



# Adults and Safer City Scrutiny Panel

Tuesday, 28 January 2020

Dear Councillor

## ADULTS AND SAFER CITY SCRUTINY PANEL - TUESDAY, 28TH JANUARY, 2020

I am now able to enclose, for consideration at next Tuesday, 28th January, 2020 meeting of the Adults and Safer City Scrutiny Panel, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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- |   |   |
|---|---|
| 5 | <b><u>Proposed changes to charges for non-residential services</u></b><br><b>(Pages 3 - 10)</b> |
|---|---|

The Panel is asked to note the following:

This item is being considered as pre-decision scrutiny and will therefore not be available to call-in once a decision is made by the Executive.

[Helen Winfield, Head of Community Financial Support, to present report]

If you have any queries about this meeting, please contact the democratic support team:

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# Adults and Safer City Scrutiny Panel

28 January 2020

<b>Report title</b>	Proposed changes to charges for non-residential adult services	
<b>Cabinet member with lead responsibility</b>	Councillor Linda Leach Adult Services	
<b>Wards affected</b>	All	
<b>Accountable director</b>	David Watts	
<b>Originating service</b>	Community Financial Support, Adult Social Care	
<b>Accountable employee(s)</b>	Helen Winfield Tel Email	Head of Community Financial Support 01902 553353 <a href="mailto:helen.winfield@wolverhampton.gov.uk">helen.winfield@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Directorate Leadership Team Strategic Executive Board Adults and Safer City Scrutiny Panel (pre-scrutiny) Cabinet (Resources) Panel	21 January 2020 28 January 2020 28 January 2020 3 March 2020

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## Recommendation for action:

The Scrutiny Panel is recommended to:

Comment on the attached report which details proposed changes to charges for non-residential adult services before it is submitted to Cabinet Resources for approval.

## Recommendations for noting:

The Scrutiny Panel is asked to note:

This item is being considered as pre-decision scrutiny and will therefore not be available to call-in once a decision is made by the Executive.

## Cabinet (Resources) Panel

3 March 2020

<b>Report title</b>	Proposed changes to charges for non-residential adult services	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Linda Leach Adult Services	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable Director</b>	David Watts	
<b>Originating service</b>	Community Financial Support, Adult Social Care	
<b>Accountable employee</b>	Helen Winfield	Head of Community Financial Support
	Tel	01902 553353
	Email	<a href="mailto:helen.winfield@wolverhampton.gov.uk">helen.winfield@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Directorate Leadership Team	21 January 2020
	Strategic Executive Board	28 January 2020
	Adults and Safer City Scrutiny Panel (pre-scrutiny)	28 January 2020

### Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve a further period of transitional protection as set out in Option three (paragraph 4.1 and 5.1) which seeks to achieve the right balance by limiting the increases to peoples' contributions to adult social care services (where they were in receipt of services prior to April 2018) whilst ensuring that we work towards the individual financial assessment amount.
2. Approve delegated decision-making to the Cabinet Member for Adult Services and the Director of Adult Services at the end of the further transitional protection period in March 2023 (see paragraph 5.2 and 5.3).

## **1.0 Purpose**

- 1.1 This report sets out proposals for a revised extended transitional protection scheme to limit the increases to peoples' contributions to adult social care services (where they were in receipt of services prior to April 2018) whilst ensuring that we work towards the individual financial assessment amount.

## **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.
- 2.2 The rules governing the financial assessment are detailed in the Care and Support statutory guidance. If an individual has capital above the upper threshold (currently £23,250) set by government, they are required to pay for all of their non-residential care. If their capital is below the upper threshold, means-tested support is available, depending on what they can afford to pay.
- 2.3 When the means-test is applied, their income will be assessed. Any capital that they have above the lower threshold (currently £14,250) set by government will be treated as if it gives rise to an income of £1 a week for every £250 of capital. Capital below the lower threshold will be disregarded.
- 2.4 The means-test works on the principle that non-residential contributions must not reduce that person's income to below a certain amount. This amount is known as the Minimum Income Guarantee (MIG) and is reviewed yearly in April. Income above the MIG is described as a person's 'disposable income' and is considered to be available to make a contribution towards the cost of their care and support.
- 2.5 This item was considered as pre-decision scrutiny on 28 January 2020 by Adults & Safer City Scrutiny Panel and will therefore not be available to call in once a decision is made by Cabinet Resources Panel.

## **3.0 Introduction**

- 3.1 In April 2018 a new approach to non-residential contributions for adult social care services based on individual financial assessment was implemented following a report to Cabinet (Resources) Panel on 16 January 2018.
- 3.2 At the time of implementation of the new scheme, it was not known what the extent of the impact would be for those individuals who were not in receipt of means-tested benefits as their actual income was not known under the banded contribution scheme. In order to mitigate against any unreasonable significant increases, transitional protection was approved for existing (pre-April 2018) contribution payers over two years to 31 March 2020 to limit any significant increases.

- 3.3 The collectable income from the previous banded contribution scheme in 2017/18 was £4.9 million.
- 3.4 The collectable income from the new arrangement (with transitional protection) has been:
- Year one - 2018/19 - £5.2 million
  - Year two - 2019/20 - £5.8 million
- 3.5 Following a review on 10 January 2020, it is clear that out of 2,374 people currently in receipt of non-residential adult social care, there are 62% (1,483) of people who have been individually financially assessed to make contributions in accordance with the new scheme without any transitional protection being applied (new people and pre-April 2018 people whose increases were below the transitional protection threshold), and 38% (891) of people who are currently in receipt of transitional protection which is due to cease who will be adversely impacted to varying extents.
- 3.6 There are **891** people who will be adversely impacted by the ceasing of transitional protection.

Number of people	Amount of increase in contribution
305	Under £10
399	Over £10
92	Over £20
23	Over £30
16	Over £40
16	Over £50
15	Over £60
11	Over £70
3	Over £80
6	Over £90
5	Over £100
<b>891</b>	<b>Total</b>

- 3.7 The impact has also been considered in terms of actual increase in cost and whether it is more or less than a 50% increase of their current contribution. This helps to determine more realistic and fair options for transitional protection.

Number of people	Extent of impact by increase in cost per week and %age increase
154	Under £10 increase with less than a 50% increase of current contribution
151	Under £10 increase with more than a 50% increase of current contribution

295	Increase of between £10 and £30 with less than a 50% increase of current contribution
196	Increase of between £10 and £30 with more than a 50% increase of current contribution
10	Over £30 increase with less than a 50% increase of current contribution
85	Over £30 increase with more than a 50% increase of current contribution
<b>891</b>	<b>Total</b>

## 4.0 Options

### 4.1 Three options have been considered:

- **Option one** would be to make no change to the existing arrangement where transitional protection for existing pre-April 2018 contribution payers would end on 31 March 2020. The impact for people would be as in paragraph 3.4 above which for 305 people would mean an increase of under £10 but for 586 people would mean an increase of more than £10, with 5 people having an increase of more than £100.
- **Option two** would be to extend the two-year transitional protection implemented in April 2018 as part of the new non-residential contributions policy. This arrangement would mean that transitional protection would limit any increase to between £1 and £6.00 per year depending on the individual's pre-April 2018 banded contribution rate:
  - Pre-April 2018 Band A – Not applicable as no charge
  - Pre-April 2018 Band B/C - £1.00
  - Pre-April 2018 Band D/E & Supported Living on Means-tested Benefits - £4.00
  - Pre-April 2018 Band F - £4.00
  - Pre-April 2018 Band G/H - & Supported Living not on Means-tested Benefits- £6.00

This option would mean that it would take a number of years for most people to move to their correct individually assessed contribution and may be viewed as inequitable by those in receipt of similar adult social care services making contributions at the correct rate according to their individual financial assessment.

- **Option three** would be to implement an alternative transitional protection arrangement over three years – 2020/21; 2021/22 and 2022/23 – based on a percentage increase according to the extent of the individual financial assessment impact on the amount and proportion of the increase (see paragraph 5.1 below). This would achieve the right balance by limiting the increases to peoples' contributions to adult social care services (where they were in receipt of services prior to April 2018) whilst ensuring that we work towards the individual financial assessment amount.

- 4.2 The calculations have been undertaken based on peoples' current (2019/20) resources. Social security benefit rates are due to be uprated for 2020/21 by 1.7% - means-tested and disability benefits - and 3.9% - state pensions.
- 4.3 Although social security benefits are set to rise from April 2020, which would see an increase in disposable income and therefore in individually assessed contributions to adult social care services, there could be an increase in the Minimum Income Guarantee (MIG) set by government for non-residential charging which may off-set any such increase or reduce contributions.
- 4.4 The collectable income from the previous banded contribution scheme in 2017/18 was £4.9 million.
- 4.5 The collectable income from the new arrangement (with transitional protection) has been:
- Year one - 2018/19 - £5.2 million
  - Year two - 2019/20 - £5.8 million
- 4.6 **Option one** would generate additional collectable income of £16,000 per week (£832,000 for the year) from contributions to the Council.
- 4.7 **Option two** would generate additional collectable income of only £2,000 per week (£104,000 for the year) from contributions to the Council.
- 4.8 **Option three** would generate additional collectable income from contributions to the Council of: Year 1 – 2020/21 - £6,000 per week (£312,000 for the year); Year 2 – 2021/22 - £5,000 per week (£260,000 for the year); Year 3 - £2,000 per week (£104,000 for the year).

## 5.0 Proposal and reasons for decision

- 5.1 **Option three** is considered to achieve the right balance by limiting the increases to peoples' contributions to adult social care services (where they were in receipt of services prior to April 2018) whilst ensuring that we work towards the individual financial assessment amount.

Number of people	Extent of impact by increase in cost per week and %age increase	Option 3
154	Under £10 increase with less than a 50% increase of current contribution	Actual increase applied April 2020
151	Under £10 increase with more than a 50% increase of current contribution	50% of increase applied April 2020 50% of Increase applied April 2021
295	Increase of between £10 and £30 with less than a 50% increase of current contribution	50% of increase applied April 2020 50% of increase applied April 2021



196	Increase of between £10 and £30 with more than a 50% increase of current contribution	33% of increase applied April 2020 33% of increase applied April 2021 34% of increase applied April 2022
10	Over £30 increase with less than a 50% increase of current contribution	33% of increase applied April 2020 33% of increase applied April 2021 34% of increase applied April 2022
85	Over £30 increase with more than a 50% increase of current contribution	Banded increase according to actual amount of increase applied 2020, 2021 and 2022: <ul style="list-style-type: none"> <li>• Over £100 - actual increase divided by 10</li> <li>• Over £90 - actual increase divided by 9</li> <li>• Over £80 - actual increase divided by 8</li> <li>• Over £70 - actual increase divided by 7</li> <li>• Over £60 - actual increase divided by 6</li> <li>• Over £50 - actual increase divided by 5</li> <li>• Over £40 - actual increase divided by 4</li> <li>• Over £30 - actual increase divided by 3</li> </ul>
<b>891</b>	<b>Total</b>	

5.2 At the end of the three-year period, in March 2023, it may be that there are up to 85 people who have still not reached the contribution amount that they would be required to make based on their individual financial assessment to determine their disposable income. It is proposed that at this point a further period of transitional protection is considered, based on similar principals, for the small number of people remaining.

5.3 It is recommended, given the small number of people and impact on income, that the issue is delegated to the Cabinet Member for Adult Services and the Director of Adult Services for a decision at this time.

## 6.0 Financial implications

6.1 The current 2019-2020 budget for non-residential care purchasing is in the region of £26.4 million and the collectable income is in the region of £5.8 million.

6.2 The recommended option would protect individuals from an unreasonable significant increase over the transitional period.

[JB/23012019/X]

## 7.0 Legal implications

7.1 The proposals are fully compliant with the Care Act 2014 and the Care and Support statutory guidance.

[TC/17012020/N]

## **8.0 Equalities implications**

- 8.1 An Equality Analysis was undertaken for the introduction of the new non-residential contributions scheme in April 2018. It showed an adverse impact on disabled people which 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.
- 8.2 Some mitigation against significant increases in contributions for current people receiving adult social care and support was achieved with the two-year transitional protection arrangement and the current proposal to introduce an extended period of transitional protection maintains a reasonable and fair increase in contributions for those pre-April 2018 people still in receipt of adult care and support.
- 8.3 The means employed to achieve the aims of the proposed policy are proportionate, necessary and appropriate.

## **9.0 Climate Change and Environmental implications**

- 9.1 There are no climate change and environmental implications.

## **10.0 Health and Wellbeing Implications**

- 10.1 Pre-April 2018 people continuing to pay contributions towards their adult social care and support will receive transitional protection under options two and three which will help minimise the impact of increases in the contributions rates and thus maintain their financial wellbeing.

## **11.0 Human resources implications**

- 11.1 There are no direct Human Resources implications.

## **12.0 Corporate landlord implications**

- 12.1 There are no Corporate Landlord implications.

## **13.0 Schedule of background papers**

- 13.1 Report to Cabinet (Resources) Panel 16 January 2018.