

# Social care charges and their impact on disabled people in Southwark – briefing note

On 12<sup>th</sup> April 2022, Bede and Community Southwark organised a meeting for carers of people supported at the Bede Centre. Many had come to the service asking for advice about the increased social care charges they were facing.

At the meeting, many carers raised their concerns about the impact that the charges were having on them and the people they care for. Clients are now being asked to fill out a financial assessment, which determines the financial contribution they need to make towards their care of many families. Often families feel these forms are not explained properly to them, and so they do not understand how the form will affect them

These charges have created a real mental as well as financial strain for families. The cost-of-living crisis is only serving to exacerbate the situation.

*“They (Southwark) are taxing people for being special. They are picking on disabled people because they may not be able to raise their concerns” NC*

That is why we are hosting a further meeting on the 20<sup>th</sup> of October, to invite councillors to speak directly to people with learning disabilities and their families. Together we can discuss the effects of Southwark Council’s approach to care charges, and help Southwark residents with a learning disability during this cost-of-living crisis.

## 1. Background

### 1.1 How care charges are calculated

Disabled people are eligible for a personal budget from their local authority, which they use to pay for care and support appropriate to their needs. However, clients are also asked to contribute financially towards this. Their contribution is means-tested and based on income (including benefits but not employment). While the councils have the power to charge individuals receiving social care, the Act specifies that people will only be asked to pay what they can afford.

Social care users can be charged for their social care through two different ways:

- 1) Via a means test on their **capital and savings** (£1 for every £250 over the lower capital limit of £14,250)
  - o To be eligible, you need to have assets and savings between £20k and £100k
  - o Most working age disabled adults do not have many assets or savings because of factors such as poor working opportunities, the additional costs of having a disability and the lifelong nature of disability meaning chances for accruing money are very limited.
- 2) Via their **income**. This excludes employment income includes benefits, something that disabled working age adults are disproportionately likely to rely upon. This therefore affects most disabled people and is a major concern.

### 1.2 Care charges have risen rapidly in the last few years

Many people with a learning disability have seen their care costs increase rapidly in the past few years, with a BBC News report<sup>1</sup> showing that the amount that disabled and frail people were expected to contribute had risen from £369m in 2018-19 to £420m in 2020-21. In a number of local authority areas, this has seen the average person's care charges rise by around £500 per person.

Benefits constitute a large proportion of the amount they need to subsist on, and social care charges remove around 40% of this total income they receive per week, trapping them in perpetual poverty

Charging disabled people who use social care is discretionary. The Care Act 2014 gives councils a choice whether to charge or not for care services in the person's home, and organisations such as Royal Mencap and Inclusion London have called for these contributions to be abolished.

Hammersmith and Fulham council has in fact abolished care home charges for disabled and older residents<sup>2</sup>. Abolishing the care charges cost the council £324,000 a year in lost income, and was funded by £400,000 cuts in PR, council publications and lamp post banners.

### **1.3 Allowances have not kept pace with inflation, exacerbating the impact on disabled people**

The **Minimum Income Guarantee (MIG)** determines the minimum weekly amount of money that care users can be left with after the council has levied its care charges. While the government has increased the MIG by 3% this year, this is much lower than the current rate of inflation, which is at 9.9%

**Disability Related Expenditure (DRE)** aims to enable disabled people to retain money to pay for the cost of facilities, adaptations and additional costs that arise as a result of their disability. Scope research found that disabled adults on average spend £583 in extra costs on essential items like heating and electricity.

According to the Care Act guidance, the purpose of DRE is to “allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority”. However, evidence suggests that the scope of the DRE is being increasingly narrowed by local authorities and averages around £5 per week which clearly does not reflect the scale of additional costs that disabled people face. Indeed, we are also aware of some local authorities applying a blanket maximum DRE per week of £5 irrespective of individual circumstances.

## **2. The impact on Southwark carers and people with learning disabilities they care for**

### **2.1 Financial form not explained properly**

Many carers feel that the financial assessment form – used to calculate the level of contributions an individual is expected to make towards their social care – is not explained to them. One carer thought it was to check she was receiving the correct benefits until she got the letter and called the helpline. Most carers felt that the person they were supporting at home did not understand the financial implications to these charges.

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<sup>1</sup> <https://www.bbc.co.uk/news/uk-58259678>

<sup>2</sup> <https://www.lbhf.gov.uk/articles/news/2014/12/tax-disability-be-abolished>

*“My brother has just one day at Bede and four hours Outreach elsewhere. We were shocked when we received the charges letter as this had not been explained to us by the social worker” NC*

*“When I was part of the last review there was no support, consultation or explanation about the financial form I filled in. This was sneaky! When I called the helpline number the person I spoke to did not have the right information about my sister in law’s circumstances and the information they had was wrong.” BT*

Whilst Southwark council does have an easy read copy explaining the care charges form, carers thought it still needed to be explained better. The Care Act requirement is that

*“Councils should have transparent charging policies... service users, carers and the public should understand the purpose of local charging policies and the criteria used to determine levels of charging for particular services”*

This is also stated in Southwark councils’ fairer contribution policy

*“Social care staff conducting assessments must ensure that the adult with care needs (and those supporting them during the assessment) are adequately informed about the financial assessment process, and charging implications”*

## **2.2 A tax on disabled people during a cost-of-living crisis**

Carers in Southwark feel that this is an extra tax on those with a learning disability as it is charging them for something that is essential to them

*‘Why are they forcing people to spend their entitlements to on something the Council has assessed that they need?’ BT*

This exacerbates the cost-of-living crisis for both the carer and the person with a learning disability, who already carry the additional costs associated with being disabled. Many people are being asked for significantly increased sums, some backdated by months, that they simply cannot afford.

All this affects disabled residents' ability to be independent.

*“I have decided I will pay this charge out of my carer’s allowance because he needs his money to keep his independence. This will have a financial effect on myself as his carer.” NC*

Carers expressed that they felt the savings they provide to the Council in unpaid support was not appreciated. Carers UK research shows that carers save the economy £132 billion per year, an average of £19,336 per carer.

*“Carers save Councils so much money because they support for free, but then they charge us.” MK*

### **Carers being forced to make backdated payments.**

The council is sending notices to carers for backdated payments to pay for charges that they did not know about.

*“(The Council) telling me he’s got to pay the back pay from 15th of August but we only got the letter 2wks ago until then we never knew anything about it.” The client is paying £75 per week in charges.*

These backdated payments potentially tip carers and disabled people into debt, and meaning having to give up on activities that keep them active and independent.

### **2.3 Financial cost to the council**

These charges and assessments could result in the council being constantly challenged by carers who could challenge the care needs and/or financial assessment and take this to the Ombudsman. With two in three claims to the Ombudsman being successful this creates more costs for the council.

There is also the added cost of the council having to collect funds from families that cannot pay and using bailiff services to do so. Some carers had already been sent letters from bailiffs seeking to recover the social care charges.

### **2.4 Mental health impact**

The charges have affected carers' and people with learning disabilities' mental health and made them feel increasingly anxious and unhappy. People with learning disabilities already more likely to be lonely and socially isolated<sup>3</sup> and, care charges contribute to this issue by creating a barrier to accessing support.

*'We sat down and discussed this charge. He was so upset and angry when he realised how much money he would have to pay he said he would not go to Bede anymore. This would be terrible as he loves going and we know it helps him with his loneliness. "* NC

*Today we cope with this but tomorrow worries me. Will they keep charging more and more when they need the money?'* MK

## **3. Councillors are asked to consider**

1. If Southwark Council can least re-evaluate how they calculate care charges but ideally consider abolishing charges as in Hammersmith and Fulham
2. The financial assessment form better explained to both carers and people with learning disabilities
3. A commitment to a continuous discussion how charges can be assessed so that they do not leave families with no money during the cost-of-living crisis
4. Carers to be invited to present at the party group meetings to present on the social care charges and their impact.

## **Notes**

1. Southwark Council estimates that there are 5,800 adults with LD and 1,300 with moderate or severe LD (Southwark Council, Learning Disabilities in Southwark Joint Strategic Needs Assessment, 2018)
2. Bede House Association provides day services for people with LD in Southwark. At the moment it supports 75 people with a learning disability. Six of these have no formal support plan with Bede. Of the 37 clients that live with their families, 19 live

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<sup>3</sup> <https://www.mencap.org.uk/learning-disability-explained/research-and-statistics/friendships-research-and-statistics>

with family members who are either over 70 or who have health/disability concerns of their own.

3. The statutory guidance on charging for care and support under the Care Act 2014 is found in the Care and Support Statutory (CASS) Guidance at <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>
4. The full Minimum Income Guarantee rates at October 2022 are:
  - responsible for, and a member of, the same household as a child, the amount of £86.20 in respect of each child
  - a single person and—
    - is aged 18 or older but less than 25, the amount of £74.60
    - is aged 25 or older but less than pension credit age, the amount of £94.15
    - has attained pension credit age, the amount of £194.70
  - a lone parent aged 18 or over, the amount of £94.15
  - a member of a couple and—
    - one or both are aged 18 or over, the amount of £73.95
    - one or both have attained pension credit age, the amount of £148.65
  - a single person who is in receipt of, or the local authority considers would, if in receipt of income support, be in receipt of—
    - disability premium, the amount of the applicable premium is £41.55
    - enhanced disability premium, the amount of the applicable premium is £20.30
  - a member of a couple and one member of that couple is in receipt of, or the local authority considers would, if in receipt of income support, be in receipt of—
    - disability premium, the amount of the applicable premium is £29.60
    - enhanced disability premium, the amount of the applicable premium is £14.60
  - in receipt of, or the local authority considers would, if in receipt of income support be in receipt of, carer premium, the amount of the applicable premium is £44.55