

The following is proposed as the published information to support the consultation.

Care Act consultation on charges for Adult Social Care services

What are we consulting on?

Please give us your views on:

- whether the Council should continue to charge people for Residential and Nursing care, based on a financial assessment whose rules are set by the Government
- how the Council should be financially assessing people for their contribution towards the cost of their care when they are part of a couple, for example husband and wife
- charging administration fees for arranging services for people who can afford to pay for their own care (self-funders)
- charging fees and setting an interest rate for Deferred Payment Agreements.

Why are these changes proposed?

The Care Act 2014 introduces new rights to services. For example, from April 2015 people who can afford to pay for their own care will be able to ask Bracknell Forest Council to arrange services on their behalf. As these new rights bring additional costs to the Council, we have to decide whether we should recover these costs, and if so, how. Bracknell Forest Council will not profit from any charges introduced.

The Council will refer to Care and Support Regulations (Statutory Instruments) and Care and Support Statutory Guidance and Annexes issued under the Care Act 2014 for specific guidance relating to charging and financial assessment, As such, these statutory regulations form the basis of policy, except where the Council exercises its power of discretion as set out in the regulations.

Does this affect you?

The proposed charges affect the following groups of people:

People living in a residential or nursing home

Those people who receive care in their own home, where the Council pays for some or all of their care, and who are part of a couple, for example, husband and wife

Those who can afford to pay for their own care (self-funders).

Will the Council continue to provide some free services for self-funders?

Bracknell Forest Council supports a wide range of community based activities provided by voluntary and private sector organisations for people with social care needs and carers, aimed at keeping people well and healthy. There is no financial assessment required to access these services and therefore they are available to people who fund their own care services, as well as carers who do not meet eligibility criteria for support from the Council. Examples of these services include support groups, social activities, information and advice, keeping fit and active.

What charges will apply to people who are in Residential and Nursing Care?

From April 2015, Councils have the discretion on whether to charge people for Residential or Nursing Care. The charge is based on what people can afford, based on a financial assessment. If Councils do choose to charge, they have to follow national rules in calculating the charge. Before April 2015, Councils had no discretion.

The Council is proposing to continue to charge as it always has done. If the Council chooses not to charge, it will lose £2.5 million of income, which would restrict its ability to provide social care services for those who need it.

What charges will apply to people who can afford to pay for their own care?

Non-residential care

From April 2015, people who are assessed as needing care and support in their own home (e.g. homecare visits) will be given a financial assessment. If they are required to pay the full cost of their care, they can still ask Bracknell Forest Council to arrange services for them. In setting up these services there is an administration cost to the Council and the Care Act allows councils to make a charge to cover those administration costs.

There is no charge for assessing someone's needs or for developing a care and support plan to help meet their needs.

The Council is proposing that, where you ask us to arrange the services, there will be charges to set up the arrangements to begin with, and once a year after that. The charges would cover things like staff time in liaising with providers, and making and receiving payments. We're proposing that the charges are split into **setup charges** and **annual charges**.

A **setup charge** could include the costs for services such as:

- Identifying appropriate providers
- Supporting the person to choose a provider
Negotiating visit times and durations with the provider
- Recording the details of the contract on the Council's IT systems
- Setting up methods for the person to pay the full costs of their care

We are currently calculating how much this service costs the Council to deliver but expect it to be no more than approximately £550 in the first year.

If there were further setup arrangements needed (for example, changing the service as a result of a change in personal circumstances such as an increased need for support), the setup charge could be higher.

An **annual charge** payable from year 2 onwards could include the costs for services E, F, and G above. We are currently calculating how much the annual charge will cost the Council to deliver but expect it to be no more than approximately £300.

Deferred Payments

What are Deferred Payments and what are the proposed charges?

A Deferred Payment is a scheme which allows someone who is eligible for social care services and who moves into residential care to keep their property. The Council helps with

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paying care home fees and recovers the money when the property is sold (either when the person chooses to sell their home or after their death). This means that people should not have to sell their homes in their lifetime to pay for their care.

Administration costs

The Council already has a Deferred Payments Scheme. This allows those eligible for adult social care support, who would otherwise need to sell their home to pay their care home fees to make an arrangement with the Council to put off (defer) the payment of some of those fees to a later date. The Care Act introduces a Universal Deferred Payments Scheme that aims to make deferred payments more widely available.

Within Bracknell Forest's current Deferred Payments Scheme we charge a nominal fee to those using the scheme, and absorb the full administrative cost of the scheme. In recognition of the additional costs that Councils will incur when more people take up their right to a Deferred Payment, the Care Act allows Councils to charge an amount to cover its administration costs.

The Council is proposing to set fees to cover the administration costs (including legal costs) of setting up and monitoring Deferred Payment Agreements. The Council will not make a profit from these charges. If we don't charge these fees to those using the scheme, the Council will have to cover the costs of running the scheme and this would mean possibly increasing other charges, raising Council Tax, or cutting other services.

There are initial set up-costs, and on-going running costs, incurred in setting up Deferred Payment Agreements. These include (but are not limited to):

- Costs of legal time and administration time spent drawing up the Deferred Payment Agreement
- Costs of accurately valuing property that is being used as security
- Land Registry costs such as searches, placing charges, entries in the register
- Costs of obtaining adequate security (for example where other parties are involved, such as a leaseholder of the property)
- Costs of printing, postage, and office overheads associated with the setup work
- IT costs to record the Deferred Payment.

For illustration purposes in this consultation, we estimate that an average Universal Deferred Payment Agreement would have set up costs of approximately £900 including the first year's annual charge.

Examples of ongoing administration costs for monitoring each Deferred Payment Agreement include (but are not limited to):

- Costs of legal time and administration time to ensure all parties are meeting the requirements of the Deferred Payment Agreement
- Costs of reviewing the valuations of the property capital used for security
- Costs of printing, postage, and office overheads associated with monitoring the agreement, including regular statements

For illustration purposes in this consultation, we estimate that an average Universal Deferred Payment Agreement would have running costs of approximately £300 per year payable from the second year onwards.

Interest rates

The Care Act allows Councils to charge interest on the deferred fees, so that they can cover the cost of running the Deferred Payments Scheme and support more people to use it. The government will set a national maximum interest rate, but Councils can choose to set a lower interest rate. Using a lower rate would mean people in the Deferred Payments Scheme paying less, but the Council would have to charge more for other services or spend less on other services to cover this.

The national maximum interest rate set by government for deferred payments will be based on the cost of government borrowing and could change every six months. The Department of Health has published information that the maximum interest rate from 1st July to 30th December 2015 will be 2.25%.

Deferred Payment Security Debt

The Council will need to ensure that when it agrees a Deferred Payment, there is sufficient security in place for the debt to be fully repaid. The value of the asset, which in the majority of cases would be a property, offered as security will be periodically valued. It is proposed that the maximum amount that can be deferred is capped at 70% of the asset value but that in exceptional circumstances determined by the Council this could be increased to 80%.

Couples

Changes to the way we financially assess couples

Under the current charging policy, Bracknell Forest completes a 'best interest' assessment for people receiving care who live with a partner. In this situation, if the partner of the person receiving care is happy to disclose their financial circumstances, we will complete a financial assessment on the basis of joint resources and apply a partner disregard as well as completing a 'half-couple' assessment which is based on the income and resources of the person receiving care only. The agreed financial contribution will be the lesser of these two assessment methods, therefore a 'best interest' assessment.

For example:

Mr and Mrs Smith are both of pensionable age and both receive care services from Bracknell Forest Council. Their financial assessment reveals the following information regarding their savings, income and expenditure (all values are shown as a weekly equivalent):

Income (I):

Mr Smith		Mrs Smith	
State Retirement Pension	£145.00	State Retirement Pension	£82.00
Occupational Pension	£120.00	Occupational Pension	£25.00
Total Income	£265.00	Total Income	£107.00

TOTAL JOINT INCOME: £372.00

Disability related benefits (DRB):

Attendance Allowance	£82.30	Attendance Allowance	£53.00
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The couple have **savings** as follows:

Mr Smith	£7,000
Mrs Smith	£3,500
Joint	£12,000
Total Savings:	£22,500

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The couple also have the following **expenses (E)**:

Council Tax	Joint	£15.00
Rent Payments	Joint	£65.00

Finally there is **expenditure related to their disability (DRE)**:

Disability related expenditure	Mr Smith	£32.00
Disability related expenditure	Mrs Smith	£25.00
No Night Care Allowance (NNC) (High Rate AA only)		£27.20

The couple's assessment calculation is:

Income (**I**) + tariff income from savings (**TI**) – expenses (**E**) – couples buffer (**B**) = disposable income.

Then: disposable income ÷ 2 + disability related benefit for the individual (**DRB**) – no night care allowance (**NNC**) - disability related expenditure (**DRE**).

So, for Mr and Mrs Smith:

Mr Smith		
	Joint Income	372.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Joint Expenses	-80.00
		-
<i>Less</i>	Couples Buffer	288.60
	Disposable Income	3.40
<i>Then</i>	Disposable Income ÷ 2	1.70
<i>Add</i>	Disability related benefit	82.30
<i>Less</i>	No Night Care	-27.20
<i>Less</i>	Disability related expenditure	-32.00
Equals	Available Income	24.80

Mrs Smith		
	Joint Income	372.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Joint Expenses	-80.00
		-
<i>Less</i>	Couples Buffer	288.60
	Disposable Income	3.40
<i>Then</i>	Disposable Income ÷ 2	1.70
<i>Add</i>	Disability related benefit	53.00
<i>Less</i>	No Night Care	0.00
<i>Less</i>	Disability related expenditure	-25.00
Equals	Available Income	29.70

Total assessed contribution for the couple: £24.80 + £29.70 = £54.50

Example calculation method for financial assessment of couples following the revised policy

Under the revised proposal the second method of calculation would apply. Under this method we would look at the resources of the individual **only**. Any joint income or expenditure would be halved and the income buffer would be half of the couple's allowance.

Therefore:

Mr Smith		
	Income	265.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Expenses	-40.00
<i>Less</i>	Half Couples Buffer	-144.30
	Disposable Income	80.70
<i>Then</i>	Disposable Income	80.70

Mrs Smith		
	Income	107.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Joint Expenses	-40.00
		-
<i>Less</i>	Couples Buffer	144.30
	Disposable Income	-77.30
<i>Then</i>	Disposable Income	-77.30

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<i>Add</i>	Disability related benefit	82.30
<i>Less</i>	No Night Care	-27.20
<i>Less</i>	Disability related expenditure	-32.00
<i>Equals</i>	Available Income	103.80

<i>Add</i>	Disability related benefit	53.00
<i>Less</i>	No Night Care	0.00
<i>Less</i>	Disability related expenditure	-25.00
<i>Equals</i>	Available Income	-49.30

Mr Smith's revised maximum contribution = £103.80

Mrs Smith's revised contribution = £0.00

Total assessed contribution for the couple: £103.80 + £0.00 = £103.80

Alternatively, with a single person's buffer:

Mr Smith		
	Income	265.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Expenses	-40.00
<i>Less</i>	Single Persons Buffer	-189.00
	Disposable Income	36.00
<i>Then</i>	Disposable Income	36.00
<i>Add</i>	Disability related benefit	82.30
<i>Less</i>	No Night Care	-27.20
<i>Less</i>	Disability related expenditure	-32.00
<i>Equals</i>	Available Income	59.10

Mrs Smith		
	Income	107.00
<i>Add</i>	Tariff Income	0.00
<i>Less</i>	Joint Expenses	-40.00
<i>Less</i>	Single Persons Buffer	-189.00
	Disposable Income	122.00
<i>Then</i>	Disposable Income	122.00
<i>Add</i>	Disability related benefit	53.00
<i>Less</i>	No Night Care	0.00
<i>Less</i>	Disability related expenditure	-25.00
<i>Equals</i>	Available Income	-94.00