HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	21 October 2016
Title:	Outcome of the Consultation on Proposed Changes to the Paying for Care Policy
Reference:	7774
Report From:	Director of Adults' Health and Care

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1. Executive Summary

1.1. The purpose of this paper is to report to the Executive Member for Adult Social Care the outcomes of the consultation and to make recommendations on some proposed changes to the Adult Services Paying for Care Policy. This Policy is the charging framework used to determine what financial contribution service users will make to the cost of their care.

1.2. On 14 June 2016, the Executive Member for Adult Social Care gave permission for a ten week public consultation on proposed changes to the Adult Services Paying for Care Policy. The consultation opened on 15 June 2016 and closed on 26 August 2016.

1.3. This paper:

- sets out the context for the consultation;
- explains each of the County Council's proposals, including the potential impact on service users;
- outlines the findings from the consultation;
- considers the financial implications and other key issues around making the proposed changes; and
- makes recommendations, as a result, on some changes to the Adult Services Paying for Care Policy.

2. Contextual information

2.1. The proposals being considered in this consultation exercise form part of the Adult Services Transformation to 2017 savings programme. This programme aims to bring sustainability and greater financial resilience so that the County Council can continue to meet its statutory obligations to provide care and support to those with eligible care needs within a much reduced funding envelope. Adult Services will have its budget reduced by £43.1 million in 2017.

2.2. Adult Services provides care and support to adults (aged 18 or over) who are assessed under the Care Act 2014 as having eligible care and support needs. As social care support is a means tested service, people whose eligible needs are going to be met by the County Council receive a financial assessment to work out how much they need to pay towards their care costs. This financial assessment is carried out in line with the Care Act 2014 and its accompanying Regulations and Statutory Guidance. The financial assessment process ensures that those with the least means who are assessed as unable to afford to pay anything towards their care will receive their care for free. 30% of Adult Services clients pay nothing towards the cost of their care. 58% make some level of financial contribution, as councils are entitled to take certain benefits into account, as well as other types of income, when assessing an individual's ability to contribute towards their care. 12% pay for the full cost of their care. Appendix C explains more about what is taken into account during the financial assessment process.

2.3. Under the Care Act 2014, local authorities have the power to charge for services, and within that, there is some discretion about how charges are implemented locally. The areas proposed for change in the consultation were ones where local authorities can exercise local discretion. The changes would also bring the County Council more into line with the charging arrangements in many other council areas. In a period of such financial constraint, the County Council is considering all avenues for generating additional income to support the running of services.

2.4. If the consultation proposals were to be implemented, some people would need to make a higher contribution towards the cost of their care, according to their financial means. However, throughout the consultation, the County Council has made it clear that those who are assessed, using the national rules, as unable to contribute anything towards their care costs will continue to receive their care for free.

3. Consultation arrangements

3.1. The consultation on proposed changes to the Adult Services Paying for Care Policy opened on Wednesday 15 June 2016 and closed on Friday 26 August 2016. Responses received up to 4pm on Tuesday 30 August (the next working day) have been taken into account in this report. All adult social care service users who could potentially be affected by the proposals (around 12,000 people), including those people who currently receive a waiver for the cost of their second carer, were contacted and asked to give their views via a survey which could be completed on paper or online. The consultation was publicised on Hantsweb, the County Council's website, which had a dedicated consultation web page, including background information and a link to the online survey. This allowed the general public to have the opportunity to give their views. Key stakeholders (for example, voluntary and community sector organisations and the NHS) were sent a link to the online survey by email. Councillors and staff were informed about the consultation by email. Service users with a learning disability who could be affected by the proposals were contacted with Easy-Read letters and an Easy-Read version of the consultation survey. Service users with a learning disability who would not be affected by the proposed changes were not contacted. Other formats of the consultation materials were provided where requested, including audio and Braille. Where the County Council normally consults with a representative (rather than the service user), the consultation information was sent to the service user's representative. The media were notified about the consultation via press releases and the County Council's usual social media channels.

3.2. A small temporary project team with a dedicated telephone number and email address was set up within Adult Services to respond to individual letters, emails and telephone calls from clients, families, and other stakeholders. Project team staff were able to fill in the survey on behalf of individuals on the telephone if people preferred to give their feedback in this way.

3.3. The Consultation Team attended ten meetings of user and carer groups around the County to present the consultation proposals and answer questions, including the five Learning Disability Local Implementation Groups, the Learning Disability Partnership Board, the Hampshire Association of Older People's Forums, the Personalisation Expert Panel and two drop-in sessions arranged in partnership with local advocacy organisations.

4. Response to the consultation

Background

4.1. The consultation survey consisted of six closed questions and a box for comments, along with some optional questions to capture demographic information about those who responded. The survey was anonymous. Individuals were invited to answer as many of the survey questions as they wished, so some chose not to answer all the questions. In total, 3,107 people responded to the consultation by completing the survey online or in hard copy form. The survey was available in an Easy-Read format, and 308 people completed the Easy-Read version. All longer responses sent in by email were also considered in the analysis.

- 1,169 (40%) described themselves as clients of Hampshire County Council Adult Services.
- 924 (32%) indicated that they were responding on behalf of a client of Hampshire County Council Adult Services.
- 47 (2%) were responding as someone who currently receives a second-carer waiver.
- 578 (20%) described themselves as carers.

Overall feedback

4.2. The majority of comments on the proposals overall were on the theme of equity. Many people felt that the proposed changes were unfair. A common theme was to express opposition to the national system of charging for social care services, which are not free at the point of delivery unlike most services provided by the NHS. Some raised concerns that the proposals discriminated against vulnerable and disabled people. There was concern that implementing the proposals would have an impact on people's independence, would increase social isolation, and would reduce people's quality of life. Section 5 of this report outlines the proposed changes on which the County Council consulted, summarising the consultation feedback received and assessing the likely impact of the changes, if they were to go ahead. The full report of the consultation findings can be found at Appendix E.

5. Feedback on individual proposals in the consultation

Proposal 1: The cost of a second carer

<u>Proposal</u>

5.1 Around 630 people in total have a care package which includes some element of double-up care (ie care provided by two carers at the same time).

Currently, an individual can receive a 'second-carer waiver', which means that the County Council will pay for the cost of their second carer, if:

- they have been assessed as requiring two carers at the same time, for health and safety reasons, to meet their eligible care needs;
- their care is organised by Hampshire County Council; and
- they have been financially assessed as being able to pay the full cost of their care (or make a substantial contribution towards the cost of their care).

In this context, the term 'carer' refers to a care worker who is paid to provide care and support, not an unpaid carer who is a family member or friend of the individual.

5.2 138 individuals currently benefit from the County Council covering the cost of their second carer, and 'second-carer waivers' cost the County Council £1.34 million a year as at March 2016. The majority of these individuals have been assessed as able to afford to pay for the full cost of their care, delivered by two carers. A small number of them (around 10) have been assessed as able to afford to pay for a substantial proportion, but not the full cost, of their care.

5.3 The consultation asked two questions about this proposal. In the first question, views were sought on whether individuals should be charged the full cost of their care in new situations where two carers were needed – if they have been assessed as able to pay the full cost of their care. It was explained in the consultation that the County Council's preferred way of introducing this change, if it were to be agreed, would be that existing individuals who receive the 'second-carer waiver' would not be affected, and the policy would only be applied for new situations.

5.4 In the second question, in order to give the opportunity for people to consider alternatives to the County Council's preferred approach, people were asked to choose from a wider range of options, including whether the policy change should apply <u>just for new applicants</u> who could afford to pay for two carers, whether it should be for <u>all individuals</u> who could afford to pay for two carers, or whether the County Council should make budget reductions elsewhere instead.

<u>Consultation feedback</u>

5.5 Over half (52%) of respondents were in favour of charging the total cost of the care provided in new situations where two carers were needed. Just over one third of respondents (34%) were against it. Amongst those respondents who said they were in receipt of a second-carer waiver, 53% were against the proposal and 38% were in favour. However, when given alternative options, the most popular option (33%) was to charge all (both new and existing) clients the total cost where two carers were needed. The second most popular option (31%) was that the County Council should make budget reductions elsewhere. The majority (56%) of people who currently receive a second-carer waiver thought that the County Council should make budget reductions elsewhere. Only 25% of all respondents chose the County Council's preferred option which was to only charge clients with a new need for two carers the total cost.

5.6 The majority of comments on this proposal expressed the view that it was unfair to charge people who became in need of a second carer, as it was not their fault they needed this level of care. There was also a common perception that either the County Council or the care agency has insisted on delivering care with two carers rather than one, for health and safety reasons. In some cases, respondents did not agree that the second carer was necessary and they felt that in this situation, people should not have to pay for two carers. Some people felt that it would be inequitable to create a two-tier system whereby existing clients benefitted from the two-carer waiver subsidy, but people with a new need for two carers would have to pay the full cost if they were assessed as able to afford it.

<u>Recommended next steps</u>

5.7 In some cases, there is a clear need for people to receive care from two carers at the same time. However, the consultation feedback illustrated that there are concerns that the use of two carers may not always be a cost-effective solution, and may not always be required, as alternative options could be available, such as more informal help from friends and family or from equipment or technology solutions, more in line with the

Council's new Strengths Based Approach. For example, before putting in place a two-carer package, the Strengths Based Approach would consider the following:

- Can a hoist or other equipment be arranged, if it has not already been put in place, to help with moving and handling? New equipment and technology solutions are now available that may not have been previously considered.
- Could an informal unpaid carer (family/friend) provide the necessary care, either without or alongside the provision of equipment?
- If two people are required to deliver elements of the care, could one of those people be a paid carer and the other a family member or friend?
- Could care agency staff be supported with moving and handling training to reduce the need for two paid carers?

5.8 It is clear from the consultation and feedback from operational staff that the County Council needs to do more work to reduce the need for two-carer packages where alternative solutions are available that will meet assessed eligible needs effectively. This should include additional work with care agencies, exploration of equipment solutions and exploring best practice elsewhere.

5.9 Taking into account the above factors, the recommendation to the Executive Member is that the policy of offering a waiver for the cost of a second carer should be removed for existing recipients who currently receive the waiver and also should not be offered in future to individuals with a new requirement for a second carer. This change would mean that individuals requiring two carers at the same time for delivery of their care would pay for the full cost of both carers, if they have been financially assessed as able to pay this amount. Individuals who are assessed as unable to afford to pay the full cost of both carers would continue to contribute according to their means, based on their financial assessment.

5.10 It is recommended that the County Council should cease offering the second-carer waiver with immediate effect for anyone who is newly assessed after the date of the decision as needing to receive care from two carers at the same time. An individual, to the extent that they have been financially assessed as able to do so, would therefore pay the full cost, or make a contribution towards the cost, of any second carer. There would also be the option for the individual or their family/representative to arrange the care privately.

5.11 With regard to individuals who already receive a waiver for the cost of their second carer, it is recommended that the waiver should cease at the latest by 9 April 2017, with the revised cost being charged from 10 April 2017. All individuals with a waiver currently in place would have a review of their care, carried out by the Adult Services Reviews Team, using the County Council's Strengths Based Approach. This would ensure that the requirement for a second carer that was previously identified is still necessary and may reduce the cost for individuals, if alternative ways of effectively meeting assessed eligible needs can be identified, in collaboration with the individual and, where appropriate, their support network. This would allow the policy change to be implemented in a phased way, giving people notice of the County Council's decision and time to plan accordingly.

Proposal 2: Financial assessment based on a person's disposable income

Proposal

5.12 The second proposed change concerns the percentage of a client's disposable income that is taken into account when a financial assessment takes place for non-residential care services (in other words, services that people receive at home or in the community). Disposable income refers to the amount of income left over once 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 the Government, depending on an individual's age and other circumstances. To put this proposal into context, Appendix D provides a fictional case study, showing how the County Council would financially assess a client and work out how much they would have to contribute towards their care.

5.13 Currently, the County Council takes into account 95% of an individual's disposable income. The proposal in the consultation was that the County Council would take into account 100% of an individual's disposable income.

Consultation feedback

5.14 Half (50%) of respondents thought the County Council should not take into account 100% of an individual's disposable income. 40% thought the County Council should take 100% into account, and 10% were undecided.

5.15 Of all the proposals on which views were sought, this one attracted the most comments. Many people felt that the County Council should not take into account 100% of a person's disposable income, but should continue to allow people the flexibility and financial buffer afforded by taking 95%. It was suggested that the way disposable income is worked out is unfair, with too many things not taken into account and/or the amount allowed for general living expenses set too low. People said that if 100% was taken, disabled people would not be able to pay for enjoyable things that non-disabled people take for granted – they would only have enough money to exist. There was concern that people could experience financial hardship and distress because they would not have a margin to deal with unexpected or unplanned events, such as boiler breakdown and hospital visits. Concerns were raised that the change would lead to greater social isolation, lowering of wellbeing, and more pressure on carers, who said they would struggle to subsidise the client's income. There was also concern that some disabled adults would be more badly affected than others. For example, working-age adults who are unable to undertake paid employment and whose main income comes from benefits said they would be more adversely affected than working-age adults who have earnings from employment which, following the national rules, are not included in the financial assessment.

Impact of the change proposed in consultation

5.16 As at September 2016, it is calculated that around 3,500 clients would be affected if the County Council were to change the percentage of disposable income that is taken into account in the financial assessment. Of those who would experience an increase in their care bill:

- 56% are older people (aged 65+)
- 30% are clients with a learning disability
- 13% are clients with a physical disability
- 0.6% are clients with a mental health need
- 0.4% are clients with other types of need

Recommended next steps

5.17 This proposal was consulted on in 2010 and Cabinet decided in February 2011 not to implement the change to take into account 100 per cent of an individual's disposable income. Similarly strong views have been expressed in this year's consultation about the issue, particularly from the learning disability community in Hampshire.

5.18 A clear message from this year's consultation is that there needs to be a more consistent approach as to what constitutes a legitimate Disability Related Expense that would be excluded from the individual's assessable income. The County Council will therefore clarify its guidance for staff and the public on Disability Related Expenses. This will ensure that the costs of living with a disability are consistently taken into account in all financial assessments in accordance with the Care Act 2014.

5.19 The County Council is now operating within a financial climate that is unprecedented in its severity. With such significant resources being lost from the Adult Social Care Budget over the coming years as highlighted in section 2.1, it was appropriate to ask the question as to whether Hampshire can continue to be more generous than other local authorities with regard to the treatment of disposable income in the financial assessment process. However, having taken into consideration all the relevant factors, and because of the number of vulnerable adults and older people who would be impacted and their level of relative income, it is recommended that the County Council should not go ahead with this policy change. This would mean that the County Council would continue its policy of only taking into account 95% of disposable income in the financial assessment for non-residential care. This would require Adult Services to identify recurrent alternative savings or income to make up the shortfall in the savings target to be delivered by April 2017.

Proposal 3: Charging clients in Hampshire County Council residential and nursing homes if they are away from the home

Proposal

5.20 The third proposal concerned the charging arrangements for clients living in Hampshire County Council-run residential and nursing homes when they are away from the home. Absences may relate to a hospital admission, or time away for other reasons such as a break or a short stay with family/friends. Currently, clients in a Hampshire County Council are not required to pay their contribution towards their care costs if they are away for a period. However, their room is not used by anyone else and is retained for their return. The proposal in the consultation was that clients would continue to pay their contribution whilst away, since their room is their home and will not be occupied by anyone else while they are away. Additionally, the running costs of the home and staffing still have to be paid for. A further reason for proposing this change is that residents living in private sector homes (in which the majority of Hampshire County Council clients are placed) are still required to pay their client contribution even if they are away.

Consultation feedback

5.21 The majority (52%) of respondents thought that people should continue to pay their client contribution when they are not at their care home. 37% thought they should not. There was some support for charging a reduced rate instead and some thought that stays in hospital should be treated differently to holidays in the policy. Conversely, other people felt that individuals who are not in a care home still have to pay their rent and bills if they are on holiday or in hospital, so the same should apply for care home residents.

Impact of the proposed change

5.22 This policy change would mean that clients were treated the same, regardless of whether they live in a private sector or a Hampshire-County Council run care home. It is estimated that around £168,000 in income may have been lost over the 2015/16 financial year because of charges being suspended whilst clients were away from their care home.

5.23 The County Council is mindful of the fact that receipt of benefits may be affected by lengthy hospital stays, and can adjust a client contribution if necessary if a client’s benefits stop being paid.

Recommended next steps

5.24 It is recommended that the County Council brings consistency to its charging policy for residents it places in care homes, so that clients in Hampshire County Council homes would continue to pay their client contribution when they are away from the home. If a decision is made that the resident will not be returning to the home (eg following a hospital stay), then at that point charging would stop and the room would become vacant. It is recommended that this policy change would be implemented from 5

December 2016, in order to allow time to communicate with in-house care home residents about the change.

Proposal 4: Taking rental income into account for Deferred Payment financial assessments

<u>Proposal</u>

5.25 The fourth proposed change relates to Deferred Payment Agreements. A Deferred Payment is a mechanism for an Adult Services client to use the value of their property to pay a proportion of their residential or nursing care costs at a later date. Clients who qualify for a Deferred Payment must have a property that is being taken into account in their financial assessment but have less than or equal to £23,250 in other assets. This means that they are only self-funding their care due to the value of their property.

5.26 Under the Care Act 2014, councils are allowed to charge interest and an administration fee when setting up a Deferred Payment Agreement. The current interest rate for an agreement is 1.85%, which is the current maximum interest rate the Government allows councils to charge. Councils are notified by Government of the maximum rate they can charge, which is amended on 1 January and 1 July every year. When a client has a Deferred Payment Agreement, they still make a weekly contribution towards their care costs from their income, but they defer the remainder of the cost until their home is sold.

5.27 Currently, if a client who has a Deferred Payment Agreement decides to let out their property, they are not obliged to offer up any of the money they receive from rent to be counted as part of their income that can be used to pay for their care. In many other authorities, they take account of this rental income in the financial assessment. On average, other councils take around 80-90% of rental income into account, with some considering gross rental income and some considering net income (ie net of costs associated with letting out the property).

<u>Consultation feedback</u>

5.28 The majority of respondents (57%) thought that income from letting out a property should be taken into account when a person enters into a Deferred Payment Agreement to pay for care home costs. 19% thought it should not be taken into account and 24% said they did not know. Those who thought income from letting should be taken account were asked what percentage should be taken into account. Views were fairly evenly split three ways. The most popular answer, chosen by 30% of respondents, was that 100% of the rental income should be taken into account. The next most popular (26%) was that 80-90% should be taken into account, and third most popular (24%) was that less than 80% should be taken into account. Just over half of respondents thought that less than 90% should be taken. There were many comments that the income taken into account should be only the profit from renting, as renting out a property incurs many costs.

Impact of the proposed change

5.29 As at the end of July 2016, the County Council had 114 Deferred Payment Agreements in place. This is a significant decrease on the 360 active agreements that were in place as at 1 April 2015. The trend appears to be that clients are choosing to sell their property rather than take a deferred payment, perhaps deterred by the new requirement from 1 April 2015 to pay interest and administration charges. At present, around 3 to 4 new agreements are signed every month, meaning that if take-up of this service continues at the current rate, only a very small number of clients across Hampshire will be affected by this proposed policy change, since it is entirely the client's choice as to whether they let out their property. The change would not mean that clients had to pay more for their care. It would simply mean that a client contributed more towards their care costs upfront, with a smaller proportion of the care costs to be repaid whenever the property was eventually sold. The client would also have to pay less interest on their debt if they paid more upfront in their weekly contribution towards their care. Existing clients with a Deferred Payment Agreement would not be affected by the proposed policy change as they already have a legally binding agreement with the County Council. There would also be no change to how rental income is treated in other circumstances where there is no Deferred Payment Agreement in place.

Recommended next steps

5.30 Officers have liaised with other local authorities who take rental income into account in the financial assessment for someone who has a Deferred Payment Agreement. A wide range of approaches are evident, with some authorities considering gross income and some considering net income.

5.31 A further consideration is that all clients with a Deferred Payment Agreement are left with a Personal Expenses Allowance of up to £144 a week, as it is recognised that they have a property to maintain as well as other costs for personal expenditure. This is much higher than the Allowance retained by other care home residents who receive financial support from the County Council, which is £24.90 per week.

5.32 In accordance with the Care Act Statutory Guidance, the County Council would want to ensure that the individual was able to keep some of the income generated each month by letting out their property, and recognises that there are additional costs associated with letting out a property. The recommended approach therefore is that when an individual signs a Deferred Payment Agreement with the County Council on or after 1 November 2016, if they choose to let out their property, the County Council would take into account 75 per cent of the gross rent charged on the property (not the net rental income received). The 25 per cent left could be used by the individual to pay associated landlord costs. In addition, the individual would still retain their Personal Expenses Allowance of up to £144 per week, to cover costs and for their personal day-to-day expenditure in the care home.

5.33 The rationale for the approach of looking at the gross rent rather than net income from rent is to keep the calculation simple and to minimise the administrative burden on staff carrying out financial assessments.

Other suggested approaches

5.34 During the planning process for the consultation, a number of other options were considered as alternative ways of raising income from services or activities that are funded by the Adult Services Department.

5.35 The option of doing nothing to raise income was discarded as the Department has to manage increasing demand for care services and greater complexity of needs within a limited budget.

5.36 The option of charging unpaid carers for services provided to support them in their caring role (often received as a direct payment) was discarded, because of the importance of helping carers who do so much to support the independence of service users in the community.

5.37 The option of charging people for early intervention and prevention services was discarded, as early intervention drives down or delays the need for more expensive social support further down the line.

5.38 During the consultation itself, one of the survey questions asked respondents if they had any suggestions for alternative ways of making savings in adult social care. Many of the suggestions received focused on ways of working in the County Council, for example streamlining processes, such as assessments and Direct Payments, reducing administration and bureaucracy, and improving the efficiency and accuracy of client billing. Cuts were recommended to senior staffing and pensions. Cutting care for certain groups was also suggested. Ceasing the contracting out of care to private sector organisations was a common theme, as was the suggestion that the County Council should raise Council Tax and protest more forcefully to the Government about funding cuts.

5.39 Many helpful suggestions were made which align with the approach that Adult Services is taking in delivering its wider programme of Transformation to 2017 Savings, of which this consultation is a small part. A number of Transformation projects are focused on streamlining systems, improving the commissioning of care and paying for care processes and reshaping how staff resources are used to deliver a more effective service to residents.

6 Key issues

<u>Financial implications</u>

6.1 Charging for services brought in £65 million in the last financial year, which helps to offset the costs of delivering services.

6.2 On the basis of current client numbers and circumstances, the proposed changes if implemented, could result in savings of around £1.4 million in 2017/18, with £1.4 million of savings recurring on an ongoing basis. The estimated savings that could be achieved by implementing the proposals are shown below:

	Start date	**2017/18** £000	**2018/19 and ongoing per annum savings** £000
Proposal 1: Removal of the second-carer waiver	April 2017	1,340	1,340
Proposal 2: Disposable income change	Not recommended for implementation	0	0
Proposal 3: Change to charging for absent nights in HCC nursing/ residential homes	December 2016	168	168
Proposal 4: Deferred payments rental income	November 2016	Unknown, dependent on client take-up and individual circumstances	Unknown, dependent on client take-up and individual circumstances
Sub-total		1,508	1,508
Allowance for 5% change in client numbers		-75	-75
Final Total (Rounded)		**1,400**	**1,400**

Please note:

- The saving in 2016/17 would be small, but is anticipated to offset any additional administrative costs incurred during the implementation phase.
- The impact of implementing Proposal 4 (inclusion of rental income in the weekly contribution for Deferred Payment clients) is difficult to estimate, as it would depend on how many individuals opt for a deferred payment agreement and, of these, how many decide to let out

their property. This proposal might not generate more income, but would potentially reduce the amount of money the County Council has tied up in property and would reduce the debt to be repaid when a client's property was sold.

Legal considerations

6.3 Under the Care Act 2014 local authorities have a power to make a charge for meeting needs. Having decided to charge they must assess the level of a person's financial resources. Regulations make provisions about the carrying out of a financial assessment to determine the amount a person is required to pay towards meeting the cost of their care and support.

6.4 It is for the Executive Member as decision maker to have due regard to the need to:
Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7 Equalities and other Impact Assessment

7.1 The changes proposed, if implemented, would have a high impact on older people and people with disabilities, and would affect more women than men, because people who have their care delivered or arranged by Hampshire County Council fall disproportionately into these groups. The negative impact is mitigated to the extent that people only contribute what they are assessed as able to afford to pay towards their care, following national Care Act Regulations and Statutory Guidance. The proposed changes do, however, mean that some people would make a greater contribution towards the cost of their care than they currently do.

8 Policy and Procedural Changes

8.1 Proposed revisions in line with the recommendations in this report have been made to the current *Adult Services Paying for Care Policy*. This Policy is attached as Appendix F, with proposed changes highlighted.

8.2 Consequential amendments to procedural guidance for staff would also be made.

9. Proposed implementation arrangements

9.1 If policy changes are agreed by the Executive Member, the County Council would write to service users who will be directly affected by any of the changes after the Decision Day. Strengths-based reviews would also be carried out before April 2017 with the individuals currently in receipt of a second-carer waiver.

10. Recommendations

That the Executive Member for Adult Social Care:

10.1 Approves the removal of the policy of offering a waiver for the cost of a second carer so that an individual, to the extent they have been financially assessed as able to do so, pays the full cost or makes a contribution towards the cost of any second carer with this policy change to take immediate effect for any individual who is newly assessed as having a need for a second carer after the date of this decision, and to take effect from 10 April 2017 for clients who have already had an assessed need for a second carer identified on or before the date of this decision.

10.2 Approves the continuation of the County Council's existing policy of only taking into account 95% of disposable income in the financial assessment for non-residential care.

10.3 Approves a change to County Council policy so that people living in Hampshire County Council-run residential and nursing homes continue to pay their client contribution towards the cost of their care when they are absent from the home, with the change coming into effect on 5 December 2016.

10.4 Approves the County Council taking into account in the financial assessment 75% of gross rent charged in the situation where an individual going into a care home chooses to let out their property and signs a Deferred Payment Agreement with the County Council on or after 1 November 2016 as set out in this report.

10.5 Approves revisions to the Adult Services Paying for Care Policy in line with recommendations 10.1 to 10.4 and as set out in Appendix F, with consequential amendments being made to procedural guidance.

Integral Appendix A

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Maximising well-being:	yes
Enhancing our quality of place:	no

Other Significant Links

Links to previous Member decisions:

Title	Reference	Date
Permission to consult on proposed changes to the Adult Services Paying for Care Policy	7531	14 June 2016
Review of Adult Services Non Residential Care Contributions Policy in relation to service users who require two carers	3792	26 March 2012
Response to consultation and proposals for a new Contributions Policy for Adult Social Care services	2291	28 February 2011

Direct links to specific legislation or Government Directives

Title	Date
Care Act 2014	May 2014
Care and Support (Charging and Assessment of Resources) Regulations	October 2014
Care and Support Statutory Guidance, Department of Health	September 2016 (revised)

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 (‘the Act’) to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionally low.

1.2 Equalities Impact Assessment:

Age and Disability: High Impact

The proposed changes are not targeted at any particular groups of people with protected characteristics, but inevitably they would have a high impact on older and disabled people, because people who have their care delivered or arranged by Hampshire County Council fall disproportionately into these groups. If implemented, some people would make a greater contribution towards the cost of their care than they currently do. The impact on particular groups of each proposed change is set out below.

Consultation proposal 1: the proposed change is that people who currently receive a waiver for the cost of their second paid carer (this means that at the moment the County Council, not them, pays for their second carer) would no longer receive this waiver from April 2017, and would have to pay the full cost or their assessed contribution towards the cost of their second carer themselves, if they could afford to do so (based on their financial assessment). If the recommendation is agreed, the waiver would cease to be offered for people newly assessed as requiring a second paid carer with immediate effect from the day after the decision onwards and for existing clients the waiver would be removed in April 2017.

The change would have an impact on 138 existing clients, of whom 131 are older people, 6 are people with a physical disability and 1 has a learning disability. Although this change would be negative for this group of predominantly older people, the impact is mitigated to the extent that people are only charged what they have been assessed (under the Care Act 2014 legislation) as able to afford to pay towards their care. Each individual would also have a review of their care before April 2017, to explore whether they still need a second carer and to consider any alternative solutions that could meet their needs but in a more cost-effective, strengths-based way. Delaying implementation of this change until April 2017 for existing clients is another mitigating action that has been recommended to assist individuals impacted by the proposed change to plan for a potential increase in their care bill – or to give people an opportunity to make their own private arrangements instead of receiving their care via the County Council.

Consultation proposal 2: the proposed change in the consultation was that the County Council would increase the percentage of a person's disposable income it takes into account when carrying out a financial assessment. Currently, 95% is taken into account, and the consultation asked for views about increasing this to 100%.

The recommendation to the Executive Member is that this change should not be implemented. If it were to go ahead, around 56% of those who would be affected are older people, around 30% have a learning disability, and around 13% have a physical disability. The remaining 1% are mental health clients or have other needs. It would have meant a significant number of older and disabled people would experience an increase in their care bill. For example, the average weekly increase to a client's care bill if the change were to have gone ahead would be £2.27. The lowest weekly increase would have been £0.16 and the highest weekly increase would have been £21.29.

Consultation proposal 3: The impact of this proposed change is that people who live in Hampshire County Council-run residential and nursing homes would have to continue paying their client contribution if they were away from their home (whether in hospital or staying away somewhere else). At the moment, people do not have to pay their contribution in HCC homes if they are away from the home, however no one else can use their room. This would only impact upon people who make a contribution towards their care costs, not people who are wholly funded by the County Council or other organisations, eg the NHS. Residents in HCC homes are predominantly older people (855 people), with small numbers of learning disability clients (22), physical disability clients (14) and mental health clients (3). Not all of these individuals make a contribution to HCC for their care costs and if they do not, this proposed change would not impact on them.

Clients living in non-HCC run homes do not have a break put on their charges if they are away, so in effect clients living in HCC homes are currently being treated more favourably at present because they do have their client contribution suspended if they are away. The proposed change would create greater equity and mean all residential/nursing clients who pay towards their care are treated the same.

Consultation proposal 4:

This proposed change would impact on individuals who choose to rent out their property when they go into a care home and use a Deferred Payment Arrangement to defer paying a proportion of their care costs. People who currently have such an arrangement with the County Council are almost wholly older people (only one is in the under 65 age group). These individuals with an existing arrangement would not be impacted. The change would only apply to individuals if they set up a new Deferred Payment Agreement with the County Council and decided to rent out their home. If they did rent out their home, the proposed change would mean that they would contribute 75% of the gross rent charged towards their care costs. This proposed change is mitigated in that no individual with a Deferred Payment Agreement is under any obligation to rent out their home, it is a purely personal choice. If an individual does decide to rent out their home, they would still retain a proportion of their rental income as well as their Personal Expenses Allowance for day-to-day costs and any additional costs associated with maintaining and renting out their home. The change would not increase the amount people paid for their care, it would mean they would pay more upfront and less when the property was sold.

Gender: Medium Impact

The proposed changes overall affect more women than men, because more Hampshire County Council clients are female (around 59%) than male (40%). [Data are not available on the gender of the remaining 1%.] This is not an area where any mitigating actions can realistically be identified.

Poverty: Low Impact

If it had been implemented, the second consultation proposal in particular (to increase the percentage of disposable income taken into account in the financial assessment to 100%) would have affected individuals on a low income or on benefits, who would have experienced an increase in the costs of their care. Because, as a result of the consultation, it is not recommended to implement this change, the impact has been assessed as 'Low'.

Rurality: Low Impact

The proposals are considered to have a low impact overall in relation to rurality. It should be noted that in the consultation concerns were raised by people living in rural areas or places where transport links are poor. They felt that if 100% of their disposable income might need to be used to pay for their care, they would become more isolated and struggle to pay for transport to access leisure and other activities, as they spend more on taxis/petrol/other forms of transport than people in more urban areas. Because, as a result of the consultation, it is not now recommended to implement this proposal, the impact has been assessed as 'Low'.

Why some protected characteristics are Low/No Impact

The proposals are considered to have a low/no impact in relation to race, sexual orientation, religion, marriage/civil partnership and gender reassignment because a person-centred, strengths-based approach is taken when considering the outcomes that people want to achieve in their lives and working out the personal budget that is required to support meeting eligible needs.

2 Impact on Crime and Disorder:

2.1 None.

3 Climate Change:

3.1 How does what is being proposed impact on our carbon footprint / energy consumption? Not applicable.

3.2 How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable.