

**REPORT TO:** Cabinet

**MEETING DATE:** 14 May 2013

**BY:** Executive Director (Services for People)

**SUBJECT:** Client Contributions for Adult Wellbeing Care Services

---

## 1 PURPOSE

- 1.1 To set out the arrangements for financial assessment of Adult Wellbeing service users for 2013/14.
- 1.2 To set revised rates for client contributions within Adult Wellbeing for 2013/14.
- 1.3 To provide information on the way forward in respect of the Self Directed Support (SDS) for Adult Wellbeing Charging Policy.

## 2 RECOMMENDATIONS

- 2.1. Members are asked to approve the recommended changes for 2013/14 as summarised below and which are fully detailed in the body of this report:

Service	Change
Residential Care	Increase weekly rate for ELC managed homes from £513 to £525
Emergency Respite care	Waive charges for first 2 nights, (reduced from first three nights).
Adult Carers	Increase nightly rate from £8.80 to £11.50 per night
Care at Home/ Home Care	Increase hourly rate from £10.68 to £11.50
Meals/ Lunch Clubs	Charges kept in line with rates charged by commercial provider, (£2.57)  Discontinue free meals for first four weeks following hospital discharge.
Community Alarms	Increase charge to £1.65/week (in line with charge to ELC tenants)

Night-time Services/ Sleepovers	Cost of £32.00 per night based on actual costs of provision.
Capital Threshold	Increase upper limit to £16,000 for self funding service users.
Charging Thresholds	Upated in line with revised DWP rates and national guidance.
Tapers	Taper reduced to 40% (from 45%) for first £50 Increased to 55% for available income more than £50.

2.2 Members are asked to approve the treatment of compensation payments set out in section 3.17 being incorporated into the charging policy.

2.3 If approved, all these changes will be effective from 20 May 2013.

2.4 Members are asked to note that a further report will be provided covering the impact of Self Directed Support on the current charging policy.

### **3 BACKGROUND**

3.1 The existing arrangements for financially assessing clients have been in place since 2007. This report sets out proposed measures to update the policy to reflect the annual review of charging. The report also considers the implications of the introduction of Self Directed Support (SDS).

3.2 Income from Adult Wellbeing service users currently amounts to £2.1 million and represents a significant contribution to the overall Adult Wellbeing budget. The largest part of the income (£1.4 million) comes from residents in the council's four residential homes for Older People. The balance of the income comes from service users receiving community based care services.

- Approximately 1,500 clients receive care and support in their home with approximately 65% (1,000) of them receiving a chargeable service.
- Approximately 380 paying clients contribute to the cost of their care at home service and pay a total of £700,000.
- The largest group of clients are older people, with around 170 service users paying an average of £16 per week.
- In Adult Wellbeing there are around 210 clients who pay contributions to the cost of their care with average contributions ranging between £30 and £45 per week.

### **3.3 Residential Care**

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

### **3.4 Non-Residential Services**

There is no statutory frame work for charging for non residential services, although under the legislation governing the provision of free personnel care in Scotland authorities are not allowed to charge people over 65 for personal care including food preparation. Local authorities are expected to co-operate over charging policies for non-residential services to achieve a consistent approach and to this end national guidance is issued by COSLA each year. The Scottish Government reserves the right to direct local authorities on their charging policies.

The national guidance for 2013/14 has been issued and, whilst there are few significant substantive changes to the guidance, it now includes a set of 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 national guidance also notes the financial and policy context within which charges operate, including the contribution that charging income makes to council budgets and signals the need for charging policies to be overhauled to deal with the introduction of Self Directed Support (SDS).

Self Directed Support (SDS) will have a profound impact on the way in which service users are assessed for care. In future the assessment process will focus on identifying and agreeing outcomes, with service users having greater choice and control over the care services they access. Under SDS the Council will be required to consider the total level of resources being awarded to a service user and the contribution a service user makes from their own resources. This development presents significant challenges to the existing approach to charging that is based on charging for specific services.

### **3.5 The Financial Assessment Process**

The Financial Assessment process is designed to assess how much a service user should contribute towards the cost of their care. The process considers a service user's income and compares that against an income threshold. Once the amount of income above the threshold has been calculated a given percentage of the available income, known as the

taper, is taken into consideration to determine the upper limit on the level of contribution.

For non-residential charging there is some discretion over what are considered to be allowable expenses and the level at which they are set.

With regard to capital, clients are allowed to hold up to £10,000 in capital before this is taken into account within the financial assessment process as notional income. Under the Council's current arrangements for financial assessment clients with more than £12,000 capital are treated as full payers with no upper limit to the level of contribution.

### 3.6 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 national guidance provides 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 continue to have discretion to set the level of charges

Charging Thresholds are linked to rates set by the UK Government Department for Work and Pensions together with a buffer of 16.5% which provides a top up of weekly income to a guaranteed minimum amount. Taking into account the uplifting of benefit levels the thresholds for 2013/14 are set out below:

	2012/13	2013/14	Increase %
<b>Over 60 Years</b>			
Single Person	<b>£167</b>	<b>£170</b>	1.80%
Couple	<b>£254</b>	<b>£259</b>	2.00%

<b>Under 60 Years</b>			
Single Person	<b>£119</b>	<b>£120</b>	0.84%
Couple	<b>£181</b>	<b>£183</b>	1.10%

The detailed calculation of the Threshold levels for 2013/14 is shown in Appendix A (attached).

### 3.7 Taper Arrangements

The 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 national 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 2013/14 the current taper is revised with the existing single banding of 45% being replaced by two bands as set out below

<b>Band</b>	<b>Income</b>	<b>Taper</b>
Band 1	First £50	40%
Band 2	All income after first £50	55%

This change will reduce contributions for those clients at the starting point of charging, whilst increasing contributions for those on at the upper limit of charging threshold. Service users paying the full cost of their service owing to their level of capital will not be affected by the change in threshold.

Service users over 60 with an income of £220/week will see their maximum contribution fall by around £2.50 per week, whilst someone with income of £260/week will see their maximum contribution increase by around £1.50. This is equivalent to 4 hours of non personal care per week and in practice the numbers of older service users affected by this change is estimated to be less than 50.

Service users under 60 years with an income up to £170 per week will see a fall in their assessed maximum contribution, with service users with £160 per week seeing a fall of around £2 per week. A service user with income of £220 per week will see this increase by around £2.50 per week.

### 3.8 Capital Thresholds

At present clients with more that £12,000 capital are regarded as self funders and pay the full hourly charge. Clients with more than £10,000 capital will have this taken into account in the financial assessment

through the inclusion of tariff income in their financial assessment at a rate of £1 for every £500<sup>1</sup>.

National guidance recommends that capital should be treated in a similar way as means tested benefits with a disregard limit of £6,000 for service users under 60 and £10,000 for service users over 60 years old. Implementing such a measure would disadvantage existing service users with capital between £6,000 and £10,000 and on that basis it is recommended that this measure is not implemented. Instead it is proposed to extend the upper capital limit to £16,000 which will harmonise capital thresholds with benefit levels and mean that clients with capital between £12,000 and £16,000 will be protected from the impact of being a full payer.

The operation of Thresholds and Tapers for an older person over 60 years and a younger person, both with incomes of £200/week is illustrated in Appendix B (attached).

### 3.9 2013/14 Charges

The current legislative framework for charging includes services provided under the Social Work (Scotland) Act 1968 Section 87 which gives councils the power to charge for a range of adult non-residential social care services as set out below:

#### Current Charging Arrangements in East Lothian

Services for which charges can be levied	ELC Position
Day care;	x
Transport	x
Frozen Meals/Lunch clubs;	✓ charge for meal only
Domiciliary services, including meals on wheels;	✓
Reablement	x
Wardens in sheltered housing;	✓
Community alarms	✓ nominal
Telecare	x
Laundry services	x
Aids and adaptations	x
Practical assistance in the home and meals provided	✓
Night time care/Sleepovers	x
After-care services for people with a mental illness.	✓

<sup>1</sup> The charging report for 2012 quoted the residential figure for tariff income of £1 for £250 in error.

The legislation also sets out what services cannot be charged for and these include:-

Advice information about the availability of services
Assessment of care needs or care management
People with a mental illness who are subject to a Community Care Order or a Supervision Order
Nursing Care and Personal Care for people aged over 65. This includes Food Preparation.
Councils are encouraged to exempt people who are terminally ill

The recommended changes to charges for 2013/14 are set out below.

### 3.10 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 4 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 £513 per week to £525 per week an increase of 2.5%.

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.

### 3.11 Respite Care

Service users are financially assessed for respite care under a modification of the residential charging rules. It is current policy not to charge for the first 3 nights of emergency respite. It is recommended that this period of free care is reduced to 2 nights with service users being financially assessed and contributing from the third night of emergency respite.

### 3.12 Care at Home/ Home Care

The existing client contribution of £10.68 per hour applies to clients receiving care who are assessed as able to pay. The provision of personal care for service users over 65 years will remain free.

The actual cost of this service depends on the type of service provided. The cost of purchased home care is £13.80 per hour, with specialist services costing approximately £16.50. The salary costs for the internal Domiciliary Care Service cost is in excess of £14.10 per hour, this does not include the costs of management and overheads.

Arrangements are being made to convert the existing block contract for Crossroads sitter services to individual purchase arrangements. Once these arrangements are concluded it is recommended that this service is charged on the same basis as the care at home service. It is expected that this will be completed by autumn 2013.

It is recommended that the charge for Care at Home/Home Care is increased to £11.50 from £10.68 per hour as a further step towards aligning charges with the costs of delivery. Whilst this increase is above the current rate of inflation service users will be protected by their financial assessment that will set their maximum contribution.

### **3.13 Adult Carers**

This service currently costs £48 per day. It is recommended that the charge for this service is set at £11.50 and linked to the charge for an hour of Home Care, an increase from the current charge of £8.80, recipients of this service will be financially assessed.

### **3.14 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 the cost of provision directly to the provider. The contractor has informed the Council of its intention to increase charges to £2.57 per meal (from £2.51); it is recommended that this increase is passed on to service users.

Currently service users leaving hospital are provided with free meals for four weeks following discharge. It is recommended that this practice ceases and service users requiring prepared meals pay from the start of the service.

### **3.15 Community Alarms**

This service is currently provided to approximately 1,200 clients who pay a contribution of 1.59 per week. The actual cost of providing the service is estimated at £2.70 per week. It is recommended to increase this charge to £1.65 per week, this is an increase of 4.3% that is in line with the fee paid by ELC tenants.

### **3.16 Points of Clarification**

In recent years steps have been taken to harmonise East Lothian Charging policy with national guidance. In this regard guidance is sought on the following issues:

### **3.17 Compensation Payments**

National guidance recommends that Councils establish the breakdown of any compensation payment and consider whether some elements of



compensation payments should be included when assessing a service user's ability to pay a charge. It is recommended that East Lothian adopt the following practice in financially assessing service users.

*East Lothian Council's policy on charging is based on the principle that service users will contribute towards the cost of services they use, on the basis of their available income and assets based on national Guidance. The Council will as part of this process consider all funding streams and whether a client has sufficient reliable access to resources other than his or her own resources including compensation payments held in trust, for these resources to also constitute his or her means when making assessments.*

### **3.18 Night Time Services/Sleepovers**

At present there are no agreed charges in relation to night time care/sleepovers.

It is recommended that a charge is set at £32/night based on the actual costs of purchasing this service. Where a sleepover service is shared with other service users the costs will be shared equally. All service users receiving a night time service would be subject to a financial assessment.

### **3.19 Services where there is no current charge**

As set out in 3.9 there are a number of services where there is discretion to levy a charge to service users but where there is currently no charge. This includes

- Day Care,
- Transport,
- Telecare,
- Aids and adaptations.

It is recommended that the charging arrangements for these services are considered alongside the changes to the charging policy that will be required to support the introduction of SDS.

### **3.20 Effective Date**

It is recommended that the above changes take effect from 20th May. For existing clients new charges will be co-ordinated with the annual financial re-assessment which is currently underway for residential care and scheduled to take place in August 2013 for care at home clients

### **3.21 Self Directed Support**

On 10 January 2013 the Social Care (Self-directed Support) (Scotland) Act 2013 received Royal Assent. The Act places duties on local authorities to provide a spectrum of Self-Directed Support options, to people with eligible support needs. Self-Directed Support (SDS) is the term used to describe how people can exercise choice and control over the support or services that allows them to live independently. The national guidance describes the radical changes to the way in which Social Care services are delivered following the introduction of SDS.

*“Whereas the 1968 Social Work (Scotland) Act defines a two-stage process which begins with an assessment of a person’s needs and ends with a judgement about whether the needs of that person call for the provision of services, the Social Care (Self-Directed Support) Bill will require the assessment to give consideration to personal outcomes and, subsequent to eligibility criteria being met, to attribute a financial value to the support mechanisms that are required to meet those outcomes. In other words, it does not necessarily relate ‘the assessment of need’ to ‘the provision of services’ but instead to the provision of a budget to meet agreed outcomes.*

*In view of these changes, a conceptual shift will have to be made in respect of how councils charge for services. The underlying structure of the traditional system of charging is linked to the use of services. However, in a personalised system of support, the focus shifts to enabling people to control and adjust their support at the point of delivery in order to meet their needs and achieve their outcomes. As such, the connection between ‘the service’ and ‘the charge’ becomes less well defined – and in some cases will disappear altogether.”*

SDS will have wide reaching implications for the way in which service users contribute towards the costs of services, we will require simpler arrangement that set out clearly the total value of the resources allocated to a service user to meet their needs (their individual budget), and the level of contribution they are expected to make.

### **3.22 The Challenge of SDS**

Charging for social care has traditionally been based around a detailed specification of the services to be provided and the associated charges to be applied. In contrast SDS involves empowering service users to design their own care plan to allow them to achieve agreed outcomes. This provides the service user with greater choice and control but also presents serious challenges to the traditional approach to charging. Under SDS service users will be encouraged to seek out new ways to achieve agreed outcomes and decide for themselves what services they access and when. Under such circumstances it will be an ongoing challenge for the Council to keep track of what services have actually been accessed and how much they should be charged. One of the challenges within SDS is, therefore, how to share the costs of care in a situation where service users can put together their own basket of

services that may not fit with the traditional definitions of chargeable and non chargeable services.

For these reasons a number of Councils are looking to introduce a contributions based approach where there is agreement on how the costs of care are shared between the service user and the Council. Once this is agreed the service user is able to make choices based on what will help them to achieve their outcomes, without being unduly influenced by the financial consequences.

### **3.23 A Way Forward**

We are looking at an approach that builds on the experience of other Councils such that following the assessment and the completion of the Self Assessment Questionnaire the service user knows:

- What their total care needs are
- The total level of resources the Council is able to allocate towards meeting these needs
- How much the Council will contribute towards the cost of their care and support
- How much they are expected to contribute towards the cost of care and support
- Direct Payments normally funded on a net basis, with service users paying their contribution into a dedicated account.
- For clients over 65 receiving personal care, the cost of personal care would be subtracted from the overall cost of the service package and the net sum is used to calculate the level of contribution due.

Whilst these arrangements will involve some significant changes to the current charging they essentially represent an extension of the approach that currently applies to Direct Payments and will establish greater clarity.

Service user contributions would be pegged to a maximum level set by the financial assessment and a service user would never pay more than the cost of their care.

Work is currently ongoing to develop such an approach, taking into account the experience of other Scottish Councils. This exercise will examine financial modelling to assess the potential impact on service users and consider what steps may be required to protect service users. It should be noted that a report will be submitted to a future meeting of Cabinet that builds on the result of this work and sets out proposals for the operation of a contributions policy in the context of SDS.

## **4 POLICY IMPLICATIONS**

- 4.1 The measures set out in this report are a development of the existing policy for charging set out in the 2007 charging policy and subsequently amended to achieve greater harmony with national guidance.
- 4.2 The extension of the capital limit will mean service users with between £12,000 and £16,000 will no longer pay the full charge for their care. The changes to the taper arrangements will assist service users with incomes close to the margin of charging whilst those with higher incomes will see their contributions increase.
- 4.3 The charging for meals following hospital discharge will remove an anomaly in charging as this is not a service that is subject to financial assessment and which all service users normally pay for.
- 4.4 Service user contributions represent an important source of income to Adult Wellbeing and overall the measures in this report seek to rebalance the level of service users' contributions whilst increasing the income to the service.

## **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 process. 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 £50,000 for additional income included within the approved 2013/14 budget for Adult Wellbeing.
- 6.2 Personnel – None
- 6.3 Other – None

## 7 BACKGROUND PAPERS

### 7.1 Charging Policy for Non Residential and Residential Care

Community Services Department

August 2007.

[http://www.eastlothian.gov.uk/downloads/file/1090/charging\\_for\\_residential\\_and\\_non-residential\\_care](http://www.eastlothian.gov.uk/downloads/file/1090/charging_for_residential_and_non-residential_care)

### 7.2 Client Contributions for Adult Social Care Services

Executive Director of People

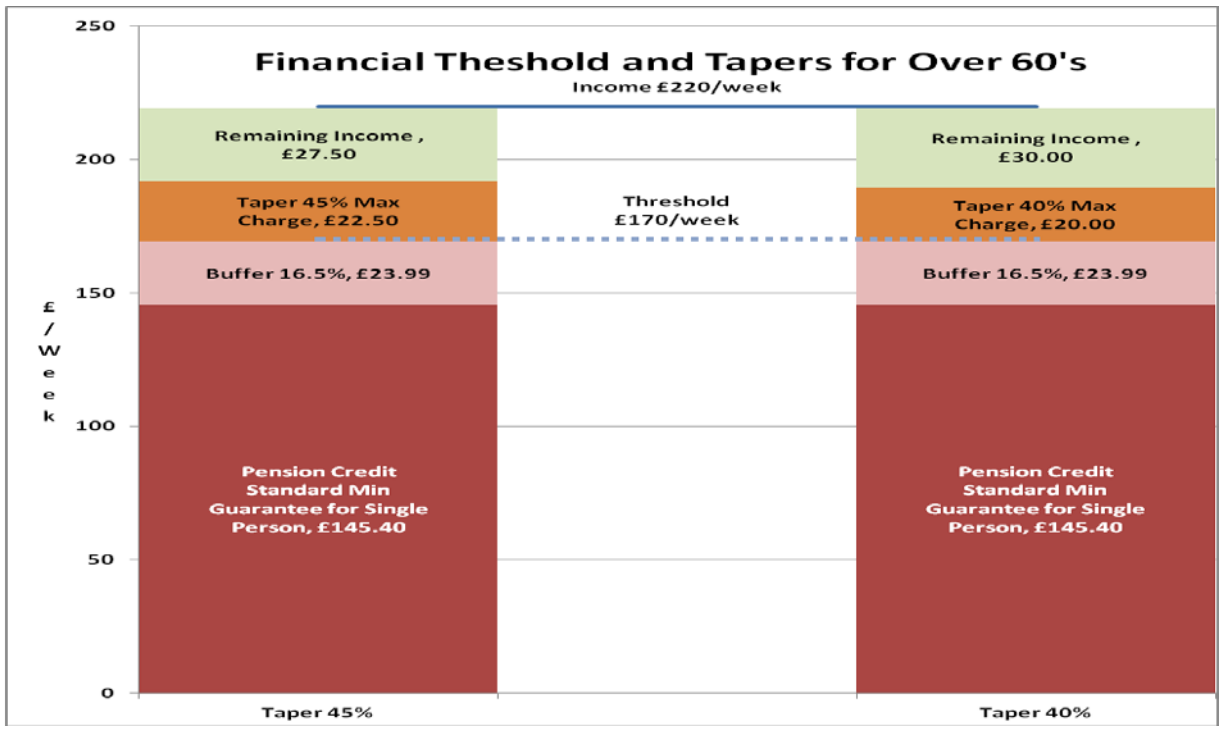
2 May 2012

[http://www.eastlothian.gov.uk/info/1347/social\\_care\\_and\\_health/1403/adult\\_social\\_care\\_charging\\_policy](http://www.eastlothian.gov.uk/info/1347/social_care_and_health/1403/adult_social_care_charging_policy)

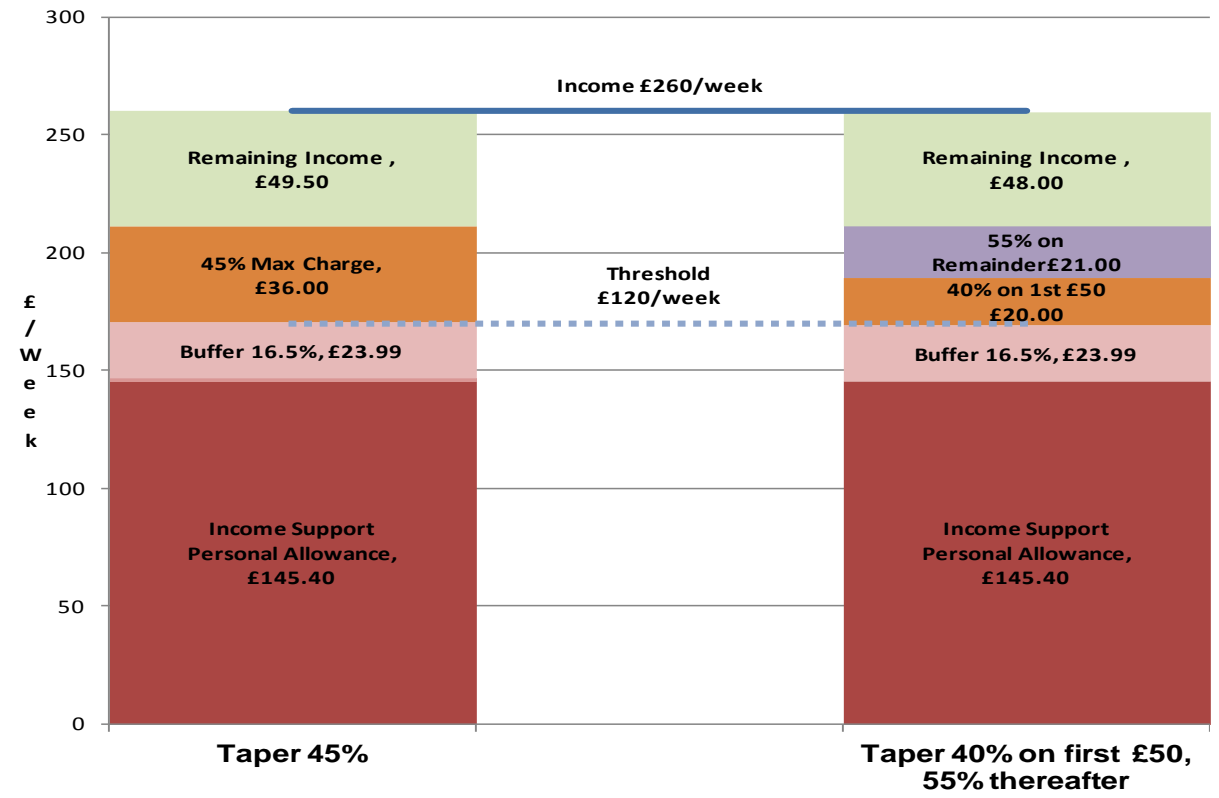
<b>AUTHOR'S NAME</b>	Murray Leys/John Finn
<b>DESIGNATION</b>	Head of Adult Wellbeing / Service Manager Business Performance and Systems Development
<b>CONTACT INFO</b>	X7880
<b>DATE</b>	2 May 2013

## Appendix A

### Over 60's

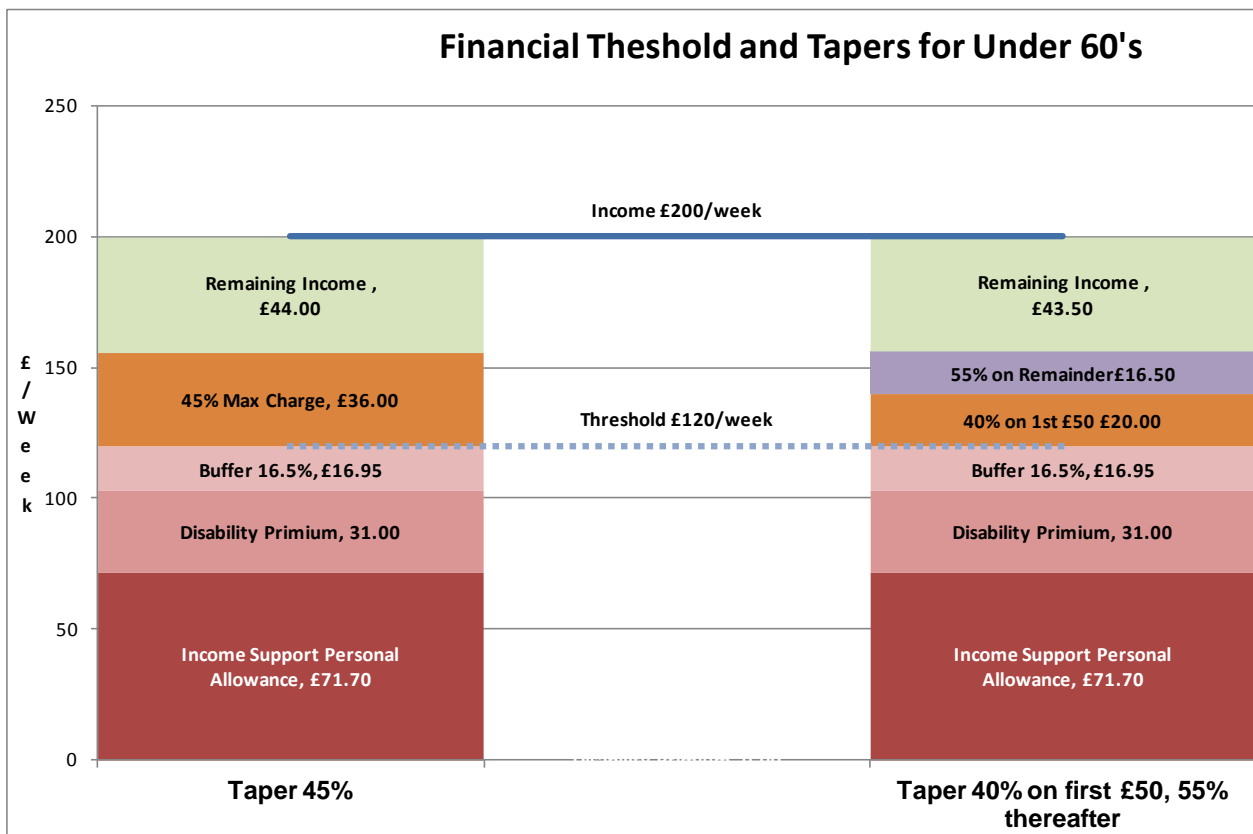
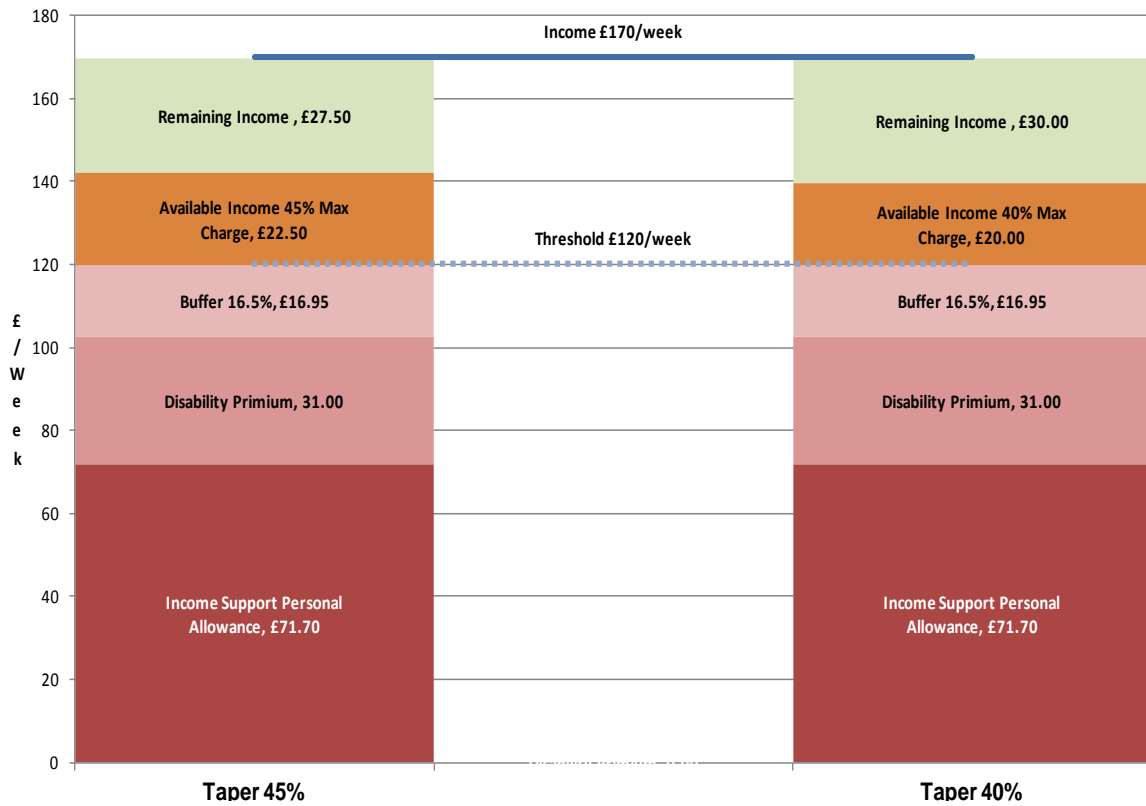


### Financial Theshold and Tapers for Over 60's



## Under 60's

### Financial Theshold and Tapers for Under 60's



**Appendix B**  
**2013/14 Threshold levels**

	2012/13	2013/14	Increase
<b>Over 60 Years (Pension Credit Guarantee)</b>			
Single Person	142.70	145.40	1.90%
Couple	217.90	222.05	1.9%
<b>Under 60 Years (Income Support Personal Allowance)</b>			
Single Person	71.00	71.70	1.00%
Couple	111.45	112.55	1.00%
	2012/13	2013/14	Increase
<b>Disability Premium (Age &lt;60)</b>			
Single Person	30.35	31.00	2.14%
Couple	43.25	44.20	2.19%

<b>Over 60 Years</b>	<b>Pension Credit Guarantee</b>		<b>Buffer 16.5%</b>	<b>Weekly Charging Threshold*</b>
Single Person	145.40		23.99	<b>£170</b>
Couple	222.05		36.64	<b>£259</b>
<b>Under 60 Years</b>	<b>Income Support Personal Allowance</b>	<b>Disability Premium</b>	<b>Buffer 16.5%</b>	<b>Weekly Charging Threshold</b>
Single Person	71.70	31.00	16.95	<b>£120</b>
Couple	112.55	44.20	25.86	<b>£183</b>