

Health and Adult Social Care Scrutiny

DATE	05/10/2022
REPORT OF	Simon Galczynski
SUBJECT	Adult social care charging for short term stays in a care home (respite)
STATUS	Open

CONTRIBUTION TO OUR AIMS

Reviewing, and revising its approach to adult social care charging where necessary, contributes to the aims of stronger economy and stronger communities.

EXECUTIVE SUMMARY

Respite is a short-term placement in a residential care home which can last anything from one night to eight weeks. North East Lincolnshire's (NEL) approach to respite charging has been reviewed. Following review, a revised approach to charging is proposed, for adoption from the new financial year 2023 onwards.

MATTERS FOR CONSIDERATION

Scrutiny is asked to:

1. Note the process followed to find an approach to respite charging that has the least financial impact on service users, particularly those with the least income and assets.
2. Give a view on the proposed option (Option A), and in particular whether it presents the fairest option in the context of increased pressures on household income.
3. Suggest any other options for consideration
4. Support the proposed approach to consultation and suggest other considerations they may wish to be taken into account.

1. BACKGROUND AND ISSUES

1.1 Devising a lawful approach to charging for respite

Different adult social care charging rules apply, depending on whether an individual is supported inside or outside of a residential care home.

Although respite is delivered *in* a care home, local authorities (LAs) may decide to charge short term residents based on rules *outside of* a care home. Such an approach recognises the short-term nature of a respite stay in a care home. This is because individuals intending to return home will remain liable for ongoing expenses at home, whilst temporarily absent.

Although LAs have some discretion to create their own approach to charging for respite, such discretion must take into account the charging principles in the Care Act 2014 statutory guidance. These are that the approach to charging should:

- a) ensure that people are not charged more than it is reasonably practicable for them to pay
- b) be comprehensive, to reduce variation in the way people are assessed and charged
- c) be clear and transparent, so people know what they will be charged
- d) promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control
- e) support carers to look after their own health and wellbeing and to care effectively and safely
- f) be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet their needs
- g) apply the charging rules equally so those with similar needs or services are treated the same and minimise anomalies between different care settings
- h) encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
- i) be sustainable for local authorities in the long-term.

1.2 NEL's current approach to charging for respite

The current approach to charging for respite has subsisted since before the introduction of the Care Act. NEL offers four flat fee bands which have not increased for some years. The weekly band rates are currently as follows:

Savings over £23,250	FULL cost of service
Savings between £14,250 and £23,249	£115
Savings below £14,250 and not in receipt any of Pension Credit Guaranteed, or Income Support or Employment and Support Allowance or Universal Credit	£90
Savings below £14,250 and in receipt of any of Pension Credit Guaranteed or Income Support or Employment and Support Allowance or Universal Credit	£70

Note: £23,250 is the nationally set upper capital limit and £14,250 is the nationally set lower capital limit. Those with assets above the upper capital limit pay the full cost of their care. Those with assets below the lower capital limit make no contribution from capital to the cost of their care, but may contribute from their income. Those with assets between the lower and upper capital limits make a proportionate contribution, subject to financial assessment. The lower and upper capital limits will rise in October 2023.

In broad terms, the key issues with NEL's current approach are –

- a) **Affordability.** Whilst the Care Act appears to impose no explicit bar on charging flat fees, all charges – including flat fees – must accord with the law, which states that LAs must establish a) an individual's level of resources and b) what they can afford to pay. There are numerous references in the Care Act to

LAs being satisfied by reference to evidence that the person can afford, and will continue to be able to afford, the charges due

- b) **Evidence and the right to a financial assessment.** Local practice is to ask individuals to identify which of the four flat fee bands they fall into. Evidence is not routinely collected. This may not adequately constitute even a light touch financial assessment, as set out in the Care Act statutory guidance
- c) **Defensibility.** It not clear that the banded rates have a sound foundation. The rates were developed by reference to benefit rules in place some years ago, which no longer subsist. If NEL's approach was challenged, it may be difficult to offer a robust defence of it. Other LAs with similar approaches have been criticised by the Local Government Ombudsman.

1.3 The approach taken by other LAs

The membership of NAFAO (the National Association of Financial Assessment Officers) was canvassed regarding approaches to respite. Fifty-five responses were received indicating that:

- around 44% charge for respite based on the rules for care outside of a care home (see Option A, appendix A)
- around 36% charge for respite based on the residential care rules (see Option B, appendix A) and
- 20% on the basis of a range of individually LA-devised variables, a small number of which may roughly reflect the approach currently taken in NEL.

1.4 Previous consultation on NEL's approach to charging for respite

In Autumn 2019, Health and Adult Social Care Scrutiny members contributed to a task and finish group to consider a range of options for amendment to the adult social care charging policy, and make recommendations for which options should be subject to public consultation. Cabinet approved Scrutiny's recommendations and the consultation took place between 2nd January and 1st April 2020. One of those options consulted on related to charging for respite.

Due to Covid-19, the decision-making timetable was delayed, and a revised policy comprising some of the consulted upon options was not implemented until April 2021. The revised policy did NOT include the respite option consulted on. Broadly, that option was to increase existing flat rate banded charges to 'catch up and keep up' with inflationary costs, introduced over a two or three-year period. Consultation feedback indicated net agreement with the proposal of 38% and net disagreement of 44%. Members agreed that further work would be undertaken to consider the local approach to respite. That work has now concluded.

2. RISKS AND OPPORTUNITIES

2.1 Addressing the current risk and utilising the opportunity of pending reform

Having established that its current approach to respite charging is not optimal, there is risk to the Council in not revising it. Options for selecting an approach to respite charging appear at Appendix A. Of those options listed in Appendix A, Option A, charging for respite based on rules for care outside of a care home, is

recommended because:

- It may offer the best reflection of Care Act charging principles listed at 1.1.
- It addresses the key issues highlighted at 1.2 (affordability, evidence and defensibility)
- In respect of less well-off respite users, it may offer greater support in the context of the cost-of-living crisis
- In offering greater support to at least some service users, it may also better support informal carers, whose ability to take a break from their caring role may be reliant on access to respite
- It reflects the approach taken by the majority of councils, as noted at 1.3
- It offers the best opportunity to align with pending charging reform, due for implementation from October 2023. The reforms will mean that each individual's contribution to the costs of their *care* will count towards the 'care cap'. This includes the costs of care when in respite, but not the 'hotel' costs (food and accommodation) or 'daily living costs' levied there. If Option A were adopted from April 2023, Option E could be adopted from October 2023, to align with reforms. Note: some reform detail is outstanding, and therefore adoption of Option E is not recommended any earlier than October 2023, by which time detailed requirements will be clear.

2.2 Impact on opportunity for cost recovery against respite charges

Whilst Option A is likely to offer the best approach for the reasons listed a 2.1, it does impact on the Council's levels of cost recovery against respite charges.

The Council generally pays care home providers £566.44 per week, per resident. What an individual contributes to this cost should reflect how much they can afford. By more accurately assessing individual affordability, fewer individuals may make a contribution, and/ or more individuals may contribute at a lower rate. Lower contributions from individuals means proportionately higher costs for the Council. Any loss in respite cost recovery must be met from other budgetary resources.

Options B and C could increase the opportunity for cost recovery. However, if charges levied are not affordable in practice, individuals may not pay them. The result would be a worsening of the Council's bad debt position rather than improved cost recovery.

The amount the Council pays to providers of respite rises each year, to reflect inflationary increases. The fair cost of care exercise may also result in the Council paying more to providers of respite. This may increase the amount that individuals contribute to the costs of respite, although it should be noted that very few users currently contribute at the highest band rates.

2.3 Impact on individuals

In the region of 372 individuals accessed respite in the preceding year, some of them on more than one occasion across the year.

Precisely how each individual who accesses respite is affected by any change to

charges will not be known until the time of their individual financial assessment and/ or the point at which they access respite, depending on which event happens soonest. Individual circumstances will be taken into account at the time of the assessment/ point of accessing respite, and explanations sensitively provided.

Appendix B offers six case studies based on real individuals, setting out how they might be affected by adoption of Options A, B or C.

Most are likely to be better off if Option A is adopted, and most notably those with the lowest level of assets are likely to be better off. However, those with a higher level of assets may end up paying more for respite, if Option A were adopted. Although such is not revealed by the sample case studies at Appendix B, there may be individuals for whom a more comprehensive financial assessment identifies an increased ability to pay, beyond the flat band rate identified as relevant to them currently. How many might be affected in this way, and to what degree, is not possible to identify with precision, in the absence of further/ actual financial assessment.

The greatest advantage to respite users offered by Option A may be that it removes the risk of “double charging”. It is the only option that does so. Currently, if an individual accesses respite mid-week, they may already have paid their affordable contribution to their care at home for the week. The current system requires them to make an additional payment for respite, i.e., they may be charged twice in one week for two separate services (care at home, *and* respite). This may leave them with less than the minimum amount required by law.

Most are likely to be worse off if Options B or C are adopted. The impact of increasing respite charges in the context of the cost-of-living crisis is likely to be particularly unwelcome, not only for those accessing respite, but also for their informal carers. The Council has consistently recognised the contribution local carers make to the health and care system by opting not to charge for carers’ support services. The Council may feel equally reluctant to adopt options most likely to negatively impact carers. If cared for persons feel that the cost of respite is prohibitive, carers may be denied their much needed break from caring. Were carers to decide that their caring burden had become unsustainable, the cost to the Council in replacing that care is likely to be substantial.

Those who are classed as ‘self-funders’ i.e., who have assets above the upper capital limit will be unaffected by adoption of any of Options A to C – they will continue to pay the full costs of their care.

2.4 Impact on staffing capacity

Option A would increase the number of financial assessments currently carried out by the Community Care Finance (CCF) Team. At the moment, around one third of individuals who access respite receive no other services, and therefore they are not included in the standard approach to financial assessments. Each additional financial assessment carries with it the requirement to analyse sometimes complex information, and to secure an appropriate level of evidence in support of the assessment’s contents. Many such assessments are conducted face to face.

The CCF Team's capacity is being considered holistically, in anticipation of the October 2023 reforms. A substantial programme of work is required to make ready for that date. IT changes are in development which are intended to support delivery of the reforms. These IT changes may serve to mitigate impact on team capacity, although the degree to which such changes may save time is unclear.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

3.1 Reputation and the importance of sensitive communications

Charging for adult social care is a contentious topic which should be approached sensitively. Sensitivity is likely to be crucial given current levels of community anxiety around the cost-of-living crisis.

Any intimation of change to charges is known to create anxiety for individuals using services, and for their carers. Carers may be feeling under particular pressure at the moment; informal care delivery is known to have increased during the pandemic, as care from other sources reduced. Many carers have shared that they are exhausted, which may reduce their feelings of resilience.

As already noted, most are likely to be better off if Option A is adopted, and therefore such change is likely to be welcomed by many. However, most are likely to be significantly worse off if Options B or C were adopted and therefore these options carry greater reputational risk for the Council.

3.2 A targeted consultation

A change to its respite approach could constitute a significant change to the Council's charging policy. In general, the Council has consulted when it has made significant changes to its charging policy in the past. Whilst consultation is not statutory, it is likely that the Council has created a legitimate expectation that it will consult when making significant changes to its policy.

Consultation allows the Council to understand different views, and identify impacts that may otherwise be missed. It also allows the Council to understand potential reputational issues and how best to communicate with those affected.

The nature and degree of the consultation may be partly dependent on the potential impact of the change. A targeted consultation focused on Option A could include:

- direct mailouts to the most likely to be affected service users (i.e. those who are known to have accessed respite within the last year and those who access respite within the consultation period, rather than all users of adult social care not already living in a care home)
- wider circulation of an online version of the mailout, to be shared via ACCORD and others, and actively promoted by Healthwatch and others.
- a targeted event for carers, to canvas their views
- promotion via social media including Facebook, Twitter and other platforms.

The mailout would explain the proposal (Option A), explain the potential impacts as far as possible, and seek comment.

To enable a revised approach to respite charging to take effect for the new financial year, an eight-week period of consultation could take place no later than 21st October, concluding 16th December 2022. A report on the outcome of the consultation would be available early/ mid-January. Were Cabinet to adopt Option A at its 15th February 2023 meeting, respite users would receive four weeks' notice of the change to commence from the new financial year. The first payment period for the new financial year starts 27th March 2023.

4. FINANCIAL CONSIDERATIONS

In the previous financial year, the Council recovered around £183,000 in contributions to the costs of respite that year. This was around 2% of the overall sum the Council recovered in contributions to the cost of care. It is difficult to establish how much of this respite cost recovery sum could be lost if Option A were adopted because a) financial information is not held for all individuals who access respite, b) even where information is held, the number of factors which impact on the outcome of a financial assessment are significant. An accurate estimate of the impact could not be established without re-running hundreds of existing financial assessments on a revised basis, or carrying out mock assessments on a revised basis for those individuals not already subject to assessment. Staff resources will not allow for this.

It should also be noted that the cohort accessing respite changes continually as individuals move into and out of service. Calculations on the basis of one year's cohort may be different from those relevant in a future year. Changeability is particularly apparent as covid continues to impact on the number of individuals accessing a service. Over the last year or so, the number of individuals accessing respite may be lower than what might ordinarily have been expected, pre Covid.

5. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

This report relates to charging for adult social care. There are no known implications arising from this report for children and young people, excepting that young people with needs may become adults, who could then be subject to any revised approach to respite charging set out in this report.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no known climate change/ environmental implications.

7. FINANCIAL IMPLICATIONS

The reviewing and setting of adult social care fees is a sensitive subject which needs to follow core principles of legality, defensibility and best practice. The report and supporting documents outlines the various options and comments on these. Option A, the recommended option, adheres to the principles outlined above.

It is difficult to quantify the precise financial impact of Option A due to the changing user cohort but the option hopefully strikes a fair balance of charges to be levied.

8. LEGAL IMPLICATIONS

The Care Act 2014 provides a single framework for charging for care and support, with charging set out in Sections 14 and 17. It enables local authorities to decide whether or not they wish to charge someone when arranging to meet their care and support needs.

The Care and Support Regulations and Care and Support Statutory Guidance issued under the Care Act 2014 provide specific guidance relating to charging and financial assessment and can therefore form the basis for any policy, except for areas where the council can exercise its power of discretion as set out within the regulations.

Local authorities have a duty to arrange care and support for those with eligible needs and a power to meet both eligible and non-eligible needs. In all cases, a local authority has the discretion to choose whether or not to charge under section 14 of the Care Act 2014 following a person's needs assessment. Where it decides to charge, it must follow the Care and Support (Charging and Assessment of Resources) regulations and have regard to the guidance.

Where a person is a short-term resident a local authority may choose to assess and charge them based on the rules for care or support arranged other than in a care home.

9. HUMAN RESOURCES IMPLICATIONS

There are no known human resources implications. As a result, no monitoring comments have been sought from the Council's Strategic Workforce Lead.

10. MONITORING COMMENTS

In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

11. WARD IMPLICATIONS

All wards with users of respite and/ or those caring for them, are affected. A majority of those to whom the Council's charging policy applies are within the Borough's more deprived wards.

12. BACKGROUND PAPERS

N/a

13. CONTACT OFFICER(S)

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Appendix A

Option A: charge for respite based on rules for care outside of a care home

This approach means that all an client's allowable expenses are taken into account as part of an individual financial assessment. It ensures that in calculating their financial contribution to the cost of respite, they are left with a guaranteed minimum amount (the Care Act's 'minimum income guarantee' or MIG) to meet their ongoing expenses.

Pros	Cons
Applying the care at home assessment approach to respite offers a clear and familiar framework for staff and clients.	All the client's expenses are taken into account when calculating what they can afford to pay. This may be generous, given that whilst not at home, clients may only be liable for a standing charge for utilities (for example) as no or minimal energy is being used in their absence.
Applying the care at home assessment approach to respite makes best use of financial assessment information already held for clients living at home. These clients will already have been financially assessed for care at home; the same information can be used to consider their contribution to respite costs.	Not all respite clients are already receiving care at home. Applying the care at home assessment approach would increase the number of assessments required for those who have not already been assessed in this way. For those not already in receipt of services and receiving occasional respite, a full financial assessment may appear disproportionate.
Reduces the likelihood of challenge on affordability grounds (a more robust financial assessment will confirm individual affordability). Assessment ensures that clients are left with the MIG required by the Care Act.	If a client has already contributed the maximum amount that they can afford, they will make no further financial contribution. This means they will receive their respite 'hotel' (food and accommodation) costs and care costs at no charge to them.
Avoids the risk of 'double charging'. Currently, if a client accesses respite mid-week, they may already have paid their affordable contribution to their care at home for the week. The current system requires them to make an additional payment for respite, i.e. clients may be charged twice in one week for two separate services (care at home, <i>and</i> respite). This may leave them with less than the MIG.	Some disability benefits cease after the client has been in respite for four weeks. This could necessitate a further financial assessment on the basis of the client's lower income. This could result in clients then paying a lower contribution towards their respite. This is a con due to the administration required to complete a further, although more limited, assessment.
Offers a mechanism for charging which is clearly aligned with the Care Act, and appears to be one that is adopted by a majority of LAs.	If a financial assessment on the basis of the care at home rules increased a client's contribution, if those contributions aren't paid, this exacerbates the Council's bad debt position.
	This approach could decrease the Council's ability to recover income against the cost of respite.

Summary factors to consider:

People	This method seems “fair” to the majority of individuals, especially those who still have household commitments when having a short-term stay in a care home. It allows flexibility to be able to maintain their home environment and is more generous than the current framework which may be especially important given the cost-of-living crisis. It would also mean that those on the lowest incomes would not contribute towards their respite care, so would be better off.
Reputation	There is no obvious reputational risk identified with this option. It is consistent with the approach a majority of other LAs adopt i.e. those that responded to the question on respite charging posed via NAFAO (the National Association of Financial Assessment Officers). It takes account of individual circumstances.
Risk	This option would remove the risk of “double charging” if services change from care at home to respite care mid-week. Following the charging framework for care outside of a care home for respite is an option allowed by the Care Act, and is clear and fair. It may be less susceptible to legal challenge. It also eradicates the current risk of a) not having a firm basis for how the charge has been arrived at, b) a banded approach to charging, which has been challenged by the Ombudsman in other LA areas.
Financial Position	There is likely to be a financial detriment to the Council. Based on the data held, it is difficult to determine the actual impact; however, the impact on current levels of cost recovery against respite charges could be significant.

Option B: Charge under the residential care rules

This approach means that clients’ home expenses are excluded from consideration as part of a financial assessment, but all their income is taken into account in calculating their financial contribution to the cost of respite. This may mean that clients are left with only the basic personal expenses allowance (PEA), which is currently £25.65 per week, to meet their ongoing expenses.

Pros	Cons
Applying the residential care assessment approach to respite offers a clear and familiar framework for staff and clients.	Clients who are mainly resident at home will not have been financially assessed by reference to the residential care rules. Applying the residential care assessment approach would increase the number of financial assessments required. For those not already in receipt of services and receiving occasional respite, a full financial assessment may appear disproportionate.
The residential care assessment approach offers a standardised process for care in a care home, regardless of duration.	Some disability benefits cease after the client has been in respite for four weeks. This could necessitate a further financial assessment on the basis of the client’s lower income. This could result in clients then paying a lower contribution towards their respite. This is a con due to the administration required to complete a further, although more limited, assessment.

This approach could increase the Council's ability to increase the amount of income it generates against the cost of respite.	Because this approach effectively treats short stay clients as equivalent to longer term residents, it does not take into account the client's need to financially maintain their home whilst temporarily absent.
	May increase likelihood of challenge on affordability grounds. If, after contributing to the costs of respite, the client is left with only the PEA to maintain their home, this is likely to be inadequate.
	If charges levied are not realistically affordable, clients may refuse to pay them. This exacerbates the Council's bad debt position.

Summary factors to consider:

People	This is likely to put individuals at a financial detriment as they will only be left with a small amount (PEA) to potentially cover household costs while in respite. This is unlikely to be sustainable. The current cost of living crisis will likely make this option unaffordable and unpalatable for individuals. It may also have a negative impact on carers, who may be unable to take a break if their loved one cannot be affordably cared for in respite.
Reputation	Whilst the Care Act allows for this as a charging option, due to the impact it is likely to have on individuals, there could be reputational damage to the Council. In discounting client's ongoing costs to maintain their home, the Council may risk being seen to be unfair. This option does nothing to address the risk of 'double charging'.
Risk	This approach eradicates the risk of a) not having a firm basis for how the charge has been arrived at, b) a banded approach to charging, which has been challenged by the Ombudsman in other LA areas. However, as the approach is less likely to be affordable for individuals, it may increase the likelihood of challenge.
Financial Position	This would likely increase the Council's potential to raise more income. However, if the charges levied are actually unaffordable and perceived as unfair, the Council's debt position could worsen.

Option C: apply a charge in line with age related Minimum Income floor for Income Support and appropriate Minimum Guarantee for Pension Credit minus the PEA allowance.

This means utilising reference points from benefits legislation, and deducting the PEA, to calculate what an individual can afford to contribute to the cost of their respite. Some but not all disability benefits' income is taken into account in assessing individual affordability.

Pros	Cons
Offers a methodology which is relatively straight forward for staff to understand due to its connection to benefit entitlements.	The methodology may be less comprehensible to clients than the care at home/ residential care assessment methodology.
Offers a basis for calculating a contribution to respite costs that aligns with DWP benefit	The Council's current approach to respite charging was initially created to align with DWP

figures, which continue to alter alongside any changes to benefits.	benefit figures, although it has not kept track with them. It is possible that this partly comparable option could be viewed as suffering from the same deficiencies as the Council's current approach
Does not take into account all of a client's benefit entitlements as part of a financial assessment, which leaves them with monies to meet their ongoing expenses at home.	This approach reflects neither the care at home nor the residential care rules. It would not clearly confirm that the client is left with as much as the MIG (as required by care at home rules) or the PEA (as required by residential care rules), after contributing to the costs of their care.
Would allow for a lighter touch approach to establishing a client's financial position, when compared with the care at home or residential care assessment requirements.	If charges are not affordable, clients may refuse to pay them. This exacerbates the Council's bad debt position.
	Older People will likely be disproportionality affected by this change. This is because they often do not receive as many disability benefits/ premiums, so proportionately more of their income is taken into account as part of a financial assessment, when compared with younger people.
	There is only one known local authority clearly following this approach. It is not an approach explicitly endorsed by the Care Act.

Summary factors to consider:

People	This option will look at more of an individual's circumstances than the Council's current approach; however, dependent on which type of benefit they receive, some categories of client may be "better off" than others, for example, those in receipt of disability premiums will have more money left over once a respite charge is levied, when compared with those who are less likely to receive such premiums e.g. older people are less likely to receive such premiums.
Reputation	In being partly comparable to the Council's current approach, this option could be viewed as suffering from the same deficiencies and therefore the same risks to reputation. The Council's reputation would not be enhanced by adopting an approach knowingly less advantageous to older people (even if such disadvantage arose from alignment to the benefits system, rather than directly because of the Council). This option does nothing to address the risk of 'double charging'.
Risk	The Care Act states that LAs can devise their own charging approach, so an approach such as this can be used provided the LA is satisfied it complies with the principles of the Act. It is not clear that the approach is entirely fair or affordable and so does not offer best fit with Care Act principles. It is not an approach that appears widely favoured by other LAs.
Financial Position	This option is likely to increase the amount the Council can recover from individuals against the cost of respite; however, there is no guarantee individuals will pay their invoices if they are in financial difficulty.

Option D: flat fee band rates

This means continuing with the current four flat fee bands, and increasing each annually in line with inflation. This is the option consulted upon in 2020, following which members decided not to ‘catch up and keep up’ with the rate of inflation, phased in over a number of years. Aside from offering some improvement to the Council’s ability to recover respite costs, this option would not address the deficits identified with the current approach. It does not address the concerns around affordability, evidence and defensibility which triggered the review of respite charging.

Option E: charge under the care at home rules, but align with pending care reforms by splitting the cost of care between the care costs and the proposed daily living costs (DLCs).

This option is the broadly the same as option A. However, with this version of the option, the cost of respite care would be split into care costs and hotel costs (food and accommodation) referred to as daily living costs or DLCs. Charges for respite would only be levied against the care element of respite charges.

This approach to splitting costs in a residential setting between care and hotel costs will take effect once the national charging reforms are implemented from October 2023. From that date, the hotel or DLCs will be calculated as a single national amount set by the government. At present, it appears that DLCs will be valued at £210 per week from October 2023.

If this approach were adopted in respect of respite, the following calculation could result:

£566.44	total respite costs per week (as at October 2022)
- <u>£210.00</u>	less DLCs per week
£356.44	remaining chargeable amount per week.

This approach is unlikely to change the majority of client’s contributions as very few have a high enough level of disposable income to contribute as much as £356.44 per week. The one significant change is that individuals able to pay the full costs of their care (‘self-funders’) would pay less. This is because instead of being asked to pay the full cost of respite (£566.44) they would only be asked to pay the care element of those costs (£356.44).

Summary factors to consider:

People	This method would seem “fair” to the majority of individuals, especially those who still have household commitments when having a short stay in a care home. It allows flexibility to be able to maintain their home environment and is more generous than the current framework which may be especially important given the cost-of-living crisis. It would also mean that those on the lowest incomes would not contribute towards their respite care, so would be better off.
Reputation	There is no obvious reputational risk identified with this option. In being largely based on option A, it is consistent with the approach a majority of other LAs adopt and takes account of individual circumstances. It also allows for an element of ‘future proofing’ to allow for the splitting of costs between care and DLCs from October 2023.
Risk	This option would remove the risk of “double charging” if services change from care at home to respite care mid-week. It appears to offer an approach within the current law, and pending changes, and is clear and fair.

	<p>It also eradicates the current risk of a) not having a firm basis for how the charge has been arrived at, b) a banded approach to charging, which has been challenged by the Ombudsman in other LA areas. It may be less susceptible to legal challenge.</p> <p>Adopting the approach of charging under the care at home rules provides the best basis for implementing reforms from October 2023.</p>
Financial Position	<p>There is likely to be a financial detriment to the Council. Based on the data held, it is difficult to determine the actual impact; however, the impact on current levels of cost recovery against respite charges could be significant. It will also mean offering financial assistance to those who have been assessed as being able to pay the full cost of their care.</p>

Option F

Cease charging for respite care.

In the previous financial year, the costs recovered against respite charges was around £183,000. As the effects of the pandemic continued to be felt throughout this period, respite use may be lower than in previous years, resulting in lower cost recovery.

Factors to consider

People	<p>This option would certainly benefit individuals and informal carers and be a good option for those within the system and those who need to access respite at a point of crisis.</p>
Reputation	<p>There are some reputational advantages for the Council in promoting access to respite. Respite is valued by service users, and perhaps most particularly by carers. Carers make a very significant contribution to the local care economy by providing, at no cost to the Council, care that would otherwise be very costly to replicate. Encouraging carers to take a break by providing respite may be cost and reputationally effective.</p>
Risk	<p>The risk would be the impact on the overall financial stability of adult social care budgets and wider Council financial position.</p>
Financial Position	<p>The financial impact is likely to be a loss of income of £183,000 upwards per annum.</p>

Appendix B: Case Studies (August 2022)

Financial modelling is offered below in respect of options A, B and C. Six actual clients have been used as the basis for the modelling. In respect of each client it is noted what they pay now, and what they would pay under each of options A to C. As can be seen, charges under option A are lower for all six, with one client receiving respite at no additional cost. Client charges under options B and C are substantially higher for all six clients.

Note: modelling is only possible in respect of clients for whom data is held. Information in respect of those clients who are not in receipt of any service other than respite, is not available.

ID Ref	Current weekly charge	Option A – Charge based on care at home	Option B - Charge based on care in a residential setting	Option C - Charge based on DWP minimum income floor minus PEA
4208646063	£70.00	£12.68	£165.65	£87.55
4643475927	£70.00	£60.02	£157.77	£156.95
4989199979	£90.00	£12.86	£230.40	£156.95
4988620581	£90.00	£00.00	£259.99	£156.95
6040179996	£115.00	£36.14	£276.25	£156.95
4569132308	£115.00	£83.17	£274.75	£156.95

for the case studies, the residential figure has been calculated to inc. disability benefits; however these may reduce after 4 weeks

Case Studies for Option A and then moving to Option E are as follows:

ID Ref	Current weekly charge	Option A – Charge based on care at home	Option E - Charge based on care at home and deduct DLC's
6201132945	£115.00	£88.07	£88.07
Self-Funder	£566.44	£566.44	£354.44
6267548465	£90.00	£51.43	£51.43
6357465844	£70.00	£15.15	£15.15
4988809072	£70.00	£1.09	£1.09
4345971217	£90.00	£123.47	£123.47

*DLCs estimated at expected rate from October 2023.

Note – the amounts shown above may not be the amount collected for respite if the service user has other services and has already paid their maximum financial contribution.