

Outcome of the Paying for Care Consultation

Why did we consult on these changes?

- The amount of funding the County Council receives from Central Government has halved in recent years.
- This consultation was part of the Department's 'Transformation to 2017' programme to deliver £43.1 million of savings.
- The proposed changes, if implemented, would save around £1.4 million a year and would also bring Hampshire more in line with other comparable local authorities' charging policies.

Background and principles

- After people's eligible care needs have been assessed, they then have a financial assessment to check how much money they need to pay for their care.
- Financial assessments are carried out in accordance with the Care Act 2014 and its accompanying regulations and guidance.
- People who are assessed as unable to afford to contribute towards their care, based on the national rules, receive their care for free.
- To give some context, of those clients we support at home, 13% pay for the full cost of their care, 43% pay something towards their care costs, and 44% receive their care without a charge.
- We consulted on four topics in the ten-week consultation which ran from 15 June to 26 August 2016. We asked people about some proposed changes to how our Paying for Care Policy operates.

1. Charging people for the cost of both of their carers, if they need two paid carers and can afford to pay for both

- Currently we waive the cost of a second carer for 138 clients who could afford to pay either the full cost or a substantial amount of the cost.
- This waiver costs HCC £1.34 million a year.
- We asked people what they thought about removing the waiver just for new situations (ie existing clients would keep it) which was our suggested way of introducing the proposed change.
- However, when given alternative options, the most popular response to the consultation was that HCC should charge all clients the full cost of their care including a second carer where needed (if they can afford it). People felt it was inequitable to have a two-tier system where some people received a waiver and others did not. In some cases, people felt a second carer was not always needed as HCC or the care agency (not the individual) had decided two carers were needed.

2. Taking into account 100% of a person's disposable income (rather than 95%) when carrying out a financial assessment

- Disposable income is what is left after standard outgoings are deducted such as mortgage/rent, council tax and any disability related expenses. Clients are always left with money to cover general living expenses such as food, utility bills and clothing. The amount for general living expenses is a standard allowance set by Government, depending on an individual's age and circumstances.
- Many other councils already take 100% into account (including Southampton and Portsmouth).
- For the 3,500 affected by the proposed change, the average weekly increase in cost would have been £2.27.
- This proposal attracted the highest volume of feedback and the most opposition.

3. Continuing to charge residents in HCC residential and nursing homes their usual client contribution during periods of absence

- At the moment, people living in HCC homes do not pay their client contribution towards their care costs during periods of absence from their home. However, clients we place in private homes already have to continue paying if they are away, as their room is being kept free and can't be used by someone else. This policy change would mean the same rule applied to all clients we place in a care home.
- Around 900 people live in HCC-run homes. We estimate we would generate around £168,000 a year by making this proposed change.
- The majority of consultation responses supported making this change, as there was recognition that it would be more equitable – although some felt that reduced rates could apply if someone was in hospital.

4. Taking rental income into account during the financial assessment when a client has a Deferred Payment Agreement with HCC and lets out their home

- A Deferred Payment is a way to use the value of your property at a later date to pay for residential/nursing care. The client still makes a contribution to their care costs from their income, but they defer the remainder of the costs until the property is sold and the council gets its money back.
- If you rent out your property in this situation you don't currently have to contribute any rental income towards your care costs unless you want to.
- We asked in the consultation if rental income should be taken into account if you rent out your property when you have a Deferred Payment. Most councils already take about 80-90% of the rental income into account.
- This change would not mean you paid more for your care, just that you would pay more upfront and you would have less debt/interest to repay when you sold your property.
- This would impact on a small number of clients – at the moment, roughly 3 to 4 new agreements are set up each month but not all of these clients will be renting out their home. Existing Deferred Payment clients would not be affected.
- The consultation feedback indicated support for taking rental income into account, however people wanted us to ensure people retained sufficient income to meet the costs associated with being a landlord (maintenance and agency fees etc).



Following consultation, recommendations for the Executive Member to consider are to:

1. Approve the removal of the second carer waiver – with immediate effect for new situations and from 10 April 2017 for existing clients.
2. To require people living in HCC homes to continue to pay their client contribution if they are absent from the home with effect from 5 December 2016.
3. To take 75% of gross rent into account in the financial assessment for a Deferred Payment client with effect from 1 November 2016.

The proposal to take 100% of disposable income into account in the financial assessment for non-residential care has been withdrawn as a result of the consultation feedback. The existing policy to take into account 95% would therefore continue.