

# REVIEW OF CHARGING FOR SOCIAL CARE AND SUPPORT POLICY

|                                        |                                                                   |
|----------------------------------------|-------------------------------------------------------------------|
| <b>Cabinet Member &amp; Portfolio</b>  | Cllr Jane Palmer, Cabinet Member for Health & Social Care         |
| <b>Responsible Officer</b>             | Sandra Taylor, Corporate Director of Adult Social Care & Health   |
| <b>Report Author &amp; Directorate</b> | Sarah Baker, Project Manager                                      |
| <b>Papers with report</b>              | Appendix 1 – Proposed Charging for Social Care and Support Policy |

## HEADLINES

|                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Summary</b>                                                                                | <p>The purpose of this report is to seek the Cabinet’s approval for the Council’s revised Charging for Social Care and Support Policy to be consulted on, and subject to further Cabinet approval, to be introduced from April 2025. The revised Policy sets out how the Council will charge eligible and financially assessed adults who receive care and support services. The charging policy has been updated to include the application of a fee for arranging care to any resident who has sufficient funds to pay for their own care.</p>                           |
| <b>Putting our Residents First</b><br><br><b>Delivering on the Council Strategy 2022-2026</b> | <p>This report supports our ambition for residents / the Council of: Stay living independently for as long as they are able</p> <p>This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents</p> <p>This report supports our commitments to residents of: Safe and Strong Communities</p> <p>This report supports the visions outlined in the Joint Health &amp; Wellbeing Strategy and Adult Social Care and Health Plan.</p> |
| <b>Financial Cost</b>                                                                         | <p>Having a robust and up to date charging policy enables the council to successfully collect assessed contributions for care services. The updated policy proposes applying a care arrangement fee to residents funding their own care. This charge will take two forms: an annual set up fee and then a yearly admin cost after that to cover the cost of arranging, reviewing and monitoring care and will generate a c£65k new income stream.</p>                                                                                                                      |
| <b>Select Committee</b>                                                                       | Health & Social Care select committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Ward(s)</b>                                                                                | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## RECOMMENDATIONS

### That the Cabinet:

1. Approves for consultation the updated **Adult Social Care Charging for Social Care and Support Policy for Hillingdon for 2025/26** for charging adults receiving care and support services in the Borough, as set out in the report and Appendix 1;
2. Delegates authority to the Cabinet Member for Health & Social Care, in consultation with the Corporate Director of Finance and Corporate Director of Adult Social Care & Health, to consider the outcome of the public consultation and to then determine the final policy and fees for 2025/26;
3. Agrees that, thereafter, this policy and fees are reviewed annually as part of the Council's wider review of fees and charges to provide a transparent and consistent approach going forward.

### Reasons for recommendation(s)

1. The Care Act 2014 gives local authorities discretionary powers to charge adult recipients for social care services provided.
2. Section 17 of the Care Act 2014 states that having determined that it will charge, the local authority must carry out a financial assessment to determine how much an individual should pay towards their care.
3. The basis of those charges varies depending on whether someone is receiving care in a care home or in their own home or in another setting.
4. It is essential that there is a policy to provide a framework for charging, and that this is reviewed and updated annually in line with the Councils fees and charges review at annual budget setting.
5. The review of the existing charging policy is guided by several aims and will achieve the following benefits detailed below:
  - To ensure that the Council has an up-to-date policy by considering the latest best practice, law, and guidance.
  - To consider any relevant legal developments
  - To ensure that the policy is written in plain language, transparent, and consistent for residents, officers, and other interested parties.
  - To ensure residents are subject to individual, personalised financial assessments, so that their personal circumstances are considered when charging for care services and they are not expected or asked to pay a charge that they cannot afford
  - To ensure that residents who have been financially assessed have an opportunity to maximise welfare benefits thus maximising their ability to contribute to their care costs
  - To maximise achievable income for the Council by adopting a new more robust Charging for Social Care and Support Policy.

- To ensure that the policy reflects the Adult Social Care vision detailed in the Adult Social Care and Health Plan 2024-2027.
  - To ensure that the policy reflects the Council's aims and objectives, detailed in the Council Strategy 2022-2026.
6. The fees charged by the council for adult social care services are crucial, they are however, proportionate and take into consideration the ability to pay. Without the revenue from these charges, the service would not be viable in the future.
7. The Council needs to undertake a 'sufficient' consultation which provides for public participation in the decision-making process, particularly those with care and support needs. There needs to be conscientious engagement with stakeholders in respect of the changes. The consultation document is set out in Appendix 1.

### **Alternative options considered / risk management**

8. Cabinet can choose not to review the policy at this time. This is not recommended due to:
- The current policy is out of date and therefore is not providing the necessary clarity and transparency regarding paying for care which may result in a loss of income
  - The benefits highlighted in the points above will not be achieved

### **Democratic compliance / previous authority**

9. Cabinet authority is required to propose/set fees and charges and, thereby, may also determine matters in relation to the policy surrounding those. Cabinet may also delegate such matters to the relevant Cabinet Member.

### **Select Committee comments**

10. None at this stage.

## **SUPPORTING INFORMATION**

11. The Care Act 2014 states that Local authorities may charge for most care and support services. The Care and Support Statutory Guidance (the CSS Guidance) requires that where a local authority decides to charge for services, it must follow the Care and Support (Charging and Assessment of Resources) Regulations (the Regulations) and have regard to the Guidance.
12. The CSS Guidance requires that local authorities should develop and maintain a policy on how they wish to apply their charges locally to ensure fairness and transparency.
13. The Charging for Care and Support Policy for Hillingdon was last amended prior to the introduction of the Care Act 2014 and although informative leaflets are available for residents, a full rewrite of the policy has not been undertaken for some time. This means that the policy is now dated and is not providing the clarity and transparency that is expected by residents, officers, and other interested parties in order to maximise income.

14. There are several principles that local authorities must follow when charging for care services. Most importantly, nobody should be expected or asked to pay a charge that they cannot afford. This is why people are subject to individual, personalised financial assessments, so that their personal circumstances are considered when charging for care services.
15. The Charging for Care and Support Policy outlines how Hillingdon Council calculates any charges it may make to a resident or a third party following an assessment of their care and support needs. There are rules around whether a financial contribution needs to be made towards care and support provided whilst the resident is living in their own home, which is also known as non-residential care. There are also rules around the contribution they need to make if they are living in a residential home or nursing home.
16. There are 2 main types of care home:
- residential - offers personal care, such as help with washing, dressing, going to the toilet and taking medication.
  - nursing - provides personal care and always have qualified nurses on duty. They can be suitable for people who require frequent medical attention.
17. Non-residential services refer to a range of care and support that is provided in the resident's own home or in the community to meet their needs and to help them achieve their identified outcomes. These include:
- Day opportunities and support in the community.
  - Transport to and from day care and respite care;
  - Assistive Technology
  - Care at home services that provide support with personal care and daily living in their home.
  - Other services that they may purchase directly, e.g., a personal assistant.
  - Shared Lives services;
  - Extra Care services
  - Supported living services
18. The Care Act 2014 states that people with eligible needs for support in the community i.e. not via a care home placement, with financial assets above the upper capital limit may ask the council to meet their needs often because they find it difficult to manage their own care. When a person asks the council to meet their eligible needs, then the council may choose to meet their needs but charge a fee for the service.
19. The Charging for Care and Support Policy for Hillingdon has been updated to include the application of a fee for arranging care to any resident who has sufficient funds to pay for their own care.

## Financial Implications

20. The table below shows that from 20/21 to 23/24, commissioned care cost has grown significantly each year with billed income keeping pace with that growth in cost. Despite this, aged client debt and the subsequent client bad debt provision has grown at a much faster rate.

### Outturn Cost/Income/Debt

| Cost Element                                      | Financial Year<br>£'000 |         |         |         |
|---------------------------------------------------|-------------------------|---------|---------|---------|
|                                                   | 20/21                   | 21/22   | 22/23   | 23/24   |
| <b>Commissioned Care Cost</b>                     | 78,210                  | 85,108  | 99,260  | 115,321 |
| <b>Year on Year Cost Growth</b>                   |                         | 9%      | 17%     | 16%     |
| <b>Client Contributions</b>                       | -10,703                 | -12,972 | -14,706 | -17,969 |
| <b>Client Contribution % of Commissioned Cost</b> | 14%                     | 15%     | 15%     | 16%     |
| <b>Aged Client Debt</b>                           | 6,337                   | 7,927   | 11,337  | 15,298  |
| <b>Year on Year Debt Growth</b>                   |                         | 25%     | 43%     | 35%     |
| <b>Bad Debt Provision</b>                         | 2,953                   | 3,445   | 3,932   | 5,792   |
| <b>Bad Debt Provision % of Aged Client</b>        | 47%                     | 43%     | 35%     | 38%     |

21. There are numerous contributing factors contributing to the growing debt position, however, a robust, understandable and up to date charging policy will ensure residents fully understand their client contribution obligations and options for claiming benefits which in turn will maximise collection rates. The aim is that this will reduce the client debt position and bad debt provision requirement and prevent further build up in the future.

22. Furthermore, as part of this revised policy, a charge for self-funders is proposed. This charge will take two forms: an annual set up fee of £470 and then a yearly admin charge of £255 after that to cover the cost of arranging care. The forecast number of self-funders by the end of the financial year is 270. It is estimated that the new charging policy will produce an income stream of c£72k per annum. This assumes 13 new self-funders each year based on historic trends but also assumes attrition of 13 self-funders due to deterrent impact of the charge. There is a risk that the deterrent impact is greater than anticipated which will reduce the income target.

| <b>Self Funder Modelling</b>                                                                                          | <b>25/26<br/>£'000</b> |
|-----------------------------------------------------------------------------------------------------------------------|------------------------|
| <u>Set Up Modelling</u>                                                                                               |                        |
| New Self Funders Clients                                                                                              | 13                     |
| New Self Funder Income                                                                                                | 6                      |
|                                                                                                                       |                        |
| <u>Annual Review Modelling</u>                                                                                        |                        |
| Existing Self Funders Clients                                                                                         | 257                    |
| Annual Review Income                                                                                                  | 66                     |
|                                                                                                                       |                        |
| <u>Total Self Funders Clients</u>                                                                                     | 270                    |
| <b>Total Self Funder Income</b>                                                                                       | <b>72</b>              |
| <i>*Modelling assumes 13 new starters each year but anticipated attrition of 13 due to deterrent impact of charge</i> |                        |

23. A benchmarking exercise has been carried out to assess other local authority arrangement fee charges and the methodology used to arrive at a fair charge. The outcome of this exercise has informed the proposed charge in this paper. This method assessed the roles involved in the end-to-end process and devised a cost by estimating the time required for each element of the process and multiplying it by the 25/26 budgeted hourly rate for each role.

24. A Set Up Fee of £470 payable at the start of services will cover:

- Identifying providers of care and support
- Negotiating rates and times with individual providers for care to be delivered
- Putting the appropriate contracts in place
- Setting up methods of payment for the resident to pay for their services (e.g.: direct debit)
- Paying the resident's care and support providers
- Dealing with any queries relating to the resident's services
- Monitoring the resident's services to ensure they are receiving the agreed support from their providers
- Invoicing the resident for the cost of their care and our administration fees and collecting this money from the resident.

25. An Annual Arrangement Fee of £255, payable each year thereafter, will cover:

- Paying the resident's care and support providers
- Dealing with any queries relating to the resident's services
- Monitoring the resident's services to ensure they are receiving the agreed support from their providers
- Invoicing the resident for the cost of their care and our administration fees, and collecting this money from the resident

## RESIDENT BENEFIT & CONSULTATION

### The benefit or impact upon Hillingdon residents, service users and communities

26. A clear and straightforward policy reduces complexity and makes it easier for residents to understand their financial responsibilities. This can help alleviate stress and confusion for those navigating the care system.
27. A robust Adult Social Care Charging policy is essential for creating a sustainable, fair, and effective social care system that meets the needs of all residents.
28. It is important that the Adult Social Care Charging policy is reviewed and updated annually in line with the Council's annual fees and charges review.
29. The proposed changes will have an impact on all residents who are funding their own care but ask for it to be arranged by the council
30. An Equality Impact Assessment will be completed and a consultation exercise with residents will be carried out.

### Consultation & Engagement carried out (or required)

31. Whilst there is no provision in the Care Act (2014) itself requiring the Council to consult on local practice there are several areas of decision making highlighted in the Care and Support Statutory Guidance where consultation is advised. This includes decisions about a Council's charging policy.
32. In accordance with best practice, the consultation period would run for 6 weeks. The primary stakeholders in the consultation are the current and future residents supported by Adult Social Care in Hillingdon, their carers, their representatives, family and friends and the providers of care services. It will also be of interest to residents and the voluntary sector more broadly.
33. The consultation will provide:
  - The context, the start and end dates, who is invited to respond, what will be done with the responses and next steps.
  - The questions will have a narrative to explain what we are asking and why, and where possible an example or scenario.
  - We will ask questions to understand the demographics of the respondents to ensure there is fair representation from individuals and groups of people who share common characteristics.
  - The consultation will be undertaken online with paper forms being made available. A direct mailing will be sent to all current users of services or to their representative along with current service providers. The consultation will be promoted on social media and the council's website.
  - A further report will be produced following the conclusion of the consultation process and this will include an updated Equality Impact Analysis.

## CORPORATE CONSIDERATIONS

### Corporate Finance

34. Corporate Finance have reviewed this report and concurs with the Financial Implications set out above noting there are no direct financial implications associated with the recommendations in this report.
35. Furthermore, it is noted that if the updated Adult Social Care Charging for Social Care and Support Policy for Hillingdon for 2025/26 is implemented after consultation, there will be an additional Income stream through charging self-funding residents. The current estimate for this income stream is £65k, based on the current number of self-funding residents, however, this could reduce if the new charge acts a deterrent and reduces the number of self-funding residents, alongside this there are expectations that there will be a reduction in outstanding debt which could mitigate the reduction in self-funding residents. The impact of the additional income stream and reduction in outstanding debt will be monitored as part of the regular monthly budget monitoring process and as part of the wider MTFS.

### Legal

36. There are no legal impediments to the recommendation set out within the report.

## BACKGROUND PAPERS

NIL