> <tr> <td>Wed 18th Oct</td> <td>10am-12</td> <td>Portswood Church</td> <td>Unpaid Carers Support, Southampton</td> <td>36</td> </tr> </tbody> </table>	Date	Time	Location	Hosted by	Attendees	Wed 11 Oct	7-8pm	Medwall Court Community Room, Thornhill	SCC	2	Wed 18 th Oct	10am-12	Portswood Church	Unpaid Carers Support, Southampton	36
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Tue 24 th Oct	11am-12	Potters Court Community Room, Maybush	SCC	14
Fri 27 th Oct	1-2pm	Online	SCC	6
Mon 30 th Oct	5:30-6:30pm	Central Library	SCC	4
Tue 31 st Oct	10am	Online	Carers Co-Production group	2
Wed 1 st Nov	7-8pm	Online	SCC	4
			Total	68

Consultation Results

13. The results of the online questionnaire and feedback from public engagement events were analysed and a detailed consultation report produced – see Appendix 5. A total of 238 responses were received.

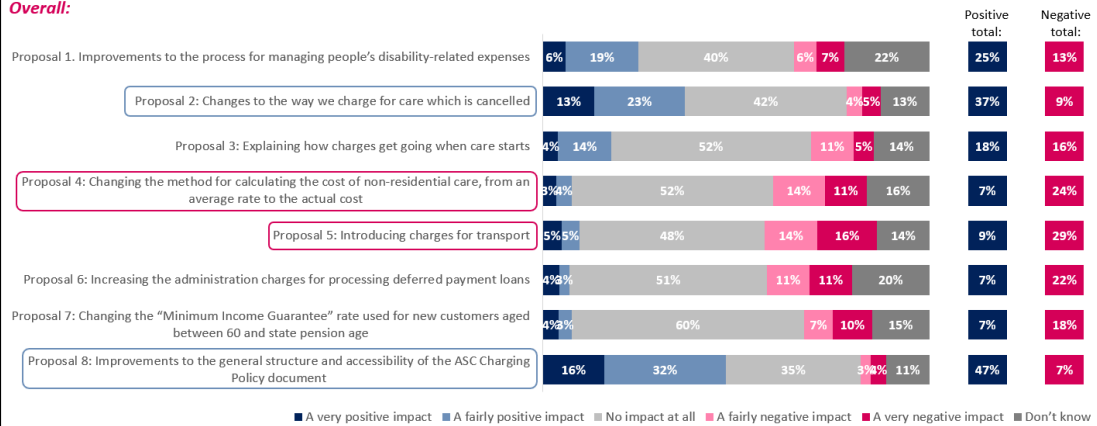
The overall quantitative feedback is illustrated by these four tables, which can also be found in Appendix 5:



Impact of proposals

Question: If these proposals were to go ahead, what impact do you feel it would have on the following?

Overall:

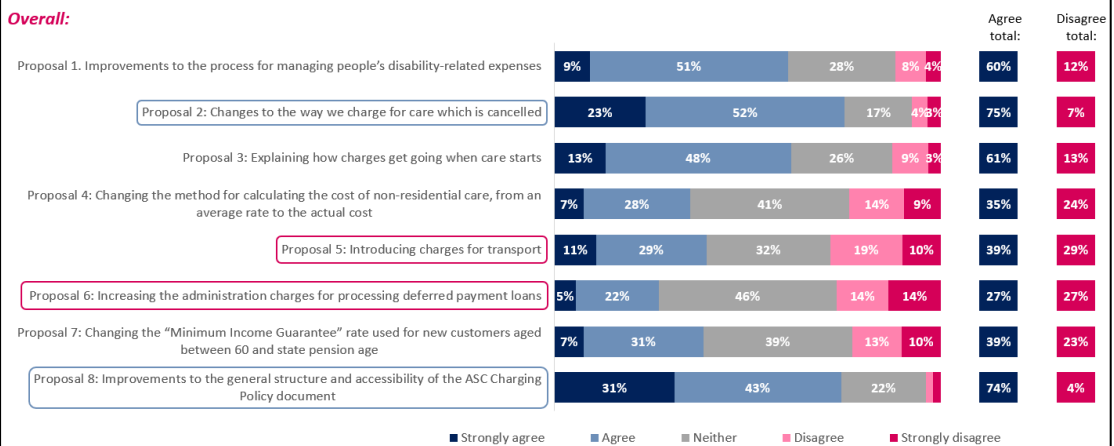


- Almost half of respondents (47%) told us that improvements to the general structure and accessibility of the ASC Charging Policy document may have a positive impact.
- Around a quarter of respondents told us that changing the method for calculating the cost of non-residential care (24%) and introducing charges for transport (29%) may have a negative impact.

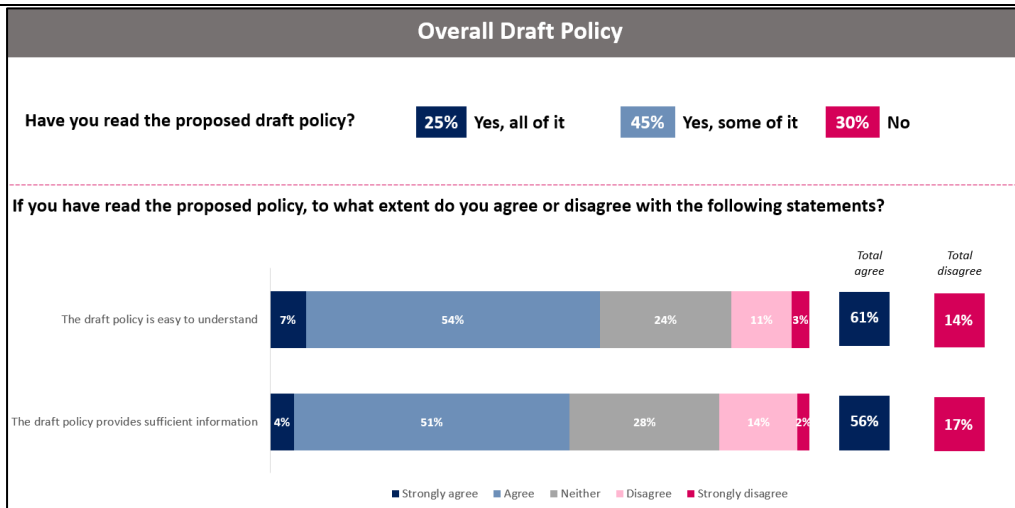
Agreement levels with proposals

Question: To what extent do you agree or disagree with the following proposals?

Overall:



- Proposals with the highest levels of agreement was proposal 2 and 8. Proposals with highest levels of disagreement was proposal 5 and 6.
- Those who answered as a family, friend or someone who receives care arranged or funded by SCC agreed with the proposals to a similar amount as the average.



Qualitative feedback was reviewed and the following key themes identified:

- Responses were mixed in nature, reflecting the quantitative results.
- Many people expressed a dissatisfaction with having to pay for care at all.
- Many people felt that benefits and allowance rates were too low, and the amount they are left with for day-to-day living expenses is inadequate for a good quality of life.
- People requested better support with the financial assessment process, particularly face-to-face support.
- It was common for comments to indicate a misunderstanding of the charging process and our proposed changes.

Summary of officer response

14. The results were reviewed in detail and a comprehensive report of the officer response was produced – see Appendix 6.

In summary:

- Concerns about government policy and benefit rates cannot be addressed in the SCC charging policy. However, we have a duty to review a person’s financial assessment if we believe that a lack of funds is having an adverse effect on their welfare or safety.
- Requests for more support during the financial assessment are noted. We are already reviewing both staff training and the financial assessment process, to ensure that more support is provided in a range of formats. All parties benefit from having the financial assessment done promptly and accurately so that the correct charges are issued from the outset.
- Lack of understanding of the charging process is a concern. Charging is necessarily a complex subject, but we have substantially revised the proposed policy to make it easier to read. We will also be overhauling our other financial information and guidance with the aim of making it simpler and clearer.

As a result of this review, no further changes to the policy or associated documents are being proposed. (Minor wording changes were made to the Charging Policy and associated Rates Document where consultation responses suggested that clarity could be improved).

	<p>Overall, the need to improve the general understanding of charging processes among the public and our staff is recognised, along with the need to improve the support we provide during the financial assessment process. This is being taken into account as we implement the policy changes, design better guidance, and issue further communications.</p>											
	<p>Financial simulation</p>											
15.	<p>A full financial simulation of proposal 4 (Charging at actual cost instead of average rates) has now been completed using a copy of the CareDirector social care case management system.</p> <p>The simulation confirms the original estimated increase in income.</p> <p>It has also identified the increased charge for every affected person, not taking into account the additional changes which will be applied in April 24 by the annual benefits uprating exercise.</p> <p>The individual charge increases are in line with the original estimates on which the Equality and Safety Impact Assessment was based. We do not believe that the ESIA needs to be updated.</p>											
	<p>Communications Plan</p>											
16.	<ol style="list-style-type: none"> 1. Customers with charge increases will be sent letters during January 24 to give them more notice of the increase than the usual annual uprating letters (sent in March) would provide, and outline their alternative options. (The letter will make it clear that the increases are subject to the proposed policy changes being approved). The Contact Centre will be briefed to ensure that any queries are dealt with smoothly. Estimated cost for the sending the 264 letters is £220. 2. All ASC customers will receive a letter during March 24, explaining their new charges for 2024/25. This is a normal annual event which ties in with annual changes in state benefits and pensions. However, in 2024: <ol style="list-style-type: none"> a) The new charges will include the impact of the new charging policy, in addition to the changes caused by the annual benefits uprating b) We will include a written feedback report on the results of the consultation and a reminder of how the policy is changing. c) We will use updated, more user-friendly letter templates 											
<p>RESOURCE IMPLICATIONS</p>												
<p><u>Capital/Revenue</u></p>												
17.	<p>Increase in annual income from the proposed changes has been estimated as:</p> <table border="1" data-bbox="284 1765 1353 2103"> <thead> <tr> <th>Change</th> <th>Impact on income</th> <th>Notes</th> </tr> </thead> <tbody> <tr> <td>1. Improved DRE process (disability-related expenses)</td> <td>£300K reduction</td> <td>Estimate only. Extent of reduction depends on how many new customers apply for DREs. £300K represents a 30% increase in uptake.</td> </tr> <tr> <td>2. Care cancellations</td> <td>Cost-neutral</td> <td></td> </tr> </tbody> </table>			Change	Impact on income	Notes	1. Improved DRE process (disability-related expenses)	£300K reduction	Estimate only. Extent of reduction depends on how many new customers apply for DREs. £300K represents a 30% increase in uptake.	2. Care cancellations	Cost-neutral	
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2. Care cancellations	Cost-neutral											

	3. Charges when care starts	Cost-neutral	
	4. Charging non-residential care at actual cost	£350K increase	Estimate is £250K-£450K. Any mitigations for significantly impacted customers, will reduce this.
	5. Charging for transport	Negligible	Low customer numbers
	6. Increased deferred payment loan fees	Negligible	Low customer numbers
	7. Adapt minimum income guarantee rate for people aged 60 to pension age	£150K increase	Estimate is £100K- £200K. Depends on number of new customers in the affected age range
	8. Improve readability and clarity of documentation	Cost neutral	
	Net total estimated savings	£200K	Saving is at risk due to uncertain impact of disability-related expenses (change 1) – see Risks.

If the new policy is adopted, savings will apply from the 2024-25 financial year. The net estimated saving formed part of the Medium Term Financial Strategy update to Cabinet in November 2023 and therefore is reflected in the Council's Medium Term financial planning process.

Property/Other

18. Not applicable

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

19. Care Act 2014: The Council has the power to charge individuals for social care provision other than care and support that is specifically exempted pursuant to S14 of the Care Act 2014 and in compliance with the Care Act statutory guidance, particularly part 8 and in accordance with The Care and Support (Charging and Assessment of Resources) Regulations 2014.

Other Legal Implications:

20. The Equality Act 2010 imposes various duties on Local Authorities and in particular the duty to have due regard to its public sector equality duty when carrying out any function. In particular, the duty to eliminate discrimination, harassment and victimisation and advance equality of opportunity and fostering good relations. Local Authorities also have a duty under the Human Rights Act

	<p>1998, when carrying out any function, not to act incompatibly with rights under the European Convention for the Protection of Fundamental Rights and Freedoms. In particular Article 8, the right to respect for private and family life and Article 25, the rights of elderly to lead a life of dignity and independence and to participate in social and cultural life.</p> <p>Local Authorities when carrying out any function must adhere to the United Nations Convention of the Rights of Person with Disabilities and in particular respect for dignity, autonomy, freedom to make own choices, equality and elimination of discrimination.</p> <p>The ESIA sets out how the Council has had due regard to equality, human rights and safety implications.</p>
RISK MANAGEMENT IMPLICATIONS	
21.	<p>Risk of proposed savings being reduced due to a faster than expected uptake of the option to claim disability related expenses. This has been mitigated by adding £200K to the Social Care Demand Risk Reserve for 2024/25. The uptake and cost of disability related expenses will be closely monitored going forwards.</p>
22.	<p>Risk of adverse publicity during implementation.</p> <p>To be mitigated by explaining the changes as clearly as possible, and providing advance warning to customers with increased charges.</p>
23.	<p>Risk of lack of engagement during consultation, due to complexity of subject.</p> <p>To be mitigated by attempting a more “plain English” policy and production of an Easy Read version of the policy changes.</p>
24.	<p>Risk that Financial Assessment and Benefits team (FAB) are overwhelmed by requests from customers for their financial assessment to be updated.</p> <p>To be mitigated by use of the online financial assessment (already live) which automates part of the process, and by reminding customers that we can only re-assess if fresh information is available.</p>
25.	<p>Risk that customers ask to reduce their care packages (to reduce the cost), with the result that their needs are no longer being met.</p> <p>We would explain the consequences and urge customers not to do this. People paying a contribution would be unlikely to reduce their charges by this action anyway.</p> <p>The risk may be further mitigated by highlighting opportunities for customers to reduce their contributions by claiming disability-related expenses. If not applicable, other solutions need to be considered including alternative providers, direct payments, or waiving some of the charges in extreme cases.</p>
26.	<p>Risk that the assets of customers who pay the full cost of their care, deplete faster, to the point where SCC funding is required. However, the risk of needing to fund care in future is offset by increased income in the short term.</p>
27.	<p>Specific to Change 4 (charging non-residential care at the actual cost): Risk of complaints, if charge increases are back-dated due to provider rate increases being back-dated.</p> <p>To be mitigated by new homecare platform (which manages rate increases more systematically) and by reducing the volume of back-dated provider rate increases for other types of non-residential care.</p>
POLICY FRAMEWORK IMPLICATIONS	

28.	Other policies and strategies which the charging policy supports, are: Southampton City Health and Care Strategy 2020-2025 Southampton Adult Carers Strategy 2021/26 Southampton City Council Corporate Plan 2022/30
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KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Draft ASC Charging Policy
2.	Draft Rates Document (companion to the policy)
3.	Draft Flowchart (companion to the policy)
4.	Draft Equality and Safety Impact Assessment
5.	Consultation Report
6.	Consultation Feedback Consideration Report

Documents In Members' Rooms

1.	No
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Not applicable	
2.		