CITY OF WOLVERHAMPTON COUNCIL	**Cabinet (Resources) Panel** 4 December 2018

Report title	Non-residential Contributions Review	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Sandra Samuels OBE Adults	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable Director	David Watts, Adult Services	
Originating service	Community Financial Support, Adults	
Accountable employee	Helen Winfield Tel Email	Head of Service – Community Financial Support 01902 553353 Helen.winfield@wolverhampton.gov.uk
Report to be/has been considered by	Adults Leadership Team	6 November 2018

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Agree that the new Non-residential Contributions scheme implemented from April 2018 and based on individual financial assessment is a satisfactory scheme for assessment and billing of non-residential financial contributions to the cost of adult social care and support.
2. Agree that the scheme should continue for subsequent years subject to appropriate yearly reviews, or subject to any impacts as a result of changes in national policy.

1.0 Purpose

1.1 On 16 January 2018 Cabinet (Resources) Panel agreed the final proposals, following public consultation, for a new non-residential contributions scheme for customer contributions to the costs of non-residential care and support.

1.2 The new scheme is based on individual financial assessments of customers' resources in accordance with the requirements of the Care Act 2014 and was implemented from April 2018.

1.3 Cabinet (Resources) Panel and Scrutiny Board were informed that a review of the new scheme would be carried out in October 2018. This report details the outcome of the review.

2.0 Background

2.1 Under the Care Act 2014, the amount that an individual pays towards their non-residential care and support must be assessed by an individual financial assessment of both their capital and income. The rules governing the financial assessment are detailed in the Care and Support statutory guidance.

2.2 The scheme implemented from April 2018 introduced a policy which is Care Act compliant, consistent with approaches used in other local authorities and adheres to the Personalisation Agenda by focusing on the individual and their individual income when undertaking a financial assessment.

2.3 It is based on an assessment of each individual's income and capital and calculates their disposable income available for making a contribution after allowing a "minimum income guarantee" as set by government; a protected amount for housing costs and standard allowances/income disregards for disability-related expenditure (DRE). If an individual has more than the standard DRE there is an option under the scheme for actual DRE to be considered upon request in an enhanced financial assessment.

2.4 Individuals' contribution to non-residential care and support, where their capital is below the threshold for financial support with the cost of care and support (currently £23,250), is capped at the average Personal Budget rate for a residential care home.

2.5 Individuals with resources above the financial threshold for financial support (currently £23,250), who nevertheless request support from the Council in arranging non-residential care and support for meeting their needs, are charged £150 initially with a yearly charge of £75 thereafter, as an administration charge, in addition to paying for the full cost of their care and support. Alternatively, individuals are able, if they so choose, to make their own arrangements without using the Council.

2.6 The scheme continues to exempt carers receiving support and those who are terminally ill in addition to the statutory exemptions from charging.

2.7 Due to some significant increases in contributions for some individuals, a transitional protection was agreed for existing customers for a period of two years to April 2020 which limits any increase to between £1 and £6.00 per year (depending on an individual's previous banded contribution rate).

3.0 Key outcomes and risks of the new contributions scheme

3.1 The previous banded contributions scheme in operation prior to April 2018 had a simplicity that allowed social workers to inform potential customers being assessed for care and support of the amount they would be expected to contribute. A referral to the financial assessments team was made when the support plan was completed, and confirmation of the contribution was notified to the customer.

3.2 The new scheme requires individual financial assessment and therefore the same information about contributions cannot be provided by the social worker at this early stage. However, procedures are being adapted so that referrals to the financial assessments team are made at the Care Act assessment stage rather than at the support plan stage thus allowing an earlier financial assessment and notification of contribution.

3.3 This process mitigates against the risk of a delay in charging the customer but also results in some financial assessments being undertaken that are never implemented as the customer does not proceed to receive the service.

3.4 The introduction of the Department for Work and Pensions Computer Information System (CIS) has enabled the verification of benefits being received by customers and has been an essential tool to manage the number of individual financial assessments. However, the time this has saved has been off-set by the need to obtain information about customers' individual housing costs.

3.5 There have been no customer complaints about the new contributions scheme although nearly 59% of customers at the end of September 2018 were transitionally protected with a capped increase at between £1.00 and £6.00.

3.6 The full impact of the new scheme will not be known until April 2020 when the transitional protection ends. Prior to April 2020, analysis of cases will be undertaken to gauge the impact at that time and make any further recommendations necessary.

3.7 A detailed explanation of the calculation of the contribution is sent to customers when notifying them of their contribution amount and we have received positive comments about this helping their understanding of the calculation.

3.8 The number of 'enhanced financial assessments' where customers' actual disability-related expenditure, as opposed to a standard notional amount, has increased. There have been 11 such assessments (with eight resulting in a nil contribution), which is more than double the number of 'detailed financial assessments' undertaken in the previous banded contributions scheme. This was envisaged due to the increase in contributions

for most customers and is likely to increase further following full implementation in April 2020.

3.9 The following table provides a snapshot of the total number of individuals in different contribution clusters at the end of September 2018 compared to the same time in 2017:

Contribution Range (per week)	Number of Customers at end of **September 2018** (including number of customers where transitional protection has been applied)	Number of Customers at end of **September 2017**
£0	398	327
£0 - 10	555 (541)	631
£10.01 - £40	134 (391)	104
£40.01 - £70	542 (359)	530
£70.01 - £100	435	435
£100.01 - £150	37	17
£150.01 - £300	69	61
£300+	9	3
Total	2,179	2,108

	Amounts Invoiced at end of **September 2018**	**September 2017**
Weekly	£93,873	£91,477

3.10 This interim review has highlighted that there is a higher percentage of financial assessments for new customers which result in no contribution. However, there is also an increased number of people assessed to pay a contribution of above £100 per week which would represent those customers with higher incomes due to occupational or private pensions. In the old banded contributions scheme, these customers paid a lower amount as individual income details were not known.

3.11 As Universal Credit (UC) Full Service is now fully implemented in Wolverhampton, we will gradually start to see new people to the service with UC rather than Income-related Employment and Support Allowance (ESA). This will impact on Council revenue as under UC a disabled person will usually be about £30.00 per week worse off which will mean the contribution we can expect will, in turn be £30.00 per week less.

3.12 From July 2019 to 2023 there will also be a staggered roll-out of the “managed migration” to Universal Credit (UC) for current legacy benefit claimants who have not already been required to apply for UC under “natural migration”. There are complex rules regarding migration which have been the subject of legal challenge but essentially, people moving from a legacy benefit with an additional amount for severe disability will be transitionally protected until increases in UC rates erode the protected amount. This will gradually impact on the level of non-residential contributions to care and support as the amount we can charge will diminish correspondingly.

4.0 Evaluation of alternative options

4.1 No other options have been considered for the purposes of this report as its purpose is to provide an interim evaluation of the new non-residential contributions scheme implemented in April 2018.

5.0 Reasons for decision

5.1 A review was scheduled at the time of the final proposals report to allow for a more accurate assessment of the financial impact to determine whether the scheme was satisfactory and meeting the objective of fair and equitable individual financial assessments under the Care Act.

6.0 Financial implications

6.1 Debt Management information is currently provided for the total amount of contributions collectable from non-residential and residential contributions towards the cost of care and support together. For the period from April to September 2017 the collectable amount was £8,942,176.01 and the amount collected was £7,519,382.83 (84%). For the same period in 2018 with the new non-residential contributions scheme, the collectable amount was 10,073,998.56 and the amount collected was £8,650,307.00 (85.87%).

6.2 A report being generated for this year splits the residential and non-residential collectable amounts and amounts collected so next year this will enable a more detailed review of the financial impact.

6.3 The roll-out of the “managed migration” to Universal Credit (UC) for current legacy benefit claimants and new claims for UC will impact on the amount which we can require individuals to contribute towards the cost of their care and support (see paragraphs 3.11 and 3.12 above)

6.4 The full financial impact of this roll-out is not yet known
[MI/19112018/H]

7.0 Legal implications

7.1 The scheme is fully compliant with the Care Act 2014 and the Care and Support statutory guidance (as updated 26 October 2018).
[TC/06112018/A]

8.0 Equalities implications

8.1 An Equality Analysis was undertaken prior to implementation of the new scheme which showed an adverse impact of the then proposals on disabled people. This was to be expected as disabled people with eligible needs are the customer base for non-residential care and support under the Care Act 2014. However, the new contributions scheme is an equitable system in line with Care Act 2014 requirements and achieves fairness across all age groups based on an assessment of individuals’ circumstances

and their ability to contribute to the care and support provided by the Council. The means employed to achieve the aims of the policy are proportionate, necessary and appropriate.

9.0 Environmental implications

9.1 There are no environmental implications.

10.0 Human resources implications

10.1 There are no direct human resources implications.

11.0 Corporate landlord implications

11.1 There are no Corporate Landlord implications.

12.0 Health and Wellbeing Implications

12.1 The non-residential contributions scheme is a fair and equitable scheme where the required contributions to the cost of care and support is based on individual financial assessments. Such a scheme helps ensure that care and support is affordable to maintain health and wellbeing as individuals only pay a contribution that they can afford based on an assessment of their resources irrespective of the extent of their need for care and support.

13.0 Schedule of background papers

13.1 Review of contributions to non-residential adult social care – outcome of public consultation and final proposals; Cabinet (Resources) Panel report 16 January 2017.