

# Report on the Implementation of Changes to the Adult Social Care Charging Policy 2022-23

Date: 19th October 2022

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

## Brief summary

This report provides an update to Executive Board about the implementation of the changes to the Leeds City Council (LCC) Charging Policy for non-residential Adult Social Care, as agreed by the Executive Board on 15<sup>th</sup> December 2021, that came into effect in April 2022.

The following recommendations were approved:

- (a) That changes to the current charging policy, as detailed within the submitted report, be approved, 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) That approval be given to the removal of the Maximum Assessed Charge (MAC) cap of £482 a week
- (c) That it be noted that the approach for the implementation of such matters will be a phased approach; with it being noted that 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) That further to resolution (b) above, it be noted that 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) That it be noted that the officer responsible for the implementation of the decision to amend the charging structure will be the Chief Officer of Resources & Strategy
- (f) That it be noted that an update on the impact of this decision will be brought to Executive Board within six months of its implementation, with it also being noted (as detailed above), that Executive Board Members would receive briefing papers at 6 and 12 months in order to monitor how the changes were progressing and the impact that they were having

The full report can be found here at Item 11, pages 205-307: [Review of Non Residential ASC Charging Cover Report 061221.pdf \(leeds.gov.uk\)](#)

## Recommendations

- a) That Executive Board note the successful implementation of the changes to the Charging Policy, as approved on December 15<sup>th</sup> 2021.
- b) That Executive Board note the impacts on affected service users and how any risks have and continue to be mitigated.
- c) That Executive Board note that the revised expectation for potential income / savings achieved by the changes to the charging policy are **£1,687,895** for the current financial year, with a potential full year effect of **£2,974,528**.

### 1 What is this report about?

- 1.1. A report was submitted to the Executive Board for consideration on 15<sup>th</sup> December 2021. The report made recommendations for changes to the Adult Social Care Charging Policy for non-residential services to address the following identified inequalities in existing charging policy provision:
  - Subsidising 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.
  - 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.
- 1.2 The report also noted the significant financial challenge facing the local authority and increasing demand for Adult Social Care services, and that average client contributions for community services in Leeds are significantly lower compared to comparable Local Authorities. Also, that 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.
- 1.3 The report also made clear that should the recommendations be approved, a number of customers would be asked to contribute more towards the costs of the services they use, however, no customer would be asked to pay more if they cannot afford to as financial assistance would remain unchanged for those who qualify, i.e., those who cannot afford to meet the full costs of the services required to meet their needs.
- 1.4 Equally, 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 would be phased in over a transitional period, and no one's care package would be changed without a review by a Social Worker or Occupational Therapist. Special consideration would also need to be given to people with Supported Living placements.
- 1.5 In addition, 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.
- 1.6 All recommendations as described above were approved by Executive Board on the 15<sup>th</sup> December 2021. This report provides an update on the implementation of the changes.

## 2 Implementation Summary

2.1 The changes to the charging policy approved were:

- a) The removal of the subsidy for multiple care workers (care from more than one care worker during the same trip or visit is herein referred to as “2 to 1” care)
- b) The removal of the Maximum Assessed Charge cap of £482 a week.
- c) The change to charging for Supported Living placements at the cost of the Placement Agreement in light of the above.

2.2 These changes were implemented in 2 stages:

- a) The changes came into effect for new Adult Social Care service users as of the 1<sup>st</sup> of April 2022
- b) The changes came into effect for existing ASC service users from 25<sup>th</sup> April 2022

2.3 As part of the approval of the recommendations to Executive Board in December 2021 it was noted that a transitional phase-in approach be applied:

*“That it be noted that the approach for the implementation of such matters will be a phased approach; with it being noted that 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.<sup>11</sup>”*

2.4 Appendix D of the December 2021 report (page 249 of the reports pack) showed a breakdown of how this phase-in could work, with an increased contribution per quarter for the service user. However, billing periods are based on a 4-weekly cycle rather than monthly. As such, the 9-month phase-in has been applied to this 4-weekly cycle as shown in the table below.

2.5 **Phase In Protection Schedule:**

Transitional Billing periods	Period Start	Period End	Days	Discount
2	25 Apr	22 May	28	75%
3	23 May	19 Jun	28	75%
4	20 Jun	17 Jul	28	75%
5	18 Jul	14 Aug	28	75%
6	15 Aug	11 Sep	28	50%
7	12 Sep	09 Oct	28	50%

<sup>11</sup> Review of Non Residential ASC Charging Cover Report 061221.pdf (leeds.gov.uk) Reports Pack, Item 11, Appendix D page 249.

8	10 Oct	06 Nov	28	50%
9	07 Nov	04 Dec	28	25%
10	05 Dec	01 Jan	28	25%
11	02 Jan	29 Jan	28	25%

2.6 Pay In Advance (PIA) service users are invoiced up to 2 weeks ahead of the period in which they receive services. It was not possible to uplift payments for PIA service users for the first impacted billing period after implementation. As such, these service users will benefit from continuing to pay at the previous rate until the 50% uplift period. However, the 50% uplift will be brought forward by one billing period for this group. The effect of this is that this group will experience the same overall transitional protection over the transitional phase-in period. These service users have been communicated with to explain this.

2.7 Amongst those service users impacted by the changes to the charging policy, none have chosen to end their support entirely or have discontinued a service in such a way as to leave care needs unmet.

2.8 Below is a summary of the newly projected financial impact of the changes to the charging policy implemented, based on income / savings achieved by the changes in the first billing period following implementation, and an analysis of new care plan data. It also provides a comparison to the income, savings projected at the time of the previous report (see [Review of Non Residential ASC Charging Cover Report 061221.pdf \(leeds.gov.uk\)](#)).

2.9 Table 1. Summary of financial impact of the changes and comparison to previous projections.

	Figures from Exec Board Report, Dec 15th		Revised figures		Difference	
	No. of service users	Potential Income / savings	No. of service users	Potential Income/ savings	No. of service users	Potential Income/ savings
Increase in accrued charges to April 2023 due to 2 to 1 charging changes	208	£881,172	216	£1,201,211	+8	+320,039
Increase in accrued charges to April 2023 due to the removal of the MAC cap	166	£1,126,937	137	£738,374	-29	-£388,563
Deductions for double counting impact on service users affected by both changes				-£251,690		

<b>Total increase in charges accrued up to April 2023 due to both changes</b>	<b>266</b>	<b>£2,514,135</b>	<b>254</b>	<b>£1,687,895</b>	<b>-12</b>	<b>-£826,240</b>
Full year affect from April 2023 due to 2 to 1 charging changes	208	£1,409,876	216	£2,073,357	+8	+£663,481
Full year affect from April 2023 due to 2 to the removal of the MAC cap	166	£1,686,568	137	£1,541,373	-29	-£145,195
Deductions for double counting impact on service users affected by both changes				-£640,202		
<b>Total full year effect of both changes</b>	<b>266</b>	<b>£4,022,616</b>	<b>254</b>	<b>£2,974,528</b>	<b>-12</b>	<b>-£1,048,088</b>

2.10 Please note, the total income / savings impact for both the changes to the charging policy will not equal the sum of the impact of the two changes separately. This is because some of the increase in individual charges will be attributable to both changes, e.g., where someone is a full-cost payer paying over the previous MAC cap of £482 and is a 2 to 1 service user. In the table above this is represented by a deduction for double counting.

### 3 What impact will this proposal have?

3.1 An Equality, Diversity, Cohesion and Integration impact assessment was appended to the report recommending the changes to the charging policy ([Review of Charging for Non-Residential Adult Social Care Services, 15th December 2021, Appendix E](#)). This impact assessment will be updated and appended to the report to the Executive Board due to be made 12 months after implementation (April 2023).

3.2 Below is information regarding the financial impact on service users as a result of the changes to the charging policy implemented, and how the changes have impacted the service use of those impacted by the changes.

3.3 The report to the Executive Board on 15th December 2021 suggested that **266** individuals could be affected by the changes, based on an analysis of care plan data. Further cleansing of outdated care plan and financial assessment data has since been conducted, meaning that the final number of impacted service users identified who had existing 2 to 1 service, or whose charges were capped at the MAC cap of £482 a week, before the 1<sup>st</sup> April 2022, was **199**.

3.4 A further **55** will be impacted by the changes based on new services or financial assessments that began after 1<sup>st</sup> April 2022. The impact for this group is further broken down below and included in the total projected financial impact of the changes.

3.5 In total **254** individuals have been impacted by the changes to the charging policy.

**3.6 Implementation for *existing* 2 to 1 and full-cost paying service users (up to 1<sup>st</sup> April 2022):**

3.7 Number impacted by each change in the first billing period following implementation:

- 170 of the 199 existing 2 to 1 people saw an increase in their charges due to the change to charging for 2 to 1 services.
- 122 of these 199 people are affected by the removal of the MAC cap because they are full-cost payers, and their services charges are more than the previous cap of £482 a week
- 29 of these 199 people are full-cost payers affected by the removal of the MAC cap but not by the 2 to 1 change.

**3.8 Changes to service use since the 1<sup>st</sup> April 2022 for existing 2 to 1 and full-cost paying service users:**

- **14** service users have undertaken a financial assessment that has reduced their Maximum Assessed Contribution (MAC).
- **Nine** of those whose MAC has been reduced were previously full cost payers who have now come into means-tested financial assistance.
- **Two** service users have received a financial assessment that has increased their MAC.
- **14** service users have reduced or ended their 2 to 1 care service but are still in receipt of other services.
- **Three** service users have decreased their 2 to 1 care hours and have taken up some additional 1 to 1 care hours.
- **Four** service users have increased their 2 to 1 care hours.
- **Five** service users have gone into residential care, 1 of which has now died.
- **Three** service users have been granted funding under CHC.
- **Four** service users have died.

**3.9 Financial impact on *existing* 2 to 1 and MAC cap service users (up to 1<sup>st</sup> April 2022):**

3.10 Below is a summary of the financial impact of the changes on existing 2 to 1 service users and full-cost payers who will be charged above the previous MAC cap of £482 a week.

3.11 Note as above, that the total impact of both the changes is not an aggregate of the impact of the two changes, because some increase in charges are as a result both of the changes to charging for 2 to 1 care *and* the removal of the Maximum assessed Charge cap, i.e. some service users are impacted by both changes.

3.12 Table 2 Summary of impact on *existing* service users.

Change	No. of service users impacted	Potential Income / savings
Increase in accrued charges to April 2023 due to 2 to 1 change	170	£872,179
2 to 1 full year effect		£1,638,959
Increase in accrued charges to April 2023 due to removal the MAC cap	122	£667,353
MAC cap full year effect		£1,458,058
Deductions for double counting impact on service users affected by both changes- accrued		-£224,783
Deductions for double counting impact on service users affected by both changes- full year		-609,022
<b>Total increase in accrued charges to April 2023</b>	<b>199</b>	<b>£1,314,749</b>
<b>Total full year effect</b>	<b>199</b>	<b>£2,487,995</b>

3.13 **Implementation for *new* service users as of 1<sup>st</sup> April 2022 and those newly impacted by changes based on a new financial assessment or new service after 1<sup>st</sup> April 2021:**

3.14 An analysis was conducted based on care plan, billing and financial assessment data up to the end of August 2022, to identify those who as of the 1<sup>st</sup> April 2022 are new service users entirely, have new 2 to 1 service, or, who are now paying over the previous MAC of £482 because of new services or a new financial assessment.

- 46 new 2 to 1 service users will be impacted by the changes to the charging policy because they will pay more than they otherwise would have if the subsidy for care had not been removed.
- 33 of the new impacted 2 to 1 service users are assessed to pay full-costs for their care. 6 of these will pay above the previous MAC cap.
- 13 of the 46 are not full cost payers but will pay more as a result of the 2 to 1 charging changes before they hit their MAC.
- Based on the latest billing (up to 17<sup>th</sup> July), 15 service users have begun to pay above the previous MAC cap of £482 because of a new care package or because of a new or changed financial assessment. Of these 15, nine do not have 2 to 1 service and six do.

3.15 Table 3. Summary of Impact on new 2 to 1 users and full-cost payers

Change	No. of service users impacted	Potential Income / savings
Increase in accrued charges to April 2023 due to 2 to 1 change	46	£329,032
2 to 1 full year effect		£434,398
Increase in accrued charges to April 2023 due to removal the MAC cap	15	£71,021
MAC cap full year effect		£83,315
Deductions for double counting impact on service users affected by both changes- accrued		-£26,907
Deductions for double counting impact on service users affected by both changes- full year		-£31,180
<b>Total increase in accrued charges to April 2023</b>	<b>55</b>	<b>£373,146</b>
<b>Total full year effect</b>	<b>55</b>	<b>£486,533</b>

3.16 Table 4. Summary of total impact of changes on existing and new 2 to 1 service users and full cost payers:

Change	No. of service users impacted	Potential Income / savings
Increase in accrued charges to April 2023 due to 2 to 1 change	216	£1,201,211
2 to 1 full year effect		£2,073,357
Increase in accrued charges to April 2023 due to removal the MAC cap	137	£738,374
MAC cap full year effect		£1,541,373
Deductions for double counting impact on service users affected by both changes- accrued		- £251,690
Deductions for double counting impact on service users affected by both changes- full year		-£640,202
<b>Total increase in accrued charges to April 2023</b>	<b>254</b>	<b>£1,687,895</b>
<b>Total full year effect</b>	<b>254</b>	<b>£2,974,528</b>

3.17 It should be noted that:

- Actual service usage and therefore invoices for care, can vary week on week.
- People's circumstances may change, resulting in a change in care plan or financial assessment which in turn affects their service use and / or financial contribution.
- A number of full cost payers will likely exhaust their capital above the upper threshold for means-tested financial assistance over the course of the financial year.
- As above, projections are based on new service user data from April to Aug 2022, additional new service users from 1<sup>st</sup> Sept onwards will impact these projections.

In light of the above that we can only determine a *potential* income level from this change in charging policy and figures will be revised for inclusion in the second update to the Executive Board in April 2023 (12 months following implementation).

#### 4 How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing                       Inclusive Growth                       Zero Carbon

- 4.1 Increasing the income achieved for the delivery of non-residential Adult Social Care services, will positively impact on the sustainability of Adult Social Care services in Leeds, ensuring that LCC can continue to meet needs at the highest possible standard.
- 4.2 Providing care in the community to a high standard is key to ensuring that individual service users have the best possible quality of life, whilst being able to maintain independence in their own homes. This independence is one factor to ensuring that individuals can take part in the growth and opportunities that Leeds provides.
- 4.3 The changes have a net zero impact on LCC's Zero Carbon objective.

#### 5 What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?                       Yes                       No

- 5.1 Consultation was held between June 18th and August 13th 2021 with all non-residential service users, or their representatives invited to respond. In addition, a number of Third sector organisations and internal experts were consulted. Details of this consultation can be found in the consultation report that accompanied the original December 2021 report ([Appendix F- Consultation Report.docx \(leeds.gov.uk\)](#)).
- 5.2 All Ward Members were briefed on the then proposed changes to the charging policy and the consultation plan.
- 5.3 In May 2022, letters were sent to all service users or their representatives, with a community-based charging assessment, notifying them in brief of the changes to the charging policy.  
  
Financially impacted service users who pay on invoice were written to in three stages between May and June 2022, not less than one month before the changes came into effect for their bills.
- 5.4 Impacted service users who pay in advance were informed in March 2022.

5.5 All Social Workers, including Hospital Social Workers, Occupational Therapists, and Health organisations have been communicated with to explain the changes to the Charging Policy.

**5.6 Contact from service users impacted by the changes:**

5.7 A helpline was established and operated between 30th May and 31st August. An email address and telephone number were provided on notification letters sent to impacted service users ahead of them receiving their first invoices. The Helpline remained open for a month following the last receipt of first impacted invoices by impacted service users.

5.8 31 contacts made to the helpline. The helpline was able to clarify the changes being made, escalate and respond to any queries or concerns raised as appropriate, offer basic advice as to the potential for a care needs or financial review, and to pass on details to appropriate teams to facilitate this.

5.9 Table 5. Summary of contacts to Helpline

Contact Reason	Number of service users (note: some individuals had more than one reason for getting in touch)
Complaints	4
Care review requested for change of service or reduction in care hours	7
Concerns about changes	5
May have to cancel care	1
Can't afford / concern about costs	6
Financial review or financial clarification	6
Clarification of changes and impact required	11
Issues with a service	5
CIS or billing record issue	8
Cost of living concerns	3
Notification of service user passed away	3
<b>Total</b>	<b>31</b>

5.10 Feedback to the helpline following communications with impacted service users, fed into the decision to alter the schedule of the phase-in transitional protection.

5.11 It was highlighted from feedback received to the helpline that service users were experiencing increases in their charges at the same time as the cost of living was going up (3 service users or their representatives). Importantly, the cost of energy and other increasing costs is left to be met by the service users out of their Daily Living Costs, which

is underpinned by the Minimum Income Guarantee. Although the MIG was uplifted in April for this year, it has not risen in line with current inflation.

- 5.12 Four service users or their representatives also commented that they felt that they were being punished for having savings.
- 5.13 Four service users made complaints about the changes. Three related to the financial impact of the 2 to 1 care change and one related to lack of clarity / communication previously about charging policy arrangements. All four were thoroughly investigated and resolved to the individual's satisfaction.

## **6. What are the resource implications?**

- 6.1 Whilst lower than the original savings projections, the figures included in 2.9 above, £1.688m 2022 – 2023 financial year and £2.975m have already been reflected in the Adults & Health budget and delivers the relevant budget action plans.
- 6.2 There has been an additional resource commitment of 0.5 hours a week by a Senior Finance Officer to administer transitional protections and any adjustments / reimbursements. This is expected to reduce to 0.25 hours a week as billing periods progress.
- 6.3 Social Work or Occupational Therapy visits have been managed within existing resources.
- 6.4 Financial Assessments have been managed within existing operational resources.

## **6 What are the key risks and how are they being managed?**

- 7.1 All impacted service users were communicated with by letter, with sufficient notice before their first impacted invoice. Letters sent to service users, or their financial representatives, included: information about how they would be financially impacted by the changes; contact details for the Helpline (for general queries), details of how to contact the Financial Assessment and Benefits team for requests for a financial review, and details of how to contact the ASC Contact Centre for care needs reviews; and signposting to various non-council support and financial advice services.
- 6.3 A special Helpline was established to support impacted service users to understand the changes, the impact this would have on them, to advise about the potential need for a financial or care needs review, to pass requests for financial reviews or care needs reviews to the appropriate team, and to otherwise escalate or handle any complaints or serious issues.
- 6.4 Monitoring of financially impacted services users has been conducted under a specially established working group made up of Social Work, Occupational Therapy, Invoicing and Service Transformation elements. This has allowed Adults and Health to resolve any concerns or queries raised by services users, to monitor any increase in demand on Social Work, Occupational Therapy led care reviews and Financial Assessments, and to therefore address any significant operational risk.

- 6.5 Importantly, under the Council's Charging Policy, the Director of Adults & Health maintains 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.
- 6.6 Advonet, Change, Leeds Carers and Health partners (Leeds Community Healthcare, Leeds Teaching Hospitals Trust, and Leeds & York Partnership Foundation Trust) were communicated with ahead of the implementation of changes, to help them understand the changes and better support service users.
- 6.7 Training availability for 1 to 1 moving and handling has been prioritised for any care providers who wish to continue providing care for an individual whose care can be safely reduced from 2 to 1 to 1 to 1 care, to minimise potential disruption to service users.
- 6.8 The EDCI impact assessment and consultation findings identified opportunity to improve information available to people about how Adult Social Care services are calculated and charged for. It also identified an opportunity to review communication practice in our front facing services, to ensure that services are inclusive of those with limited mental capacity or who are neurodivergent. These will be progressed in line with the incoming charging reform legislation.
- 6.9 Though 17 existing service users have reduced or ended their 2 to 1 care, no service users (up to the time of writing this report) have ended their support entirely following notification of the impact on their bills, unless they have gone into residential care, have died, or have been granted funding under Continuing Health Care (CHC).
- 6.10 No care plan for an impacted service user has been reduced or otherwise changed without the agreement of a Social Worker or Occupational Therapist, ensuring that *all* care needs continue to be met under any new care arrangements in place.

## **7 What are the legal implications?**

- 8.1 Please refer to the previous Executive Board Report (Review of charging for non-residential adult social care services, 15th December 2021). No new legal implications have been identified.

## **Options, timescales and measuring success**

### **9 What other options were considered?**

- 9.1 Please refer to the December 2021 Executive Board report, [Review of Non-Residential ASC Charging Cover Report 061221.pdf \(leeds.gov.uk\)](#)

### **10 How will success be measured?**

- 10.1 Increase in recovery of assessed charges.

The revised expectation for potential income / savings achieved by the changes to the charging policy are £1,687,895 for the current financial year, with a potential full year effect of £2,974,528.

10.2 Services will be delivered and maintained at same high quality.

There is no evidence that services have reduced in quality as an impact of the changes made to the charging policy.

10.3 Care needs in Leeds will be met and people supported to manage their health condition. Amongst those service users impacted by the changes to the charging policy, none have chosen to end their support entirely or have discontinued a service in such a way as to leave care needs unmet.

## **11 What is the timetable and who will be responsible for implementation?**

11.1 Implementation for *new* 2 to 1 services users and new full-cost payers of non-residential ASC service users as of 1st April 2023, occurred on the 1<sup>st</sup> April 2022.

11.2 Implementation for *existing* 2 to 1 service users and full-cost payers of non-residential ASC service users as of 1<sup>st</sup> April 2023 (the Transition Group), occurred on the 25<sup>th</sup> April 2022.

11.3 Transitional phase-in protection will continue to be in place until 29<sup>th</sup> January 2023 for the Transition Group.

11.4 The Chief Officer of Resources & Strategy maintains responsibility for the implementation of the changes to the ASC charging policy.

### **Appendices**

- None.

### **Background papers**

- None.