



## **Summary of Action for Carers (Surrey) Response to the Consultation on Fairer Charging**

We do not feel that the process of consultation has followed an inclusive process for either Carers or Service Users. If we had been involved in a consultative group discussing policies and developments in relation to Carers and the impact of charging prior to rather than having to respond at the point of consultation, we believe the subsequent proposals would have been more credible. They also would have been more in line with current policy and practice arising from Fairer Charging guidance and the Carers (Equal Opportunities Act) 2004.

The principles of Fairer Charging should have been published in tandem with the proposals and if the Local Authority had consulted on the whole charging policy, giving the full picture, then there wouldn't be the feeling that an unskilful attempt had been made at dealing with a much wider issue. The organisation recognises the issue of low funding for Social Care per person from central Government in relation to other areas of the Country. We also acknowledge the high costs of Surrey living and the higher rates of pay for care staff, higher cost of disability services and inflated housing costs. However, it is also apparent that national welfare benefits are not weighted to reflect the local economy and therefore the high costs of living in Surrey have a very significant impact on low income families caring for people with a disability be they young or older family members. Action for Carers (Surrey) is very concerned that people, who are already overstretched, will as a consequence to changes to the charging policy, be worse off financially.

Since the Fairer Charging guidance was published (2003) there has been a large progression in social policy issues with which the guidance is out of step. In particular, these include: Equal Opportunities for Carers; Social Inclusion and the future of long term care. The current guidance as issued under Section 7 of the Local Authorities Social Services Act 1970 states that there is no requirement to charge. If charges are levied they should not include the earnings of people with disabilities and Carers and shouldn't create a disincentive to either enter or progress in work. Surrey County Council has been nationally recognised for its work highlighting the social and business case for supporting Carers into work through its funding of Action for Carers and Employment as part of the ACE National agenda. The proposed change to the charging policy contradicts Surrey County Council's own guidance and ethos with regard to supporting Carers because the proposed changes risk creating disincentives to work. If a Carer takes a job paying more than £95 per week (equivalent to 17 hours at minimum wage £5.52) they would lose their Carers allowance of £48.65 per week. A disregard is given for extra care costs but not for extra charges. Working tax credit may help to balance some but not all of the costs and loss of earning highlighted, but it would have to be claimed by the working carer. The result is any charges incurred because of an increase in care package, to allow the Carer to work, would have to be paid from the household income, therefore a charge to Carers.

If charges are levied then the impact of charging on Service Users must be heavily monitored and also the cost of administration. Local Authorities have a responsibility to maximise Service Users incomes and provide comprehensive benefits advice. The guidelines also stipulate that a person's net income should not be reduced below Income Support or the Guaranteed Credit + 25%. Charging below this level will erode promotion of independence and social inclusion. The guidance stresses that a flat rate should be limited as it does not take into consideration an individual's circumstances and why they hold savings. Many people with disabilities have to save up to purchase expensive equipment to support their disability. Many savers are often older people so this group could suffer even more discrimination.

The proposals do not include any information on how changes to the policy will be monitored we are therefore very concerned that there is no mechanism to ensure that Service users and Carers do not reduce or give up services altogether because of increased costs.

Action for Carers (Surrey) believes that the current proposals are not Fairer Charging compliant as they may leave people in financial hardship; they don't promote independence and are therefore not compliant with Self Directed Care; they don't include the impact on families; they will discriminate against savers and they may create disincentives to work.

The proposals are difficult to understand and the examples are not comprehensive or realistic. Is the local authorities intention to opt for A or B, or A and B. There are not enough examples of people with savings. Proposal A is very much a disincentive to savers and doesn't take into account how people on a low income rely on the interest from savings and investments to pay for the higher costs of disability and caring that the benefits system does not provide for. How will savings be considered? What will be deemed to be capital and what will be seen as savings? What happens when a long term fund is being used where there is no short term income and there are stringent penalties for redeeming funds early? Will for example compensation be awarded to those who have to redeem ISAs thus losing tax advantages? Are disabled people and carers to be discriminated against yet again in not being able to take advantage of national tax breaks? How will savings for high cost disability equipment be considered? Will they be ring fenced against charging until the purchase is made? Where are mortgage costs in the examples? What happens when service Users and Carers have problems paying their mortgage costs? How is Service user debt considered and allowed for and how can Service users save for essential maintenance costs- replacement windows, roof repairs and so on if income is reduced and capital is being eaten into? Who funds the costs of disability in Example 1? The disability related expenditure is greater than the income and so we must assume that the Carer funds this. Many Carers already support the costs of disability of the service User and therefore any further charges on the User will impact on the Carer. (Please see Appendix 2, items 4 and 5 for additional queries). A financial impact assessment on each Service User and Carer must be undertaken to be Fairer Charging compliant.

If we have understood example 1 correctly Income support is granted when capital is less than £16K, so Example 1 is eligible for Income support and the charges suggested would drive income below that level. The total impact on service User incomes even if they have savings at the levels described may fall into Income Support traps. Is the aim to bring everybody to Income support Levels?

Proposal B and the difference between the current 80% Net available Income being considered for charges and the proposed 90% and 100% may mean the difference between independence and dependence. This small amount of money could mean the difference between social isolation leading to depression or being able to get out of the house and engaging with others. National research by Carers UK demonstrates that caring exacerbates emotional and physical illness in Carers.

Action for Carers (Surrey) is particularly concerned that if Service Users opt out or decide to reduce their service costs, then the burden of care will necessarily be picked up by the Carer. Carers have a right to life beyond caring.

We are not clear on which proposal the local authority is intending to opt for. Is it option A or option B? In either case there is an assumption that Surrey County Council should have parity with other local authorities, authorities who may well be in breach of Fairer charging guidance, promoting independence principles; Carers Equal Opportunities Act 2004 requirements and Every Child Matters where there is a child living in a family where there is a disability. Every Child Matters stipulates that “children are supported to be healthy; to be safe; to enjoy and achieve; to make a positive contribution and to achieve economic well being” How does the charging policy consider these expectations for these families? There is a potential conflict with the Families Services Directorate and its integrated services approach and the impact of care charges. We would urge Local Authority to review the current and any future charging policy so that it is consistent with current family “good practice”

There are no examples of a family in the proposals of for example children living in a family where a family member has a disability. How will families be expected to save for the future, for holidays and education? Where is the consideration of Carers Rights, both Adult and Young Carers .How will the charging policy safeguard children and Young Carers so that they have equal chances in life with those from non-disabled families?

**An Action for Carers (Surrey) member recently commented:**

*“The effect on our lives is total devastation. We no longer go on holiday, we do not go out, and my kids have not got the things they deserve. They have to go without so much. We are now bankrupt just because I tried to do the best for my family.”*

The raison d’etre to change the current charging policy is apparently to fund an increase in care packages. Action for Carers (Surrey) feels very strongly that current Service Users and their families should not be in effect funding the care of other people with disabilities. The families of disabled people are effectively charged twice for care through local taxation and also through current charges for care. A change in the charging policy will mean an additional tax for people who are already discriminated against as they will have to pay in effect for the care of other disabled people.

We acknowledge the weakness in one aspect of the Carers and Disabled Children Act 2000 that enabled Carers to be levied for charges incurred for services they receive to help them care. This provision was condemned by Carers and National Carer organisations especially in consideration that Carers save the nation £87 billion pounds per annum. This is more than the annual cost of all aspects of the NHS audited in 2006/2007. We acknowledge that Surrey County Council did not follow this pathway but

would argue that any changes to the Fairer Charging policy will impact heavily and severely on people who already save the county £1.17 billion (£11,000 per carer) per annum through their caring role. Many Surrey Carers perceive that charges to the Service User are in fact a charge on the whole family and have said “Should this not be offset against what is spent and what we are charged? Service User and Carers income are often entwined and the family as a whole dependent on the total sum of income. Evidence from Carers UK (see appendix 1).

There is a worrying national trend whereby the savings thresholds beyond which Service Users are self funding is often denying the Carers their right to assessment and support. About 70% of service Users in Surrey are self funding and although the Service user is readily given information about how to meet their needs the Carer is often overlooked. As a consequence these Carers often take on unacceptable levels of care by default not choice and are unsupported, at financial risk and in danger of emotional and physical ill health. We believe under the current proposals that this situation is going to further deteriorate.

Carers UK research “**Real Change not Short Change**” shows that one in three carers face severe financial hardship and are cutting back on food; struggle to pay utility bills and one in ten cannot afford to pay their rent or mortgage. Their research has also shown that one in three Carers are, or have been in debt as a result of caring and that on average Carers retire 8 years early, missing out on years of income and pensions contributions.

*“My husband and I have to job share since our son left school. Our income has been halved and neither of us meets the criteria for Tax credits.”*

*“Don’t stop me from being able to claim Carers Allowance just because I earn £87 pounds per week. Provide me with alternative care workers so that I am able to return to work full time. I have an English masters degree which is being wasted.”*

*“In winter I have to choose between heating and food. I need a car to carry out my caring duties as the public transport system is non-existent where I live”*

(All above quotes taken from **Real Change not Short Change**, Carers UK, 2007)

Fairer charging equates the rules for residential care charges with those of community based care. We believe this is totally incongruent because the added expense of maintaining and running a home including the individual costs of disability will always amount to more than the costs of residential living. We have long argued that the Community Care charging should be reviewed and therefore feel that Fairer Charging is not in line with Social Care policy or with The National Carers Strategy. If the cost of higher charges becomes prohibitive for individuals often on a very tight budget, then people will reduce or opt out of receiving services. A life beyond caring facilitated by the Carers (Equal Opportunities) Act 2004 to take up opportunities for training, education, work and leisure could remain an unfulfilled dream.

As one of our members said:

*“My mother in law will see the rises and say “I’m not paying for this” and she will refuse the services she has. Who will pick up on this care? Me. I am exhausted doing what I already do. Where will it all end?” – A Surrey Carer. (Please see appendix 3)*

Consultation with our members and other interested parties at our Carers Forum 27<sup>th</sup> November 2007 revealed a variety of anxieties over proposed changes and also confusion over what exactly was being proposed. A member queried why Attendance Allowance was being included when it is not means tested? The officer from Surrey County Council agreed that this should be looked into. Another member asked: "What is the rationale for expecting a user to get more from capital than earnings? The user may not get a return on savings particularly as earnings from capital may be eroded by being utilised for living costs and to pay for equipment. Another concern was that some people would be badly affected by both proposals. The question of "Who will advocate for individuals living alone when savings need to be reassessed?" was also posed. Statements included:

*"SCC will have to constantly monitor administration costs because of reassessment costs regarding savings. For example if a new boiler was needed it would be paid for out of savings and the individual would need to tell Surrey County Council so that they could be reassessed."* This clearly would significantly raise administration costs on a county wide level.

*"Two years ago there was a review of the charging policy and a task force recommended changes to that policy which Users and Carers agreed. These changes were never implemented. We need to challenge this"*

**Other comments included:**

*"This is savers helping non-savers".*

*"What about long term investments where there is no interest and the money can't be touched for example for 5 years and there are penalties for touching it"?*

*"Proposal B would leave the Service User with no available income. How would they be able to afford to leave the house, to go to the pictures for example?"*

*"What happens when the Service User says I am not paying any more. The Carer picks up the care. Carers are just hanging in there now."*

At a time when Carers are offered a vision of choice in whether to provide care or what level of care to provide, choice will no longer be an option and carers will have to provide care by default.

We are concerned that the proposals may not have been given due consideration by senior Service Managers and the potential impact on Carers and Service Users. It is an imperative that the health and well-being of Carers and Service Users is not jeopardised or independence; self-determined care and Carers legislation.

In conclusion we would urge Surrey County Council to review the proposed changes to its Fairer Charging policy and its general approach to charging and Community Care.

We are also very keen to know what the administration costs of the changes to charges will be and how monitoring will be carried out should the changes go ahead. Action for Carers (Surrey) believes that the proposals are non-compliant with Section 7 of the Local Authorities Social Services Act 1970 and Self Directed Care (promoting independence) and are therefore unlawful.



SUSAN AUSTIN  
Chief Executive



JOHN BALE  
Chairman

Notes:

The following legislation has been used in formulating our response:

Local Authorities Social Services Act 1970  
NHS and Community Care Act 1990  
Carers (Recognition and Services) Act 1995  
Carers and Disabled Children Act 2000  
Fairer Charging Guidance 2003  
Carers (Equal Opportunities) Act 2004  
Work and Families Act 2006