

Why does the council charge for services?

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Demand for services and legal basis for charging

- The number of people requiring support to manager their social care needs is increasing year on year
- Whilst unpaid carers continue to provide support across the country, the financial cost for Local Authorities to meet the social care needs of their residents continues to increase.
- Local Authorities provide and fund social care services under Section 9 of the Care Act 2014. This legislation also provides Local Authorities with a duty to complete “Assessment of an adult’s needs for care and support” and Section 14 of the Care Act gives Local Authorities a power “to make a charge for meeting needs”.

More information about the application of the financial assessments can be found via <https://www.legislation.gov.uk/ukxi/2014/2672/contents/made>

How much does it cost the council to deliver services?

- The Council spends close to £130m on Adult Social Care
- The Council budgeted income from charging for services, is £8.4m
- If the council does not received this income, it will have a direct impact on the affordability of services i.e. day-care, shopping, cleaning and laundry support.

More information about the application of the financial assessments can be found via <https://www.legislation.gov.uk/uksi/2014/2672/contents/made>

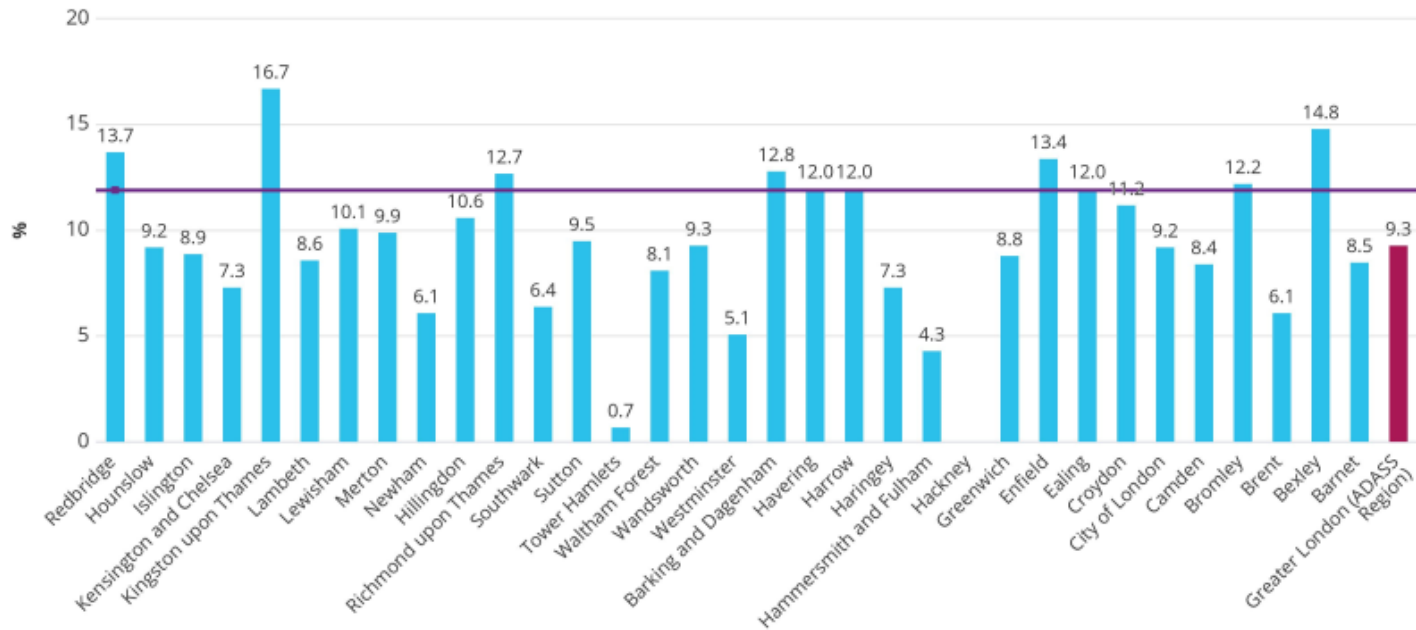
Fairer Contribution Policy

- Southwark Council adopted a Fairer Contributions Policy in 2015, which outlines the way the Council financially assess recipients of social care services.

[fairer-contributions-policy.pdf \(antser.com\)](#)

- The principle of fairer contributions is that all services, with the exception of Reablement are included within the personal budget calculation. This means that previously 'flat-rate' charged services (such as a day centre, and respite care) are now included within the personal budget and not charged separately. Alarms and Telecare services, and transport are also included.
- A financial assessment is undertaken to determine the ability of the client to contribute towards the cost. The financial assessment of a person's circumstances will review the income, capital and savings of those receiving support in the community.

Income from client contributions as a proportion of revised gross current expenditure on adult social care for Greater London (ADASS Region)



England
11.9%

- Client contributions as % of revised spend on adult social care 2021/22
- Total for England: Client contributions as % of revised spend on adult social care 2021/22
- Greater London (ADASS Region) (Lead area)

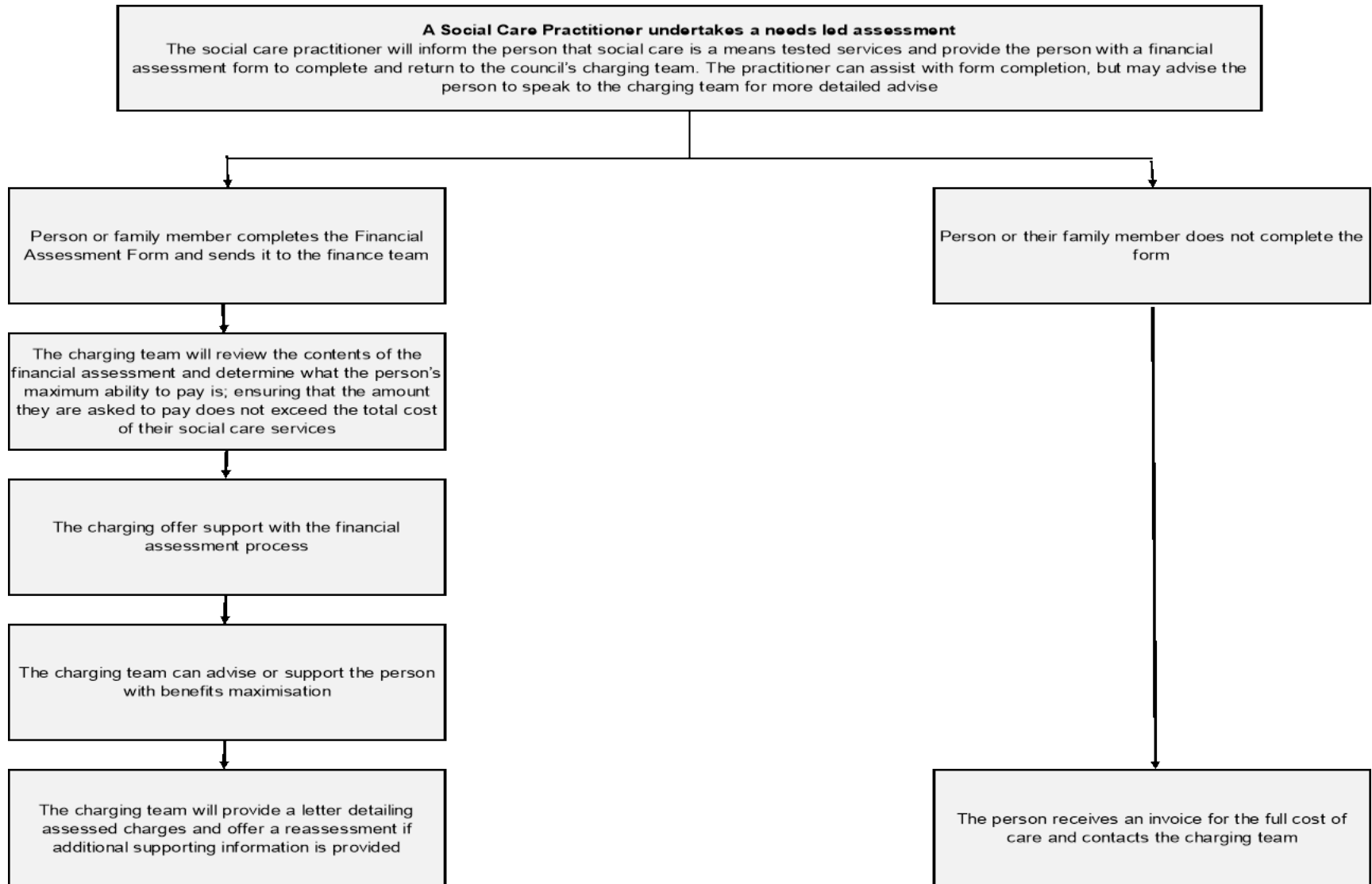
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Breakdown of costs by client group

Client Group	Gross Expenditure	No, Service users currently receiving a package of care	Average cost/head/year
Learning Disabled	£29.1m	768	£37,894
Older Persons & Physical Disabilities	£43.8m	3,916	£11,175
Mental Health	£5.3m	456	£11,668

- To ensure that the council can afford to meet the needs of adults who are eligible to receive support, Adult Social Care (ASC) will work with individuals to identify what their needs are, how they would like their needs met, and how much they can afford to contribute towards the costs their care
- In order to determine whether the adult is able to make a contribution towards their care costs, a financial assessment is undertaken
- If the value of their capital does not exceed the upper capital limit, (£23,250) they will be asked to contribute to their personal budget, If it is over the capital limit they will be required to fund the full cost of their care.

The Financial Assessment Process



Disability Related Expenditure

- The Charging team will review the person's benefit income and savings, but will also consider whether the person is encountering "Disability Related Expenditure".
- The person's "Disability Related Expenditure" will be deducted from the person's maximum ability to pay and the Council must ensure that each person has the Minimum Income Guarantee [MIG]. This ensures that the person has sufficient funds available to pay their social care charges and meet their daily needs.
- Following their financial assessment, the adult should be left with sufficient funds (the MIG) to meet their housing (rent, council tax etc.), and basic needs (food, utility costs etc.). MIG thresholds are set by government.
- We will review the MIG figure at least annually to ensure that any adjustments to the sum are reflected in our charging practices.

More information about the MIG can be found via

<https://www.legislation.gov.uk/ukxi/2014/2672/regulation/7/made>