

**Report of the Cabinet Member for  
Services for Adults and Vulnerable People**

**Cabinet – 21 April 2016**

**BACKGROUND TO CHARGING POLICY (SOCIAL SERVICES)  
- PAYING FOR SOCIAL SERVICES UNDER THE SOCIAL SERVICES  
AND WELLBEING (WALES) ACT 2014**

<b>Purpose:</b>	To introduce the Charging Policy (Social Services) and the reasons for the Policy.
<b>Policy Framework:</b>	The Charging Policy describes how City and County of Swansea will apply charges for Social Services under the Social Services and Wellbeing (Wales) Act 2014 (the Act) that comes into force from 6th April 2016, the list of charges for the year 2016/17 and the annual cycle for reviewing charges.
<b>Consultation:</b>	Access to Services, Finance & Legal Public consultation on the part of the Act relating to Financial Assessment and Charging (Part 5) was undertaken by the Welsh Government, prior to the issuing of the final regulations and code of practice. The Policy itself does not at this stage propose introducing any charges for services that are currently not charged for. There is therefore no requirement to consult on this Policy, as no new charges are proposed. However, if charges are proposed for any new services going forward, decisions surrounding the implementation of these will be subject to public consultation. The Policy does propose some uplifts to existing charges, but there is no requirement to consult on these as there is a clear rationale as to how these uplifts have been calculated, on the basis of striving towards full cost recovery where appropriate.
<b>Recommendation(s):</b>	It is recommended that the:  1.Charging Policy is approved; 2. List of Charges to be applied in 2016/17 is agreed.
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## **1. Introduction**

- 1.1 From 6<sup>th</sup> April 2016, the Social Services and Well-being (Wales) Act 2014 (henceforth “The Act”), through a set of legislative, regulatory and practice documents, sets out a statutory requirement for one unified charging framework to be represented by each Local Authority within their own Charging Policy for social services.
- 1.2 The purpose of this Charging Policy is to reflect and comply with the requirements of Parts 4 and 5 of the Act, the Care and Support (Financial Assessment) (Wales) Regulations 2015, Care and Support (Charging) (Wales) Regulations 2015, Care and Support (Choice of Accommodation) (Wales) Regulations 2015 and the Care and Support (Review of Charging Decisions and Determinations) (Wales) Regulations 2015.
- 1.3 One of the key drivers behind Parts 4 and 5 of The Act is to introduce one set of financial assessment and charging arrangements and to ensure greater transparency within these arrangements. The Act is intended to be ‘cost neutral’ when implemented, though this clearly requires Local Authorities to consider offsetting losses in income, by considering new discretionary charges.
- 1.4 City and County of Swansea’s Charging Policy (social services) is the product of a Task and Finish group made up of representatives from Social Services, Finance and Corporate Financial Services. This Policy aims to minimise the impact of charging upon care and support recipients with low financial means, while obtaining, where appropriate, a fair and reasonable contribution towards the costs of care and support to ensure its continued provision.
- 1.5 Under The Act, a local authority can only charge:
  - up to the cost of providing the service
  - what the person can afford
- 1.6 This is the first overarching Policy that covers all aspects of charging for Social Services that the City and County of Swansea has produced. The intention with this first Policy is to pull together all existing charges into one Policy and set it within the clear legal framework. The Policy will however evolve over time as the potential to introduce new charges are explored. It is therefore anticipated that this Policy will be renewed at least annually, or more frequently as proposed changes emerge.
- 1.7 In determining any charges, the City and County of Swansea will ensure the 6 key principles outlined on page 10 of the Policy are adhered to namely:
  - Continuity
  - Fairness
  - Equal
  - Transparency
  - Sustainable
  - Voice and Control.

## **2. Background to Charging Policy (Social Services)**

- 2.1 The Act's regulatory and practice framework allows some discretion to be exercised by local authorities in raising income from charging. Therefore this Charging Policy is an important part of the range of options that help us manage our resources effectively, particularly given the current economic climate and the cuts that local authorities are being asked to make.
- 2.2 City and County of Swansea's charging policy (social services) will use its discretion to ensure continuity in transition from the old arrangements, to minimise the impact on citizens who are in need of managed care and support.
- 2.4 A Financial Assessment will help to calculate how much, if anything, a person can afford to pay towards their own care and support.

## **3. General Issues**

- 3.1 Some important changes to the charging framework under The Act, are worth noting, and each are represented within the attached policy:
- Maximum weekly charge is applied to a greater range of community based services including respite care and short term residential care.
  - Any assessed client contribution will be subject to a protected minimum income threshold or Personal Expenses allowance (see Charging Policy).
  - Charges are applied at the point care and support plan commences, or from the date that the statement of charges is provided, so any delay to that point could cost an authority significant amounts of money
  - Deferred Payments are a clearly defined option under the Act, with some potential for cost recovery (interest/ administrative charges)
  - Discretion to apply charges to assistance, early intervention and preventative services, including services to carers, where citizens obtain care and support in addition to that provided by or arranged by a local authority exercising its duties or powers under the Act. In this situation the financial assessment and charging requirements of the Act, the Code and the Regulations do not apply.
  - Under Parts 2, 4 and 5 of the Act, the local authority must ensure there is information, and advice about the services that are available, and a statement of charges arising from the person's care and support plan is made available in appropriate formats. This statement must be clear and transparent so people know what they will be charged.
- 3.2 Swansea's list of charges for the year ahead as set out within the Policy has to balance the short term need for full cost recovery yet to focus on what is sustainable in the longer term. It is important therefore that these

charges are reviewed annually alongside population need, demand and activity data.

- 3.3 Further work to look at the commissioning costs within services for adults will resume later this year following completion of our commissioning reviews, as part of the Sustainable Swansea Fit for the Future transformation programme. This will build on the work which is being undertaken to introduce differential rates for nursing and dementia nursing care.

#### **4. Equality and Engagement Implications**

- 4.1 The Charging Policy has to be applied equally in that all assessed needs for care and support where they are broadly the same are treated as the same.

- 4.2 An EIA Screening Form has been completed with the agreed outcome that a full EIA report was not required at this stage:

- The Charging Policy has been produced as a requirement under The Act which was subject to full public consultation and equalities impact assessment of Parts 4 & 5 was also undertaken:  
<http://gov.wales/docs/phhs/publications/151124eia5en.pdf>

- 4.3 The Charging Policy does not propose introducing any charges for services that are currently not charged for at this stage. It purely brings together the existing charges that are already in place. There is therefore no requirement to consult at this stage. However, during the course of the next financial year, it is proposed that the potential to charge in new areas will be explored. Any decision to implement any new charges of this nature will be subject to public consultation and an EIA.

- 4.4 Where there are proposed increases in charges contained within the Policy, there is no requirement to consult as the proposals are within the parameters of the Act and purely allow the Authority to move towards a full cost recovery basis. Any future increases in charges will be implemented in accordance with the Act and the Policy.

#### **5. Financial Implications**

- 5.1 Welsh Government has maintained a view that, within local authorities, implementing the Social Services and Well-being (Wales) Act 2014 should be seen as cost neutral. In reality, this is not the case. The Act changes the charging arrangements for respite care as the maximum charge (£60 per week) applies, rather than the standard residential care rate charges which were applied in previous years. In real terms, this will mean a potential loss of income for the Authority of in the region of £200,000 per year.

- 5.2 City and County of Swansea has a corporate Charging Policy based on full cost recovery. The Act does grant further discretionary powers to local authorities, on what services can be charged for and the rates at which these are charged at, provided that these do not exceed the cost of providing the service. It is not proposed at this stage to introduce

charges in these areas, but these will be explored during the course of the next financial year. This will potentially allow the Authority to offset the impact of the loss of income for respite.

- 5.3 It should be highlighted that potential to charge for a Local Authority is limited, due to the maximum weekly charge of £60 per week for some elements of care and the fact that this cap is subject to a Financial Assessment which means in reality many individuals do not pay as much as £60 per week.
- 5.4 Whilst the Policy does not propose any charges for services that are currently not charged for, it does propose an increase in the Lifeline/Telecare charges, on the basis that Careline who provide the call centre function for the Local Authority have substantially increased their charges to the City and County of Swansea. Increasing the charges will allow the Local Authority to therefore operate on a full cost recovery basis.

## **6. Legal Implications**

- 6.1 The new Social Services and Well-being (Wales) Act, associated Regulations and Codes of Practice come into force on 6<sup>th</sup> April 2016, and include provisions on charging for social care services. The Act, Regulations and Code make it necessary for a local authority to produce a policy in relation to charges it is to make for care and support. The content of that policy is a matter for the local authority.

**Background Papers:** None

### **Appendices:**

Appendix A Charging Policy (Social Services)