


Cabinet 28 October 2020	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director - Health Adults and Community	Classification: Unrestricted
Adult Social Care Community Charging Consultation Outcome Report	

Lead Member	Councillor Rachel Blake, Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing
Originating Officer(s)	Denise Radley Corporate Director – Health, Adults and Community
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	29 September 2020
Reason for Key Decision	(b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.
Strategic Plan Priority / Outcome	1. Strong, resilient and safe communities 2. Better health and wellbeing.

Executive Summary

This report sets out the results of the consultation on changing the Charging Policy for community-based services in adult social care which was undertaken between March and September 2020. The consultation was carried out following agreement for an annual £263,000 saving to be made as part of the Medium-Term Financial Plan in adult social care. The report goes on to set out the options for our future approach to charging as a result of this consultation to be implemented with effect from December 2020.

The consultation on changes to community charging was first published online on 9th March 2020. It was subsequently paused due to the coronavirus pandemic and was re-launched on the 9th June for a period of 12 weeks. It closed on the 7th September 2020. In total, we received 263 responses¹ to the consultation (including both online responses and questionnaire responses from those sent to all service users in community-based services) and engaged with over 100 residents through phone-calls, emails and meetings.

¹ 263 people responding to the consultation is 9.3% of people we contacted.

The consultation focused on three aspects of the Charging Policy:

- i) The Standard Utilities Allowance. This is an amount (£15 per week) that is currently disregarded in a financial assessment. It is discretionary and is in addition to other statutory disregards including the Minimum Income Guarantee, Disability-Related Expenditure and earnings.
- ii) The current 'cap' or maximum charge of £250 per week. This cap is discretionary, as there is no cap in statutory guidance.
- iii) Respite and carer relief, which is currently subject to charge following a financial assessment.

The consultation was based around three main options, all proposing changes to the current charging policy:

	Standard Utilities Allowance <i>(disregarded in assessments)</i>	Maximum weekly charge	Carer relief / respite	Estimated annual saving
Current policy	£15 per week	£250 per week	Charged for	-
Option 1	Nil	£1000	Free	£400,000
Option 2	£5	£1000	Free	£263,000
Option 3	Nil	£300	Free	£274,000

Option 2 was first agreed as part of the Medium-Term Financial Strategy in early 2020. Option 3 was subsequently added to enable more meaningful consultation. Option 1 was added in May 2020 in recognition of the increased financial pressures facing the local authority.

Option 3 was preferred by 72% of people who chose one of the three options. Option 3 was preferred by all ages, ethnic groups, residents who are currently charged, residents who are not currently charged, carers and service users. Key messages from respondents in terms of why this option was preferred centred around feedback that it was unfair to charge a person £1000 per week towards the cost of care, whereas the change to the Standard Utilities Allowance was felt to be more proportionate (even though it affects more people).

Option 2 was preferred by 15% of people who chose one of the three options. In consultation responses, the most common reason for this preference is that this is the only option which maintains some level of the standard utilities allowance (reduced from £15 to £5 per week).

Option 1 delivers the highest level of additional income and was the favoured option of 13% of respondents. In consultation responses, there was a recognition that this would generate the greatest saving and therefore ensure a sustainable social care offer for the Council. People who selected this option also felt that those who are assessed as being able to contribute towards the cost of their care should do so.

It should also be noted that 50 respondents did not select a preferred option (22%). Two key themes were around people disagreeing with the principle of charging for adult social care, and concerns about the complexity of the financial assessment.

The Mayor in Cabinet is asked to agree Option 2 for implementation in December 2020 in light of the consultation and the Equality Analysis, on the basis that Option 2 has the least potential negative impact on adult social care users who have less disposable income.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree Option 2 from the adult social care community charging consultation for implementation: Reducing the Standard Utilities Allowance from £15 per week to £5 per week, raising the maximum possible contribution from £250 per week to £1000 per week and providing respite and carer relief free of charge following a Carer Assessment.
2. Agree to implement the agreed option from December 2020. Note that this is three months' later than the date originally agreed in the Medium-Term Financial Strategy savings proposal, which is due to the consultation being paused then relaunched as a consequence of the COVID-19 pandemic

1 REASONS FOR THE DECISIONS

- 1.1 Option 2 was the preferred option of 15% of consultation respondents who selected an option². The Equality Analysis identifies that removing the Standard Utilities Allowance entirely (as per Options 1 and 3) will have a bigger impact on adult social care users who have less disposable income³ and this has been reinforced in consultation responses. Option 2 is therefore recommended as this takes account of views expressed in the consultation alongside the impact of removing the Standard Utilities Allowance on people with comparatively less disposable income. Providing respite and carer relief where this is in place to meet the needs of a carer will provide significant benefit to unpaid carers in the borough who need a break from caring responsibilities.
- 1.2 This consultation was carried out following agreement at Cabinet in January 2020 to identify a £263,000 saving which would be realised through a change to our charging policy for community-based adult social care. This saving is part of the Medium-Term Financial Savings proposals which have been drawn-up in response to the Councils current financial position.

² 22% of all consultation respondents did not select option 1, 2 or 3

³ 1304 people estimated to be impacted by this. Raising the cap to £1000 per week (as per Options 1 and 2) will have a bigger impact on an estimated 28 people who have more disposable income

- 1.3 The report sets out the final options for agreement, to enable the change to be implemented from December 2020.

2 ALTERNATIVE OPTIONS

- 2.1 To select an alternative option. This is not recommended for the reasons outlined above.
- 2.2 Not to change the charging policy. This is not recommended. The saving proposal was agreed in early 2020 following full consideration of possible alternatives. As part of the consultation, respondents were asked if there were any alternative proposals to generate a saving. The suggestions made in this feedback are either already being considered or are not viable proposals.

3 DETAILS OF THE REPORT

3.1 Background

- 3.1.1 Tower Hamlets Council first introduced a means-tested charge for community-based adult social care in October 2017 and we were one of the last councils in England to do so.
- 3.1.2 Our approach to charging is set out in our Charging Policy. In line with statutory guidance we must ensure that people are left with a minimum income as defined in the Minimum Income Guarantee. When charging was first introduced in 2017, we included an increased Minimum Income Guarantee for adults of working age. The £15 Standard Utilities Allowance that is currently disregarded in local financial assessments is discretionary and in addition to the Minimum Income Guarantee. Note that all expenditure necessary disability-related expenditure is also disregarded from the financial assessment.
- 3.1.3 When charging was introduced in October 2017, we also included a limit on how much any person could be charged. This is currently £250 per week. Nobody using community-based adult social care services can be charged more than this amount. In law, there is no limit or maximum amount that councils should set when charging for community-based adult social care services except that the charge cannot be more than the cost of the services providing that the 'minimum income guarantee' is met.
- 3.1.4 In addition, our current approach is to charge people using community-based adult social care services for respite care, after a calculation and financial assessment.

Who is currently being charged?

3.1.5 An analysis we carried out in 2019 showed that:

- 43% of all people using community-based adult social care services were being charged an amount of money towards the cost of their care as of April 2019, equating to 1,134 people.
- 1,052 people had been assessed as not having to pay any financial contribution towards their care, as of April 2019 (40 per cent). 118 people had been assessed as having to pay the full cost of care up to a maximum of £250 per week as of April 2019 (4%)
- The majority of people who were paying an amount (57%) were being charged up to 25 per cent of the total cost of their care package as of June 2018. The average weekly amount people were paying was £54.
- Between October and December 2017, 164 people received home care where the primary purpose was “carer relief. 43 used respite care in a residential or nursing home or a respite centre

What is the impact of charging people for their care?

3.1.6 An analysis we carried out in 2018 and 2019 found that:

- There was no evidence that our charging policy for community-based adult social care services stopped people from coming forward for help and the number of people getting in contact with us has not gone down.
- There was no evidence that the council’s charging policy has had an overall negative impact on people’s wellbeing or satisfaction with their care each year. The figures have improved overall between 2017 and 2019.
- As of April 2019, a total of 88 care packages have been stopped with charging stated as part of the reason. There can be a number of reasons behind this. We have a system in place to safeguard adults who want to end or reduce their support due to charging, if doing so would put them at significant risk of harm.
- Feedback from both residents and advocacy organisations at the time charging was introduced, was that it did cause some distress and anxiety for a number of people using adult social care services and their families. The importance of clear communication was highlighted as an issue and we have worked hard since then to improve it.
- Our analysis also showed that charging for respite care was risking placing an increased burden on friends and family. Respite care is often put in place primarily to give friends and family a break from unpaid caring.

Our approach compared to other Councils

3.1.7 Benchmarking analysis carried out in 2018 and 2019 showed that our current approach is not in line with other councils in London and across England. A number of Councils have either a higher cap or no cap at all for the limit that people can be asked to contribute. Other Councils also do not have a ‘standard utilities allowance’, and instead only use the rates set by the

government under the 'Minimum Income Guarantee'. The approach to charging for respite and carer relief varies a lot from one council to another.

3.1.8 In October 2019, a light-touch benchmarking exercise was carried out with eight other London boroughs (Greenwich, Camden, Islington, Enfield, Southwark, Lewisham, Hackney and Newham – based on a review of policy information available online). Of the eight, five local authorities have no weekly cap. Of the remaining three, Greenwich have a cap of £546.55 per week, Hackney have a cap that is based on 92% of the Personal Budget amount (i.e. the cost of the care package) and Newham have a weekly cap of £200. The same light-touch benchmarking exercise looked at the Minimum Income Guarantee: All but one appear to be lower than our current offer of the Minimum Income Guarantee plus £15 per week (Southwark has an additional 25% 'buffer' over and above the offer). Overall, then, there is evidence to suggest that our current approach is likely to be more 'generous' than a number of other places.

Equalities analysis

3.1.9 The Equality Analysis carried out in 2020 and appended to this report notes that all the options presented – given the nature of adult social care - will have impact on carers, older people and people with a disability.

3.1.10 In terms of socio-economic impact: When comparing Option 1, Option 2 and Option 3 against each other, the Equality Analysis notes that Option 1 will have a bigger impact on those with most disposable income, and Option 3 will have a bigger impact on a larger group of people with less disposable income.

3.1.11 The analysis notes that of the 28 people estimated to be impacted by raising the existing £250 per week cap, 19 are of a White ethnic background, two are of an Asian ethnic background and five are of a Black ethnic background.

3.1.12 This trend changes when considering reducing or removing the Standard Utilities Allowance: 1239 people would be impacted by reducing the allowance to £5 and 1304 would be impacted by removed it entirely. In both cohorts, people of an Asian ethnic background make up 41% whereas people of a White ethnic background make up 39%. People of a Black ethnic background make up 15%.

3.1.13 The Equality Analysis also notes that:

- Raising the cap is therefore likely to have the biggest impact of social care users of a White ethnic background.
- Reducing or removing the Standard Utilities Allowance is likely to have the biggest impact on social care users of an Asian ethnic background.
- Ceasing to charge for respite may have the biggest (positive) impact on social care users of a White ethnic background due to the profile of people currently using that service.
- The analysis also notes that of the 28 people identified as being impacted by raising the existing £250 per week cap, 16 are female. Likewise, of the

cohorts of service users who would be impacted by reducing or removing the Standard Utilities Allowance, 57% are female.

3.2 Consultation Development

3.2.1 As previously described, changing our current Charging Policy in adult social care was first proposed to Cabinet on the 29th January 2020 as part the Councils Medium-Term Financial Strategy. Option 2 was included in the Cabinet budget pack (raising the weekly cap to £1000 and reducing the Standard Utilities Allowance to £5 per week).

- Option 3 (raising the weekly cap to £300 and removing the Standard Utilities Allowance entirely) was developed as an alternative which would achieve a similar saving and would provide a basis for more meaningful consultation.
- Option 1 was developed in May 2020 in response to the growing financial pressures faced by the Council and on adult social care specifically. This option targeted an increased saving by increasing the cap and removing the standing utilities allowance. This option would save £400,000 per year compared with £264,000 for the original option and £274,000 for option 3.

3.2.2 Our approach to the consultation was agreed in February 2020 and our Consultation Plan outlined our intention to utilise a range of methods to generate feedback on the proposed options. It was agreed that the consultation would include conversations with stakeholders, an online questionnaire (which would be available for a minimum of 12 weeks) and a postal version of the same questionnaire which would be sent out to all residents and service users who currently access a community service whether they currently contribute or not. In addition a 'consultation hotline' would be set-up and managed by the Financial Assessment team and a new email address would be created to triage requests for support and to arrange meetings (charging@towerhamlets.gov.uk).

3.2.3 The consultation document and questionnaire are both written in plain English and designed in partnership with REAL who supported the final draft. The consultation document provided background information on community charging, the Councils current financial position, the numbers who are projected to be impacted by the changes, the proposed options and the estimated savings. The consultation questionnaire is built around six questions (not including the Equalities questions) three of which are multiple choice. The postal version of the questionnaire is attached at the end of this document as Appendix 1.

3.2.4 REAL supported the final draft of the questionnaire and their phone number and email address were included with a note to those responding that REAL can be contacted for support and impartial advice to support residents to complete the questionnaire.

3.3 Consultation with stakeholders

3.3.1 In the original Consultation Plan we had scheduled a number of meetings with community partners however due to the pandemic these were rescheduled to

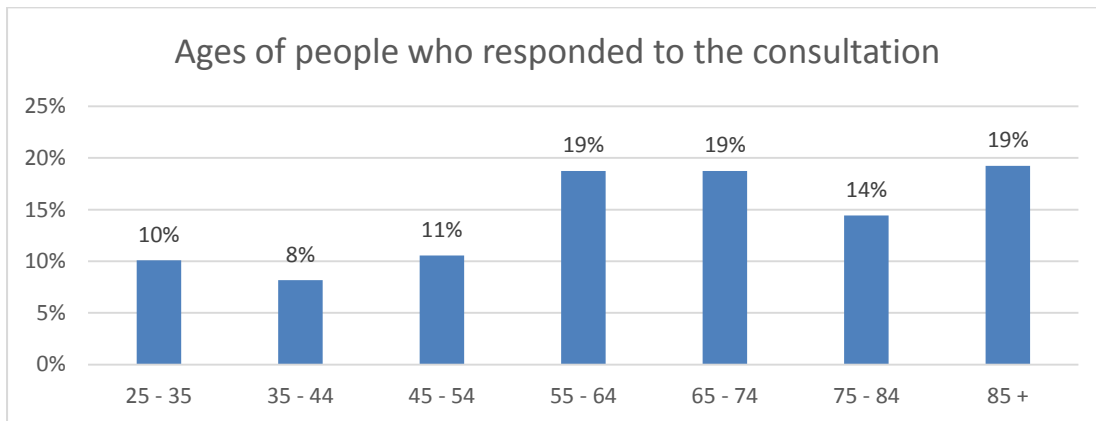
online video calls. A summary of the conversation with each of these providers is presented below.

- 3.3.2 The charging consultation was presented to the Carers Forum on the 14th July 2020. 12 carers were present at the meeting and following the discussion the majority of participants preferred Option 3 (a vote was carried out by the Chair). A number of subsequent meetings were arranged with the Forum to discuss the impact of changing our charging policy in further detail on the 5th August and 20th August.
- 3.3.3 The main issue(s) raised by Carers Forum centred around the quality of providers and homecare providers in particular. The homecare quality concerns raised by the Carers Forum are being addressed by commissioners.
- 3.3.4 The Forum also raised concerns about the timing of the consultation being held during a national pandemic. Extending the deadline was explored however it was agreed that this would not necessarily improve the level of engagement or response in a meaningful way and an extension would therefore not add value.
- 3.3.5 The charging proposals were presented to Tower Project's managers meeting on the 14th July 2020. It was agreed at this meeting that the managers of Tower Projects supported living and day services would brief frontline staff on the proposals outlined in the charging consultation and that frontline staff would discuss the consultation with service users during daily check-up calls; in order to further support those with a learning disability to respond to the consultation.
- 3.3.6 We presented the charging consultation at Healthwatch's Board meeting on the 21st July 2020. Feedback centred on how we might increase the number of responses recognising the vulnerability of the cohort and ways we might minimise barriers, particularly digital exclusion. Healthwatch agreed to share the link to the consultation through their networks and that we should work with partners to make use of their networks. Subsequently an email was circulated to all providers in Tower Hamlets providing information on the consultation and how they can support people to respond.
- 3.3.7 We met with Real on the 6th March 2020 (prior to the consultation going live) to agree the wording of both the consultation document and the questionnaire questions. Real also agreed to be the lead stakeholder partner and support other residents to respond to the consultation in their 'Local Link' advocacy capacity.

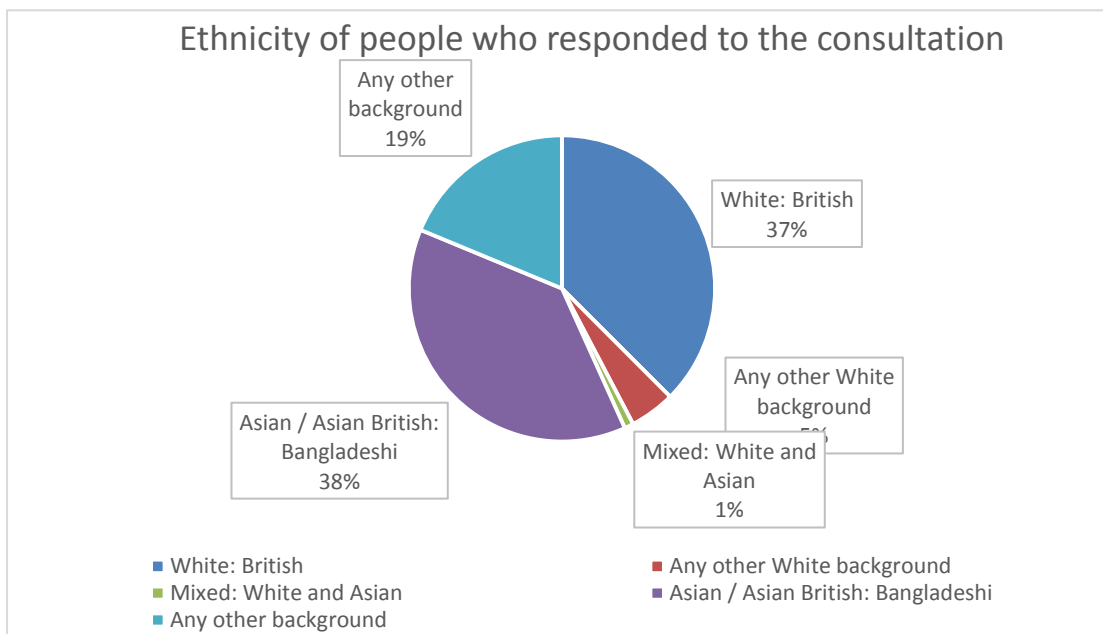
3.4 Number and demographics of those who responded to the survey

3.4.1 In total, we received 263 responses⁴ to the consultation (including both online postal responses) and engaged with over 100 resident through phone-calls, emails and meetings.

3.4.2 Of those who responded by post, 208 people provided their age. 48% of respondents were aged 64 and under and 52% were aged 65 or over. This is similar to the profile of all adult social care users in community -based services, whereby 61% are aged 60 or over.

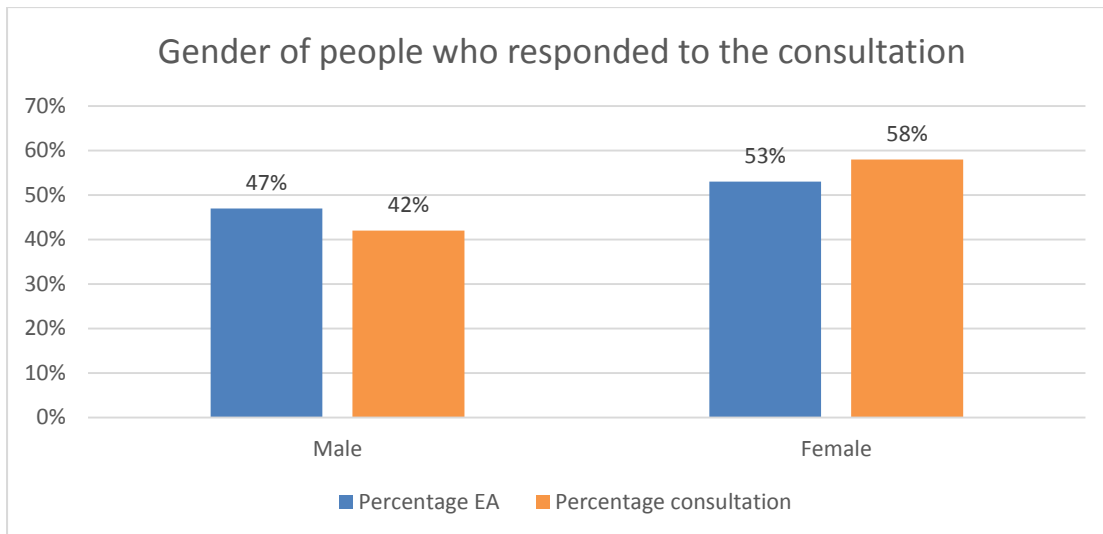


3.4.3 Of those who responded by post 208 people provided their ethnicity. The below is broadly similar to the profile of all adult social care users in community-based services, whereby 38% are of a White ethnic background, 38% are of an Asian ethnic background and 14% are of a Black ethnic background.



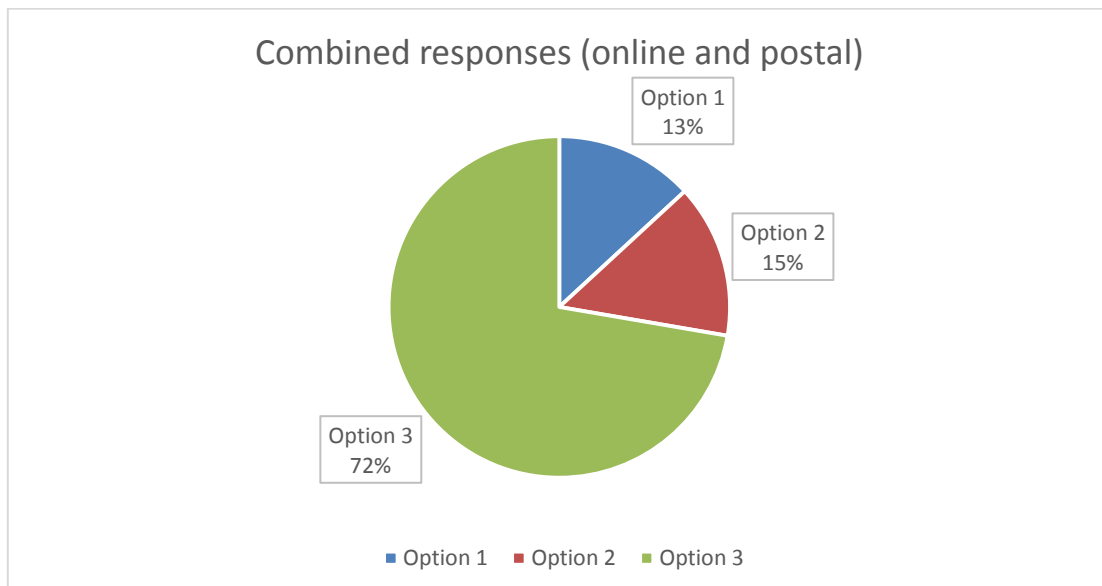
⁴ Combined with the online responses we had a total of 263 people responding to the consultation which means 9.3% of people we contacted responded. The postal version was sent to the 2814 service users who could be affected by the proposed change: Those who are currently charged for their service as well as those who do not currently pay.

3.4.4 58% of adult social care community-based service users are female and 42% male. This again compares favourably with the profile of consultation respondents (47% male and 53% female).



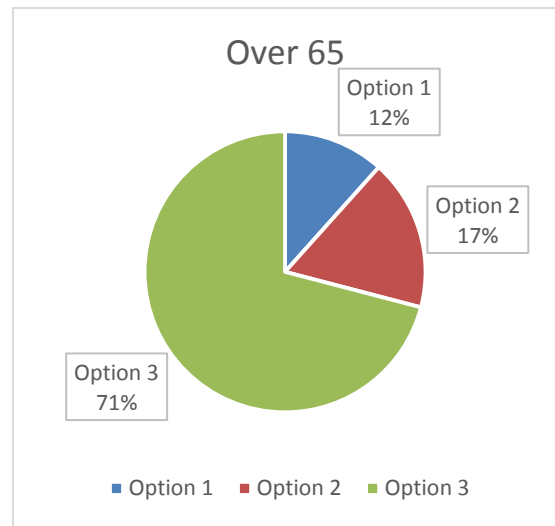
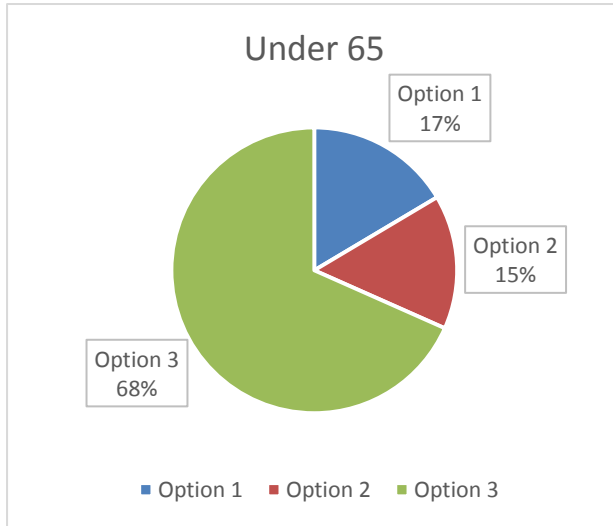
3.5 Consultation responses and option preferences

3.5.1 From the responses received the preferred option was **Option 3** (increasing the cap from £250 to £300 and removing the Standard Utilities Allowance). This option was preferred by 72% of people who chose one of the three options. Option 1 was selected by 13% and Option 2 by 15%.

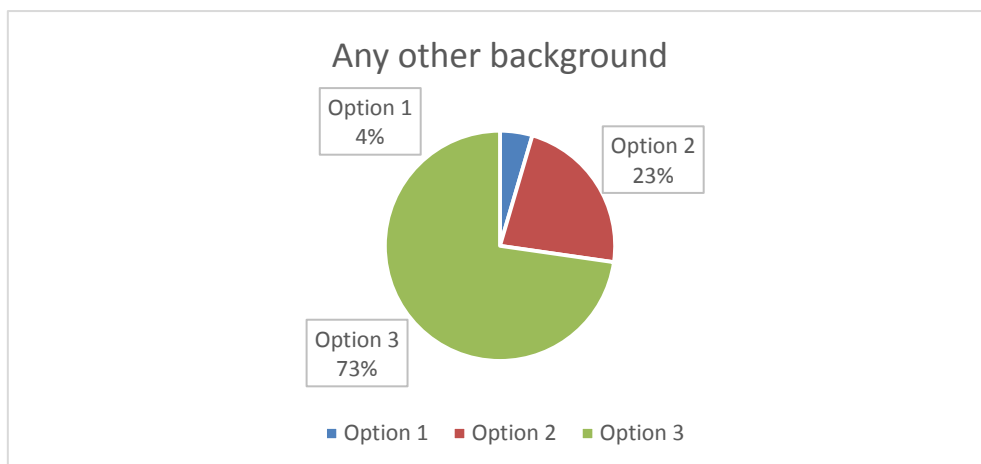
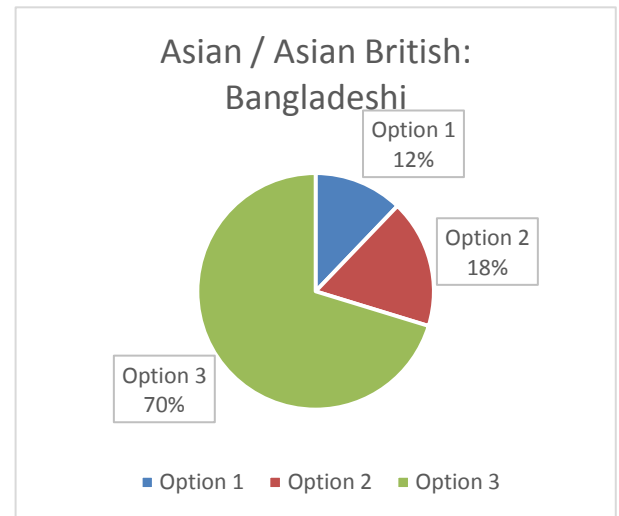
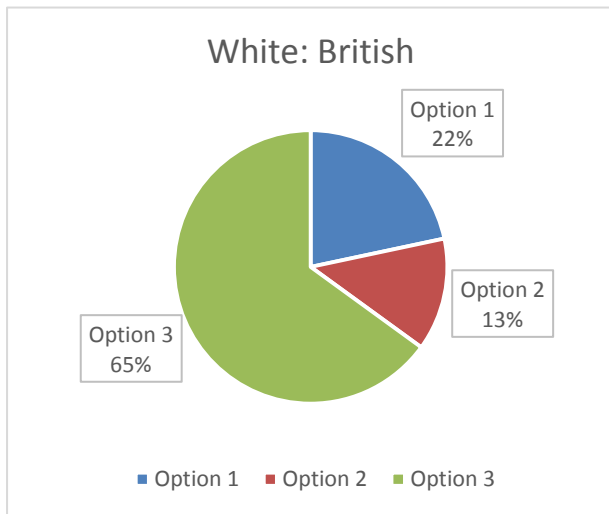


3.5.2 The preference for Option 3 remains the case when we control for age, ethnicity, those who are currently charged compared with those who are not currently charged and if the person responding is a carer or service user. The preference for Option 3 across demographic is outlined in the graphs below.

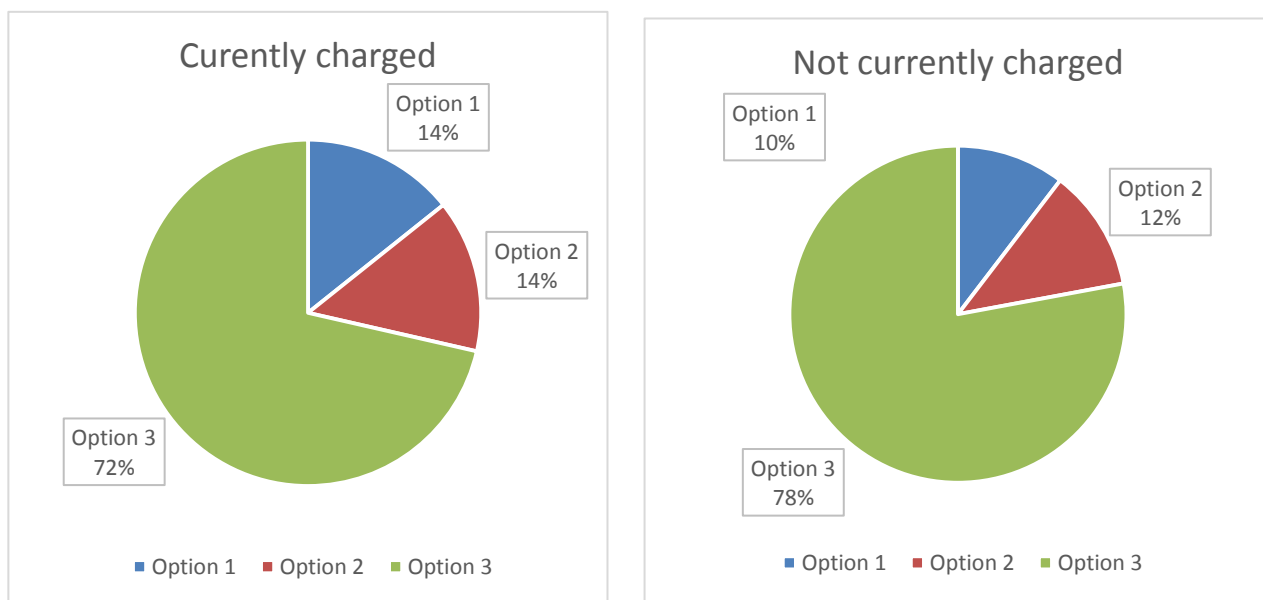
Age



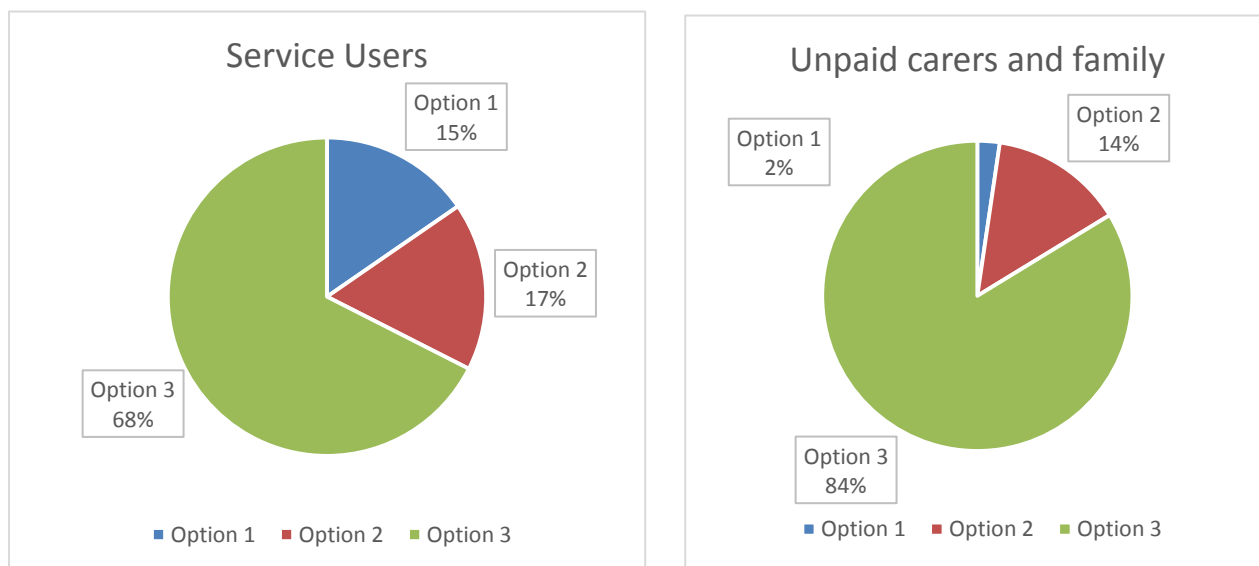
Ethnicity



Comparison of people who are currently charged for a service compared with those who are not charged:



Comparison of service users and carers option preferences.



3.6.1 The two main reasons people stated a preference for Option 3 (154 people, 72%) is that there was a sense that the move from £250 to £300 per week is more sustainable over time (compared with a move to £1000 per week cap) and that the removal of the Standard Utilities Allowance to support this would be more equitable in order to achieve a saving.

Feedback from residents and service users who selected Option 3

"We are happy to contribute to social care costs but up to £300 pw"

"£300 as max is manageable to pay"

"This is the only options which guarantees my care costs will not be more than £300 pw"

"This option is fairer, all services users are affected equally"

"Because the most a person will be asked to pay is £300 pw. I would be willing to pay the utilities allowance"

- 3.6.2 For residents and service users who selected Option 2 (31 people, 15%) the most common reason for this preference is that this is the only option which maintains some level of the standard utilities allowance (reduced from £15 to £5 per week).

Feedback from residents and service users who selected Option 2

"Unfortunately relief impacts are in all options and we do not pay the maximum. Therefore it seems option 2 is the least worst option as utilities relief is still present to some degree"

"I feel councils should allow some subsidy for utilities"

"Option 2 reduces the standard utilities allowance from £15 to £5 but other two options totally remove the utility allowance"

"The option I chose will save us at least £5 SUA [Standard Utilities Allowance]"

- 3.6.3 For people who preferred Option 1 (28 people, 13%) there was a recognition that this would generate the greatest saving and therefore ensure a sustainable social care offer for the Council. People who selected this option also felt that those who are assessed as being able to contribute towards the cost of their care should do so.

Feedback from residents and service users who selected Option 1

"If we can afford to pay then we should, I think people can afford to pay utility bills"

"I would prefer a universally free system. But this appears to protect those currently receiving a free service"

"Seems less complicated"

- 3.6.4 The main themes from people who did not select an option (50 people, 22%) are set out below.

Feedback from residents and service users who did not select an option.

“None of the options. I want things to stay the same. It's very difficult for me to handle change”

“We have decided not to tick any of the options because I would not be able to afford any of the options provided”

“Not fair for elderly people”

“Every option will be difficult”

“It is unfair to ask us to pay more when we don't have much income to begin with and only income is from benefits”

“As a disabled woman living on my own I struggle to pay the amount I pay already and I still have to purchase items to support my needs”

“Why are the vulnerable always the first to be targeted”

“We are paying social services for adult care through Council Tax”

3.7 Themes of narrative responses

- 3.7.1 A key message in feedback was that increasing charging contributions is unfair because there is a sense that people are unable to pay, and disagreement with the principle of charging for adult social care.

*“We cannot pay it! It is unfair because the care we receive for some of us is a service we depend on and it’s not something we can live without”
“These changes will increase the stress and burden on people who are already struggling”*

“Not a sustainable way to generate additional income as over time people’s saving will be depleted”

“The only major impact all these options will have are financial issues. People are already vulnerable that’s why they need the care. They don’t need more financial burdens affecting their quality of life”

“The burden of being disabled is bad enough and should be fairly disturbed across society”

- 3.7.2 There was also feedback and a sense that the borough is increasing charging to recoup the cost of Covid-19.

“You are punishing us for the cost of Covid-19”

- 3.7.3 There was also a feeling that charging for care services is not a sustainable way to generate additional income as over time people’s savings will be depleted.

“If you take £1000 per week for 52 weeks that will use up most people’s life savings in one year if not earlier and then you will have to subsidise the full cost of their care”

“I think it is ridiculous to give state pensions and disability benefits so people can afford a minimum standard of living and then make those who are more unwell pay it back – their care should be free”

3.8 Alternative options

- 3.8.1 As part of the consultation exercise, respondents were asked if there were any alternative proposals that could generate a saving. Suggestions including looking at current staffing arrangements and spend on consultants, generating additional income through partnerships (for e.g. sharing space with Post Offices to reduce spend on office rent) and to increase council tax.

3.8.2 One theme was to look at highly paid staff and consultants and introduce a recruitment freeze

“To save money sack your expensive directors and high paid people”

“Cut senior and CEO pay”

“Ask your staff about more sensible money saving ideas”

3.8.3 A strong theme in the responses was for the Council to generate additional income through innovative partnerships, commercialisation. and increasing tax.

“Increase the adult social care contribution on Council Tax”

“All adaptations should be left for the prospective landlord i.e. housing association or private landlord as they enjoy rental income”

‘Increase taxes’

“Workers in Tower Hamlets should pay more in their taxes”

3.8.4 Another strong theme was feedback for the Council to reduce duplication, with concerns raised about fraud.

“Tackle fraud and benefit fraud”

“Tackle abuses of the Councils funds”

“Close unused Council buildings and make better use of community resources like post offices”

3.8.5 Other feedback included allowing people to recruit their family as carers to reduce costs, and to do more to promote direct payments as a more cost-effective option to more traditional care packages.

“Make it easy to apply or support an application for family members either from UK or abroad who are willing to take that role and get paid”

3.9 Next steps

- 3.9.1 Once an option has been agreed, we will notify service users of the outcome of the consultation. The Financial Assessment team in Resources will lead on the implementation of the option, carrying out financial reassessments and communicating the outcome of these to individuals impacted.
- 3.9.2 The new charging policy will come into effect from December 2020, reflected in January 2020 payment

4 EQUALITIES IMPLICATIONS

- 4.1 An analysis of equalities implications is included in Section 3.1.19 to 3.1.13 of this report, in section 3.5 of this report and in the attached Equality Analysis.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 n/a

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 Approval of the agreed changes to the community charging thresholds under option 2 is expected to deliver savings of £263,000. The assumed savings were based on modelling undertaken some nine months ago of those individuals affected by the proposed changes. It is likely that those affected by the changes may have changed and their individual circumstances may also have changed as a result the level of saving delivered by implementing the revised thresholds may well be different from that originally expected. As a result, the level of savings may be different from that originally forecast.
- 6.2 During the course of the implementation of the revised community charging thresholds the level additional income collected as a result of the changes will be closely monitored against the savings target of £263,000 and any material differences reported in financial monitoring reports.

7 COMMENTS OF LEGAL SERVICES

- 7.1 Local Authorities have a power to charge for care and support provided in the community under the Care Act 2014. The Care and Support (Charging and Assessment of Resources) Regulations 2014 and the Care and Support Statutory Guidance (updated June 2020) set out the framework which must be used for assessment and charging for provision of care and support.
- 7.2 In relation to the consultation, case law indicates that where a decision is likely to have a serious impact on individuals, there is likely to be a duty to consult them.
- 7.3 In its proposed actions the Council is required to consider the Public Sector Equality Duty set out at Section 149 of the Equality Act 2010.

- 7.4 The proposals set out in this report comply with the above legislation and guidance.
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Linked Reports, Appendices and Background Documents

Linked Report

- New Savings Proposals 2020-21 to 2022-23 (Cabinet January 2020)
- The Councils Draft 2020-21 Budget Report and Medium Term Financial Strategy 2020-2023 (Cabinet January 2020)

Appendices

- Appendix 1 - Equalities Impact Assessment
- Appendix 2 - Charging Consultation Pack (Postal version)
- Appendix 3 - Consultation Questionnaire (Postal version)
- Appendix 4 - Adult Social Care Charging Leaflet

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

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