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Document Title	ELECTION RECESS ARRANGEMENTS – S43 OF STANDING ORDERS: Client Contributions for Adult Social Care Services

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REPORT TO: Election Recess Arrangements – s43 Standing Orders

DATE:

BY: Executive Director of People

SUBJECT: Client Contributions for Adult Social Care Services

1 PURPOSE

- 1.1 To set revised rates for client contributions within Adult Social Care for 2012/2013.

2 RECOMMENDATIONS

- 2.1 Members are asked to approve the recommended charges for 2012/2013 as summarised below:-

Service

Residential Care	Increase weekly rate from £496 to £513
Adult Cares	Increase nightly rate from £8.50 to £8.80
Care at Home/ Home Care	Increase hourly rate from £10.32 to £10.68
Meals/ Lunch Clubs	Charges kept in line with rates charged by commercial provider. (£2.51)
Community Alarms	Increase charge from £1.51/week to £1.57 (in line with charge to ELC tenants)
Capital Threshold	No Change
Charging Thresholds	Upated in line with COSLA Guidance
Tapers	Retain current taper of 45%

- 2.2 The increases shown above have been set below the level of increases in the guaranteed minimum income levels set by the Department of Work and Pensions to minimise the impact on service users. The implementation date for the increase is Monday 9 April 2012.

- 2.3 That a wider review of the charging policy be brought back to a future Cabinet meeting.

3 BACKGROUND

3.1 Residential Care

Charging for residential services is governed by statute with guidance issued by the Scottish Government. Authorities have very limited discretion in the charging for residential care. Charges are uplifted annually in line with revised Scottish Government decisions in relation to payments for free residential and nursing care and the updating of benefits and pensions.

3.2 Non Residential Services

Local authorities are expected to operate charging policies for non residential services in the light of guidance issues by COSLA. Whilst there is no statutory framework for the charging for non residential services, as there is for residential care The Scottish Government reserves the right to direct local authorities on their charging policies.

Under the legislation governing the provision of free personal care in Scotland authorities are not allowed to charge for personal care, including food preparation.

The COSLA Guidance for 2012/2013 has been re-drafted and whilst there are few significant substantive changes to the Guidance, it has been revised to include a set of high level principles to guide Councils. These stress the need for charging policies to be accessible and transparent, fair and equitable and to be developed from a human rights perspective that promotes participation of service users in an honest dialogue about the rationale for charging whilst recognising that the provision of community care services can be a pre-requisite for participation in civic life.

The Guidelines also set out the financial and policy context within which charges operate, including the contribution that charging income makes to Council budgets.

These issues are not dealt with in this report but it is recommended that they are picked up as a part of a wider review of the Charging Policy.

3.3 Charging Thresholds

Charging thresholds are the level at which clients begin to make a contribution towards the cost of their care. Clients with income below this threshold make no contribution towards the cost of their care.

The recommendation from COSLA is that there should be a common threshold across Scotland, at which charges begin to apply to remove the current variation between Councils and establish a common income level

at which clients begin to pay for services. Local authorities would continue to have discretion to set the level of charge at different rates based on the disposable income which the service user has in excess of the threshold level (and the charge for the service).

At present thresholds are linked to rates set by the UK Government Department for Work and Pensions which provide a top up of weekly income to a guaranteed minimum amount.

These bandings are set out below:-

	2011/12	2012/13	Increase
Over 60 Years (Pension Credit Guarantee)			
Single Person	137.35	142.70	3.90%
Couple	209.00	217.90	4.26%
Under 60 Years (Income Support Personal Allowance)			
Single Person	67.50	71.00	5.19%
Couple	105.95	111.45	5.19%
	2011/12	2012/13	Increase
Disability Premium (Age <60)			
Single Person	28.85	30.35	5.20%
Couple	41.10	43.25	5.23%

COSLA recommends that there should be a 16.5% buffer between the rate of income support and the income level at which charges apply. COSLA suggests that charging policies that reduce users' net income below these basic levels are not acceptable and will undermine social inclusion policies.

The charging thresholds for 2012/13 are set out below:-

Over 60 Years	Pension Credit Guarantee		Buffer 16.5%	Charging Threshold
Single Person	142.7		23.54	£167
Couple	217.9		35.95	£254
Under 60 Years	Income Support Personal Allowance	Disability Premium	Buffer 16.5%	Charging Threshold*
Single Person	71.00	30.35	16.72	£119
Couple	111.45	43.25	25.53	£181

3.4 Capital Thresholds

COSLA recommends that capital should be treated in a similar way to means tested benefits. At present, clients with more than £10,000 savings have this taken into account in the financial assessment through the inclusion of tariff income in their financial assessment set at a £1 contribution for each £250 held. Clients with more than £12,000 are regarded as self funders and pay the full hourly charge.

COSLA has changed its guidance in this area to achieve harmony with DWP levels and, for 2012/2013, suggests a disregard limit of £6,000 for service users under 60 and £10,000 for service users over 60 years old.

Implementation of this measure would disadvantage existing service users under 60 years old with capital between £6,000 and £10,000 and, on that basis, it is recommended that the existing capital thresholds remain in place.

3.5 Tapering Arrangements

A taper is used to calculate how much of a client's income above the threshold figure is taken into account in charging. This is currently set at 45%, meaning that 55% of a service user's income is not subject to charging.

The COSLA guidance recognises that Councils will wish to take a number of factors into account when setting the taper, not least the requirement to raise income which is required to support the provision of good quality services.

It is recommended that, for 2012/2013, the current taper is maintained.

3.6 2012/2013 Charges

The recommended changes to charges for 2012/2013 are set out below.

Residential Contributions within ELC Managed Care Homes

Whilst residential charging is largely governed by Scottish Government Guidance, the Council is required to set a weekly rate for the clients living within the four ELC Care Homes. These charges should reflect the actual cost of providing the service.

To reflect the actual costs of providing care, it is recommended that the weekly charge is increased from £496 per week to £513 per week (this figure is net of payments for free personal care of £163 per week). This represents an increase of 3.5%, compared to the increase in the pension guarantee for a single person over 60 year of 3.9%.

The weekly charge is the maximum net contribution after an allowance for free personal care. All residents are financially assessed to determine how much they can afford to contribute towards the costs of their care.

Adult Carers

Users of the service currently contribute £8.50 per night and it is recommended that this amount is increased to £8.80. This is an increase of 3.5% and compares with the increase in the income support allowance for a single person under 60 years old of 5.19%. Like other charges, the actual level of client contribution is subject to financial assessment.

Care at Home/ Home Care

The existing client contribution of £10.32 per hour applies to clients receiving non personal care who are assessed as able to pay. The provision of personal care remains free.

The actual cost of this service to the Council depends on the type of service provided. The cost of purchased home care is £13.80, with specialist services costing approximately £16.50. The salary costs for the internal Domiciliary Care Service cost is in excess of £14/hour; this does not include the costs of management and overheads.

It is recommended that the charge for Care at Home/Home Care is increased to £10.68 from £10.32 per hour. This is an increase of 3.5%, and compares with the 3.9% increase in the pension credit guarantee for a single person over 60 year old.

This new charge will be applied following a financial reassessment to determine how much a client can afford to contribute to the costs of their non-personnel care.

Meals/Lunch Clubs

This service is currently provided by a private contractor to over 500 clients at cost. Clients are not financially assessed for this service and pay £2.51 per meal. This charge will be kept in line with charge levied by the provider with any increase in charges by the provider recharged in full to clients.

Community Alarms

This service is currently provided to approximately 1,200 clients who pay a contribution of £1.51 per week. The actual cost of providing the service is estimated at £2.70 per week. It is recommended to increase this charge to £1.59 per week, in line with the fee paid by ELC tenants.

Implementation Date

It is recommended that the above changes take effect from Monday 9 April 2012 to coincide with the annual uprating of pensions and other benefits. Any changes in service user contributions will be implemented in line with the programme of financial re-assessments.

Services Not Currently Charged For

There are no proposals to extend charges to services where charges are not currently levied.

4 POLICY IMPLICATIONS

- 4.1 The above recommendations are consistent with the Council aim of ensuring that income and charges are kept under regular review and the recommendation from Internal Audit that the charging should be reviewed alongside COSLA Guidance, and where a decision has been made by the Council not to comply with the COSLA Guidance, this should be clearly documented and approved.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 Based on an initial Equalities Impact Assessment, a full impact assessment is not considered necessary as the proposed changes will take place within existing Council policies and financial assessment processes. These are designed to determine how much clients can afford to contribute to the cost of the services and protect them from charges that they cannot afford to pay.
- 5.2 Whilst some negative consequences are acknowledged, in the face of growing demand and additional responsibilities, the additional income from these proposals will help to offset the cost of providing services and will allow limited budgets to go further.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - The recommendations in this report will allow the Service to achieve the target of £35,000 for additional income included within the approved 2012/2013 Adult Social Care budget.
- 6.2 Personnel - None.
- 6.3 Other - None.

7 BACKGROUND PAPERS

- 7.1 COSLA and DWP Guidance information.

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