

REPORT TO: East Lothian Council

MEETING DATE: 27 August 2024

BY: Director of Health and Social Care

SUBJECT: Rate Increase for Crookston Care Home

1 PURPOSE

- 1.1 To make Members aware of the new standard rate for self-funded residents within the East Lothian Health and Social Care Partnership's Crookston Care Home.

2 RECOMMENDATIONS

- 2.1 That Members note the increase in charges for Crookston Care Home to £1,557 per week in order to comply with requirements Section 22 of The National Assistance Act 1948 and the Charging for Residential Accommodation Guidelines (CRAG) that have been issued by the Scottish Government.
- 2.2 That Members note that the new charges will apply to existing and new residents from 30 September 2024 and that this will only impact payments from self-funding residents.
- 2.3 That Members note that The Abbey Care Home in North Berwick and Belhaven Nursing Home in Dunbar no longer have any residents and have now closed.

3 BACKGROUND

- 3.1 Section 22 of The National Assistance Act 1948 (the '1948 Act') imposes a duty on the Local Authority to impose a 'standard rate' charge on care home accommodation managed by the local authority. The 1948 Act requires local authorities to set the standard rate for local authority homes at an amount equivalent to the full cost, to the authority, of providing the accommodation. In cases where the local authority assesses the resident as being unable to pay that charge, a lower charge should then be applied.

- 3.2 This legislation is further clarified in the Charging for Residential Accommodation Guidelines (CRAG) issued by the Scottish Government which details the rules for charging residents within care home placements. These rules state that:
- Clause 01005: 'requires local authorities to set the standard rate for local authority homes at an amount equivalent to the full cost to the authority of providing the accommodation'.
 - Clause 01009: 'In local authority managed homes, the authority must charge the full cost of providing the accommodation – the "standard rate". Where the local authority is satisfied that a resident is unable to pay the standard rate, it must assess their ability to pay and, on the basis of that assessment, decide the lower amount which should be paid.'
- 3.3 East Lothian Health and Social Care Partnership has traditionally kept the gross cost of any care home placement within our local authority owned Part IV care homes (Crookston, The Abbey and previously Eskgreen) at the same rate irrespective of the differences in the cost of running the service. An annual percentage uplift was then applied to residents in line with inflation. A recent review of the charging model for self-funded residents has been completed to bring the HSCP managed care home charging in line with the CRAG guidance, while also benchmarked against peers in other HSCP areas.

Processes for Charging in a Care Home

- 3.4 All care home residents aged over 65 are entitled to have the Free Personal and/or Nursing Care (FPC/FPNC) elements of their care home placement to be met by the state. For local authority-funded residents, the FPC and FPNC elements form part of the total gross placement cost with placements means tested based on what residents are able to afford. For self-funding residents, the local authority pays only the FPC or FPNC costs and the resident is liable for the remaining cost of the placement.
- 3.5 A financial assessment is carried out on individuals who are moving into a care home. This assessment considers the individual's income, savings and property to calculate how much the person can contribute towards the cost of their placement.
- 3.6 A resident is determined to be self-funding if they have property or savings over the value of £35,000 (level for 2024/25). This threshold is set by the Scottish Government and changes annually. Residents remain self-funding until their savings drop below this threshold.

Current Cost of Placements

- 3.7 The 2023/24 rate for a placement at The Abbey and Crookston was set at £1,117 per week. Belhaven Nursing Home, which is signed up to the National Care Home Contract where rates are set nationally, was kept at £888.50 for any local authority-funded residents and £1,318 for any self-

funding residents. In 2023 a 10% uplift was applied to all our homes in line with the increase in cost of living and subsequent impact on care home budgets.

- 3.8 The Partnership must still review and set the rate applicable for Crookston Care Home, which will continue to operate through the 2024/25 period.
- 3.9 All budgets remain under increased scrutiny and review, and the current rate of £1,117 does not meet the full cost of accommodation at Crookston Care Home. The annual expenditure for the home in 2024/25 financial year is forecast at £4,870,455 for the 60 residents in the home, equating to a weekly cost per bed of £1,557.
- 3.10 The forecasted expenditure in 2024/25 is based on a £400,000 savings target set for Crookston Care Home being delivered in-year.

	Crookston
	2024/25
Total Expenditure	£4,870,455
per bed	£81,174
per bed per week	£1,557

- 3.11 The charges set need to be reviewed each year and should be considered in line with East Lothian Council’s wider annual budget setting process. This review will be based on the principle of full cost recovery and therefore the actual cost of running Crookston Care Home.
- 3.12 Edinburgh Health and Social Care Partnership has recently raised their rates at their own local authority owned care homes. Rates charged range from £1,612 to £1,815 per week and represent a full cost recovery. A full breakdown can be found in Appendix 1. Private residential homes in East Lothian, which provide a similar level of care as at Crookston Care Home, charged rates for 2024/25 ranging from £1,067 to £1,485 per week.

Proposed Changes to Charging at Crookston Care Home

- 3.13 It is proposed that East Lothian Health and Social Care Partnership takes a similar approach to Edinburgh and seeks to increase charging at Crookston Care Home to the full cost of providing a service to bring us in line with the CRAG guidelines. The increase in rates would only apply to any self-funders in the home who would be liable for the full cost of the placement minus their FPC/FPNC allowance. Local authority residents would continue to be means tested based on their ability to pay. There are currently 11 self-funding residents in Crookston.
- 3.14 A number of options have been explored including the possibility of phasing this increase over a number of years; however, it is not considered that this approach complies with the legislation, namely Section 22 of The National Assistance Act 1948 and was not in line with the terms of CRAG (as set out in paragraph 3.2 above). These guidelines state that a local authority ‘must charge the full cost of the accommodation’ (see clause

01009 CRAG, quoted above). The 1948 Act additionally provides at section 22, subsection 2 'payment [which a person is liable to make] for any such accommodation shall be in accordance with a standard rate fixed for that accommodation'. This wording leaves no provision for a phased increase as less than the full cost of accommodation would be charged until the phasing was complete.

- 3.15 Increasing the rate of a placement at the home to the full cost of £1,557 per week represents a 39% uplift on current rates. Advice from the ELC Legal Service is that in order to be legally competent, the full rate of £1,557 must be applied to all new and existing self-funding residents for 2024/25.
- 3.16 ELHSCP will perform an annual review of the rates using data from Finance on actual spend for the home to ensure rates remain compliant with the legislation and CRAG guidelines. Based on the information outlined in Table 3.11, this will include applying any discounted rates where savings are made to Crookston's annual budget. Reviews will also enable the Partnership to take account of any annual variance in inflation.

Next Steps

- 3.17 Letters will be issued to all self-funding residents impacted by the change. The correspondence will inform residents of the reason for the change and provide 30 days' notice of any rate increase. Additionally, the Partnership will prioritise the financial re-assessment of the 11 self-funding residents affected to ensure that they still qualify to meet the full cost of their care. To enable sufficient notice to be given, a timescale for implementation of 30 September 2024 is proposed.

4 POLICY IMPLICATIONS

- 4.1 Not applicable.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified. [Interim IIA on proposals to increase charges at Crookston Care Home | East Lothian Council](#)

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The proposed change would ensure that by 2024/25 ELHSCP will no longer be making a loss on self-funding placements in Crookston Care Home and as such is compliant with legislative requirements.
- 6.2 Personnel - N/A

6.3 Other – N/A

7 BACKGROUND PAPERS

7.1 None

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Appendix 1 – Edinburgh HSCP Care Home Costs 2024/25

Care Home	23/24 care category	23/24 charge p/w	24/25 care category	24/25 charge p/w	Difference between 23/24 and 24/25 (p/w)
Clovenstone	Residential	£1,331	Residential	£1,612	£281
Ferrylee	Residential	£1,522	Residential	£1,815	£293
Ford's Road	Residential	£1,426	Residential	£1,631	£205
Jewel House	Residential	£1,311	Residential	£1,646	£335
Inch View	Residential	£1,385	Nursing	£1,716	£331
	Nursing	£1,575			£141
	Specialist Dementia	£1,883			£-167
Marionville Court	Residential	£1,375	Nursing	£1,668	£293
	Nursing	£1,564			£104
	Specialist Dementia	£1,870			£-202
Royston Court	Residential	£1,422	Nursing	£1,654	£232
	Nursing	£1,619			£35
	Specialist Dementia	£1,937			£-283
Castlegreen	Nursing	£1,099	Nursing	£1,621	£522
	Specialist Dementia	£1,300			£321
North Merchiston	Residential	£941	Nursing	£1,621	£680
	Nursing	£1,060			£561
	Specialist Dementia	£1,253			£368
Average		£1,437		£1,665	£225