

REPORT TO: Cabinet

MEETING DATE: 19 January 2021

BY: Director, Health and Social Care Partnership

SUBJECT: Disability Related Expenditure

1 PURPOSE

- 1.1 To advise Cabinet of the proposed process for calculating Disability Related Expenditure (DRE) for Non-residential charging of social care services, at the Financial Assessment stage of charging.

2 RECOMMENDATIONS

- 2.1 That Cabinet approve the process for calculation of Disability Related Expenditure as outlined in paragraphs 3.10 to 3.13 of this report by considering an individual's actual spend on Disability Related Expenditure, applying parameters to the expenditure considered, and disregarding the expenditure from the individual's available income at the Financial Assessment stage.

3 BACKGROUND

- 3.1 COSLA produces annual guidance on charging for social care services, which defines a set of principles to underpin the development of local charging policies for social care support for people at home. The Guidance is subject to ongoing revision as appropriate, on an annual basis or as policy develops. East Lothian Council adheres to the guidance.
- 3.2 The COSLA Guidance for 2020/21 advised Local Authorities to ensure the extra costs of being disabled (Disability Related Expenditure - DRE) are taken into account by charging policies, and that Local Authorities should be proactive in considering these additional costs. These costs should therefore be considered during the initial Financial Assessment of an individual's income.
- 3.3 Disability related expenditure costs usually fall into one of these two categories

- Specialised items and services: items especially to help with disability, such as wheelchairs and care support. These items may have additional costs, like repair and insurance.
 - Increased use of non-specialised items and services: such as transport and heating
- 3.4 As DRE has not been considered before, during the Financial Assessment stage, a process to calculate DRE is required.
 - 3.5 There have been two proposals put forward for calculating DRE; application of a standard % disregard and assessment of actual DRE.
 - 3.6 The first proposal made is application of a 7.5% disregard to the individual's income (prior to the threshold for charges being applied), would result in a loss of income to the ELHSCP of approximately £141,354.43 per year.
 - 3.7 It should be noted that DRE would not be applicable to 100% of chargeable clients. However, we are unable to predict the % that would apply as this would require a detailed consideration of each support plan.
 - 3.8 There are a number of disadvantages of applying a flat rate disregard; Application of a fixed % disregard may result in insufficient disregard of charge to cover an individual's DRE. In addition those who have higher income prior to removal of the threshold would have a larger DRE disregard than those on lower incomes, potentially creating an inequality in application of the disregard. The 7.5% figure has not been based on any established disregard for DRE and so is open to challenge.
 - 3.9 The application of standard disregard removes the need for individuals to evidence their expenditure and makes the application of DRE quicker for both the applicant and the assessor. In addition it allows for the loss of income to ELHSCP to be predicted.
 - 3.10 The second proposal would be to consider the actual expenditure on DRE for each individual, based on the individual's evidence of expenditure. Levels of allowable expenditure would be set against each DRE. The allowable expenditure would be based on National Association of Financial Assessment see Appendix 1.
 - 3.11 The levels of allowed expenditure for DRE would be reviewed in line with the Non-residential Charging Policy and changes to costs of chargeable services.
 - 3.12 The benefits of the second proposal is the process ensures equity in the application of DRE- it is based on expenditure and evidence of such. The levels of DRE are based on National Association of Financial Assessments which provides the evidence for fair levels of DRE being applied.
 - 3.13 As the process would be based on individual income it is not possible to calculate the loss of income to the ELHSCP and this poses a risk to ELHSCP. In addition the use of actual income is a more time consuming

process for the individual applicant. It is therefore envisaged that additional training will be provided to Social Work, financial staff and advocates.

3.14 Once the process for DRE is agreed, it will be applied to all new Financial Assessments and to all existing Financial Assessments at point of review in August 2021.

4 POLICY IMPLICATIONS

4.1 Impact on Non-residential Charging Policy.

5 EQUALITIES IMPACT ASSESSMENT

5.1 An equalities impact assessment has been carried out for the Non Residential Charging Policy to take account of DRE.

6 RESOURCE IMPLICATIONS

6.1 Financial - There will be a loss of income as some individuals will not be able to pay towards their non-residential social care services. The actual loss of income can only be estimated if a standard % is used. At 7.5% the potential loss is up to £150k. Any loss of income will be the responsibility of the IJB to consider and implement efficiencies where required.

6.2 Personnel - None.

6.3 Other - None

7 BACKGROUND PAPERS

7.1 **Appendix 1 - ASSESSING THE COSTS OF DISABILITY**

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Appendix 1

NATIONAL ASSOCIATION OF FINANCIAL ASSESSMENT OFFICERS
GOOD PRACTICE, TRAINING AND INDUCTION GUIDE
VOLUME 5
ASSESSING THE COSTS OF DISABILITY
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VOLUME 1	Introduction, Legislation and General Guidance
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VOLUME 6	Charging for Non Residential Care
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1. Introduction and Interpretation

- 1.1 A simple interpretation of Costs of Disability would be expenditure that is incurred by a recipient of social care services that would not be incurred by someone who does not require social care services.
- 1.2 An example of this would be laundry, which is an everyday expense for us all, but if it was necessary to wash more frequently because on a continence problem or to use a commercial laundry then the additional costs incurred “above the norm” could be treated as a DRE.
- 1.3 That principle should be applied to any consideration for a DRE allowance.

2. The Fairer Charging Guidance

- 2.1 The Practice Guidance issued for consultation by the Department of Health, together with work commissioned by the Disablement Income

Group “Disability-Related Costs and Charges for Community Care” was considered by a group of Local Authorities representing the Association . The intention was to provide a working tool that can be used to assist in calculating disability related expenditure.

- 2.2 This meets the advice contained within the Practice Guidance which states:-
“The purpose of this practice guidance is to introduce some ground rules which Local Councils can follow to establish a much greater degree of consistency, quality and equity, than has hitherto been the case”.
- 2.3 The Practice Guidance tends to suggest a range of items which could be allowed as disability related expenditure but provides little help in the level of allowance that should be made. This will give an immediate risk of significant inconsistency between Local Authorities and the work of NAFAO has been to produce sums that could be allowed in given circumstances. This will be of considerable assistance in providing additional consistency though there will inevitably be a need for discretion to reflect any individuals’ exceptional circumstances. This is emphasised in the Practice Guidance which states:-
“It is true that no assessment of an individual’s disability related expenditure, which is tailored to the individual’s circumstances, is quite the same as any other assessment because peoples needs vary”.
- 2.4 Taking into account the guide should be seen as just that but it does attempt to build on the Practice Guidance setting ‘ground rules’. The use of the work produced by the Disablement Income Group gives added credibility to the working tool as it is based on empirical evidence.
- 2.5 The statutory guidance states that:-
“Evidence of actual expenditure may be requested at the Council’s discretion. Where receipts have not been kept, a council may request that this be done for future expenditure. It is legitimate for Councils to verify that items claimed for have actually been purchased, particularly for unusual items or heavy expenditure”.
- 2.6 The Practice Guidance continues by stating:-
“Generally the items allowed for should be based on actual past expenditure, though in some cases estimates of annual spending based on available evidence will need to be made. Spending not incurred, as in unmet need, should not be allowed. It is not practicable for charge assessments to take account of expenditure users would incur, if they had more income”.
- 2.7 The Practice Guidance further suggests that allowances for the cost of disability can be for a fixed period ahead, e.g., for one year, with no retrospective adjustment if circumstances change. Service Users must however, be clearly informed that they may seek a review at any time, if their disability-related expenditure changes. This will of course require supplementary evidence of the change of circumstances.
- 2.8 It is accepted that reasonable evidence should be produced and Service Users exercise responsibilities, i.e.:-
“If despite a request to keep future receipts, users fail to do so, it may be reasonable, where there is doubt as to whether the expenditure is actually incurred, for Councils not to include this in the assessment. In some cases, where bills cannot be produced, e.g., for heating, it may not be practicable to make an estimate”.

- 2.9 The statutory guidance states that some Councils may choose to disregard a standard element of disability benefits for all users receiving them. In such cases Councils might be tempted to do this and leave the onus on the Service User to request an assessment if they feel that their individual disability-related expenditure exceeds the standard disregard. The statutory guidance therefore further requires that if this option is chosen an assessment must be carried out to identify whether the individual user's disability-related expenditure exceeds the level of the disregard.
- 2.10 Such a system would still incur the administrative costs of assessment but may give a standard disregard that is not necessary at that the level.
- 2.11 The statutory guidance requires that the process should not be too complex, should not be primarily paper based, and should not be carried out by post. The recommended method is by a personal interview in the Service User's own home and carried out by staff trained to guide individuals through the process.
- 2.12 It would be good practice to offer the Service User the opportunity to be supported by a member of the family or a friend.
- 2.13 The Practice Guidance highlights a range of potential expenditure that should be allowed but only in the case of fuel costs were any figures attached to them. The association has updated these figures annually using the governments "All Fuel Index" and using a November price base.

3. Identifying Costs of Disability

- 3.1 The work carried out by a group of members in 2003 is circulated in January/February each year with costs updated using RPI and at the November price base. The schedule will be included on the NAFAO Website as soon as possible.
- 3.2 The following were identified as potential costs of disability.

Item	Amount	Evidence
Community Alarm System.	Actual cost unless included in Housing Benefit or Supporting People Grant.	Bills from Provider.
Privately arranged care.	Actual cost if Social Worker confirms requirement as part of the Care Plan and Council supported care is reduced accordingly.	Signed receipts for at least 4 weeks using a proper Receipt Book.
Private Domestic Help.	Actual cost if Social Worker confirms requirement as part of the Care Plan and Council supported care is reduced accordingly.	Signed receipts for at least 4 weeks using a proper Receipt Book.
Laundry/Washing Powder.	£2.55 per week.	The Care Plan will have identified an incontinence problem. Identify more than 4 loads per week.

Bedding.	Covered by NHS Incontinence Service/Special Sheets. See also Section 3.7	
Dietary.	Discretionary as special dietary needs may not be more expensive than normal. See also Section 3.6	May seek permission to approach GP. Details of special purchases.
Clothing.	Discretionary depending on an individuals circumstances.	Reference within the Care Plan to abnormal wear and tear of clothing.
Water.	Excess Costs, where metered supplies, over normal consumption.	Research on costs of similar properties.
Gardening.	Discretionary based on individual costs on garden maintenance.	As for Private Care Home.

Item	Amount	Evidence
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Powered bed.	Actual cost divided by 500 (10 year life) up to a maximum of £2.95 per week.	Evidence of purchase if available.
Turning Bed.	Actual cost divided by 500 up to a maximum of £5.15 per week.	Evidence of purchase if available.
Powered reclining chair.	Actual cost divided by 500 up to a maximum of £2.35 per week.	Evidence of purchase if available.
Stair-lift.	Actual cost divided by 500 up to a maximum of £4.15 per week.	Evidence of purchase without DFG input.
Hoist.	Actual cost divided by 500 up to a maximum of £2.05 per week.	Evidence of purchase without DFG input.
Holidays.	Actual additional cost in excess of normal costs for a similar holiday divided by 52.	Evidence of actual cost for comparison purposes.

Prescription Charges.	Cost of an annual season ticket divided by 52 or actual cost of prescriptions, whichever is less.	For those not eligible for free prescriptions.
Transport.	Discretionary based on costs that are greater than those incurred by an able bodied person. Note: - Mobility Allowance cannot be included in the normal financial assessment as an income but the statutory guidance states that transport costs should be allowed necessitated by illness or disability, including costs of transport to Day Centres, over and above the mobility component of DLA if in payment and available for these costs. This implies that transport costs do not need to be allowed if Mobility Allowance is considered sufficient to meet such costs.	Evidence in the Care Plan for the need for specialist transport.
Communications.	Discretionary based on costs that would not usually be incurred Note: - Communication, e.g. telephone or internet access is often a normal part of everyday living and therefore evidence will be necessary to confirm that the cost is disability related.	Evidence of exceptional expenditure.

3.3 The above could not possibly be an exhaustive list of disability-related costs and it is also reasonable to expect that relatively few Service Users would qualify for the full range of allowance. The following were identified for possible inclusion at the Conference in October 2008 and will be added if appropriate.

- Chiropody
- Clothing
- Window Cleaning
- Insurance/Maintenance for Disability Equipment
- Physiotherapy
- Acupuncture
- Aromatherapy
- Transport
- Mobile Hairdressing
- Exceptional Holiday Costs
- Ironing
- Adaptation Costs for Vehicles
- IT Costs/Satellite TV/Socialisation
- Mobile Telephones

- 3.4 As stated earlier the assessment of disability-related costs should not involve the Service User simply completing a claim form. The allowances detailed above should therefore be use in conjunction with a tool that will draw on information gathered during the care assessment and identified in the Care Plan and supplemented by a series of questions that will enable the Service User to be directly involved in the process.
- 3.5 The following questions could be asked during the financial assessment but would also use information gathered from the care assessment, to prevent unnecessary intrusion for the Service User.

Questions To Be Asked To Assess The Costs Of Disability

Evidence from the Care Plan/Care Assessment

- | | | |
|-------|--|------------------|
| (i) | Is the Service User incontinent? | YES/NO |
| (ii) | Has privately arranged care been identified?
If yes at what weekly level?..... | YES/NO |
| (iii) | Has privately arranged domestic help been identified?
If yes at what weekly level?..... | YES/NO |
| (vi) | Has exceptional wear on clothing been identified?
If yes at what level?..... | YES/NO |
| (v) | Has exceptional mobility needs been identified?
If yes at what level?..... | YES/NO |
| (vi) | Does the Service User require a wheelchair?
If yes is it manual/powered (delete as necessary) | YES/NO
YES/NO |

Questions to be asked during the assessment visit.

- | | | |
|--------|---|--------|
| (vii) | Do you feel that your fuel bills are excessively high?
NB: still sight of the last 4 bills irrespective of the answer. | YES/NO |
| (viii) | Do you have a Community Alarm System?
If yes is the cost covered by Housing Benefit or Supporting People Payment?.....
If no what is the weekly cost..... | YES/NO |
| (ix) | Do you have any medical problems that require special diet?

If yes please give details.....
.....
..... | YES/NO |
| (x) | Do you have a metered water supply? (explain)
If yes what are the last year's costs?..... | YES/NO |
| (xi) | Do you pay anyone to maintain your garden (if there is a garden)?

If yes at what cost..... | YES/NO |
| (xii) | Do you have a powered bed?
If yes what was the purchase price..... | YES/NO |

- (xiii) Do you have a turning bed? YES/NO
If yes what was the purchase price.....
- (xiv) Do you have a powered reclining chair? YES/NO
If yes what was the purchase price.....
- (xv) Do you have a stair-lift? YES/NO
If yes was it privately purchased.....
If yes what was the purchase price.....
- (xvi) Do you have a hoist? YES/NO
If yes what was the purchase price.....
- (xvii) Do you have specialist holidays due to illness/disability? YES/NO
If yes, seek details and costs.....
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.....
- (xviii) Do you pay for your prescriptions? YES/NO
If yes, how much..... and how frequently.....
- (xix) Do you feel that you have any other costs in your daily living that are caused by your illness or disability or that help you to live independently.....
.....
.....
.....

4. Dietary Costs

- 4.1 Advise from Health Authority dieticians suggest that most medical conditions can be dealt with through a healthy diet which does not necessarily involve additional or exceptional costs. These include diabetes, weight reduction or low fat diets.
- 4.2 Others e.g. Celiac Disease which includes Crohns is managed through special products which are available on prescription through a GP.
- 4.3 Some e.g. Cystic Fibrosis and certain food intolerance conditions can result in additional costs but these are quite easily confirmed through a GP opinion.
- 4.4 Certain other medical conditions may tend to involve special dietary needs but again not always and will not always be more expensive. This could include:
 - people with a heart condition.
 - people recovering from strokes.
 - people with a physical disability or swallowing difficulties that requires food to be blandered or chopped to enable them to feed themselves.
 - people with a food allergy or intolerance to certain foods.
 - people with anaemia who might need to increase the amount of red meat into their diet.
 - Pregnant women, especially those who are lactating
- 4.5 Other issues that could be relevant include:
 - high protein.
 - low fat.
 - low cholesterol.
 - weight reducing.

- physical ability to visit shops.
- local shops versus supermarkets.
- use of a third party to shop.
- delivery charges.
- availability and cost of special foods.
- ability to prepare and cook meals.
- use of ready meals.
- need to be fed by someone else.

4.6 It may be advisable to get a GP opinion who can refer on to the Dietary Service.

4.7 Annex 2 of the Fairer Charging Practice Guidance suggests using the Family Expenditure on food and non alcoholic drinks, which could be used as a threshold above which excess expenditure due to disability should be allowed.

4.8 Councils may feel that this is too uncertain and will be confused by simple choice of Service Users on what they purchase rather than specifically related to the Costs of Disability.

5. Continence Aids

5.1 There should be a Continence Advisor in each Health Authority, Local Authorities should make contact to determine what is provided in their area.

5.2 Continence Pads are provided free of charge – though the numbers available to individual patients may vary across the country.

5.3 Service Users may choose re-usable products which would require washing – usually for light sufferers and again practise may vary.

5.4 Service Users can have special sheets which are very absorbent but these require washing daily.

5.5 Main problem area is adult Learning Disabilities who may have problems in managing the pads especially overnight.

5.6 The same issues apply to clothing i.e. problem is manageable but may be costs if not managed well – particularly in adult learning disabilities.

5.7 Some people may choose to pay for products e.g. stigma associated with asking for free products. It will require a delicate decision on whether a council is prepared to make a DRE allowance if this is the case.