

14 January 2021		ITEM: 7
Health and Wellbeing Overview and Scrutiny Committee		
Proposed Charges 2021/22 for Adult Social Care (Non-Residential)		
Wards and communities affected: All	Key Decision: Key	
Report of: Catherine Wilson, Strategic Lead Commissioning and Procurement		
Accountable Assistant Director: Les Billingham, Assistant Director Adult Social Care and Community Development		
Accountable Director: Roger Harris, Corporate Director Adults, Housing and Health		
This report is Public		

Executive Summary

This report details the outcome of the consultation supported by Health and Wellbeing Overview and Scrutiny Committee on the 3 September 2020 and agreed by Cabinet on the 16 September 2020, together with the recommendation regarding proposed charges for Domiciliary Care.

As highlighted in the previous report presented to Health and Wellbeing Overview and Scrutiny Committee on the 3 September 2020, and noted again here, the financial challenges facing the Council are significant. At the same time Adult Social Care has a statutory duty under the Care Act 2014 to deliver care services to our most vulnerable residents.

Each year, as part of the budget setting process, the Council considers the level of charges in those areas of service where we have local discretion. This is to ensure that we maximise resources to the Council but also that any charges are set fairly so as not to discourage service users from accessing services they need. As part of this process we went out to public consultation regarding Domiciliary Care charges

The strategic ambition for Thurrock is to adopt a policy on charging that aligns to the wider commercial strategy and ensures that all discretionary services will full cost recover. However, at the same time certain duties are placed on Local Authorities by the Department of Health and Social Care, the most important being the requirement to assess the individual's ability to pay.

Proposals were outlined to Health and Wellbeing Overview and Scrutiny Committee and Cabinet for charges relating to Domiciliary Care and these were subject to public consultation which ran over 8 weeks. We received 172 responses and of these responses over half stated that they did not want to see an increase to the current charges.

However, given the Council's current financial situation the charging options have been fully reviewed and the recommendation of a phased increase to the charges for Domiciliary Care is being made.

1. Recommendation(s)

1.1 For Health and Wellbeing Overview and Scrutiny Committee to review the results of the Consultation regarding proposed charges for Domiciliary Care Services detailed in section 2.4

1.2 For Health and Wellbeing Overview and Scrutiny Committee to review the three options for charging for Domiciliary Care detailed in section 3.1.

1.3 For Health and Wellbeing Overview and Scrutiny Committee to comment on the recommendation to introduce a phased increase in charging for Domiciliary Care Services detailed in section 4.1.

2. Introduction and Background

2.1 As stated in the previous report and reiterated again here for ease the Adult Social Care market remains fragile and the COVID-19 Global Pandemic continues to accentuate this fragility. In 2016 Thurrock experienced significant market failure within Domiciliary Care taking back into the Council 3 external providers resulting in the development of Thurrock Care at Home our in house Domiciliary provision. Charging for services allows income to be generated to support the delivery of those services.

Charges for Domiciliary Care have remained fixed for 4 years at the then unit cost price paid to providers of £13 an hour. Adult Social Care has given an increase in rates to our Domiciliary Care providers since then, however, we have not increased the maximum amount we charge those who access these services.

Regionally our contracted price of £17.06 compares well to our neighbouring Local Authorities and as an Adult Social Care service we want to ensure that we support the market to remain sustainable by paying providers a realistic rate to provide responsive and high quality service.

Regional Comparison	
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Authority	Charge per hour paid to providers
Essex	£17.96
Havering	£17.50
Kent	£14.65 up to £16.24
Hertfordshire	£20.64

2.2 The projected income from charging for services is influenced by a number of factors, this forecast is dependent on the number of individuals and the current levels of contribution that they are making. This is guided by:

- The person's financial situation.
- The benefit systems as a whole.
- The person's current living arrangements and circle of support.

The estimate is subject to fluctuation on a daily basis. Based on current figures from December 2020 the estimated projected income is £300K per annum, the majority of this additional income would be from people assessed to be able to afford the full cost of their care which is 265 people at December 2020.

2.3 The process to ensure that charges are fair and equitable is as follows. When an individual is assessed under the Care Act 2014 and as a result of that assessment Adult Social Care provides care, a financial assessment takes place carried out by one of our Finance Assessment Officers. The assessment is to ascertain if the person will be required to make a financial contribution to the cost of their care and at what level that contribution will be. The financial assessment is usually undertaken through a visit to the person at home an assessment form is completed detailing the person's financial circumstances, level of income and savings together with any other assets. The Finance Assessment Officer will also detail any Disability Related Expenditure (DRE) this is anything that is required as a result of the person's condition or care needs that helps or supports them within their daily life. The

DRE is deducted from outgoings before the calculation regarding any contribution is undertaken. All our Finance Assessment Officers have national benefit training once a year to ensure they are up to date with benefit changes.

It is important to note that the majority of people receiving Domiciliary Care are assessed as either making no contribution or a minimal contribution to their care.

2.4 The Public Consultation was supported by Health and Wellbeing Overview and Scrutiny Committee and agreed by Cabinet and asked three questions:

- **To what extent did residents agree that the Council review the charges for domiciliary care asking people who can afford it to pay more?**
- **Did residents think that increasing charges would discourage people from accessing services?**
- **What rate did people think the charge should be set?**

The Consultation was for 8 weeks from the 12 October 2020 to the 7 December 2020. A questionnaire was sent to all individuals receiving domiciliary care with a supporting letter encouraging them to express their views and they were also informed that it could be completed online through the Council Consultation Portal. Options were given for individuals to telephone and receive a call back to discuss the proposals. Health Watch supported the process offering the opportunity for people to contact them for support and advice regarding the consultation. Health Watch also encouraged people to respond to the questionnaire more widely than just those who access services.

1,248 questionnaires were sent out to people who currently receive Domiciliary Care. 172 completed questionnaires were returned. Of these 41% indicated that they would be prepared to pay an increased charge, the rest stated that they wanted the maximum charge to remain at £13 an hour.

A number of people who replied were supportive of carer staff receiving an increase in pay. The detail is as follows:

- 172 responses of 1248 individuals that are potentially impacted.
- This is a response rate of 13.78%
- An additional 21 individuals accessed the online consultation tool and 17 complete the questionnaire.
- 4 individuals requested call backs and these discussions were not focused on the consultation.
- 153 of the 172 decided to leave comments (88.95%).
- The comments were mixed though common themes were:

- Individuals felt they should not pay due to previous taxes paid / working for numerous years.
- Quality of care was good, the carers role is difficult and they deserved a higher rate of pay.
- Some comments were left making the assumption that the decision had already been made and so there was no point to the consultation.

3. Issues, Options and Analysis of Options

- 3.1 There are three options to be considered for charging within Adult Social Care for the services in scope.

The first is that the charges remain the same and we charge only to a maximum of the £13 an hour rate.

The advantage of remaining at the maximum level of £13 is that it would cause the least disruption and concern to people who use our services and this option was the clear view of 59% of the people who responded to the consultation.

The disadvantage of remaining at a £13 maximum charge would be the loss of income to the Council an approximate £300K per year.

The second option is to implement the maximum charge of £17.06 an hour in one step and re-establish that link between what we pay providers and what we charge users.

The advantage of doing this is that the maximum income is generated to offset the increasing costs of care to the Council, realising a potential additional £300K per year.

The disadvantages of doing this in one step is that it is a significant increase as we have not raised the contribution for a number of years. The external hourly rate is now £4.06 more, for some people who receive services and pay full or almost full cost it would be a significant increase. People may feel they cannot afford such an increase and may reduce the amount of care they are receiving which longer term may have an impact on their wellbeing and may mean that adult social care has to fund additional input when a service user's circumstances and wellbeing deteriorate. None of the responses to the Consultation agreed with this option.

The third option which is recommended, is to introduce an increase in charging incrementally over 3 years to enable the charges to keep pace with increases given to providers; this would be proposed as follows:

- Year 1 – £14.25 per hour.
- Year 2 – £15.25 per hour.
- Year 3 - £17.06 per hour : or up to the maximum being paid to external providers (NB this re-establishes the link between what we pay and what

we charge and is likely to be a higher figure depending on what increases are agreed for providers over the next two years).

The advantage of taking a staged approach is that it will be more manageable for service users and not such a significant change from £13 to £17.06 and will be more affordable. People will be less likely to withdraw from care and may be more willing to pay the increase.

The disadvantage is that the income realised will be incremental and will not off set as fully each year the increased cost of care.

4. Reasons for Recommendation

- 4.1 The current maximum charge for the services in scope is £13 an hour which means that Adult Social care is losing potential income to offset the cost of care. It is important that we review our charging arrangements and we have increased the hourly rate that we pay to our external providers.

To support this review we have asked those people who receive services now and the wider community their views through this Public Consultation process. The consultation response although small showed us clearly that people acknowledged the excellent work that carer staff undertake and also that 59% of 172 responses out of a possible 1,248 did not want an increase to the maximum charge.

Considering all aspects of this very difficult situation we have to acknowledge that there are considerable financial pressures on adult social care now and increasingly likely so for the next few years. Care providers are facing increased costs through the rises in the National Living Wage, new infection control requirements and increased use of PPE. A separate consultation exercise with providers is currently being undertaken to confirm the rate we pay providers in future years. By increasing our income through this charge increase it will increase our ability to pay an appropriate increase to providers next year.

Whilst the outcome of the consultation was not to increase the maximum charge in the light of all our increased financial pressures and our Duty under the Care Act 2014 to provide safe levels of care the recommendation is to incrementally increase the charges. This means that it is a gradual increase whilst not what those who responded wanted it was clear from some of the comments made that there is a level of understanding that care staff should have an increase in pay and be valued for what they do.

It is very difficult but it is not sustainable for adult social care to continue to deliver services without appropriate income. It is important to remember that it is only a small proportion of those receiving care who are assessed to pay full cost most people who receive care pay no contribution or only a very small amount. As described above the financial assessment process is very robust

and is a duty place on Adult Social Care Directorates by the Department of Health and Social Care to ensure fair and equitable charging.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The formal Public Consultation process has been completed regarding the 3 options outlined above. The outcome of that Consultation has been detailed at 2.4. The questionnaire was sent to everyone who receives the services in scope. The questionnaire was placed on the Council Consultation Portal. In the light of COVID 19, we ensured that people were given the opportunity to have a conversation to express their view through telephone calls as required.
- 5.2 This report will be presented to Health and Wellbeing Overview and Scrutiny Committee on the 14 January 2021 and to Cabinet on the 10 February 2021.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The consultation regarding proposed charging options for the services in scope **and the recommendation to incrementally increase the maximum charges** effects the following priority:

***People** – a borough where people of all ages are proud to work and play, live and stay*

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

The effect of any changes to fees and charges will be determined as part of the budget setting process in which Corporate Finance and service areas will review anticipated level of demand, fee increases, previous performance and potential associated costs.

7.2 Legal

Implications verified by: **Courage Emovon**
Principle Lawyer/Contracts Team Manager

The Care Act 2014 provides a legal framework for charging in respect of Care and Support under Clause 14 and 17 and enables a local authority to decide whether to charge a person when it is arranging to meet a person's care and support needs or a carer's support need. The charges are primarily to cover the costs incurred by the local authority in providing the service. In arriving at what charges to be paid, service users are means tested and financially

assessed. Thurrock Council has a duty to consult on any proposed changes to charging. The process outlined within this report meets the duties under the Care Act 2014. A charging consultation must contain 4 elements as follows;

1. It must be at a time when proposals are still at a formative stage.
2. It must give sufficient reasons for any proposal to permit consideration and response from those to be affected.
3. Adequate time must be given for any consideration and response.
4. The result of the consultation must be taken into account in finalising any proposals.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

It is important to consider any potential impact to vulnerable people within Thurrock of any proposed changes to charging for services. Any approach to reviewing charges needs to be fair and equitable to ensure that people who really need services are able to access them and are not negatively impacted. A Community and Equality Impact Assessment is being undertaken by the lead officers on this work and will be carefully monitored to ensure that the impact of any potential changes is minimised.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

N/A

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. Appendices to the report

- None

Report Author:

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