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Review of charging for non-residential adult social care services

Date: 15th December 2021

Report of: Director of Adults and Health

Report to: Executive Board

Will the decision be open for call in? ☒Yes ☐No

Does the report contain confidential or exempt information? ☐Yes ☒No

What is this report about?

- This report sets out proposals to amend aspects of the Council's current non-residential care charging policy in order to make it fairer. These proposals were set out in the Revenue Budget and Council Tax report approved by Executive Board on 10th February 2021 and at Full Council on 24th February 2021.

- This report sets out the outcomes from the consultation on the review of charging for non-residential Adult Social Care services, provides options and makes recommendations for changes to charging. The services affected are those services that are delivered in the community and subject to a financial assessment of affordability.

- Removing the current subsidy for people with Council-managed budgets who require double-handed care would mean that all people who require double-handed care are treated equally.

- Removing the Maximum Assessed Charge (MAC) cap means that everyone will contribute to the cost of their care what they have been assessed as being able to pay whereas, at the moment, people with higher disposable income have a degree of protection.

- This will increase the income gathered from personal contributions and therefore will reduce the cost to the Council of delivering Adult Social Care services. The provision of adult social care services support the Council in pursuing the outcomes of wanting everyone in Leeds to:

    - Be safe and feel safe
    - Enjoy happy, healthy, active lives
    - Live with dignity and stay independent for as long as possible

- The recommendations **<u>could</u>** generate an estimated net additional income to the Council of up to **£4,022,616** in a full year. The additional income arising from the recommendations in this review would be reinvested to help protect Adult Social Care services and mitigate future financial pressures within the directorate.

Recommendations

Executive Board are recommended to –

a) Approve changes to the current charging policy so that where more than one care worker is required to deliver home care services at the same time, the customer is required to contribute towards the costs of all workers present.

b) Remove the Maximum Assessed Charge (MAC) cap of £482 a week.

c) Note that the approach for implementation will be a phased approach. The approach is recommended to be a staggered percentage increase, with charges increasing by 25% of the difference between the current charges and the new charges initially; by a further 25% after 3 months, a further 25% after 6 months: and with customers expected to pay the full amount of their new charges after 9 months.

d) Note that, should the MAC cap be removed, the charging policy will be amended so that customers in Supported Living will be charged for this service at the cost of their individual Placement Agreement (subject to financial assistance).

e) Note that the Officer responsible for implementing the decision to amend the charging structure will be the Chief Officer of Resources & Strategy.

f) Note that an update on the impact of this decision will be brought to Executive Board within six months of the implementation.

Why is the proposal being put forward?

1. The Council is required to have a policy that sets out its approach to charging for non-residential adult social care services. The last time it was reviewed was in 2105. A recent review has highlighted an aspect of the current policy that treats people with the same support needs differently. This is unfair and needs to be remedied.

2. The first area of concern is where current practice is to subsidise people who require two workers per visit where this care is arranged by the Council but people who have a Direct Payment are charged for both staff.

3. The second area of concern is by limiting total charges for non-residential services with a cap. This means that people with higher disposal income are protected compared to people with lower incomes.

4. The Care and Support Statutory Guidance (DHSC) sets out the principle that Adult Social Care charging policies be "sustainable for local authorities in the long-term (Care and Support Statutory Guidance, chpt 8.2)." A service review of Adult Social Care identified the two proposals herein recommended as measures that could help reduce costs and support the sustainability of Adult Social Care services.

5. The Council is facing a significant financial challenge and increasing demand for Adult Social Care services. At the same time, average client contributions for community services in Leeds are significantly lower compared to comparable Local Authorities.

6. If the Council cannot reduce the cost of delivering statutory Adult Social Care services, then it may have to reduce its spending on non-statutory preventative services. The Council

considers that this would be detrimental to the people in Leeds who rely on such services to remain healthy and in their own homes and communities, and counter to the Council's goal of supporting people to remain independent.

7. The proposals formed a part of the Revenue Budget and Council Tax report approved by Executive Board on 10th February 2021 and at Full Council on 24th February 2021.

8. The two recommended changes are where:

- the Local Authority has discretion over the level of subsidy it applies
- customers benefiting from these subsidies can afford to either pay for their care in full, or to contribute more towards their care costs (as would be expected if the subsidies were not in place)
- removing these subsidies would not negatively impact the Council's ability to meet the needs of customers or service quality

9. Although under the two recommended changes a number of customers will be asked to contribute more towards the costs of the services they use, **no customer will be asked to pay more if they cannot afford to**. Financial assistance will remain unchanged for those who qualify, i.e., who cannot afford to meet the full costs of the services they require to meet their needs.

10. Details of which customers will be impacted by the recommended changes are below. However, in summary the only customers that would be impacted by both recommended changes are:

- Those who are currently paying less for their home care services than the maximum they can afford to (as known through an assessment of the customer's financial circumstances), and who are currently subsidised for the use of multiple care workers per visit.
- Those with services that cost over £482 a week, who are paying less than the maximum amount they can afford to pay each week, and who would otherwise be asked to contribute more towards their care costs, if the MAC cap were not in place.
- Those who have services that cost more than £482 a week, who are not entitled to financial assistance because:
  - they have sufficient income and capital to pay for their services in full
  - they have capital above the Department of Health and Social Care (DHSC) prescribed threshold of £23,250, i.e., those who would otherwise be expected to meet the full costs of their care if the MAC cap of £482 were not in place.

11. It is acknowledged that people will not want to pay more for their current service but the following mitigating actions will be put in place:

- The financial assessment process includes a Minimum Income Guarantee so people cannot be charged to a degree that leaves them without enough money to live on
- The increased charges will be phased in over nine months
- No one's care package will be changed without a review
- The directorate is increasing the number of Occupational Therapists it employs so they can review double-handed care packages to see if someone's care can safely be met with one worker, with the use of equipment and the right moving and handling procedures.

- the Director of Adults & Health has the discretion to waive charges or service user contributions at any time, on an individual basis where this is considered appropriate, e.g., to respond to any individual risk of hardship.

Charging for multiple care workers

12. Home care requiring more than one home care worker to attend in the same visit, is known as "2 to 1 home care." Some people may require more than two care workers at a time to meet their needs. Where a customer requires more than one care worker to provide care at the same time, and this is arranged by the Council, the current practice is for the customer to contribute to the cost of only *one* of those care workers, and for the Council to fully subsidise the cost of additional workers. This has been custom and practice for a number of years in Leeds.

13. Conversely, if an individual receives a Direct Payment from the Council (with which to commission and manage their own care) they are required to contribute to the costs of all care workers used per visit. This is inequitable and contrary to the ambition of the Council to encourage and support those who wish to exercise choice and control in their care arrangements; because those receiving Direct Payments are, in this way, currently expected to pay more for the same level of care than recipients of care arranged by the council.

14. In addition, the universal application of the subsidy for multiple home care workers effectively means that the Council is providing a level of financial assistance to individuals who do not need financial assistance because they have sufficient income and / or capital to pay for the full costs of their care. This includes those who have capital over the threshold of £23,250, who (according to the DHSC's "*Care and Support Statutory Guidance*") are expected to meet the full costs of their care, unless other arrangements are made which are at the discretion of the local authority.

15. Furthermore, there are a number of customers currently benefitting from the subsidy for multiple home care workers who, although they may not be able to afford to meet the whole costs of their homecare without financial assistance, are known to be able to afford to contribute more towards the full costs, than they currently do under the subsidy.

16. Providing subsidy to customers in these circumstances represents a significant cost to the Council, over which it has discretion. Out of thirteen core and regional cities analysed, only one (Liverpool) does not charge for all the home care workers present per visit. However, it is noted that consulting on this policy is currently under consideration (see Appendix A for Benchmarking Analysis).

17. Means-tested financial assistance will not change (and those who are assessed as unable to afford to meet the full costs of their care will still be entitled to financial assistance to help them do so), therefore the Council can remove the subsidy for multiple home care workers whilst continuing to ensure that no customer's home care needs are left unmet due to a lack of individual affordability.

Removing the MAC cap

18. The Council currently places a cap on the overall amount that any non-residential Adult Social Care customer is asked to contribute towards the total weekly cost of their care package, regardless of their financial circumstances. The current cap is £482 a week.

19. The last charging review conducted in 2015 of Adult Social Care charges following the introduction of the Care Act 2014, noted the expected introduction of a lifetime cap on care costs as part of phase 2 of the Act. Phase 2 of the Act was not implemented as expected and therefore the Council exercised its discretion to implement a local weekly cap to protect those with the highest care needs and significant savings from being heavily financially penalised by high care costs. Had phase 2 of the Care Act been implemented, it is understood that the Council would likely not have chosen to introduce a MAC cap locally. In light of government announcements regarding the introduction of a lifetime cap on care costs, there is a need to reconsider the necessity of the locally capping care in addition to this.

20. The Care Act 2014 sets out that individuals are expected to meet the full costs of their care, unless they are entitled to financial assistance from their local authority, or unless that authority uses its discretion to put other arrangements in place. This was noted in the Government's recent health and social care plan (*Build Back Better: Our Plan for Health and Social Care-Sept 2021*), that currently "anyone in England with assets over £23,250 must pay for their care in full."

21. By maintaining a MAC cap of £482 a week, the Council is effectively providing financial assistance where this is not needed. This is because those who benefit from the cap include those customers whose care costs more than £482 a week, who can afford to meet their cost in full or, if not, who can afford to contribute more than £482 a week towards the full costs of their care.

22. Beneficiaries of this cap include customers who have over £23,250 in capital and who therefore do not have a statutory entitlement to financial assistance from their local authority to pay for non-residential care. The Care and Support Statutory Guidance states that individuals with capital over this threshold are expected to pay for their care in full unless other arrangements are made at the discretion of the local authority.

23. The existence of the cap effectively means that in many circumstances the Council is providing financial assistance to those who can afford to meet their care costs in full from their savings, at significant expense to the Council and ultimately to taxpayers. This has a knock-on effect on the sustainability of non-statutory services, including for those who rely on them and who would be less able to afford them otherwise.

24. Based on an analysis of customer care plan and financial assessment data, only 1% (58 out of 5865) of non-residential Adult Social Care customers currently have their charges limited by the MAC cap, because they are currently receiving chargeable services that cost more than the cap of £482 a week and can afford to pay more than this.

25. An analysis found that 8 out of 13 core and regional cities analysed did not have a cap on charges in place (see Appendix A for Benchmarking Analysis).

26. Means-tested financial assistance will not change (and those who are assessed as unable to afford to meet the full costs of their care will still be entitled to financial assistance to help them do so), therefore the Council can remove the MAC cap whilst continuing to ensure that no customer's care needs are left unmet due to a lack of individual affordability.

Raising Minimum Income Guarantees and setting a percentage of maximum income

27. The Local Authority has discretion to apply a maximum weekly charge cap under the Care and Support Statutory Guidance but is not required to do so. However, there *is* a duty set out in the Care and Support Statutory Guidance to consider measures to protect the disposable

income of non-residential customers and to support those who wish to remain independent. The guidance suggests measures such as: i) increasing the minimum amount of disposable income left to clients to pay for living costs (otherwise known as the “Minimum Income Guarantee” or MIG), and ii) setting a maximum percentage of disposable income up to which to charge customers.

28. In summary, both measures would in practice significantly reduce the Council’s income from customer’s contributions to the costs of their services. Therefore, the benefits of both measures to individual paying customers have necessarily been weighed against the wellbeing promotion of preventative services and non-statutory services provided for free to the most vulnerable in Leeds, which may be at risk if the Council cannot realise more income for Adult Social Care services.

I) A feasibility study regarding a flat £10 uplift or 10% in MIGs across all age groups was conducted in 2019. It found, based on an analysis of clients in 2019, that:

- A flat £10 per week increase to the nationally prescribed MIG across all age groups would cost the Council an estimated **£2.3m**
- A 10% per week increase would cost the Council an estimated **£3.8m**

The Council does not consider that it can afford to forego this income. An analysis found that out of 15 local authorities surveyed, only 3 have set their MIGs above the standard rates set by the Department of Health.

II) Setting a maximum percentage of disposable income up to which to charge customers has been considered by the Council during charging reviews in 2013 and 2015. It was understood on both occasions that the Council could not afford to forego the income that would be lost. This unaffordability is exacerbated by the Council’s current financial position.

An analysis found that out of the 13 LAs that responded to a survey question, no LA has set a maximum percentage of disposable income to be charged below 100%.

29. Due to the considerations above, it is not recommended that the Council increase its MIGs or set a maximum percentage of disposable income up to which to charge, as this time.

Why are these changes recommended?

Charging for multiple care workers

- To create parity and therefore equity between costs for care provided by multiple care workers experienced by those in receipt of Direct Payments and those for whom care is arranged by the authority.

- To ensure that the Council spends money wisely by only directing financial support to individuals who cannot meet the costs of their care without financial assistance.

- To increase revenue to improve the sustainability of Adult Social Care in Leeds, whilst ensuring that the Council continues to meet statutory requirements and maintain the provision of preventative services.

Removing the MAC cap

- To bring charging in line with the spirit of the Care Act 2014, that people should pay the full cost of their care unless they qualify for means-tested assistance.

- To remove the protection that people with higher disposable income get which is not available to people with lower incomes

- To ensure that the Council spends money wisely by only directing financial support to individuals who cannot meet the costs of their care without financial assistance.

- To increase revenue to improve the sustainability of Adult Social Care in Leeds, whilst ensuring that the Council continues to meet statutory requirements and maintain the provision of preventative services.

What impact will this proposal have?

Wards Affected: All Wards		
Have ward members been consulted?	☐Yes	☒No

30. All Members were informed of the consultation prior to it commencing.

31. The recommended changes would only impact those customers who are currently contributing less than the full costs of their non-residential care, who can afford to meet their full charges or to contribute more than they currently do (as known through a financial assessment of the customer's circumstances). This includes individuals who are not currently entitled to financial assistance from the Council because they have capital over £23,250 and who, were it not for the existence of the MAC cap and home care subsidy, would therefore be expected to meet their care charges in full.

32. Importantly under the Council's charging policy, the Director of Adults & Health has the discretion to waive charges or service user contributions at any time, on an individual basis where this is considered appropriate, e.g., to respond to any individual risk of hardship.

33. In adopting these changes, the Council can continue to ensure that the most financially vulnerable receive the care and financial assistance that they need, whilst the changes would bring in additional income to help protect non-statutory services for all the people in Leeds who rely on them.

34. The recommended changes would not impact the financial assessment process and financial assistance will remain in place for those customers who cannot afford to meet the full costs of their care. The changes relate to what to charge customers after they have been assessed, or when they are not entitled to financial assistance because they have sufficient income and capital to pay for their care in full. As such, the recommended charges are in line with the "overarching [charging] principle" of the Care Act 2014, that "people should only be required to pay what they can afford (Care and Support Statutory Guidance, chpt 8.2)."

Entitlement to means-tested financial assistance & being assessed at the MAC cap

35. Criteria for entitlement to financial assistance are set out in the Council's non-residential charging policy guidance (see attached for information). Importantly customers are assessed on their own income and capital, and not that of their carers or relatives.

36. Means tested financial assistance is available for those who cannot afford to meet their care costs in full through their capital; (savings and investments excluding the value of a customer's home), and their income (excluding earnings from employment). A financial assessment is conducted with all customers seeking financial assistance to see what they can afford to contribute towards their care costs. Customers are expected to pay the full costs of their services or to contribute what they can afford, whichever is the lower amount. If the customer cannot afford the full costs of their services, the Council covers the additional costs above what the customer can afford.

37. Costs such as housing costs and utility bills, home insurance, Council Tax and Disability Related Expenditures are deducted from calculating how much a customer can afford to pay for their care. In addition, the "Cost of Living Allowance" sets a minimum amount that customers are to retain before any charges are paid. If the customer has less than this amount in income (including tariff income), they are entitled to full financial assistance. The rate of this allowance depends on the circumstances of the customer, with higher disregards set for individuals with higher rate disability benefits. Disregard rates are also influenced by the age group and cohabitation status of the customer, and if they are caring for children.

38. The current Care and Support Statutory guidance sets out that individuals are not entitled to means-tested financial assistance from their local authority, if they have savings above £23,250 (unless arrangements are made otherwise at the authority's discretion). Those with capital over this amount would be expected to meet the full cost of their care. The value of a customer's home is disregarded.

39. Those with capital between these two thresholds are entitled to financial assistance if their care costs are more than they can afford to pay based on their capital and income. For every £250 of capital between £14,250 and £23,250, £1 is included in calculating how much a customer can afford to pay (known as tariff income). The maximum amount someone could pay in tariff income is £36 ((£23,250 - £14,250) /£250). Income from employment is not assessed, meaning that the customer retains all this income.

40. Savings below £14,250 are completely ignored in calculating tariff income.

41. Currently, no one is asked to pay more than the Maximum Assessed Charge cap of £482 a week. A customer may be assessed at the MAC cap (i.e., they are assessed as being able to afford to pay up to this amount) if they are not entitled to financial assistance because they have capital above the threshold, if they have voluntarily agreed to pay their charges in full, or if have they have failed to complete a financial assessment.

42. If a customer has less than £23,250 in savings, they are extremely unlikely to be able to afford to pay up to the MAC cap from income and tariff income on savings (which is capped at £36 a week), due to the limitations on benefits available to them and the charging disregards that are in place (including the fact that employment earnings and cost of living allowances and disability related expenses are disregarded).

43. The examples in Appendix B illustrate how charges are calculated for someone of working age and someone of pension age, who are in receipt of benefits.

44. For further examples of how customers charges are calculated, included what is included and what is disregarded in calculating contributions for care, see the Council's guidance at: Help paying for care and support (leeds.gov.uk).

Customer impacts

45. Examples of how customers will be impacted can be found in Appendix C

Charging for multiple home care workers: Customer Impacts

46. Based on the number of those currently receiving home care from multiple care workers, 208 individuals would be financially impacted by the removal of the subsidy for multiple home care workers. A breakdown of how much individuals will be affected by, is below (see, "Expected impact on income / savings"). The average customer impact would be an increase of £130.35 a week.

47. A further 47 customers may be impacted because they are receiving home care from multiple care workers in the same visit but have not yet completed a financial assessment. It is therefore not known if and how these customers would be financially impacted by the removal of the home care subsidy.

48. The amount that individual charges will increase by will depend on how much home care they are receiving, and what they can afford to pay as based on their financial assessment.

49. Customers who are impacted would be asked to either meet the full cost of all the home care workers that are required per visit, or to contribute their individual Maximum Assessed Weekly Charge (the most they are individually assessed as able to afford to contribute), whichever is less. In this way, customers will never be asked to pay more than the cost of the service they receive, or more than they can afford.

50. Where the customer has had a financial assessment that shows they cannot afford to meet the full costs of their care, the Council will continue to fund the difference through financial assistance.

Removing the MAC cap: Customer Impacts

51. A customer is assessed as able to afford to pay the MAC cap if they are not entitled to financial assistance, have failed to complete a financial assessment, or have volunteered to pay for their care in full. Entitlement to financial assistance is means-tested and those who are deemed to have sufficient capital and income to pay for their care are expected to do so in full. Rules governing means-testing and financial assistance are set out in the Care and Support Statutory Guidance to the Care Act 2014 (Care and Support Statutory Guidance, chpt 8) and are explained in summary detail below.

52. If the MAC cap were removed, those customers who are assessed at the MAC cap, who are not entitled to financial assistance and who have services that cost more than £482 a week, would be asked to meet the cost of their services in full. The increase in charges from what they are currently contributing, would depend on the total costs of that individual's care package.

53. The number of customers that would be affected by the removal of the MAC cap (without removing the subsidy for multiple home care workers) is **58**. A breakdown of how customers would be impacted in available below (see, "Expected impact on income / savings").

54. It is not known for how long customers who are assessed at the MAC cap can sustain the full cost of their service. This is because the Council does not retain data on how much capital

over the threshold of £23,250 is owned by customers, because this is not currently needed (and to keep this information would therefore be contrary to data protection principles to retain only useful information).

55. It is expected that should the MAC cap be removed a number of customers who are not currently eligible for financial assistance, may eventually come into financial assistance eligibility (or come into eligibility more quickly than would otherwise be the case), should the cost of their services reduce their capital to below the threshold amount.

Customers impacted by both the recommended charging changes:

56. **108** customers would be affected by both changes because they receive care from multiple care workers that costs more than the current MAC cap of £482 a week and they have either been financially assessed as being able to afford to pay more than £482 a week or have not applied for financial assistance.

57. In aggregate, **266** customers would be impacted if the recommended changes were made to both remove the MAC cap and the subsidy for multiple home care workers (excluding those who have not had a Financial Assessment.

Further impacts: Future Government and / or legislative changes to Adult Social Care charging

58. The Government has recently announced proposed changes to how financial assistance entitlement will be determined, including a cap of £86,000 on lifetime care costs. It is also noted that the government has recently committed to unfreezing Minimum Income Guarantees (MIG), also known as “Cost of Living Allowances,” which are in place to ensure that the individual has sufficient funds before paying for care. The MIG will rise in line with inflation at a minimum each year from April 2022.

59. These changes will impact on the financial assessment process, entitlement to financial assistance and on the affordability of charges for individuals. However, they do not negate the need to consider how much subsidy to apply to individuals after they have been financially assessed, which is what these recommended changes address.

60. By raising the capital thresholds under which individuals are entitled to financial assistance, the government seeks to make the financial assessment methodology more generous in terms of the number of individuals qualifying for means tested assistance. By raising the lower threshold from £14,250 to £20,000, those already contributing will be able to retain more of their own savings.

61. The new upper threshold would bring significantly more individuals into entitlement to means-tested financial assistance. A cap on lifetime care costs would mitigate the financial impact of the removal of the MAC cap for some long-term care recipients who could otherwise spend more than this new cap during their lifetimes.

62. The government has also committed that “self-funders” (those not entitled to financial assistance) are to be entitled to have their care and support arranged by the Council. In this way, those who are not entitled to financial assistance may still benefit from lower costs for services the Council is able to negotiate with providers. Self-funders will also benefit from the lifetime care cap which the local authority will be expected to be implemented for all care recipients, both means-tested and self-funding.

Impact on charging exempt customers

63. The changes would **not** impact on customers who are exempt from charging under section 117 of the Mental Health Act 1983, or who are having their care funded via Continuing Health Care.

Impact on Supported Living customers

64. The Council has specifically considered the case of customers of Supported Living services. These are individuals with high support needs who are in full time placements. The cost of these placements (with the exemption of those who are currently cared for via a block contract payment) are individually negotiated dependent on the level of care required by each customer. Charges range between around £110 and up to £7,653 a week, dependent on the level of care required. Based on a snapshot of customer data from Oct 2021, there are 646 Supported Living customers other than those who are cared for via a block contract.

65. Historically, Supported Living has been charged at the standard rate for home care at £17.40 an hour at 168 hours a week (for 24/7 care). This comes to £2,923.2 a week, which is not reflective of the actual costs of delivering Supported Living placements, which are negotiated on an individual basis and generally costs below this amount.

66. Customers have been protected from this cost and from paying more than the actual costs of delivering their service, by financial assistance where they have been assessed as eligible. Where they have not been eligible, the MAC cap means that no client has been asked to contribute more than £482 a week towards their Supported Living placement. If the MAC cap were to be removed, the way in which charges are calculated and billed for Supported Living services, would have to be changed.

67. It is important to note that it is extremely unlikely that any customer in a relatively high cost Supported Living would be able to meet the full costs of their service from income and capital, unless they have sufficient capital above the threshold of £23,250 to do so. Due to the long-term high care needs of this group (requiring 24-hour support), working-age Supported Living customers are less likely than others to be in full time employment and to build up a level of capital above the threshold (£23,250) at which they would begin to be liable for full charges.

68. A recent analysis found that 32 Supported Living customers out of 528 with a financial assessment in place, are assessed at the MAC cap (6.1%). This is higher than the average for non-residential service users (1%) and is understood to reflect that a number of Learning Disability customers may have not been brought into billing yet-(this being part of another project). The person may have saved a considerable level of capital from benefit payments (whilst not being charged for care services) or may not have engaged and therefore hold a false status of being at MAC cap. Either way, all people will be offered a full financial assessment review to ascertain true financial status.

69. Four options have been considered:

    1) To set charges at the standard rate for similar services.

- The care and Support Statutory Guidance sets out that customers should be charged similar rates for similar services. Therefore, in order to pursue this option, the Council would continue to charge customers at the standard rates for home care services (which provides a level of care comparable to Supported Living), which is £17.40 an hour. Based on a full-time placement (24/7 care,7 days a week) this would equate for 168 hours at £17.40 or £2,923.2 per week.

- This exceeds the cost of most Supported Living placements and so could not be charged to most customers. For this reason, this is not recommended.

2) To set a standard weekly rate for Supported Living Placements

- To pursue the option of a standard weekly rate, the Council would have to charge all customers at the cost of the lowest cost placement, as it is not permissible under the Care Act 2014, for a local authority to charge any customer more than the actual cost of delivering their services. This would represent a significant loss in revenue to the Council due to the significant difference in costs between placements. It would also be administratively unworkable, as the rate for all customers would have to adjusted if and whenever a lower cost placement was negotiated, which could be at any time.

- For these reasons this approach is not recommended.

3) To set a standard weekly rate for Supported Living at the cost of a residential placement.

- Due to the significant difference in costs between a residential placement and most Supported Living placements, this would represent a significant loss of income to the Council.

- Furthermore, some Supported Living placements are lower in cost than residential placement. These customers could not be charged at this rate because it would exceed the actual cost of their service.

- Like option 2, This option would continue to effectively apply a subsidy for Supported Living services, where this is not needed because financial assistance is in place for those who cannot afford to meet their full costs. It is noted that no other services would receive this kind of subsidy, which could be considered inequitable. Importantly no such subsidy is applied to residential care, which is comparable.

4) To charge the customer at the costs of their Placement Agreement (PLAG).

- The PLAG is the individually negotiated price for a customer's Supported Living service Charging at this rate would provide the best value to the Council in terms of the proportion of the costs of service that is recoverable from customers. It would also be Care Act 2014 compliant as no customer would be charged more for the costs of their service than the actual cost of delivering their service.

- This option would **not** generate a subsidy for Supported Living customers who are not entitled to financial assistance. This recognises that subsidies do not exist for other services that can be comparably expensive dependent on the level of individual need, such as the use of a personal assistance.

70. **Of the options considered, option 4 is understood to be the most appropriate to pursue, should the MAC cap be removed as recommended. The balance of this report is based on option 4 being adopted and Supported Living customers being charged at the cost of their individual Placement Agreement (subject to financial assistance).**

71. Example 4 (John) in Appendix C shows how a Supported Living customer could be impacted by the removal of the MAC cap and being charged at an average PLAG cost.

<u>Expected impact on income / savings:</u>

72. The tables below show the income / savings that could generated by each of the two recommended changes and both of the changes together. Figures from scenarios involving removing or altering the MAC cap, are based on a theoretical maximum that can be achieved.

73. Current practice is that a customer is assessed at the MAC cap because they have capital above the financial threshold, they have volunteered to pay all costs, or they have failed to complete a financial assessment. The amount of capital that the individual has is not recorded as this is not currently necessary for billing purposes (and only necessary information may be retained by an authority under The Data Protection Act 2018). Because it is not known how much capital above the threshold is owned by these groups, it is not possible to project how much or for how long these customers can sustain their full charges from their capital.

74. Therefore, the figures expressed are based on a scenario where the charges can be sustained by customers for a full year. This represents a theoretical maximum that can be achieved in a year. In reality, this is extremely unlikely to be achieved because it is extremely unlikely that all customers will have enough capital to sustain the new charges for a full year. For example, it is likely that some individuals will only have a small amount over the threshold. In this circumstance, it is likely that any increase in their current charges would see the client come into eligibility for financial assistance within this timeframe.

75. In addition, there is an expectation that a number of customers who have previously refused or failed to complete a financial assessment, will be prompted to complete one by any increase in charges and may be entitled to financial assistance. It is also expected that customers impacted by higher charges who have previously been assessed, may be prompted to have their care or finances reassessed. The number of customers who may request reassessment is not known and therefore neither is the impact on the income that will be ultimately realised by the changes.

76. A better understanding of what additional income is realisable and for how long, will be known once impacted individuals who have not done so, undertake a financial assessment, or review.

77. Figures are based on a snapshot in time of customers who are being billed for community-based care services. The number of individuals receiving services and the services that they do receive, can change weekly, but the trend is that the number of individuals accessing chargeable services is increasing year on year.

78. Finally, there are a number of customers who are not currently being billed or who are being underbilled, due to data quality and process issues. There is a programme of work to address these issues, and these customers are expected to be brought into billing soon. For this reason, figures are based on an analysis of the cost of customers' care plans and not based on current billing data. In addition, there are a number of customers who are not being billed currently because they are still in the financial assessment process or are awaiting to begin the process. Though these customers are indicated below to better reflect the impact of the changes, it is not known how much charge is recoverable from this group, until they have

completed their assessment. As such, potential income from this group is omitted from final projections and figures are based on data of those who have a current financial assessment.

Impact and expected income

79. **2:1 Home care impact:**
    - **255** people would be affected by the changes based on the services they are receiving.
    - **208** have had a Financial and Benefits (FAB) assessment with which we can calculate the financial impact of the changes.
    - **47** of which have not yet had an FAB assessment. What these customers can afford to pay is currently unknown, and so it is not possible to calculate the financial impact of the changes on these individuals.
    - Therefore, projected income is based on the 208 clients with an FAB assessment.
    - If all 255 were charged for the cost (up to their MAC) for care provided by 2+ carers, the financial impact **could** be charges amounting to **£39,366 a week (£2,047,032 a year)** in additional income.
    - Excluding the 47 who have not yet had a FAB assessment, the impact will be charges amounting to **£27,113 a week (£1,409,876 a year)** in additional income**.**

80. The **208** individuals (who have had a FAB assessment) would be affected as follows in terms of weekly charges:

208 individuals with FAB assessment affected by the removal of the subsidy for multiple home care workers	
Weekly increase scale	**Number of individuals affected at that rate**
< £50	37
£51-100	34
£101 – 150	40
£151 – 200	54
> £201	43
Average impact	£130.35

MAC Cap removal impact:

81. **58** individuals would be affected today if the MAC cap was removed.

Individuals affected by MAC cap	
Number affected	58
Current charges per week	£27,956
Additional charges without a cap per week	+£34,675 (+£1,803,100 a year)
New total charges per week	£62,631

Average charge per person per week	£1,079
Average increase per person per week	£598

To provide the cohort via financial grading of impact in terms of increase:

Weekly impact for 58 individuals where the MAC cap is removed: <u>represents increase per week</u>	
Increase per week	**Individuals**
£10 – 160	11
£161- 500	14
£501 – 1000	22
£1001 – 2000	11

<u>Individuals affected by both 2:1 charges and MAC cap removal</u>

82. In aggregate, the changes would affect **266** individuals, whether affected by the removal of the subsidy for multiple home care workers, the removal of the MAC cap, or by the combination of both (this does not include the individuals who may potentially be affected by the removal of the subsidy for multiple home care workers, but who do not have a financial assessment).

83. **108** individuals would see costs increased by the combination of both charges. Of those individuals:

- Four would have already been affected under MAC cap removal but would see costs increase further if the subsidy for multiple home care workers is also removed. These individuals would see no change if the home care subsidy was removed but the MAC cap was not removed, because their charges are currently capped at the MAC cap.
- The remaining **104** would already be affected by the removal of the subsidy for multiple home care workers, bringing them to the MAC cap, but were previously paying under the MAC cap, and would see their support costs increased above the MAC cap if both changes were implemented.

84. If everyone was currently being billed, the charges would total **£35,777 a week (£1,860,404 a year).**

New charges for the 108 affected by both charging changes would total **£68,210 a week (£3,546,920 a year)** (NB- some of this is previously captured under 2:1 and MAC changes).

This would represent an increase in income of **£32,434 a week (£1,686,568 a year),** chargeable to 108 people**.** It is unknown how long this would be sustainable for. It is likely that the capital held by individuals would soon be depleted and the individuals would require A&H financial support.

The total aggregate if both changes are implemented is **£77,358 a week (£4,022,616 per year)**. This is an increase of £15,579 a week over the sum of both individual suggestion impacts. This comes from people who have a £482 MAC currently, and whose plans are brought over 482 by the removal of the home care subsidy.

Phased approach to charging increases

85. The phased approach is recommended to be a staggered percentage increase, with charges increasing by 25% of the difference between the current charges and the new charges initially; by a further 25% after 3 months, a further 25% after 6 months: and with customers expected to pay the full amount of their new charges after 9 months.

Phased projections can be viewed in more detail in Appendix D.

Changes	1st year total with 25% phases every quarter
Remove home care subsidy	£881,172.50
Remove MAC cap	£1,126,937.50
Remove HC subsidy and MAC cap	**£2,514,135.00**

Equality Act 2010 Characteristics and demographic data

86. An Equality, Diversity, Cohesion and Integration Impact Assessment regarding the recommended proposals can be found in Appendix E.

87. Adult Social Care provides services to older and disabled people and so it is known that these groups will be affected by the recommendations.

88. The provision of and charge for any service is related purely to assessed need and to individual financial circumstances. As such, religion, sexuality, culture, ethnicity should not impact upon the provision of services however it may impact upon how and where those services are provided. An analysis of characteristic data for those who could be impacted by the recommended changes, conducted in December 2020, did not find any evidence to negate this expectation. Characteristic information collected as part of survey responses to a consultation on the recommended charges, also did not indicate that any of these characteristics had an effect on the impact expected by respondents.

89. The December 2020 analysis and consultation produced no evidence of any significant concentration in any ward of customers affected by the recommended changes.

90. However, the following characteristics were found to be correlated with increased likelihood of being impacted by the recommended changes:
    - 89.5% of those receiving care from multiple care workers are over the age of 65, indicating that a change to charging may disproportionately impact this group.
    - The large majority of those requiring care from multiple care workers had physical care or mobility needs (91.2%).
    - Demographic analysis did not indicate any other Equality Act 2010 characteristic correlated to being impacted by the recommended changes.

What consultation and engagement has taken place?

91. A full consultation report can be found in Appendix F.

92. A public consultation was held between June 18th and August 13th (8 weeks) in line with best practice to consult with affected service users on any charging policy changes. The scope of the consultation was widened to include customers who would not be immediately impacted by the changes, but who may be in the future.

93. 5196 information booklets and invitations to respond were sent to all customers of non-residential Adult Social Care services, excluding those who are exempt from charging under section 117 of the Mental Health Act 1983, those whose charges are covered under Continuing Health Care and those who are receipt of telecare services only.

94. In total there were: 12 emailed responses, 3 written responses, and 5 survey questionnaires sent in by post. There were 66 Smart Survey questionnaires completed online and 17 partially completed with sufficient data for analysis. The 5 posted questionnaires were transcribed onto Smart Survey for ease of analysis. In total there were 103 responses which represents a response rate of 1.98%. Although this is relatively low response rate, this was expected as it likely reflects the relatively small population of Adult Social Care customers who would be immediately impacted by the proposed changes. A recent analysis of billing data shows that only 4.5% of non-residential Adult Social Care customers receiving chargeable services would be immediately impacted by the proposed changes.

95. Further consultation was held with Independent Mental Capacity Advocates via the Third Sector organisation Advonet. Two feedback forums were held with members of the People's Parliament.

Key Findings

- 73.9% of all survey respondents did **not** think that the recommended change to charging for multiple care workers was reasonable.
- 67% of all survey respondents thought that the changes to charging for multiple care workers would negatively impact on their own / the customers' ability to live safely and independently.
- 58% of all survey respondents thought that the changes to charging for multiple care workers would affect the way they / the customer would use Adult Social Care services.
- 69.3% of all survey respondents did **not** think that the recommended removal of the MAC cap was reasonable.
- 44.3% of all survey respondents thought that the removal of the MAC cap would negatively impact on their own / the customers' ability to live safely and independently.
- 40.3% of all survey respondents thought that the removal of the MAC cap would affect the way they / the customer would use Adult Social Care services.

96. Responses to all points raised during the consultation and an analysis of quantitative data can be found in full in the Consultation Report and its appendices (see Appendix F).

<u>Main themes and issues raised from survey, emailed and written responses</u>

97. A comprehensive analysis of the themes identified from responses to the consultation can be found in the Consultation Report (see Appendix F).

98. Thematic analysis of narrative responses to the consultation indicates that there is considerable concern regarding the proposed changes to charging for multiple care workers and the removal of the MAC Cap. These concerns generally relate to the affordability of changes and the effect on the financial impact on the ability of customers to afford services; to remain in their own home and maintain it; to pay for living expenditures; their participation in recreational activities, trips and holidays; and knock-on impacts on customer's mental, physical and emotional wellbeing.

99. There was considerable concern that individuals would be forced to reduce the level of care they were receiving or would have to go without care due to unaffordability issues. There were further concerns that this would have a knock-on effect on their ability to live independently, safely and to exercise choice in about how to live; and in turn on individual mental, physical and emotional wellbeing.

100. There was a related concern that by making home care and other services unaffordable, this would increase pressure on family, friends, and other unpaid care workers, to fulfil care needs.

101. A considerable number of respondents felt that the changes were discriminatory against disabled people, were targeting disabled groups in some way, or were unfair because they may increase charges for services that many perceive should be free at the point of use. A considerable number of respondents felt that it was unfair that some people should pay for their care when others are entitled to financial assistance.

102. These concerns reflect findings from previous charging review consultations that:

- People did not agree with charging for Adult Social Care services.
- People did not agree with increasing the amount that they contribute towards the cost of their services.
- People did not agree with taking savings into account in calculating their contribution and they felt that some people who had not saved were being subsidised by those who had saved.

Leeds City Council response

Unfairness / discrimination

103. The Care Act 2014 provides that individuals should pay for the full costs of their care unless they are entitled to financial assistance. The principle therein that people should pay for their own social care, means that charging disabled and older people for the care they require is not considered by the Council to be de jure discrimination, nor is adjusting charges to reflect the costs of delivering these services.

104. It is furthermore not considered discriminatory towards self-funders and those who otherwise pay for services, for the Council to remove subsidies that it has formerly applied at its discretion. It is considered that the recommended changes are within the spirit of the Care Act and planned government Adult Social Care reforms, that financial assistance is only provided where individuals are entitled through the provisions of the Care Act and the related Care and Support Statutory Guidance, or where additional coverage is provided at the discretion of the local authority.

Concerns about financial impact

105. It is understood that people generally do not wish to pay more for the service that they receive. However, the Council is faced with difficult decisions to fill the gap in Adult Social Care funding and to ensure the sustainability and availability of services for all those who have care needs in Leeds and must look to ways it can mitigate increasing costs.

106. No one will be asked to pay more than their financial assessment says that they can afford to pay. If a customer has not already undertaken a financial assessment, they may request one at any time. If a person cannot afford to pay for the services they need, means-tested financial assistance is available.

107. Those individuals who are currently receiving financial assistance to pay for their care, will not be affected by these proposals and will continue to receive this assistance. No customer will be faced with charges for the care they receive that are unaffordable because financial assistance is available for customers who cannot meet their care costs.

108. However, the Council notes that customers' concerns also related to the financial shock of sudden large increases to their charges. It is understood that this can impact on life plans and expenditures already planned, and that as such some customers may have difficulty in adjusting to higher costs in the short-term. Some customers may need time to plan expenditure around higher charges, to receive money advice, or to examine their entitlement to further benefits.

109 It was suggested by several respondents to the consultation survey, that a staggered implementation of any increased charges would help to mitigate any concerns that would be caused by sudden large increases to charges. This option has been considered and is detailed below (see section 9). A recommendation for a phased approach to charging increases is included in this report.

110. Within the charging policy for ASC, the Council retains the ability to act accordingly to set affordable rates for services, and to apply charging discretion to individual cases where there is a risk to the individual. Rates for services are reviewed by the Director of Adults and Health annually in February for the forthcoming financial year.

Reduction in service use and increased pressure on unpaid carers

111. The level of care that a customer receives is based on a care needs assessment.

112. Where a customer cannot afford to pay for the care they need, they will receive financial assistance to help pay for their care costs. Where they can afford to pay, the choice about whether to do so will be up to the individual, their families and / or their representatives.

113. In this way, no customer will be forced to forego necessary care due to unaffordability. In this same way, unpaid carers will not be expected to increase the amount of care they provide to meet the needs of the customer.

114. If a customer has concerns about the level of care they are receiving and do not think it is enough to stay in their home safely, they are entitled to undertake a new care needs assessment.

115.A number of customers impacted by the recommended changes, may choose to undertake a care needs assessment if they feel the level of care that they are receiving is excessive to their needs and that they can reduce service use, without leaving their care needs unmet.

Increase in residential care take-up by those currently care for in the community

116.The Council supports the rights of people who wish to remain in their home, in their community for as long as they can.

117.If an individual is having their care arranged by the Council and wishes to go into residential care, they would have to undertake a care needs assessment which indicates that this is the best way in which to meet their needs. A referral would then be made. A referral will not be made where it is not considered by a social worker to be appropriate or necessary for the customer to move into residential care.

118.Where a customer is self-funding their care, they (and their family or representative) may make the choice to go into residential care. However, there is understood to be little risk of the recommended changes financially incentivising this choice, as the cost of residential placements will, for the vast majority of people, still remain much higher than the costs of providing their care in the community. Where the costs of meeting those needs is so high as for this not to be the case, this is an indication of particularly acute needs, where residential care may in fact be more appropriate for the individual.

119.For those receiving or applying for financial assistance from the Council, there is considered no financial incentive to move into residential care. This is because a different financial assessment takes place for a residential care placement than for non-residential care. The financial assessment for non-residential care is considerably more generous in that it allows customers to retain a significantly larger portion of their income after charges, for cost-of-living expenses.

120.In addition, when calculating the capital that a customer has to contribute towards their care costs, the value of a customer’s home (if owned) is not taken into account in a non-residential assessment, whereas it is in a financial assessment for a residential placement. In this way there are lower barriers to means-tested financial assistance for non-residential care.

121.These factors mean that the Council understands there to be little risk of individuals being financially incentivised into residential care placements at the expense of being cared for in the community.

122.A detailed table of responses to all the issues and concerns identified can be found in the appendices to the Consultation Report.

What are the resource implications?

123.Billing can be handled within existing resources.

124.There is a potential for customers to request a review of their financial assessment due to being notified of higher charges, it is expected that any increased demand for assessments will be temporary and it is anticipated that this will be managed within existing resources, however there may be a need to allocate temporary additional resources to meet this temporary increase in demand.

125.The changes to charging for multiple care workers may result in customers seeking a care needs reassessment, which would have resource implications for Social Work teams. There is a need for consideration about the effects of increased demand for reassessments on existing operational resources within social work teams, and the potential need to allocate temporary additional resources to meet this temporary increase in demand.

What are the legal implications?

126. Based on the indicative figures, these proposals have the potential to generate additional income to the authority in excess of £500k per year. On that basis, this is a Key Decision and is therefore eligible for call-in.

127. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

128. The proposals are consistent with the provisions of the Care Act 2014, associated regulations, and the Care and Support Statutory Guidance. Historically, Leeds City Council has taken a more generous approach to charging in certain circumstances. This has resulted in both a reduction in the amount of charges recovered and also an inequity between different customers. These proposals would address both of these issues.

129. What are the key risks and how are they being managed?

<u>Table 2 Risks and Mitigations</u>

Risk	Mitigation
1. There is a risk that increasing charges and the perception of unaffordability may incentivise some individuals to seek to reduce the services they are receiving, and this may lead to unreported or unmet needs.	No existing care plan will be altered without a care plan review and the approval of a social worker. No alteration will be approved that does not ensure that the service users' needs are met. No services will be cut from any care plan based on the ability to pay or not. The Council will track the service use of the cohort of individuals impacted by the recommended changes to identify any trends in the reduction of service use and potential for any safeguarding issues. Where there are concerns over the welfare of an individual, existing safeguarding measures will apply.
2. Regarding implementation of any changes, there is a risk that customers will not be able to fully understand the changes that are being made or the impact that they will have.	The recommended changes would necessitate reviews and updates to public documents and guides concerning ASC charges in Leeds. They would also necessitate writing to all impacted customers to inform them of the changes. The Council will be advised by Easy Read specialists and representatives of third sector groups to ensure that the language of any communication to impacted service users and the wider public is appropriate and understandable.

Risk	Mitigation
	A helpline will be established that service users will be able to call for clarification about any changes that affect them and to signpost to any support that is needed.
3. There is a risk of short-term financial disruption to customers impacted by the recommended changes.	The Council offers signposting to money advice and benefit-maximising services. Those customers who would be impacted by the changes would be given at least a month's notice of any changes to their charges. Customers will be provided with details of the advisory services available when any changes are communicated. A helpline will be established that service users will be able to call for clarification about any changes that affect them and to signpost to any support that is needed.
4. There is a risk of an increase in demand for financial assessments from customers who may be prompted by any changes to charging. In turn this could put pressure on resources within the Financial Assessments and Benefits team.	This temporary increase in demand has been considered and is expected to be managed within existing resources. Demand and capacity will be tracked through the period immediately following implementation and resources prioritised appropriately. Further planning around capacity will be subject to approval of the recommended options by the Executive Board.
5. The changes may result in customers seeking a care needs reassessment, which would have resource implications for Social Work teams. There is a need for consideration about the effects of increased demand for reassessments on existing operational resources within social work teams, and the potential need to allocate additional resources to meet this demand.	This impact has already been considered, along with resource implications and length of the period of higher demand. Dependent upon the decision of the Executive Board, the planning and management of social care resource to meet customer demand around this will be revisited and plans to manage resources developed accordingly. Demand and capacity will be tracked through the period immediately following implementation and resources prioritised appropriately.
6. There is a risk that individuals who lack the capacity to advocate on their own behalf regarding financial decisions, will experience barriers to understanding and / or challenging the changes to their charges.	Advonet is a Third Sector organisation that is part funded by LCC. It provides independent advocacy services for those with limited mental capacity. LCC will continue to work closely with Advonet to ensure that there is effective support for

Risk	Mitigation
	individuals who have limited capacity to advocate on their own behalf, and who have no other appropriate adult in their life to do so. Referrals are made to Advonet by Social Workers, but individuals can also self-refer, subject to assessment. Should the changes be adopted, the Council will write to all customers to inform them of the changes and will include information about Advonet services. A helpline will be established (with the number also included in the letter to customers) which will be able to signpost to customers Advonet, as appropriate.
7. Concerns were raised by the People's Parliament that financial advice services signposted to, are not always Inclusive of those with Learning Disabilities or who are neurodivergent (see Consultation Report). There is a risk that customers in these groups who are impacted by the changes, will not be effectively and satisfactorily supported with financial / benefits advice.	The Council will work with the People's Parliament and Third Sector organisations to examine existing processes for contacting advice services that are signposted to, and for communicating information. There is an offer to develop Inclusivity training for call handlers in conjunction with Third Sector organisations in Leeds, which is under consideration.

Does this proposal support the Council's 3 Key Pillars?

☒Inclusive Growth ☒Health and Wellbeing ☐Climate Emergency

Climate emergency

130.The changes would not have a net impact on the Council's strategic Climate Emergency goals.

Health and Wellbeing

131.The recommended changes would have a positive impact on the sustainability of Adult Social Care Services, ensuring that the Council can continue to provide the level of support and high-quality services necessary to meet the needs of people in Leeds.

132.Without improving the relative sustainability of Adult Social Care services, there is a potential that the Council would have to consider reducing funding for non-statutory services, such as preventative services that help people stay active and healthy in their homes. This outcome would not be desirable as it would negatively impact individual's health and wellbeing and is contrary to the desired outcomes within the Health and Wellbeing Strategy (2016-2021). Namely, to ensure:

- People will live longer and have healthier lives
- People will live full, active, and independent lives

- People’s quality of life will be improved by access to quality services
- People will live in healthy, safe, and sustainable communities

134. This would also be contrary to the priorities of having “a stronger focus on prevention.” Without preventative services, it is more likely that some individuals will develop more acute care needs, which could increase the risk of requiring residential care, or hospitalisation. This would negatively impact the KPIs within the H&W strategy of:

    - time older people spend in care homes
    - preventable hospital admissions

    Importantly (because older people are far more likely to need care services), making sure that services remain available at the same high level is fundamental to the Council achieving its priority of being an:

    - Age Friendly City where people age well

135. Options, timescales and measuring success

a) What other options were considered?

A) Make no changes

- Maintaining the current arrangements is not proposed as the potential additional income raised from the proposals set out below would help to protect adult social care services.
- Furthermore, it is not considered appropriate and feasible that the Authority should maintain the current inequity in charges for care provided by multiple care workers for those who receive Direct Payments, and those who have their care arranged by the Council.

B) Disregard more of people's income than the minimum set by the Government

- The consultation raised issues of affordability of the new charging scheme for customers and that they would have to make difficult choices about living expenditures as result of not being left with enough disposable income. One option available to the Council is to increase the Minimum Income Guarantee that determines how much income individuals are to be left with after charges are levied.
- The Council must consider the promotion of independent living for all those who are asked to pay for their services, whilst also considering how to protect a person’s income.
- Currently Leeds City Council has adopted, within its Charging Policy, and in accordance with National guidance, a Minimum Income Guarantee (MIG) or ‘cost of living buffer’ as part of the financial assessment to ascertain whether a client should contribute for social care services. If Leeds were to consider a more generous MIG than national guidance, it would need to consider the viability of such a decision.
- Any change in the current MIG for Leeds would require a change to its Charging Policy and therefore require consultation and approval by Executive Board.

- A feasibility study regarding a flat £10 uplift or 10% in MIGs across all age groups was conducted in 2019. It found that, based on an analysis of clients in 2019, that:

    - A flat £10 per week increase to the nationally prescribed MIG across all age groups would cost the Council an estimated **£2.3m**
    - A 10% per week increase would cost the Council an estimated **£3.8m**

- In addition to the statutory care services that the Council provides, the Council is currently providing a number of non-statutory services that are specifically adopted to encourage and maintain independent living amongst Adult Social Care customers. By adopting higher discretionary minimum income guarantees locally, the Council will increase funding pressures on care services, which may put these non-statutory services at risk in the future. This would impact on the independence and wellbeing of service users significantly.

- The Council has weighed the benefits to the individual of providing these non-statutory services, with the benefits to the individual customer of retaining a higher portion of their disposable income. It is felt that the benefits that are generated by these services to the individual service user are greater (in terms of promoting independence and wellbeing) than would be achieved through allowing for any feasible reduction in charges, which in turn may put these services at risk.

- However, the Council will continue to support customers to maximise customer's benefit income and signpost customers to money advice services where necessary.

- Furthermore, in terms of the protecting customer's income, it is noted that the Government has recently announced that MIGs will be unfrozen from April 2022, and that these allowances will increase at a minimum in line with inflation each year going forward. This will benefit customers who are paying at their full assessed charge, but it will also lead to a funding pressure on the Council.

C) Allow people to pay less than they have been financially assessed as being able to afford

- The Care and Support statutory guidance suggests that local authorities consider whether it is appropriate to set a maximum percentage of disposable income which may be taken into account in charges. The Council has considered this discretion during its two previous charging reviews in 2013 and 2015. On both occasions, it was not considered sustainable for the Council to adopt this measure whilst ensuring the provision of statutory services, given its financial position.

- In 2013 a charging review considered whether people should continue to pay 10% less than they could afford towards their services. Following a customer consultation Executive Board decided that people will be asked to pay as much as they could afford towards their services to ensure that services could be maintained.

- In 2015, the Council again considered adopting a discretionary policy regarding the percentage of disposable income charged but, given that the financial position was even worse than in 2013, it was not felt to be appropriate to adopt this policy at that time.

- The Council is today facing an even greater financial pressure. As such it is not considered appropriate to introduce a percentage of disposable income model at this time. However, the Council will continue to support customers to maximise their benefit income and signpost customers to money advice services where necessary.

D) Raise the MAC cap to a higher figure

- Raising the MAC cap was considered, to protect those with highest care needs and significant savings from being financially penalised by high costs. However, the most recent analysis of billing data shows that only 58 customers out of 5865 community (1%) services users are currently protected by the MAC cap and as such, the resources used to administer and monitor the application of the MAC cap are disproportionate.

- The MAC cap was reviewed in 2015 following the implementation of the Care Act 2014 and in lieu of a cap on care costs being implemented at the national level. At a local level, it was identified that a measure was needed to protect those with significant savings from high care costs.

- However, the government has recently announced that it will be passing into legislation a national cap on lifetime care costs, mitigating the need for local measures to achieve this end. Doing so would mean foregoing a portion of income realisable that could be used to protect Adult Social Care services, and it would generate avoidable administrative costs.

E) Phased approach to increasing charging

- A number of respondents to the consultation thought that a sudden, large increase in charges would be difficult to manage. Several respondents suggested a phased approach to increasing charges. A phased approach could mitigate the risk of a financial shock and increase people's ability to plan around increased charges, e.g., to re-budget, or to seek benefits or money advice.

- The phased approach is recommended to be a staggered percentage increase, with charges increasing by 25% of the difference between the current charges and the new charges initially; by a further 25% after 3 months, a further 25% after 6 months: and with customers expected to pay the full amount of their new charges after 9 months.

- This approach is expected to allow reasonable time for customers to adjust. No customer will be charged more than they can afford.

b) How will success be measured?

- Increase in recovery of assessed charges
- Services will be delivered and maintained at same high quality
- Care needs in Leeds will be met
- People supported to manage their health condition

c) What is the timetable for implementation?

- The implementation date is expected to be April 2022.
- Executive Board is asked to approve these policy changes in December 2021, to give time to ensure appropriate notice to customers affected by the changes and to allow for the necessary review and update of processes, policy documents and any public information.

- At least one month's notice will be given to any affected customer of the changes to be implemented.

Appendices

Appendix A- Benchmarking Analysis

Appendix B- Examples of customer charge calculations for individuals in receipt of benefits

Appendix C- Examples of how changes will impact customers

Appendix D- Further breakdown of phased approach

Appendix E- Equality, Diversity, Cohesion, and Integration Impact Assessment

Appendix F- Consultation Report

Background papers

No papers