

## Equality Impact Assessment Form

### **Name and brief description of proposal / policy / service being assessed**

Interest Rate and Administration Charge for the Universal Deferred Payment Scheme (Adult Residential Care)

This assessment considers proposals for the interest rate and administrative charge for the deferred payments scheme effective from April 2015, although this will affect citizens admitted to long term residential care from January 2015. This is because citizens owning a property at the time of their admission to long term care are allowed 12 weeks when the property is disregarded. The end of this 12 week period for residents admitted from January onwards will take them into the eligibility period for the scheme starting in April 2015.

The deferred payment scheme will mean that people living permanently in care homes should not be forced to sell their home in their lifetime to pay for their care. By entering into a deferred payment agreement, a person can 'defer' or delay paying the costs of their care and support until a later date.

The scheme is intended to be run on a cost neutral basis, with local authorities able to recoup the costs associated with deferring fees by charging interest. Local Authorities can also recoup associated administrative and legal costs incurred in running the scheme, via administrative charges which can be passed on to the individual. These charges can be added on to the total amount deferred, although a person may request to pay these separately if they choose.

The proposed interest rate is based on The Care and Support Act 2014 and is a rate that does not exceed the national maximum interest rate, and will change every 6 months on 1<sup>st</sup> January and 1<sup>st</sup> June as published in the most recent report by the Office of Budget Responsibility.

The final interest rate figure and administrative charge will be determined by the Portfolio Holder for Adults, Commissioning and Health. The Equality Impact Assessment will be reviewed and updated to reflect the outcome in light of these proposals.

### **Information used to analyse the effects on equality**

National guidance from the Department of Health – Care Act 2014 Statutory Guidance

<https://www.gov.uk/government/publications/care-act-2014-statutory-guidance-for-implementation>

Citizen statistics held by Adult Residential Services Team.

Of the current 1450 Nottingham City Council funded citizens in permanent residential care, 44 of those are accruing charges against their property. The 44 people are comprised of in age and ethnicity –

#### **By Care needs and age: nursing care = 15**

Over 65 - 1 receiving mental health nursing care, 2 for physical disability needs and the remaining 11 requiring standard nursing care

Under 65 - 1 receiving mental health nursing care

#### **By care needs and age: residential care = 29**

Over 65 - 1 receiving mental health residential care, and the remaining 28 standard residential care

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### By ethnicity and gender

36 female, 5 of which African-Caribbean, 31 White  
8 white male

Nottingham City Council does not currently have any citizens with a deferred payments scheme, and only residents who meet eligibility criteria from April 2015 will be eligible to apply. The 44 citizens who currently have a property to sell and are accruing their care costs will not be able to transfer to the scheme.

It should be noted that this policy will be revised again to take into account other significant changes in the Care Act which will be effective from April 2016, when a cap on contributions is introduced.

The opportunity for consultation has been limited due to the timescales between the national guidance being released and the requirement to put policy into place. We are not required to consult because Nottingham City Council has not previously promised current citizens in care any terms and conditions of deferred payments schemes, and it has not previously committed to consulting on changes to its social care charging regime. However, we will engage with NCC's Age Steering Group to ensure compliance with the Older Person's Charter when the review of the EIA takes place in 6 months.

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<p>Positive Impacts</p> <p>Nottingham City citizens in residential care are predominantly older people over the age of 65. The deferred payments scheme will affect those people who own a property which will be included in their financial assessment.</p> <p>Anyone who meets the eligibility criteria for the scheme will have their application considered on a case by case basis to establish whether adequate security can be obtained, most commonly by a land registry charge.</p>	<p>Each deferred payments application is reviewed and considered on a case by case basis. Some discretion can be applied depending on the circumstances, such as</p>
Men, women (including maternity/pregnancy impact), transgender people	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers	<input type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other (e.g. marriage/civil partnership, looked after	<input type="checkbox"/>	<input type="checkbox"/>		

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<p>children, cohesion/good relations, vulnerable children/adults)</p>			<p>The positive impact of the deferred payments scheme on citizens is that they will be allowed to retain a greater weekly income, or 'pocket money'/personal allowance' than is currently set out in regulations- this will mean an increase from £24.40 per week to £144.00 per week – a significant increase.</p> <p>Available equity in the property can be used to fund 'top ups', meaning that a citizen can choose a care home that costs more than the councils set amounts that it can fund for care. This gives the citizen greater choice over care homes and room types. The council does have discretion about the amount of top up that can be deferred, giving consideration to sustainability and the available equity to pay the top up long term.</p>	<p>someone's sudden deterioration of health needs meaning their agreement may need to be extended past the planned end date for maximum equity allowed if they are very ill. If the citizen disputes the outcome of their application, or the level of discretion applied, they have the right to challenge the decision and appeal. The Team Leader will review the application and inform the citizen of the decision and that they have the right to complain via the Social Care Complaints process, and ultimately contact the Ombudsman.</p> <p>If the person does not want to take the maximum weekly allowance of £144 they can reduce this and lower the amount of weekly charge that they accrue, thereby meaning the available equity would last longer. ie, there is choice.</p> <p>All though top ups will increase the weekly amount of accrued charges from the available equity, Adult Residential Services will issue statements at least every 6 months so the citizen is kept aware of the equity they have remaining and the projected date it will end.</p>
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		<p>The scheme will give people the choice whether to sell their home when they need long term care, or retain it during their lifetime, meaning that the amount of the deferred payment loan can be repaid by alternative means when due, rather than from the sale of the property. Previously in order to qualify for local authority funding a property had to be sold.</p> <p>If unpaid care charges are pursued through the county court, interest would be charged at a rate of 8% as set out in Care Act debt recovery regulations, a rate which is <u>higher</u> than the guidance states for deferred payment charges.</p> <p>Adverse impacts</p> <p>Interest charges Interest will accrue (compound interest) on all accrued charges, including any associated fees for administrative and legal charges, unless the citizen chooses to pay these at the start of the agreement.</p> <p>There are administrative fees for setting up the agreement.</p> <p>After the deferred payments scheme has ended because the available equity has been used or the citizen is deceased, interest will still continue to accrue. The accrued charge can be repaid by alternative means other than the sale of the</p>	<p>Deferred payment agreements are not mandatory. People still have the choice to sell their property when they go into care. This would not incur interest on accrued charges but the council will expect appropriate steps to be taken to sell the property and will actively monitor progress of sales.</p> <p>The fees can be paid at the start of the agreement and not incur interest.</p> <p>The citizen will be given 30 days advance notice that the agreement will cease due to whatever reason and that interest will continue to accrue until the debt is paid.</p>
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			<p>property.</p> <p>Those choosing to take up the scheme will as part of their contract with the council need to ensure the property is maintained and kept adequately insured, so that the council's interest is secure.</p> <p>Understanding the process</p> <p>The person in care may need someone to help them understand the process and what the deferred payments agreement means. They may also need someone to help them understand the statements of account and details of how much of the available equity is being used.</p>	<p>The council will set out in the deferred payments agreement what is 'adequate insurance and maintenance'.</p> <p>Adult Residential Services Visiting Officers can explain face to face in the setting of the persons choice to help understand and talk through the agreement. They can also signpost people to independent help and advice or advocacy.</p> <p>Information will be available in all formats and languages as required and online.</p>
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**Outcome(s) of equality impact assessment:**

No major change needed  Adjust the policy/proposal  Adverse impact but continue  Stop and remove the policy/proposal

**Arrangements for future monitoring of equality impact of this proposal / policy / service:**

Review assessment in 6 months in April 2015. Monitor take up of scheme and share information with NCC's Age Steering Group to ensure compliance with the Older Person's Charter.

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