

Have your say on proposed changes to the local Deferred Payment Agreement for residential care

We would like to hear your views on our proposals to change the existing East Sussex Deferred Payment Agreement to reflect the requirements of the national Care Act 2014.

Deferred Payment Agreement: The Deferred Payment Agreement (DPA) is a way to help people who own property to pay for residential care. We already run a DPA in East Sussex but not all local authorities do.

The Care Act 2014: The Act reforms the law relating to the care and support of adults and their carers by bringing together a huge number of existing laws, and introducing some new duties to local authorities. It also sets out the national DPA rules.

This consultation document explains the options we are considering for the updated East Sussex DPA in more detail. Before you fill in the survey please read the summary and the information provided with each question.

Please note – if you use our existing DPA you will not be affected by the changes we are proposing.

The updated DPA will start on 1 April 2015. The new rules will therefore apply to all DPA's signed after that date. If you apply from January 2015 onwards it is likely you will be considered for the new DPA once it is finalised.

How to take part

The survey should take around 15 minutes to complete. If you would like help to take part please contact us on the details below.

If you would rather complete the survey online visit: www.eastsussex.gov.uk/haveyoursay

We will be asking people who use the existing DPA for their views and also sharing the consultation with Adult Social Care's engagement groups and external partners.

Consultation start: 13 January 2015

Consultation end: 24 February 2015

The consultation runs for six weeks. This is because the national regulations for the DPA were available from the end of October 2014 and we need the updated local version to be in place by April 2015.

Please return your completed survey to the address below.

What happens next?

What you tell us will help inform the recommendations we make for updating our local Deferred Payment Agreement and help us to improve the way it is run. Adult Social Care's management team and Lead Member will consider the recommended changes to the DPA in March 2015. We will share the results of the consultation and what happens next with everyone after that.

The updated DPA will be in place from 1 April 2015.

Help and enquiries

If you have any questions about this consultation, need help to take part, or you need a copy of the information in a different format or another language, please contact:

Tel: 01273 481 565

Email: careact@eastsussex.gov.uk

Address: ASC Deferred Payment Agreement Consultation, North A floor, County Hall, St Anne's Crescent, Lewes, BN7 1UE

Consultation summary

We have been running a local DPA in East Sussex for many years. There are about 60 people using it at the moment and about 30 going through the approval process.

Having a DPA is a key part of the Government's new Care Act 2014, which will come into force in April 2015. The Act says that all councils will have to offer a DPA.

Although the Act is making the DPA national, we don't think that the number of people using it in East Sussex will increase hugely. This is because although anyone who meets the criteria can apply for the DPA, people may not choose to use it to help fund their care. Also, we are lending public money and have to do that as carefully as possible.

DPAs work by the local authority loaning the individual part of the value of their home to help pay for their residential care. That loan (including interest) is repaid when the home is eventually sold.

You can apply for a DPA whether you choose to keep your property, to rent it out, or if you plan to sell your home as soon as possible.

You will be able to apply for the updated East Sussex DPA if:

- You have been assessed as having eligible care needs (under the national eligibility criteria) which are best met in a residential care setting.
- You have no other income or savings (capital) of more than £23,250, other than the value of your home, to meet the cost of your care.
- We will consider your application if your capital is above £23,250, but you will need to tell us about your particular circumstances.
- Your home has been taken into account in your financial assessment.

We will generally lend you the money to pay care home fees at the local 'usual cost'. The 'usual cost' is a maximum amount that the Council will pay for different kinds of residential care. It is set annually by the Council.

Some people may choose a care home that charges more than the 'usual cost'. As part of the consultation, we are considering whether to loan additional money in this case.

You pay back the loan at the end of the DPA. This will usually be when your property is sold, if you leave residential care, or after your death.

Case study – when might someone apply for the updated East Sussex DPA?

B has arthritis and feels she would be safer in a care home. The social worker agrees that B has eligible care needs that would best be met by moving into a care home.

When she moves into a care home B will have to pay a contribution towards her care costs. This will be decided by a financial assessment – the examples below show what is taken into account in an assessment and when a DPA might be used.

<p>Example 1: As well as her home and a regular income, B has savings and shares totalling £78,000.</p>	<p>Example 2: As well as her home and a regular income, B has savings of £18,500.</p>	<p>Example 3: B owns her home and has a regular income but she doesn't have any savings.</p>
<p>B is considered a self-funder and will have to pay for her own care while she has assets and savings over the limit of £23,250.</p>	<p>B will need to pay a contribution towards her care costs for 12 weeks.</p> <p>After this she will be considered a self-funder because she owns her home. If she doesn't want to spend her savings or sell her home she could apply for a DPA.</p>	<p>B will need to pay a contribution towards her care costs for 12 weeks.</p> <p>After this she will be considered a self-funder because she owns her home. If she doesn't want to sell her home she could apply for a DPA.</p>

What we're consulting about

This consultation is about updating our existing DPA so that it meets the Care Act requirements. We also want to make sure it works well for people who use it.

We've taken into account the Care Act guidance in planning how we might run our DPA from April 2015. The consultation covers the three main areas where we are considering our options:

- How we charge people
- Extending the DPA to people in Extra Care and sheltered housing
- Loaning additional money

What we're not consulting about

Criteria on income and savings: Our existing DPA is only open to people who do not have any income or savings over £5,000, apart from the value of their home, to pay for their care. The national DPA changes this limit, requiring us to offer the DPA to people who do not have any income or savings over £23,250 and who meet the other criteria. This means that more people will potentially qualify to use our local DPA, but since the amount is set nationally we cannot change it.

Legal charge: Our existing DPA only accepts a legal charge against the applicant's home as security against the loan. We are not going to change this aspect of our DPA as it lowers the risk of lending public money.

Charging for set-up and administration: The Act says that local authorities can charge fees for arranging and administering DPAs (although we are not allowed to make a profit from running it). Our existing DPA already includes a set-up charge. Continuing with the set-up charge and introducing a regular administration charge will help us make the DPA more sustainable at a time when we have to make savings across the Council. The charges are likely to be more than £1,000 for set-up and around £400 for administration. Not charging for set-up or admin is not an option for us.

Charging interest: The Act says that local authorities can choose to charge interest on the loan. The Department of Health will set the interest rates that we can charge, which will be reviewed on 1 January and 1 July each year. To make the local DPA sustainable and lower our risk we will be charging regular interest on the loans. Not charging regular interest is not an option for us.

Charge at the end of the loan: The Act says that local authorities can make a redemption charge at the end of the DPA. We will be charging a redemption charge at the end of the loan – likely to be around £300. This helps cover the legal and admin costs of ending a DPA. It will also make the local DPA more sustainable. Not charging for redemption of the loan is not an option for us.

Home valuation: Working out the value of your home so that we can arrange a loan will always be complicated. We have asked the Valuation Office Agency to undertake this for us. This means the valuation will be made by an independent professional organisation that is unconnected to either party.

The survey

Some of the sections have an introduction for you to read before you answer the questions. You do not have to answer all the questions – just leave the question blank if it doesn't apply to you.

Q1) Are you... (please tick one box)

- Someone who has used the existing DPA (go to q1a)
- A carer, family member or friend of someone who has used the existing DPA (go to the next section)
- Someone who gets social care support from the Council (go to the next section)
- A friend or family member of someone who gets social care support from the Council (go to the next section)
- A carer of an adult who gets social care support from the Council (go to the next section)
- An East Sussex County Council employee (go to the next section)
- A member of the public (go to the next section)
- A statutory organisation (go to the next section)
- A provider of social care services (go to the next section)
- A voluntary or charity organisation (go to the next section)
- Other (please explain below and then go to the next section)

Please explain:

Q1a) If you, or someone you care for, have used the East Sussex Deferred Payment Agreement, how satisfied or dissatisfied were you with it?

Please tick one box.

- Satisfied Mixed views Dissatisfied

Why was this?

How we charge people

Loaning public money to people based on the value of their homes can be risky. We want to make sure that we use that money as sensibly as possible. Arranging a DPA also involves lots of different people and costs time and money to set-up and manage.

The Care Act recognises this and says that local authorities can make charges to cover the cost of offering the DPA, but not make a profit.

There are two main types of charge where there is a choice about how people pay the fee. These are the:

- 1) **Set-up charge:** this covers the actual costs of the legal search, applying the legal charge and doing the valuation, and the approximate costs of administering the application. It is likely that it will be more than £1,000.
- 2) **Regular admin charge:** Likely to be either six monthly or annually, this covers the approximate costs of administering the agreement. It is likely to be around £400 in total.

There are a couple of ways the DPA could allow people to pay the two charges – both have pros and cons. We need to ensure the DPA is efficient to administer and sustainable, so we really need to limit ourselves to one way of paying the charges.

The table below sets out the two options we are considering and the pros and cons of each one.

	Pros	Cons
Option 1 We would send you an invoice and you would pay the set-up or regular admin charge yourself	You wouldn't pay interest on the two charges	The charges could make the DPA less affordable
Option 2 We would add the charges (both set-up and the regular admin charge) to the total debt	Adding the two charges to the debt could make the DPA more affordable	You would pay interest on the admin charges

Q2a) Which of the two options for paying the **set-up charge do you prefer?**

Please tick one box.

- Pay the set-up charge Add the set-up charge to the debt

Q2b) Which of the two options for paying the **regular admin charge do you prefer?**

Please tick one box.

- Pay the regular charge Add the regular charge to the debt

Q3) How regularly do you think we should ask people to pay the admin charge?

Please tick one box.

- Every six months
 Every year
 Other (please explain below)

Please explain:

Q4) Do you have any other comments, suggestions or concerns about paying the DPA charges and the process for doing so?

Extending the DPA to people moving into Extra Care and sheltered housing schemes

East Sussex has a higher than average number of Extra Care and sheltered housing schemes. The Care Act says that we can choose to extend the DPA to people who are moving into Extra Care or sheltered housing schemes. The existing East Sussex DPA doesn't offer this option.

If we did extend the DPA to people moving into Extra Care and sheltered housing then you would need to be actively selling your home to apply.

We recognise that some people find this kind of accommodation helps them to avoid or delay using other kinds of care services. We want to support that as much as possible.

However, if we do extend the DPA it may mean there is less money available to lend to people who need to use it for its main purpose, which is to help fund residential care.

Q5) How much do you agree or disagree that we should extend the DPA to people moving into Extra Care and sheltered housing?

Please tick one box for each row.

	Strongly agree	Agree	Not sure	Disagree	Strongly disagree
Extend the DPA to people moving into Extra Care housing	<input type="checkbox"/>				
Extend the DPA to people moving into sheltered housing	<input type="checkbox"/>				

Why is this?

Q6) Do you have any other comments, suggestions or concerns about extending the DPA to people moving into Extra Care and sheltered housing?

Loaning additional money

For the local authority there is some risk involved in the DPA. We are lending public money against the value of something which may change.

For this reason we set a weekly limit to the amount of money that can be loaned through the DPA. The limit is based on 'usual rates' that we will pay to care homes if we are funding someone's care.

Someone may want to borrow more money than our weekly DPA limit. This might happen in the case where the care home they have chosen is more expensive than our 'usual rate'. Loaning additional money in this situation is something the Care Act says we have to consider.

While we understand that it might be important to loan additional money in some cases it also brings more risk for us. This is because the equity in the house will be spent more quickly.

We are proposing to only loan additional money in exceptional circumstances. As an example, this might be when someone has a life-limiting illness.

Q7) Do you have any comments, suggestions or concerns about us only loaning additional money to people in exceptional circumstances?

Comments and suggestions

Q8) Do you have any other comments, suggestions or concerns about the updates to the East Sussex DPA?

Thank you for completing the survey.

Feedback

We are aiming to share the survey results on our website by April 2015. If you would like to receive the results directly please provide your details below.

Email or address:

About you – organisations

Q9) If you are completing this survey on behalf of an organisation please provide the following information (you don't need to provide individual 'about you' information as well):

Your organisation name:

Your position in the organisation:

Contact details (optional):

About you – individuals

We want to make sure that everyone is treated fairly and equally and that no one gets left out. That's why we ask you these questions. We won't share the information you give us with anyone else. We will only use it to help us make decisions and make our services better.

If you would rather not answer any of these questions, you don't have to.

Q10 Are you.....? Please tick one box.

Male

Female

Prefer not to say

Q11 Do you identify as a transgender or transperson? Please tick one box.

Yes

No

Prefer not to say

Q12 How old are you?

Q13 What is your postcode?

Q14 To which of these ethnic groups do you feel you belong? (source: 2011 census)

Please tick one box.

White British

Mixed White and Black Caribbean

Asian or Asian British Pakistani

Black or Black British other*

White Irish

Mixed White and Black African

Asian or Asian British Bangladeshi

Arab

White Gypsy/Roma

Mixed White and Asian

Asian or Asian British other*

Chinese

White Irish Traveller

Mixed other*

Black or Black British Caribbean

Prefer not to say

White other*

Asian or Asian British Indian

Black or Black British African

Other ethnic group*

* If your ethnic group was not specified, please describe your group here:

The Equality Act 2010 describes a person as disabled if they have a longstanding physical or mental condition that has lasted or is likely to last at least 12 months; and this condition has a substantial adverse effect on their ability to carry out normal day to day activities. People with some conditions (cancer, multiple sclerosis and HIV/AIDS, for example) are considered to be disabled from the point that they are diagnosed.

Q15 Do you consider yourself to be disabled as set out in the Equality Act 2010?

Please tick one box.

- Yes No Prefer not to say

Q15a If you answered yes to Q15, please tell us the type of impairment that applies to you. You may have more than one type of impairment, so please select all that apply. If none of these apply to you please select other and write in the type of impairment you have.

- Physical impairment Learning disability
 Sensory impairment (hearing and sight) Prefer not to say
 Long standing illness or health condition, such as cancer, HIV, heart disease, diabetes or epilepsy Other (* please specify)
 Mental health condition

* If other, please specify:

Q16 Do you regard yourself as belonging to any particular religion or belief?

Please tick one box.

- Yes No Prefer not to say

Q16a If you answered yes to Q16 which one? Please tick one box.

- Christian Hindu Muslim Any other religion (*please specify)
 Buddhist Jewish Sikh

* Please specify:

Q17 Are you... Please tick one box.

- Bi/Bisexual Gay woman/Lesbian Other
 Heterosexual/Straight Gay Man Prefer not to say

Q18 Are you married or in a civil partnership? Please tick one box.

- Yes No Prefer not to say