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APPENDIX 1



Llywodraeth Cymru
Welsh Government

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Consultation Document

Revision of Weekly Maximum Charge for Non-Residential Social Services

Date of issue: **7 February 2014**

Action required: Responses by **7 March 2014**

Overview

This consultation seeks views on Welsh Ministers' plans to revise from April 2014, and again from April 2015, the level on the weekly maximum charge that local authorities are able to make for non-residential social services (such as homecare or day care).

The present level of the maximum charge of £50 per week was set in April 2011 when it was first introduced as part of the First Steps Improvement Package. That Package introduced more consistency in local authority charging for such services to address the wide variations in authorities' charging practices and charge levels that existed at that time. Welsh Ministers now plan to revise the level of the maximum charge to £55 per week from April 2014, and £60 per week from April 2015, to maintain the effect of the maximum charge and take account of inflationary changes which have occurred since its introduction. This consultation seeks your views on these plans. More information on them is given in this document.

How to respond

Replies to this consultation should be submitted by 7 March 2014 at the latest in one of the following ways:

By e-mail

By completing the WORD response form on the webpage: www.wales.gov.uk/consultations/healthsocialcare/?lang=en and submitting this to RevisionofWeeklyMaximumCharge@Wales.gsi.gov.uk

By post

By printing and completing the response form, either at the back of this document or the WORD version of this on the above webpage, and sending it to:

Steve Gulliford
Developing Policy for Children and Adults Division
Social Services and Integration Directorate
Welsh Government
Cathays Park
Cardiff CF10 3NQ

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information contact:

E-mail: RevisionofWeeklyMaximumCharge@Wales.gsi.gov.uk

Phone: Steve Gulliford on Cardiff 029 2082 3478 or Gareth Griffiths on Cardiff 029 2082 5256

Post:

Steve Gulliford
Developing Policy for Children & Adults Division
Social Service & Integration Directorate
Welsh Government
Cathays Park, Cardiff CF10 3NQ

Data protection

How the views and information you give us will be used

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

SUMMARY

Background

1. By law local authorities have the discretion, if they wish, to charge for the non-residential social services they provide to, or commission for, an individual. This includes services such as homecare or day care. Where an authority proposes to charge an individual for these, it must be satisfied they have the financial means to pay this charge. It is required, therefore, to offer that person the opportunity of a financial assessment to make sure this is the case and where they accept this, undertake such an assessment before setting the level of the charge to be made.

2. In April 2011 the "First Steps Improvement Package" was introduced to ensure more consistency where local authorities used their discretion to charge. This was to address the wide variations in charging practices and charge levels that existed at that time. Included within the Package was the introduction of a Wales wide weekly maximum charge for the non-residential social services an individual receives. This meant that while local authorities retained the discretion to make a reasonable charge for the services they provided or arranged for an individual, they were not able to set a weekly charge for these above the maximum set. This was irrespective of that person's financial means. The maximum charge set for Wales in April 2011 was £50 per week. To facilitate its introduction, based on estimates provided by local authorities £10.1 million p.a. in total was provided to reimburse authorities for the income they would forego by implementing the First Steps Improvement Package, including the weekly maximum charge.

3. The introduction of the maximum charge has been welcomed by older and disabled people in Wales who are charged for the non-residential social services they receive. Whatever their financial means, it provides them with an assurance as to the maximum weekly amount they will be required to pay for these services which they rely on to help meet their daily living needs; thereby freeing more of their financial means to meet their other daily living costs. Previous to this charges for services could vary greatly, even for similar services provided by different local authorities. The introduction of the maximum charge has also been welcomed by the main political parties in Wales, who see this approach to tackling inconsistency and poverty as an exemplar of good practice.

4. As part of the post implementation of the First Steps Improvement Package, local authorities undertook monitoring throughout 2011-12 of its impact. This showed that of the 31,132 people receiving non-residential social services at that time for which local authorities charged, only 17,748 (57%) actually received a charge; the rest receiving services at no cost to them due to the level of their financial means. Of these 5,259 were charged the maximum charge (30% of those charged for services); the remainder receiving a weekly charge for their services of less than the maximum set of £50.

5. There were, therefore, a significant number of those receiving services who benefitted from the introduction of the maximum charge. This did not come without a cost, however, with local authorities reporting an increase overall in their income foregone as a result of implementing the First Steps Improvement Package; partly as

a direct result of this but in some cases, partly as a result of an authority's local charging policy. As a result Welsh Ministers have agreed to provide from 2013-14 an additional £3.2 million p.a. to local authorities to increase the reimbursement to them for the income they have foregone as a direct result of implementing the Package. This makes the total reimbursement to authorities for implementing this Package as £13.3 million p.a.

Decision to Revise the Level of the Weekly Maximum Charge

6. Welsh Ministers are committed to introducing from April 2016 reform of the arrangements for paying for social care in Wales. This is to ensure that future arrangements for this are fairer and more transparent than the present arrangements and that they are sustainable in the longer term. The Social Services and Well-being (Wales) Bill, presently being considered by the National Assembly for Wales, aims to provide Welsh Ministers with the updated legal framework in which to do this. Assuming this Bill is agreed and receives Royal Assent, it is planned to commence its provisions from April 2016. It is, therefore, planned to engage later this year with representatives of relevant stakeholders in Wales on the nature the reform of the arrangements for paying for care should take. This is with a view to undertaking a separate public consultation on the detail of that reform next year, prior to its implementation from April 2016.

7. Welsh Ministers wish to await the outcome of the engagement with stakeholders, and the results of the public consultation to be held, before deciding the final nature of future arrangements for paying for care. However, they have indicated that given the success of the introduction of the maximum charge for non-residential social services, they see the retention of the principle of a maximum charge for such services as part of their final reform. As such this would mean the continuation of a maximum charge for the non-residential social services a person receives, albeit that the detail of the operation of this would be subject to the outcome of the wider considerations on the nature of the reform Welsh Ministers are to introduce.

8. Given the long term retention of a maximum charge there is a need to ensure that its present application remains effective. Welsh Ministers have become increasingly conscious of the fact that its present level was set in April 2011; nearly 3 years ago. Since then a number of changes have occurred which impact upon its value and application. These include:

- local authorities coming under increasing financial pressure in the delivery of their services, particularly with regard to social services. This is due to a number of reasons, including the effects of an ageing population in Wales with increasing care and support needs. The latest data on budgetted expenditure by local authorities reflects a 4.4% increase on expenditure on social services in 2013-14. It is also due to the substantial reduction by the UK Government in the Welsh Government's Budget and hence its ability to respond to such pressures through its funding to local government. As a result over the period 2011 to 2015 the core funding the Welsh Government will have provided to local authorities through its Revenue Support Grant to them will have reduced by around 11% in real terms;

- inflation over the 3 year period that the level of the maximum charge has been in operation. Consequently, its value of £50 per week set in April 2011 is no longer in real terms still at that level. In the 2 years between 2011 and 2013 the Consumer Price Index ran at 2.4% to 3%, effectively reducing real terms value of the weekly maximum charge. This is at the same time as this inflation rate would have had an impact on the cost to local authorities of providing the care and support individuals require;
- increases in the value of disability related welfare benefits and state pensions. For example, from 2011 to 2013 the higher rate of both Attendance Allowance and Disability Living Allowance increased by around 7.5%, an increase of £5.55 per week. Over that period, the basic rate of state pension also increased by around 7.5%, an increase of £8 per week. That said it is accepted that such increases need to be considered with caution. This is given the context of the UK Government's welfare reform agenda, with its potential to adversely affect the income of a proportionally higher number of disabled and older people in Wales than elsewhere in the UK. This is due to a proportionally higher number of those in Wales being in receipt of a disability related benefits and pensions than elsewhere in the UK;
- the wider context of the arrangements for paying for non-residential social care operating elsewhere in the UK. For example, while in Scotland the cost of personal care required at home is free this is only available to those aged over 65 years of age. Those below this age are required to pay for this. In England while arrangements are broadly similar to those in Wales, there is no universal maximum charge in place. Local authorities there are able to set their own maximum charge where they think it is appropriate to do so. Presently, only 31% of authorities in England have set a maximum charge, being on average £298 per week.

9. Having considered these factors Welsh Ministers have concluded that on balance there is a need to consider the level of the maximum charge which will apply from April 2014, and again from April 2015, before their paying for care reforms are introduced in April 2016. This is to ensure that the financial benefit to those in receipt of care and support who are asked to pay this, and the effect upon local government's finances of implementing it, remain broadly similar to that when it was set at £50 per week and introduced in April 2011. While Welsh Ministers had originally planned to consider the level of the maximum charge for April 2014, and then separately next year consider its level for April 2015, they have now concluded that a consideration now of its level for the next 2 years is preferable. This is so that those in receipt of care and support, and local authorities, know now what is proposed and can plan for the future according.

10. A consideration of the level of the maximum charge is also required to ensure that the First Steps Improvement Package remains sustainable for the future. This is to ensure that it does not by stealth place an increasing financial pressure on local authorities, with a consequential impact on the services they can provide, by the maximum charge remaining at £50 per week for the foreseeable future. Equally, however, in any such consideration any change in the level of the weekly maximum charge must be considered carefully and proportionate to safeguard the financial

position of those in receipt of care and support who will have limited disposable income.

What are the Actual Revisions Planned?

11. Welsh Ministers have identified a number of options for revising the present £50 per week level of the maximum charge. These are in the attached technical annex. These options have proposals for a revision to this level from April 2014, with a further revision from April 2015, albeit in some cases there is no further change proposed in 2015 beyond a change proposed in 2014. For the reasons set out above Welsh Ministers have concluded that the option of making no revision in the level of the maximum charge between now and April 2016, when their paying for care reforms are introduced, is not tenable. This is due to the diminishing real terms value of the maximum charge at a time of increasing financial pressures on local authorities and their ability to meet increasing demand for services.

12. Having considered these options Welsh Ministers plan to implement Option E, ie to introduce an increase in the level of the maximum charge of £5 per week from April 2014 to £55 per week, with a further increase of £5 per week from April 2015 to £60 per week. On balance Welsh Ministers consider this to be most appropriate in the circumstances to ensure that the financial benefit to those in receipt of services who are asked to pay the maximum charge, and the effect upon local government's finances of implementing it, remain broadly similar to that when it was set at £50 per week in April 2011.

Practical Effect of the Revisions / When Would They Be Introduced?

13. The practical effect if these plans are agreed will be for those in receipt of care and support who currently pay the maximum charge of £50 per week paying a slightly increased level of £55 per week from April 2014. They would then pay a further increase to £60 per week from April 2015. These revisions would not affect all those who are required to pay for the care and support they receive. As mentioned earlier only around 30% of those who pay for their care and support pay the level of the maximum charge.

The Consultation Now Being Held

14. You are invited, if you wish, to submit your views on the revisions to the level of the maximum charge Welsh Ministers propose. Views should be made as outlined in the "How to Respond" section at the start of this consultation document.

Revision of Weekly Maximum Charge for Non-residential Social Services
Consultation Response Form

Your name:	
Name of Organisation (if applicable):	
Your full address:	
E-mail:	
Telephone number: (Including STD Code)	

Question 1: The present level of the maximum charge of £50 per week was set in April 2011. Do you agree that a revision of this weekly amount is now appropriate given the time that has elapsed since then? If not, why should it remain at £50 per week?

Yes

No

Don't know

Comments:

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Question 2: Do you agree with the level of the proposed revision of the weekly maximum charge, ie to £55 from April 2014 and £60 from April 2015? If not, why not?

Yes

No

Don't know

Comments:

Question 3: If you think the proposed level of the revision in the weekly maximum charge should be different, should it be a higher or lower revision? Why should this be the case?

Comments:

Question 4: We have asked a number of specific questions. If you have any related issue on the proposed revision to the weekly maximum charge, which has not been specifically addressed by those questions, please use this space to report them.

Comments:

Responses to consultations may be made public, on the internet or in a report. If you would prefer your response to be kept confidential please tick here:

OPTIONS FOR REVISING THE MAXIMUM CHARGE FOR NON-RESIDENTIAL SOCIAL SERVICES

Description of Options

Below are options for revising the current £50 weekly maximum charge in relation to local authority charging for non-residential social services. Each option identifies in a table the financial impact of that option on local authorities and on those who pay the maximum charge for such services; the monitoring of the implementation of the First Steps Improvement Package local authorities undertook showed that in 2011-12 there were 5,259 service users doing this. A commentary is also given on what could be considered to be the advantages and disadvantages of each option.

Option A

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Those Who Pay the Maximum	Total Annual Charge to Those Who Pay the Maximum	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities from Those Who Pay the Maximum
2014 - £60	20	£520	£3,120	£2.735m	£16.408m
2015 - £60	20	£520	£3,120	£2.735m	£16.408m

Advantages:

- keeps the increase at a relatively low level over the four year period from 2011 until 2015;
- while it makes a higher increase to the maximum charge for 2014 than could be made, there is no further increase in 2015;
- is generally in line with total increases since 2011 in state pension and welfare benefit levels;
- raises approximately a further £2.735 million p.a. for local authorities to continue to provide services;

Disadvantages:

- is higher than the lowest practical increase possible with the additional financial implication for those who pay the maximum charge;

Option B

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Those Who Pay the Maximum	Total Annual Charge to Those Who Pay the Maximum	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities from Those Who Pay the Maximum
2014 - £60	20	£520	£3,120	£2.735m	£16.408m
2015 - £65	30	£780	£3,380	£4.102m	£17.775m

Advantages:

- keeps the increase at a relatively low level over the four year period from 2011 until 2015;
- while it makes a higher increase to the maximum charge for 2014 than could be made, it reduces the level of the increase in 2015;
- raises by 2015 approximately a further £4.102 million p.a. for local authorities to continue to provides services;

Disadvantages:

- is higher than the lowest practical increase possible with the additional financial implication for those who pay the maximum charge;
- is above the level of the increases since 2011 in state pension and welfare benefit levels;
- as a 30% increase over the four year period from 2011 to 2015 it is not an "inflationary" type increase and seeks to raise proportionally more for local authorities in income from the maximum charge than when it was first introduced in 2011.

Option C

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Service User	Total Annual Charge to Service User	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities
2014 - £60	20	£520	£3,120	£2.735m	£16.408m
2015 - £70	40	£1,040	£3,640	£5.469m	£19.143m

Advantages:

- raises approximately a further £5.469 million p.a. by 2015 for local authorities to continue to provides services;

Disadvantages:

- is substantially higher than the lowest practical increase possible with the additional financial implication for those who pay the maximum charge;
- is above the level of the increases since 2011 in state pension and welfare benefit levels;
- as a 40% increase over the four year period from 2011 to 2015 it is not an “inflationary” type increase and seeks to raise proportionally more for local authorities in income from the maximum charge than when it was first introduced in 2011.

Option D

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Those Who Pay the Maximum	Total Annual Charge to Those Who Pay the Maximum	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities from Those Who Pay the Maximum
£55	10	£260	£2,860	£1.367m	£15.041m
£55	10	£260	£2,860	£1.367m	£15.041m

Advantages:

- keeps the increase at a relatively low level over the four year period from 2011 until 2015;
- while it makes an increase to the maximum charge for 2014, there is no further increase in 2015;
- is generally in line with total increases since 2011 in state pension and welfare benefit levels;
- raises approximately a further £1.367 million p.a. for local authorities to continue to provides services;

Disadvantages:

- is the lowest practical increase possible with a reduced additional income for local authorities to continue to provides services;
- given the relatively low level of the increase over the four year period from 2011 to 2015 could be viewed as a below “inflationary” type increase which does not address the objective of maintaining the effect of the maximum charge as it was when it was first introduced in 2011.

Option E

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Those Who Pay the Maximum	Total Annual Charge to Those Who Pay the Maximum	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities from Those Who Pay the Maximum
2014 - £55	10	£260	£2,860	£1.367m	£15.041m
2015 - £60	20	£520	£3,120	£2.735m	£16.408m

Advantages:

- keeps the increase at a relatively low level over the four year period from 2011 until 2015;
- makes the lowest practical increase to the maximum charge in both 2014 and 2015;;
- is generally in line with total increases since 2011 in state pension and welfare benefit levels;
- raises approximately a further £2.735 million p.a. by 2015 for local authorities to continue to provides services;

Disadvantages:

- is higher overall than the lowest practical increase possible with the additional financial implication for those who pay the maximum charge;
- as a 20% increase over the four year period from 2011 until 2015 is slightly more than an “inflationary” type increase and will raise proportionally more for local authorities in income from the maximum charge than when it was first introduced in 2011.

Option F

Maximum Charge	% Increase over the £50 Maximum	Annual Increased Cost to Those Who Pay the Maximum	Total Annual Charge to Those Who Pay the Maximum	Annual Increased Income for Local Authorities	Total Annual Income for Local Authorities from Those Who Pay the Maximum
2014 - £55	10	£260	£2,860	£1.367m	£15.041m
2015 - £65	30	£780	£3,380	£4.102m	£17.775m

Advantages:

- keeps the increase at a relatively low level over the four year period from 2011 until 2015;
- while it makes a higher increase to the maximum charge for 2015 than could be made, it reduces the level of the increase in 2014;
- raises by 2015 approximately a further £4.102 million p.a. for local authorities to continue to provide services;

Disadvantages:

- is higher than the lowest practical increase possible with the additional financial implication for those who pay the maximum charge;
- is above the level of the increases since 2011 in state pension and welfare benefit levels;
- as a 30% increase over the four year period from 2011 until 2015 is more than an “inflationary” type increase and will raise proportionally more for local authorities in income from the maximum charge than when it was first introduced in 2011.

