

DISABILITY RELATED EXPENDITURE

To: **Adults Committee**

Meeting Date: **17 May 2016**

From: **Executive Director, Children, Families and Adults**

Electoral division(s): **All**

Forward Plan ref: **For key decisions** *Key decision:* **No**

Purpose: **Adults Committee is being asked to consider reducing the standard rate of Disability Related Expenditure used in financial assessments. Disability Related Expenditure is taken into account in the financial assessment of people receiving social care services who are in receipt of Attendance Allowance or the care components of Disability Living Allowance or Personal Independence Payment. The standard rate is offered without requiring any evidence of additional expenditure relating to the person's disability. Evidence can be provided as part of the assessment if expenditure is above the standard rate.**

Recommendation: **Adults Committee is being asked to approve the following recommendations:**

- a) Consider the feedback from the consultation.**
- b) Continue to offer a standard rate of Disability Related Expenditure, with no evidence of expenditure being required, as part of the financial assessment process.**
- c) Reduce the standard rate of Disability Related Expenditure from £26 per week to £20 per week with the change implemented as described in paragraph 5.9.**

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1.0 BACKGROUND

1.1 The business planning process for 2016/17 included consideration of ways to increase income to offset the expenditure required to meet people's assessed and eligible needs for adult social care. A target of £500K increase in income was agreed in February 2016. The main way of raising income for adult social care is through the contributions made by people in receipt of support following a financial assessment, carried out in line with Department of Health guidance. One aspect of the contributions process that has been looked at is Disability Related Expenditure. This report explains the proposed changes and provides feedback from the public consultation.

1.2 Explanation of Disability Related Expenditure

People who are allocated a Personal Budget for care and support, funded by Cambridgeshire County Council, also have a financial assessment to see how much they should contribute to the cost of their care and support. The financial assessment is a means tested assessment which means that those who can afford to pay will be asked to make a contribution towards their care at home. The assessment takes into account capital, income and also makes allowances for certain expenditure; housing related costs and Disability Related Expenditure (DRE).

1.2.1 DRE is what the Department of Health defines as any reasonable cost that a customer may incur as a result of their disability. For example, the person might pay for extra laundry costs or extra heating. These costs are taken into account when determining how much income people have left and therefore working out how much they need to contribute to the cost of their care and support. To be eligible for DRE, people must be in receipt of Attendance Allowance or the care components of Disability Living Allowance or Personal Independence Payment.

1.2.2 Once basic living expenses and any DRE have been taken into account, the remainder of the income is then assessed to determine the amount the person can afford to pay as their contribution towards their social care support.

1.2.3 Councils may choose to set a standard rate of DRE, but are not required to by the Department of Health guidance. Having a standard rate of DRE means that people who are eligible for DRE can choose this rate and are not required to provide evidence of any expenditure related to their disability. Alternatively, people can choose to have an individual assessment to determine the level of DRE and provide evidence of their expenditure for consideration by the Council.

1.3 The proposed changes

1.3.1 The standard rate of DRE used in Cambridgeshire is £26 per week which is higher than a number of similar authorities, where the rate ranges from £18 to £20 per week. Some authorities, including all but one of our statistical neighbours, do not offer a standard rate of DRE and expect all people receiving social care support who are also in receipt on the benefits set out in 1.2.1 above to provide evidence of DRE as part of their financial assessment process.

- 1.3.2 Examples of standard rates used by other Local Authorities are::
- Northamptonshire County Council - £18 per week
 - Leicestershire County Council - £20 per week
 - Hertfordshire County Council - £20 per week
 - Bedford Borough Council - £20 per week
 - Norfolk County Council - £15 per week
 - Buckinghamshire County Council – do not offer standard DRE
 - Oxfordshire County Council – do not offer standard DRE
- 1.3.3 The proposal under consideration is to retain a standard rate for DRE, but to reduce it from £26 to £20 per week. People eligible for DRE would continue to have the choice of using the standard rate of DRE or requesting an individual assessment and providing evidence of relevant expenditure. This change will assist the Council in managing the financial challenges it faces whilst ensuring that there is a fair and equitable way to reflect the additional costs that people with disabilities have to manage.
- 1.3.4 In the 12 months to 31 December 2015 financial assessments were undertaken with 1,729 new service users and 1,113 were eligible for DRE. Of the 1,729 people, 94% opted for the standard DRE i.e. £26 per week. Using these figures, if all 1,729 people had received a standard rate of DRE at £20 per week, additional income generated would have been £6,348 per week (£330,096 full year effect).
- 1.3.5 In addition, there is the potential for additional income to be generated from existing services users who have chosen to use the standard rate of DRE. These people would have the choice of using the new lower rate of DRE or providing evidence of expenditure for an individual assessment to determine the level of DRE to be applied.
- 1.3.6 Any additional income generated would have to be offset by the cost of carrying out the individual assessment relating to DRE. This is estimated as £7.85 based on 30 minutes of staff time per assessment. This is considered further in paragraph 5.7.

2.0 CONSULTATION METHODOLOGY

- 2.1 A consultation on the proposed changes has been undertaken. The main method of responding to the consultation was online, via the Council's website. However, paper copies of the questionnaire were also posted to people who requested them, and respondents' paper submissions have been entered onto the online system by the Council to make responses easier to analyse. Easy read copies of the questionnaire were also made available. The questionnaire was short and consisted of only two substantial questions. The questionnaire is included at Appendix 1.
- 2.2 To promote this survey, a total of 2,703 letters were sent on 1 April to existing service users who make a contribution to their Personal Budget, inviting them to provide their views on the proposal of changing the standard rate of DRE. The letter that was sent is attached at Appendix 2.
- 2.3 As well as the direct contact to service users, emails were sent to organisations working with adult services users advertising the consultation.







Most service providers posted the consultation on their website or directed people to the Council website. The approach was very well received by service providers.

- 2.4 The consultation was open for 30 days, from 1 April to 1 May. Quantitative and qualitative analysis has been done on the responses and is shown below.

3.0 CONSULTATION FEEDBACK







- 3.1 When planning the consultation, it was decided that individual letters should be sent to the people (approximately 2,000) currently using DRE as well as the public consultation on the Council's website. It was recognised that DRE is a relatively technical issue, and as such the people receiving letters might need support with understanding what they were being asked to comment on. Two contact numbers were therefore provided in the letters – a number for the Financial Assessments team for enquiries relating to DRE, and a general contact number for requesting paper copies and other queries. There were approximately 300 enquiries to these numbers.
- 3.2 The enquiries were split evenly between the two numbers, with approximately 150 calls dealt with directly by the financial assessment team and the same number by the consultation coordinator. Of the calls answered by the consultation co-ordinator, nearly all callers were not sure whether they were getting DRE or not and wanted to find out more about the scheme. 21 callers did not wish to complete a questionnaire but when prompted said that they did not support the proposal. 109 paper questionnaires were requested by callers, of which 64 questionnaires were completed and returned and have been included in the analysis below.
- 3.3 The discussions on the phone proved a useful source of informal feedback on the proposal and the process of consultation itself. The concept was difficult for people to understand, especially for people with learning disabilities and some carers. Virtually all the respondents who contacted the Council initially stated that they did not understand either the concept of the £26 flat rate allowance or the consultation letter that they had been sent. This will be considered in reviewing current communications explaining financial assessments and DRE.
- 3.4 The contact also offered some unexpected opportunities for supporting people. For example, four carers called us and told us that they were experiencing some difficulties looking after loved ones suffering with dementia. These carers have been linked into relevant services and work is currently ongoing to establish a peer support scheme to assist both carers and the people cared for.
- 3.5 In total, 147 responses to the formal survey were received, on line and by return of hard copies.
- 3.6 The first question was about whether the Council should continue to offer a standard rate of DRE. Overwhelmingly, respondents agreed with the proposition that the Council should continue to offer a standard rate of DRE (85.3% of respondents who answered this question agreed).

3.7

To what extent do you agree or disagree that the Council should continue to offer a standard rate of DRE within the financial assessment process?					
				Response Percent	Response Total
1	Strongly agree			70.59%	96
2	Agree			14.71%	20
3	Neither agree nor disagree			2.94%	4
4	Disagree			3.68%	5
5	Strongly disagree			3.68%	5
6	Don't know			4.41%	6
				answered	136
				skipped	11

3.8 The second question was about whether the standard rate should be reduced. 64.9% of respondents who answered this question disagreed with this proposition, with a large majority of those 'strongly' disagreeing. However, the responses were not as polarised as the previous question, with nearly a fifth of respondents (18.7%) agreeing that the standard rate should be reduced.

3.9

To what extent do you agree or disagree that the standard rate of DRE, where people are not required to provide evidence of expenditure related to their disability, should be reduced? (Please note, people could still request an individual assessment for DRE, but would have to provide evidence of expenditure)					
				Response Percent	Response Total
1	Strongly agree			9.63%	13
2	Agree			8.89%	12
3	Neither agree nor disagree			10.37%	14
4	Disagree			5.19%	7
5	Strongly disagree			59.26%	80
6	Don't know			6.67%	9
				answered	135
				skipped	12

3.10 All of the respondents who answered the demographic questions were individuals, and 91% of them were service users or carers. Most respondents were female. 40% of service users who answered the question about age were 65 or over, and only a small proportion (11%) were 34 or under. This approximately corresponds with the overall characteristics profile of social care service users. More information about the demographics of respondents is in Appendix 3.

4.0 ANALYSIS OF COMMENTS

4.1 All of the comments received have been included at Appendix 3 with the full responses.

4.2 There were very few comments that related directly to the proposal for retain a standard rate of DRE, but the two comments below did highlight the burden of providing evidence of expenditure:

- *For many people, including me, the process of gathering 'evidence' will be too hard to do, especially given the effects of their disability.*
- *The council wishes to penalise those with increased needs by requiring increased evidence many such people suffer with dementia and complex health needs.*

4.3 A number of comments supported the assessment of actual expenditure as a fair way to determine DRE, some of which are shown below. In addition, some of these comments highlighted the importance of ensuring that support was available to provide the evidence required and that the Council was clear on what it required:

- *This seems reasonable as the council must ensure claims are genuine. However support should be offered to Service Users in obtaining these receipts as it could deter less able Service Users from claiming.*
- *As long as they are sensible about what kind of evidence or proof is required for expenditure, I think all expenditure should have to be proved. There is little enough money to go around for vital services as it is, and assuming everyone has £20 a week could make quite a substantial difference if they don't actually have that. For me, I suspect my DRE is well over £20 and I would put in a claim as such. I think if people genuinely have the expenditure they will be willing to provide the proof of that. However I also think it is important to think carefully about what proof is required for certain things - how would you expect extra laundry costs to be proved? Would it be better to ask for a list of what extras are required, how much they cost and details of why they are required specifically for the individual's disability rather than asking for receipts showing extra spending? Then each item on the list could be assessed as appropriate or inappropriate (including the amount spent - if someone is using luxury washing powder without good reason e.g. a skin condition when they could be using an own brand version it might be appropriate to lower the amount exempted to what they COULD spend instead).*
- *I have looked after my husband for 16 years after he had a stroke , I gave up my good job to look after him and have been his full time Carer , he has got worse over the last few years and have had to ask*

for more help , he is incontinent now and the washing and cleaning is never ending I have recently retired and reducing the money would make s big difference , however I do believe that we should all be assessed and I would be more than happy for someone to come out and visit us.

4.4 Most people disagreed that the rate should be reduced to £20. In many cases, they explained how difficult the challenges of living their daily lives were. They also pointed out that losing £6 a week was a large amount. Many of these comments did not include anything specific on the option of providing evidence for an individual assessment to determine DRE.

- The large majority of people in receipt of AA, DLA or PIP are extremely vulnerable and struggle with the most aspects of life. They rely on a help of others to help them with their support and fighting their corners; they are the forgotten few - hence the reason why the Council think it is ok to disadvantage them. I am speaking for someone who has protected characteristics - she is mentally impaired and struggles with the simple day to day chores that you and me do without thinking. To lose £6.00 per week means the difference between going out and meeting others or keeping the electric heater on.*
- Using the reason that a number of other Local Authorities have a lower rate of DRE to try to reduce Cambs rate of DRE is not a reasonable argument to reduce any form of Disability Allowance. All County Councils are being financial challenged due to harsh government policies. The governments dogma of going for the easy target of disabled people is clear. I would like to think that a caring though cash strapped authority would not get into the situation of a race to the bottom as your reason for the change indicates. We are talking about the most vulnerable in society who are clearly to all the most targeted group by the government. I expect better from Cambs CC.*
- Do not agree with DRE being reduced. As an individual compared to equivalent peers do not burden any councils government to financial benefits that others in the same situation do. Living at home, family support plus financial support from them saves the councils/governments a great deal of money. Already charges have been implemented on my carer/mother with council that adult social care charge plus carers allowance not given due to state pension. I all feel very annoyed at extra costs applied when saving costs to the state and yet again more budget cuts. As individual it is not fair in comparison.*
- The reduction of DRE allowance would be an expenditure that most disabled people can't afford. This puts a great financial*

burden on those people who were unlucky that they required financial support from the government, through no fault of their own. Now this is under threat. We assumed we would be looked after. Do not let us down.

- I am Heidi's mother and she has been severely disabled from birth with a rare genetic syndrome. It would be impossible for me to provide evidence of expenditure due to the fact that Heidi is incontinent and requires extra washing for bed sheets etc. However the regularity of these events is hard to determine. I am Heidi's main carer and the loss of the £6 per week would have an impact. I understand that there are budget cuts all round but hitting severely disabled genuine cases is harsh. I do not think that individual assessments will work and they themselves will prove costly to undertake.*
- Caring for someone who has a disability always adds more expense to daily life, whether it is paying to keep the house warmer, doing extra laundry or simply driving the person who may need to attend activities or appointments where public transport is not adequate.*

4.5 The feedback from the consultation gives clear support to retaining a standard rate of DRE but does not support the reduction of the standard rate to £20 per week. However, many of the comments challenging the reduction in standard rate DRE do not comment on the use of individual assessments to consider evidence of DRE above the standard rate.

4.6 The combination of a standard rate of DRE and the individual assessment process provides people with the choice of accepting the standard rate or seeking agreement for a higher level of DRE based on evidenced expenditure. Comments that focused specifically on the individual assessment and provision of evidence saw this as a fair and reasonable way to determine how much DRE people should be able to claim in their financial assessment.

4.7 A Community Impact Assessment has been completed (Appendix 4) that has been informed by the consultation feedback and identifies actions that can be taken to help to mitigate potential negative impact of the proposed changes. The feedback from the consultation and the Community Impact Assessment have been considered in the section below.

5.0 PROPOSED CHANGES AND IMPLEMENTATION

5.1 The consultation feedback was strongly in favour of retaining a standard rate of DRE that people could choose without having to provide any evidence of expenditure relating to their disability. This supports the view of Officers that the Council should continue to offer a standard rate of DRE.

5.2 The majority of people who responded to the consultation were not in favour of a reduction in the standard rate of DRE from £26 per week to £20 per week. Strong feelings were expressed about the reduction in terms of the

impact on people's ability to meet their daily living needs and on their quality of life.

- 5.3 A smaller number of people commented on the difficulty they would face in providing evidence of their expenditure or concern about what evidence would be required.
- 5.4 Many of the people who agreed or strongly agreed with the reduction in the standard rate of DRE commented positively on the individual assessment seeing the requirement to provide evidence of expenditure as a fair way to manage the DRE allowed within a financial assessment.
- 5.6 The majority view against the proposal to reduce the standard rate of DRE has been considered alongside the opportunity for people to provide evidence if they believe that they incur more than £20 per week in expenditure relating to their disability and the financial position of the Council.
- 5.7 The cost of the individual assessment for DRE has also been considered. The estimated cost for this part of the financial assessment is £7.85. There are currently 2,703 people in receipt of DRE. If 64.9% (1754) of people currently using the standard rate of DRE chose to have an individual assessment for DRE, based on the percentage of people who were not in agreement to the reduction in the standard rate of DRE, the cost of individual assessments would be approximately £13,769. This equates to around 0.5 of a Full Time Equivalent post. Making an assumption that all these people received a rate of £26 per week (although this would not be guaranteed), the additional income generated from the remaining 35.1% (949) accepting the standard rate of £20 per week would be £5,694 per week (£296,088 full year effect).
- 5.8 Taking the feedback from the consultation into account, the option to provide evidence of relevant expenditure above the standard rate of DRE and the financial challenges that the Council faces, it is proposed that the Council continues to have a standard rate of DRE, and that the rate is reduced from £26 per week to £20 per week. Officers would ensure that there is clear guidance on the evidence that would be required for an individual assessment of DRE and consider how people can be supported to gather this evidence, if necessary.
- 5.9 It is proposed that implementation would happen as follows:
- Existing service users: implementation of the new standard rate of DRE (£20 per week) would happen from the date of the next financial assessment, which would allow for full discussion on DRE and the options of the standard rate and individual assessment.
 - New service users: implementation of the new standard rate of DRE (£20 per week) would happen from the date of the start of services, in line with the start of the financial contribution. The initial financial assessment would allow for full discussion on DRE and the options of the standard rate and individual assessment.

6.0 ALIGNMENT WITH CORPORATE PRIORITIES

6.1 Developing the local economy for the benefit of all

- 6.1.1 There are no significant implications for this priority.

6.2 Helping people live healthy and independent lives

- 6.2.1 The proposed changes may have an impact on the lives of people supported by adult social care, as highlighted by the comments from the consultation. The use of individual assessments to determine DRE will help to mitigate any potential negative impact.

6.3 Supporting and protecting vulnerable people

- 6.3.1 The proposed changes will impact on people in receipt of adult social care support who also receive Attendance Allowance or the care components of Disability Living Allowance or Personal Independence Payment. Although the proposed changes may have an impact on the lives of this group of people, the use of a standard rate and individual assessments to determine DRE will help to mitigate any potential negative impact and offers a fair way to determine the level of DRE.

7.0 SIGNIFICANT IMPLICATIONS

7.1 Resource Implications

- 7.1.1 The following bullet points set out details of significant implications identified by officers:
- The business plan includes an expected increase in income of £500K that the reduction of standard rate DRE would contribute to. If this income is not achieved, savings will have to be made elsewhere within older people and adult services.

7.2 Statutory, Risk and Legal Implications

- 7.2.1 The following bullet points set out details of significant implications identified by officers:
- The Council has to offer individual assessments for determining DRE, but can also offer a standard rate that can be used without the need to provide evidence of expenditure. The Council will offer both options to determine DRE.

7.3 Equality and Diversity Implications

- 7.3.1 The following bullet points set out details of significant implications identified by officers:
- The proposed changes will impact on people in receipt of adult social care support who also receive Attendance Allowance or the care components of Disability Living Allowance or Personal Independence Payment because they are the only group who can benefit from DRE. Other people receiving adult social care support are not eligible for DRE and therefore it is not considered in their financial assessments.
 - The use of individual assessments for DRE will help to mitigate any impact of reducing the standard rate of DRE to £20 per week.
 - Officers will ensure that there is guidance on the evidence required for individual assessments of DRE and look at how people can be supported to provide the evidence, if necessary/

7.4 Engagement and Consultation Implications

- 7.4.1 Public and targeted consultation has been undertaken and the feedback considered in reaching the decision about the proposals to be put forward for consideration by the Adults Committee.

7.5 Localism and Local Member Involvement

- 7.5.1 If Adults Committee supports the recommendations, Local Members will need to be briefed to help them address any concerns that are raised by their constituents.

7.6 Public Health Implications

- 7.6.1 There are no Public Health implications.

Source Documents	Location
NONE	