

**REPORT OF THE CHAIR OF ADULT SOCIAL CARE AND HEALTH
COMMITTEE****CHANGES TO DEFERRED PAYMENT SCHEME POLICY INCLUDING
INTRODUCTION OF CHARGES, TO BECOME THE UNIVERSAL DEFERRED
PAYMENT SCHEME POLICY****Purpose of the Report**

1. To seek approval of a revised Deferred Payment Scheme policy, to become the Universal Deferred Payment Scheme policy, attached as **Appendix 1**, which includes proposed charges for Deferred Payment Agreements.

Information and Advice**Deferred Payment Agreements**

2. In 2014 it was estimated that there are 154,000 people over the age of 65 years living in Nottinghamshire, and this is predicted to rise to 196,000 by 2025 (an increase of 27%). Available data indicates that at the end of March 2014 there were 2,840 older people in residential placements financially supported by the Council and a further 700 adults aged 18-64 years.
3. The Local Government Information Unit (LGIU) published a report in July 2013 which stated that over half the people living in residential or nursing care fund some or all of their own care.
4. At present, Nottinghamshire County Council operates a Deferred Payments Scheme (DPS) that allows people entering long term residential care to defer some of the costs of their care against the value of their property by entering into a Deferred Payment Agreement (DPA). The care costs incurred are ultimately recouped either when the DPA is terminated or the person dies and the property is sold. The legal (eg. land registry) and administration costs of a DPA are currently met by the Council.
5. The Care Act 2014 introduces a new Universal Deferred Payments Scheme, which will allow anyone with eligible needs who owns property or land, and cannot afford their residential fees, and has assets under £23,250, to apply for a DPA. There will be an increase in the number of DPAs that Nottinghamshire County Council enters into following national publicity about the scheme, with resulting increased costs to the Council. Current estimates are that DPA numbers will increase from the current 60 to 610 by 2017. Many other local authorities have made a charge to cover their legal and administrative costs for some time

6. The Care Act allows local councils to charge the legal and administration costs to individuals entering a new DPA, and a consultation was undertaken which sought views on the introduction of these charges. Previous reports to Adult Social Care and Health (ASCH) Committee on 5 January 2015 are available as background papers.

The public consultation

7. Results of the public consultation are detailed in a report to ASCH Committee on 27 April 2015.

Proposals

8. The following proposals were agreed by ASCH Committee on 27 April 2015 as a result of the consultation, based on the views of respondents:

Deferred Payment Agreements Policy changes

The following recommendations were based on the views expressed by consultation respondents, and refer **ONLY** to new Deferred Payment Agreements:

a charge of £195 to cover legal costs to be introduced for all new DPAs

a charge of £235 to cover administration associated with the set up of a DPA to be introduced for all new DPAs

a flat rate annual fee of £25 to be introduced to cover costs of maintaining the DPA – including the production of regular statements for service users. The charge would only apply to new DPAs

interest to be charged on the accruing debt for new DPAs based on the weighted average interest rate on conventional gilts (currently 2.65%)

DPAs to be made available to people moving into supported living-type accommodation

DPAs to be available to people who do not own any property but own land.

Other Options Considered

9. The option of not charging for Deferred Payment Agreements was considered, however this would increase costs to the Council due to the projected increase in numbers. No other options were considered in order that recommendations accurately reflected public opinion as shown by consultation responses.

Reason/s for Recommendation/s

10. Recommendations were based on the views of consultation respondents, with charging levels set to meet costs to the Council but not to profit from the charges.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

12. The proposed Universal Deferred Payment Agreement policy will require some re-design of processes to incorporate charging for the set up and ongoing administration of Agreements, which will be done within Adult Care Financial Services (ACFS).

Human Resources Implications

13. As a result of resource modelling, ACFS was awarded funding for an additional Finance Assistant at Scale 4 (£18,376 - £20,840), to work on DPAs.

Public Sector Equality Duty Implications

14. The public consultation, undertaken to seek views on proposed changes, showed that most respondents consider themselves to be unlikely to ever access the DPS, with 86.88% above the age of 46, and 40.94% over 65 years. There was a roughly equal number of male / female respondents, with 75.63% not having any long term health problem or disability. Respondents were mostly white (95.5%), heterosexual (96.52%) and either Christian (55.97%) or of no religion (40.96%).
15. An EIA was been undertaken and is available as a background paper. Decision makers must give due regard to the implications for protected groups when considering this report.

Implications for Service Users

16. All charges for new DPAs can accrue against the value of the property, so although there will be an increase in their overall debt to the County Council, this will not deplete the service user's savings or income.

RECOMMENDATION

- 1) That the Committee approves the Universal Deferred Payment Scheme policy which is attached as **Appendix 1**.

Councillor Muriel Weisz
Chair of the Adult Social Care and Health Committee

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Constitutional Comments (SMG 22/05/15)

17. Under the Committee's Terms of Reference set out in the Council's Constitution, the Committee has responsibility for policy development and approval (except on matters reserved for the Full Council). The proposals in this report fall within the remit of this Committee.

Financial Comments (KAS 02/06/15)

18. The financial implications are contained within paragraph 12 and 13 of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Charging provisions of the Care Act - report to Adult Social Care and Health Committee on 5 January 2015

Universal Deferred Payment Scheme – report to Adult Social Care and Health Committee on 5 January 2015

Charges for Deferred Payment Agreements and brokerage of community based support for self-funders – outcome of the consultation and response to consultation on the Care Act 2014 – report to ASCH Committee 27 April 2015

Deferred Payment Scheme - report to Adult Social Care and Health Committee on 5 January 2015

Equality Impact Assessment

Electoral Division(s) and Member(s) Affected

All.