

Individual Executive Member Decision

Title of Report:	Care Act 2014 - Deferred Payment Agreements
Report to be considered by:	Individual Executive Member Decision
Date on which Decision is to be taken:	23 April 2015
Forward Plan Ref:	ID2975

Purpose of Report: To set a charging policy in respect of Deferred Payment Agreements

Recommended Action: To agree the charging policy as detailed in this report.

Reason for decision to be taken: To enable the Council to establish new policies in respect of changes introduced by the Care Act 2014

Other options considered: None

Key background documentation: Care Act 2014 'Factsheet' available from Department of Health website.

Portfolio Member Details	
Name & Telephone No.:	Councillor Keith Chopping - Tel 07825 733280
E-mail Address:	kchopping@westberks.gov.uk

Contact Officer Details	
Name:	Steve Duffin
Job Title:	Head of Service
Tel. No.:	01635 519594
E-mail Address:	sduffin@westberks.gov.uk

Implications

- Policy:** The Care Act 2014 contains a number of discretionary powers for which the Council will need to make policy decisions.
- Financial:** The policy decisions covered by this report would generate a small amount of income that would be used to offset the costs of the new universal deferred payment arrangements.
- Personnel:** Whilst overall the Care Act 2014 has significant staffing implications the very specific area covered by this report do not.
- Legal/Procurement:** The new powers are introduced by the Care Act 2014. There are no procurement issues to consider.
- Property:** None
- Risk Management:** No new risks arise from this report.

Is this item relevant to equality?	Please tick relevant boxes	Yes	No
Does the policy affect service users, employees or the wider community and:			
• Is it likely to affect people with particular protected characteristics differently?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to an area with known inequalities?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)			
Relevant to equality - Complete an EIA available at http://intranet/EqIA			<input type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>

Consultation Responses

Members:

Leader of Council: No comments on the report.

Overview & Scrutiny Management Commission Chairman: No comments on the report.

Ward Members: Not relevant to any specific Ward

Opposition Spokesperson: No comments on the report.

Local Stakeholders: Not applicable

Officers Consulted: Tandra Forster - Head of Adult Social Care
Joanne England - Service Manager

Trade Union: Not applicable

Is this item subject to call-in?	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<p>If not subject to call-in please put a cross in the appropriate box:</p> <p>The item is due to be referred to Council for final approval <input type="checkbox"/></p> <p>Delays in implementation could have serious financial implications for the Council <input type="checkbox"/></p> <p>Delays in implementation could compromise the Council's position <input type="checkbox"/></p> <p>Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months <input type="checkbox"/></p> <p>Item is Urgent Key Decision <input type="checkbox"/></p> <p>Report is to note only <input type="checkbox"/></p>		

Supporting Information

1. Background

- 1.1 On the 12th February 2015 Management Board considered a report covering a small number of new discretionary powers arising from the Care Act 2014 and approved a public consultation exercise.
- 1.2 That public consultation has now closed and the Council is in a position to make the necessary policy decisions in respect of Deferred Payment Agreements.

2. Deferred Payment Agreements

- 2.1 Deferred Payment Agreements (DPA) are a way for people who need to sell their home to pay their care home fees to put off the sale to a later date, or until the end of their lifetime. The Council has operated a Deferred Payment scheme for many years.
- 2.2 The individual is still required to make a contribution towards the costs of their care from their income and savings if they are assessed as financially able to do so. The care costs that are being deferred are paid by the Council during the period of the DPA and are then recovered when the property is sold.
- 2.3 There are four policy decisions required.

- (1) Does the Council wish to charge a fee to cover the costs of setting up a DPA?

Recommendation - The council charges a fee to cover costs (legal time, property valuations, Land Registry fees etc.) and that the level of the charge is set at £700 in 2015/16 and then subsequent levels to be set as part of the standard annual 'fees and charges' process. This initial figure is based on averaging costs where permitted plus the actual cost of such charges as valuations and Land Registry Fees. Where there are special factors that result in increased costs then the Council reserve the right to pass them on to the individual.

- (2) Does the Council wish to make an annual charge to cover the costs (property revaluations, monitoring compliance with agreement etc.) of administering a DPA?

Recommendation - The Council makes an annual charge and that the level of the charge is set at £100 in 2015/16 with subsequent levels to be set as part of the standard annual 'fees and charges' process.

- (3) What interest rate does the Council wish to apply to deferred payments, this can be anything from zero up to the maximum rate set by the Government (currently 2.65% per annum)? The Government will review the maximum rate every 6 months. If the Council elects for a local rate then that would need to be subject to review every 6 months to ensure it remains below the Government set maximum.

Recommendation - In order to cover the risk to the Council of agreeing DPA, which ties up taxpayers' money that could otherwise be invested

in other Council services, the Council will apply the maximum interest rate set by the Government.

- (4) Does the Council wish to agree that, in exceptional circumstances, it will allow a DPA in respect of a person in Extra Care Housing or Supported Living Accommodation

Recommendation - The Council will, in exceptional circumstances, allow a DPA in respect of a person in Extra Care Housing or Supported Living Accommodation

- 2.4 The consultation exercise resulted in no responses at all. It should be noted that there is no change for those small numbers of service users with an existing DPA and no future service users would be obliged to enter into a DPA.
- 2.5 The draft Deferred Payment Scheme Agreement document is provided as Appendix A (Section 7 on Page 6 contains the relevant points regarding both the interest rate and charges).

3. Equalities Impact Assessment Outcomes

- 3.1 A public consultation exercise was undertaken using 'consultation finder'. The new policy does not impact upon existing service users with Deferred Payment Agreements therefore there are no current service users adversely impacted by these policy decisions.
- 3.2 Whilst people who have care support needs are more likely to have the protected characteristics of age and disability, the proposed changes outlined in this report do not impact on them as a direct result of their age or disability. In addition, individuals are financially assessed to ascertain their ability to make a contribution towards the cost of any care and are not asked to pay charges beyond the level they are assessed as able to afford.

4. Conclusion

- 4.1 Changes in the Care Act 2014 require a small number of policy decisions to be made. These will impact on a very small number of future service users and no existing service user would be adversely impacted.
- 4.2 The purpose of the new charges being introduced is to cover the costs the Council will incur as a result of the introduction of the Universal Deferred Payment Agreements.

Appendices

Appendix A – Deferred Payment Agreement Policy