

Meeting date: 20 December 2022

Report to: Councillor Tony Diccico
Adult Social Care and Health Portfolio Holder

Report title: Disability Related Expenditure Reviews

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

1. Executive Summary

- 1.1 To brief the Cabinet Portfolio Holder on the proposed approach for re-assessing people's energy costs and other disability-related costs as part of their financial assessment charges for Adult Social Care, and to request approval of this proactive approach.
- 1.2 Energy price rises from 1 October 2022 have resulted in more people who receive non-residential care paying higher utility costs. Equally, other goods and services linked to a person's disability needs (e.g. travel, special dietary food, equipment etc) may have also increased due to inflation.
- 1.3 These increased costs may result in some people paying more than they can afford for their care if they are not taken into account as allowable 'Disability Related Expenses.'
- 1.4 There are 999 people who pay a contribution for their non-residential care that may be impacted by increased prices. It is estimated that a re-assessment of people's fuel

charges may result in a reduction in income for the Council - from £139,776 to £626,376.

- 1.5 A proactive approach to ensure that individual charges are affordable will help ensure that individuals are able to pay their assessed charges rather than going into debt and further impacting on Adult Social Care debt.

2. Decision(s) Recommended

- 2.1 It is recommended that the Cabinet Portfolio Holder notes the contents of this report and endorses the proposed proactive approach to Disability Related Expenditure outlined in this report.

Report Title: Disability Related Expenditure Reviews

1. Matters for Consideration

- 1.1 Energy price rises from 1 October 2022 have resulted in more people who receive adult social care services paying higher utility costs. People who receive care at home are likely to use more energy due to potentially being at home more, and also requiring heating to be on due to health conditions.
- 1.2 The Non-Residential Charging Policy allows a person to claim energy costs as a Disability Related Expense (DRE). That is an allowable expense that is deducted from the amount they are assessed to pay for their care.
- 1.3 The heating allowance is calculated by how much a person spends above the average energy costs for their property type. For example, a single person living in a semi-detached property is expected to pay £35.57 per week for their heating. So, if they pay £50 per week in heating costs, we will deduct £14.43 per week from their social care charges. This is in line with the Council's Charging Policy.
- 1.4 Alongside energy price rises, people may have additional costs for other goods and services that are claimed as part of their disability related expenses (e.g. travel, special dietary food and equipment).
- 1.5 The amount a person is expected to pay for their heating and other related disability related expenses is determined by the National Association of Financial Assessment Officers (NAFAO), which is commonly adopted by all local authorities (see Appendix A).
- 1.6 However, the NAFAO rates for heating and other costs have not been revised in line with prices increases, especially from October 2022. This means that people may be eligible to claim more costs for their disability expenses if they have risen.
- 1.7 The Care Act requires local authorities to carry out financial assessments based on what a person can afford to pay. The rise in energy prices this year may result in some charges not being affordable if extra heating costs are not considered.
- 1.8 There are currently 1694 people who receive non-residential care that are subject to a financial assessment. Of this figure, 566 people have no charge due to their income, or being exempt from charges. There are 129 people that are charged the full cost of their care due to having capital (savings) over £23,250, therefore any increases in their heating costs will not affect how much they pay, unless their capital falls below this value.
- 1.9 Given the above, this leaves 999 people who pay a contribution towards their social care that may be eligible to have their charges reduced following a re-assessment of their additional disability related expenditure.
- 1.10 There is already provision within the Council's Charging Policy to enable people to request financial re-assessments based on a change in their income and allowable expenses. However, individuals may not be aware of their entitlement and the Care Act places a duty on local authorities to provide information and advice to ensure

people are aware of financial support.

1.11 To help ease the costs of energy price rises, government grant funding has been available to protect households, they include:

- Council Tax Energy Rebate Scheme. This entitled all Council tax band A-D households to a one-off payment of £150 and is not repayable.
- A discretionary scheme to support households, which includes a £406 award for households in receipt of adult social care and not assessed to pay the full cost of care. This award will be made to 1393 residents.
- A Winter Fuel Payment of £250 and £600 to help pay heating bills through the Department of Work & Pensions.
- The Energy Price Cap for all households - a 27% higher 'price guarantee rate' – taking a typical bill from £1,971 to £2,500 per year.

1.12 However, the Department for Work & Pensions (DWP) have advised the above assistance schemes are not to be included for means testing of benefits and entitlements. This would equally apply to charges for care as guidance is coterminous.

2. What options have been considered and what is the evidence telling us about them?

2.1 **Option 1** –continue to process changes in a person's income and expenses when we are notified of these as per business as usual. Charging notification letters advise people to get in touch if they experience a change in their income, capital and allowable expenses. However, there will be people who may not have the capacity or full awareness to realise they can submit their new disability related expenses for consideration.

2.2 **Option 2** - there is a targeted approach through partners (e.g. Age UK, Citizens Advice Solihull & SCH Money Advice Team) and advocates to identify people who are in financial difficulties or debt and require assistance to claim additional heating and other disability expenses. However, this may not identify everyone that is experiencing hardship as financial pressures can be hidden. Equally, this can be viewed as a less inclusive if advice and information on this matter is not given to everyone who is eligible to claim.

2.3 **Option 3 (recommended option)** - all customers who pay a contribution towards their care are notified by a letter and email that they can claim additional costs if they exceed the NAFAO or local authority allowances. People who do not pay a charge or fully fund their own care will not receive this information. Everyone who receives this communication will have their heating and other increased costs backdated, providing they are able to supply statements of their charges.

3. Reasons for recommending preferred option

3.1 This option ensures that everyone who is eligible has been given the right information

and guidance to notify them about the opportunity to claim additional heating and other disability related expenses. This ensures that we are promoting fairer charging as part of our responsibilities under the Care Act.

If approved, we will write to all customers from the start of January 2023 to advise they can claim additional disability expenses if they have increased above our allowances. Financial re-assessments will be completed in batches given the volumes of potential claims. However, all customers will have their re-assessments backdated to 1st October 2022 to align with the energy price cap rise.

4. Implications and Considerations

4.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>This report contributes to fairer charging for adult social care by ensuring people do not pay more than they can afford as a result of increased heating costs and other price rises from 1 October 2022.</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>N/A</p>
<p>Environment:</p> <ol style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>N/A</p>
<ol style="list-style-type: none"> 9. Promote employee wellbeing 	<p>N/A</p>

4.2 Consultation and Scrutiny:

None identified as a result of this briefing report

4.3 Financial implications:

There are 999 people that would benefit from the proposed recommendation. If they were to submit additional heating costs this would result in a material reduction in how much the Council would collect in income for adult social care charges. The average increase in fuel costs is estimated to be £12 per week. The table below is an estimated forecast of the reduction in income if 25% to 100% of people were approved for additional heating allowances. However, the financial implications will only be understood once actual bills for energy costs are received and charge re-assessed.

Scenario	Current Contribution total	Contribution total after additional fuel costs	Weekly reduction in income	Indicative annual loss of income
999 (100%) customers claim an additional £12 per week in fuel	£71,808	£59,820	£11,988	£623,376
50% of customers claim an additional £12 per week	£71,808	£65,844	£5,964	£310,128
25% of customers claim an additional £12 per week	£71,808	£69,120	£2,688	£139,776

The total income from adult social care charges is £24 million, so the maximum amount indicated would represent a reduction of 2.6% and the impact of this would have to be managed within the overall budget for adult social care.

4.9 Legal implications:

The Care and Support Act Statutory Guidance sets out the guidance and legislative requirements for the charging for adult social care services. There is a duty to ensure people are assessed to pay no more than they can afford. The rise in energy and other disability related costs may result in people may not affording their charges.

4.10 Risk implications, including Risk Appetite:

4.10.1 The inclusion of additional disability related expenses will result in a loss of income and will be identified as a budget pressure. It is difficult to model the actual loss of income due to each household having varied tariffs, energy usage and differences in disability related expenses

4.10.2 There is a risk that sundry income debt will be impacted by rising energy and disability expenses if people are paying more than they can afford for their social care. To this end, people may find it difficult to sustain their four weekly payment schedule. However, people receiving care are more likely to pay charges if these charges are affordable.

4.11 Equality implications:

The council's current approach to debt recovery is compliant with national guidance on the Care Act which has regard to the requirements of the Equality Act.

4.12 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

4.12.1 None identified

5. List of appendices referred to

5.1 Appendix A – National Association of Financial Assessment of Officers – fuel allowances.

6. Background papers used to compile this report

6.1 None

7. List of Other Relevant Documents

7.1 None