

Deferred Payment Agreement Policy

Department

Adults Social Care

Person Responsible

Darren Persaud

Created

20th August, 2015

Last Review

20th August, 2015

Status

Complete

Next Review

9th September, 2016

Screening Data

1. What are the objectives and expected outcomes of your proposal? Why is it needed? Make sure you highlight any proposed changes.

A deferred payment agreement is an arrangement with the council that enables people to use the value of their homes to help pay for care home costs. If eligible, the council will pay the cost of a care placement and the person is able to delay repaying the council until they choose to sell their home, or until after their death.

The Care Act 2014 introduces the requirement for all Local Authorities to offer a deferred payment scheme and London Borough of Brent propose to update their deferred payments policy in light of this.

Prior to the introduction of the Act, Brent Council already offered deferred payment agreements on a non mandatory basis and it is important to note that the changes do not alter the underpinning principle of Brent's current policy.

The proposed amendments to the current policy are:

1. The initial administration charge will be set at £1120, which will be reviewed yearly.
2. The ongoing annual administration charge will be set at £144, which will be reviewed yearly.
3. The interest rate charged is based on the cost of government borrowing – more formally, the 15-year average gilt yield, as set out by the Office for Budget Responsibility twice a year (January and July) in their Economic and Fiscal Outlook report. This is currently 2.25%, but will be reviewed in January 2016 and the policy amended accordingly.
4. The Council will have the discretion to extend the Deferred Payment Agreement to people other than in residential care where the Council deems their needs could be met in a Care Home but an individual chooses to remain in their own home.

2. Who is affected by the proposal? Consider residents, staff and external stakeholders.

Out of the homeowners in Brent who are assessed as requiring residential care, it is only those who actively choose to defer the payment of their placement who are affected by this proposed update in policy.

3.1 Could the proposal impact on people in different ways because of their equality characteristics?

- Yes

If you answered 'Yes' please indicate which equality characteristic(s) are impacted

- Age
- Disability
- Other (please specify)

Only residents who are homeowners and who require residential care will be eligible for the deferred payment scheme.

Out of those persons who are eligible and choose to take part in the scheme, there will be no difference in impact based on equality characteristics.

3.2 Could the proposal have a disproportionate impact on some equality groups?

- Yes

If you answered 'Yes', please indicate which equality characteristic(s) are disproportionately impacted

- Age
- Disability
- Other (please specify)

Homeowners who choose to take part in the deferred payments scheme will have to pay administration costs that other Adult Social Care recipients do not pay for their care. However, the policy provides choice about how to pay for care home fees if you own a home by offering people an alternative to selling their home and they will not have to contribute to their cost of care or the administration costs until their home is sold.

3.3 Would the proposal change or remove services used by vulnerable groups of people?

- Yes

The proposed changes give elderly or disabled homeowners the opportunity to change the way they pay for their residential care by deferring the charges until they choose to sell their home or until their death.

3.4 Does the proposal relate to an area with known inequalities?

- Yes

The key impact is on homeowners with a disability, or in this case people with a significant disability where residential or nursing care is thought to be the best way to manage their social care needs. It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

3.5 Is the proposal likely to be sensitive or important for some people because of their equality characteristics?

- Yes

If you answered 'Yes', please indicate which equality characteristic(s) are impacted

- Age
- Disability
- Other (please specify)

The key impact is on homeowners with a significant social care need where residential or nursing care is thought to be the best way to manage their needs. The policy will be important for these people as they are the ones who will be eligible to take part in the scheme.

3.6 Does the proposal relate to one of Brent's equality objectives?

- Yes

The deferred payment scheme offers an alternative way for some residents to meet the cost of their care. Enabling a person to hold onto their asset for as long as possible recognises their preferences and supports the fourth equality objective:

To ensure that local public services are responsive to different needs and treat users with dignity and respect.

Recommend this EA for Full Analysis?

Yes

Comments

The key impact is on people with a disability, or in this case people with a significant disability where residential or nursing care is thought to be the best way to manage their social care needs.Â Â

Â It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it, may, for example, indicate that there is a need to better promote the scheme with specific communities.

Rate this EA

N/A

Impact Assessment Data

5. What effects could your policy have on different equality groups and on cohesion and good relations?

5.1 Age (select all that apply)

- Positive
- Negative

The vast majority of Adult Social Care (ASC) users are over 65. According to 2013/14 data, there were 1603 ASC users who are between 18 to 64 in comparison to 3635 users who are over 65 years old. The changes in this policy will affect those whose level of need is significant enough for them to be placed in a residential or nursing home.

It could be argued that there could be a positive or negative impact through the amendments to this policy, in that those that need this level of care will now have the option of being able to defer or delay paying the costs of their care and support until a later date, so they do not have to sell their home at a point of crisis.

There are five service users that currently have a Deferred Payment Agreement, it should be noted that there were no administration or interests charges on these agreements. The average age of these five users is 86, suggesting that it is the older service users whom would be impacted upon.

5.2 Disability (select all that apply)

- Positive
- Negative

Those with a disability will be affected by the change in policy. Service users will have a variety of choices where it comes to funding their care. Taking the option of a Deferred Payment Agreement is only one of the options available to them.

The key is service users with a significant disability where residential or nursing care is thought to be the best way to manage their social care needs.

As part of the Care Act, Local Authorities have a responsibility to ensure service users have access to a range of information and guidance. As such, Local Authorities have a directory of organisations service users can approach for independent guidance, particularly financial advice.

Again, It could be argued that there could be a positive or negative impact through the amendments to this policy, in that those that need this level of care will now have the option of being able to defer or delay paying the costs of their care and support until a later date, so they do not have to sell their home at a point of crisis.

5.3 Gender identity and expression (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this

analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.4 Marriage and civil partnership (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.5 Pregnancy and maternity (select all that apply)

- Neutral

5.6 Race (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.7 Religion or belief (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.8 Sex (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.9 Sexual orientation (select all that apply)

- Unknown

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it may, for example, indicate that there is a need to better promote the scheme with specific communities.

5.10 Other (please specify) (select all that apply)

- Positive
- Negative

Homeowners who choose to take part in the deferred payments scheme will have to pay administration costs that other Adult Social Care recipients do not pay for their care. However, the policy provides choice about how to pay for

care home fees if you own a home by offering people an alternative to selling their home and they will not have to contribute to their cost of care or the administration costs until their home is sold. It should be noted that the initial charge can also be deferred, so rather than be paid at the beginning of the agreement, it can be added to the overall debt and be paid at the end of the agreement. The ongoing annual charge for the debt can also be added to the overall debt and paid at the end of the agreement.

The key impact is on homeowners with a disability, or in this case people with a significant disability where residential or nursing care is thought to be the best way to manage their social care needs. It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

6. Please provide a brief summary of any research or engagement initiatives that have been carried out to formulate your proposal.

What did you find out from consultation or data analysis?

Were the participants in any engagement initiatives representative of the people who will be affected by your proposal?

How did your findings and the wider evidence base inform the proposal?

The amendments to the Deferred Payment Agreement policy was borne out of a change to national legislation. As such, research has been carried out on neighbouring and other London local authorities to get an understanding of the administration fees being charged. It should be noted that the interest rate cannot be more than the maximum the government charge the maximum interest rate for deferred payments is based on the cost of government borrowing "â€" more formally, the 15-year average gilt yield, as set out by the Office for Budget Responsibility twice a year in their Economic and Fiscal Outlook report).

No engagement with service users has taken place, as this is a statutory obligation. One of the prerequisites of this policy is that any administration charge should be set to only cover actual costs accrued and not to make any profit. These costs have been calculated using current officer time and would be demonstrable if challenged.

7. Could any of the impacts you have identified be unlawful under the Equality Act 2010?

- No

8. What actions will you take to enhance any potential positive impacts that you have identified?

N/A

9. What actions will you take to remove or reduce any potential negative impacts that you have identified?

As part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it, may, for example, indicate that there is a need to better promote the scheme with specific communities.

10. Please explain the justification for any remaining negative impacts.

N/A

Organisation Sign-off Data

11. What did this equality analysis conclude?

- The proposal was accepted without changes

12. Please write a brief summary of your equality analysis which should be included in the 'diversity implications' section of any reports.

The key points to note are that this updates an existing policy, primarily by introducing fees to cover the cost of the service. The policy itself provides choice about how to pay for care home fees if you own a home by offering people an alternative to selling their home.

The key impact is on people with a disability, or in this case people with a significant disability where residential or nursing care is thought to be the best way to manage their social care needs.

It is difficult at this point in time to make further judgements about the impact on other protected characteristics because the council does not currently hold data on home ownership in relation to people in a care home.

However, as part of implementing this policy the council will ensure that this data is collected for analysis of the policy impact in future. There are significant limitations on any changes that can be made to the policy as a result of this analysis, but it, may, for example, indicate that there is a need to better promote the scheme with specific communities.

13. I confirm that this equality analysis represents a fair and reasonable view of the implications of this proposal on equality and that appropriate actions have been identified to address the findings.

Enter your name

Amy Jones

Enter your designation

hos

Enter your department

asc

Enter today's date

09-09-2015

Comments

na

Next Review Date

2016-09-09

Outstanding Actions

No outstanding actions