



## **CHARGING FOR NON RESIDENTIAL SOCIAL CARE TASK AND FINISH GROUP**

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH  
ON WEDNESDAY 25TH SEPTEMBER 2019 AT 5.30 P.M.**

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PRESENT:

Councillor V. James – Chair

Councillors:

L. Binding and Ms. A. Gair

Together with:

C. Forbes-Thompson (Scrutiny Manager), M. Jacques (Scrutiny Officer), M. Jones (Interim Financial Services Manager) and R. Morris (Principal Income and Assessment Officer)

### **1. TO APPOINT A CHAIR AND VICE-CHAIR FOR THE ENSUING YEAR**

Cllr Vincent James was nominated and appointed Chair of the Charging for Non Residential Social Care Task and Finish Group, after receiving unanimous support from Members. It was suggested and agreed that appointing a Vice-Chair should be deferred until a later meeting and offered in the first instance to one of the Co-opted Members.

### **2. TO RECEIVE APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor L Jeremiah, Mrs M Jones and Mr C Luke.

### **3. DECLARATIONS OF INTEREST**

Cllr Vincent James declared that he was employed as a Social Services Team Manager with the Vale of Glamorgan Council and that his role required him to hear appeals against the charging policy for non-residential care set by that Authority. The Scrutiny Officer advised that it was his view that this was a personal interest but that he would also seek the advice of the Monitoring Officer. M. Jones (Interim Financial Services Manager) declared a personal interest in that he had a family member who was in receipt of Home Care within the County Borough.

#### 4. CHARGING FOR NON RESIDENTIAL SERVICES – PRESENTATION

The Interim Financial Services Manager explained to the Group that just under £11M of the Adult Services budget came as a result of charging service users in 2018/19. The section of this figure that came as a result of Non-Residential Charging income was £2.865M. As part of the presentation Members were told that the impact of withdrawing non-residential charging would be the equivalent of losing 65 social workers or withdrawing all in-house day opportunities for those with learning disabilities. In order to recoup the loss of income from removing non-residential charging, it had been calculated that council tax would need to be increased by an additional 4.25%.

The group were given an introduction to the legal framework for charging which was set out in the Social Services and Wellbeing (Wales) Act 2015 and its supporting Regulations. Section 59 of the Act gives the power to impose charges. The presentation to Members focussed specifically on the Regulations on Financial Assessment and Charging. It was explained that under Care and Support Regulations there was a legal requirement for the Council to disregard the value of the service user's main home when calculating the available income for charging for non-residential care. Earnings from employment and other specified sources of income were also disregarded under the legislation, but certain capital assets could be included to reach the available income for charging figure. It was also pointed out that the current maximum weekly charge for non-residential care and support was £90 per week.

A Group Member asked a question about the impact of Universal Credit and was told by the Principal Income and Assessment Officer that there no impact at this stage partly due to it being a working age benefit.

The Interim Financial Services Manager showed the group a chart of hourly charges for home care from 19 Local Authorities in Wales. Caerphilly County Borough Council was the fourth cheapest at £12.69 per hour and the lowest figure received by Officers was £10.21. The Group were then shown a chart outlining daily charges for Day Care across Wales. Caerphilly County Borough Council was the second cheapest on this graph with a figure of £8.06. Only one Council was lower and that was because they didn't make any charge for day care. The Interim Financial Services Manager stressed that even with the increases of 10% per annum for hourly rates and 20% per annum for daily charges for the past 6 years, Caerphilly was in the lower quartile of Standard Charges for all Welsh authorities. The Group was also shown a grid showing percentage increases over the last three financial years for both home and day care made by each of the Welsh Local Authorities that were prepared to share information.

Members were reminded about the decision regarding non-residential charges made by Cabinet on March 13, 2019. The Interim Financial Services Manager outlined how it was agreed that hourly rates would increase by 10% to £12.69 with effect from April 2019 and by a further 10% to £13.96 with effect from April 2020. The daily rate would increase by 20% to £8.06 with effect from April 2019 and by a further 20% to £9.67 with effect from April 2020. It was also agreed that a task and finish group should be created to consider further uplifts in the hourly rate and daily rate with effect from April 2021 and subsequent financial years. Questions were then asked on publicising the charges and making customers aware of the new rates. The group were told that publicising the changes was done as part of the consultation process and that letters had also been sent out to existing customers.

There was general discussion about the feasibility of recommending further uplifts within the timescale adopted and also about what was decided by the Health, Social Care and Wellbeing Scrutiny Committee on February 5, 2019 when recommendations were made on the Non-Residential Social Services Charging Report. The Scrutiny Manager advised the Task Group that paragraph 10 of the minutes for that meeting showed that Members supported the recommendations in the report in principle with a change to paragraph 10.1 and 10.3. to include the duration of a 2 year period and not 5 years.

There were questions on the appeals process and Members were told about what was contained within the legislation. The Interim Financial Services Manager talked about the financial assessment process and told Members that the weekly charge was determined based on the lower of (i) the standard charge, (ii) the maximum weekly charge and (iii) available income. The Task Group were told that under this assessment process nobody is expected to pay more than they can afford.

The Principal Income and Assessment Officer presented 6 fictional scenarios which showed how disregards are applied to establish available income, and how charges are finally calculated after consideration of the maximum weekly charge of £90 set by the Welsh Government. It was explained that a buffer is added to disregards such as the personal allowance and pension premium to calculate the Minimum Income Amount. It was also explained that Caerphilly County Borough Council applies an additional 10% buffer to the statutory figure to avoid any dispute. So, in Caerphilly Borough a buffer of 45% is added to other disregards to calculate the available income for charging purposes. It was also explained to the group that additional disregards are applied based on circumstances. The purchase of non-standard incontinence pads was given as an example by the Principal Income and Assessment Officer. A determination of weekly charge can then be made once a person's available income is determined by subtracting disregards from initial income. The fictional scenarios demonstrated that those with surplus available income paid either the maximum weekly charge or standard weekly charge, dependent on which one was the lowest. Those on limited income paid either the income calculated to be available after disregards had been applied, or nothing at all for the care they received. Members were then shown the implications for the scenarios of a 10% increase in non-residential charging rates. The increase only impacted on one of the 6 scenarios and that was because the assessed charge for that particular case study was under the maximum charge of £90 per week and the available income of the service user. So in conclusion, Members were advised that even with the increase in rates, it would only impact on those with surplus income and nobody in Wales pays above the maximum charge. An increase in the standard charge will not necessarily result in an increased charge to the service user. Officers said that they would get back to Members with numbers of current service users in the Caerphilly Borough who would be impacted by an increase in non-residential charging rates.

Members were shown a slide highlighting the implications of an increase in non-residential charging rates, for the wider community. It was explained to Members that the gross cost of chargeable non-residential services in 2018/19 was around £34.38 million. An inflationary uplift of 2.4% would cost Caerphilly County Borough Council an additional £825,000. The Task Group were told that a modest Aggregate External Funding of 0.2% means that Caerphilly County Borough Council must bear the brunt of the £825k cost pressure. This would equate to an increase of 28.8% on the non-residential charges collected in 2018/19. Members were advised that any difference between the £825k cost pressure and the additional charges collected would need to be funded through efficiency savings, service cuts or Council Tax increases. It was pointed out by the Interim Financial Services Manager that in order to achieve a 28.8% increase in charges collected, the hourly and daily rates would need to be increased by substantially more than 28.8%. It was later summarised that a percentage increase in the hourly/ daily charge will not result in an equivalent percentage increase in income received by the authority.

One Member observed that assessments based on increased charges posed a massive administrative exercise. The Principal Income and Assessment Officer said that service-users can choose not to be assessed. In this case they are charged up to the maximum weekly charge.

A Member asked about home care provided by the independent sector and was informed that the independent sector charged on average approximately £18 per hour for home care, indicating that the Social Services charge to service users was significantly cheaper.

One Member pointed out the breadth of issues to be explored as part of the Task and Finish inquiry. Establishing an equitable level of charging in line with other Local Authorities was identified.

A question was asked about concerns from other Local Authorities about Minimum Charging. Officers advised that checks would be made with colleagues from other Local Authorities at regional group meetings.

The Chair asked about aggregate data to justify changes to the charging policy. Determining averages of wealth for service users was mentioned. The Interim Financial Services Manager said that comparison figures could be sought on the numbers of service users paying the maximum weekly charge. One Member asked about deprivation indicators. The Principal Income and Assessment Officer said that comparative information could be sought from other Local Authorities on the number of service-users paying the weekly maximum and the number of users paying nil.

## **5. TERMS OF REFERENCE AND METHODOLOGY FOR REVIEW**

The Scrutiny Officer highlighted at the meeting that the direction for the Task Group should come from the Members themselves. This included suggestions on contributors and interested groups. Members were advised that the Scrutiny Officer would co-ordinate the Task and Finish process as per instructions from the group. He would offer advice, suggest suitable contributors and organisations, and carry out research and public engagement work with the support of specialist officers.

Members were taken through a draft Scoping Document distributed prior to the meeting. It contained draft terms of reference, a suggested schedule of meetings, key issues and the background to the inquiry.

The Scrutiny Officer advised that preliminary steps had been made with regard to evidence gathering. Contact had been made with the Gwent Association of Voluntary Organisations (GAVO) and they had agreed to share any information from the Task Group (such as questionnaires) via the Caerphilly Third Sector Forum's mailing list.

Members received suggestions from the Scrutiny Officer on organisations they could consider contacting in order to obtain evidence for the review. Suggested contributors were Age Cymru, Disability Wales, Counsel and Care charity, Independent Age, the Caerphilly 50+ Forum and Alzheimer's Society Cymru.

The Scrutiny Officer advised Members that initial guidance on draft questionnaire / survey designs had been received. Final approval would need to be sought from the Group. They briefly discussed social media activity and face-to-face sessions with interested parties. It was broadly agreed that questionnaires should target organisations and voluntary groups in the first instance. A Member highlighted the importance of clearly demonstrating the levels that Caerphilly County Borough Council was currently charging for non-residential social care if a social media campaign was approved.

During discussion on the Terms of Reference there was broad agreement that in order for the Task and Finish Group to ensure that a comprehensive review is carried out which includes consultation with interested groups and service users, it would be unlikely that a report with recommendations would be ready with potential changes to charges for the 2021/2022 financial year. It was therefore suggested that the Task and finish group present an interim report to Social Services Scrutiny Committee with a recommendation to Cabinet that the current increase of 10% per annum for hourly rates and 20% per annum for daily rates be extended by an additional year (for the 2021/2022 financial year) and the Task and Finish group would then make recommendations from 2022/2023 onwards.

A draft Terms of Reference in the Scoping Document were altered slightly by the Group to read: **“To consider the level of inflationary uplift and minimum charging levels that should be applied to non-residential care charges in the 2022/23 financial year and in subsequent financial years.”** Members unanimously supported the redrafted Terms of Reference for the Task and Finish Group.

The meeting closed at 19.20 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the next appropriate meeting they were signed by the Chair.

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CHAIR