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**REPORT TO: MORAY INTEGRATION JOINT BOARD ON 26 NOVEMBER 2020**

**SUBJECT: CHARGING FOR SERVICES**

**BY: CHIEF FINANCIAL OFFICER**

**1. REASON FOR REPORT**

- 1.1 To ask the Moray Integration Joint Board (MIJB) to consider the charges for services for the 2021/22 financial year.

**2. RECOMMENDATION**

**2.1 It is recommended that the MIJB:**

- i) **adhere to the request of the Moray Council that the MIJB recommend to them, the charges for the services delivered within the delegated functions;**
- ii) **considers and approves the charges set out at Appendix 1 for recommendation to Moray Council for approval and inclusion into their budget setting processes;**
- iii) **notes the recommended charges will be subject to assessment for the socio-economic impact and reported back to the MIJB where there is significant impact and no mitigation; and**
- iv) **notes a review of non-means tested charges will be undertaken during 2021 and a report will be presented to the MIJB in due course.**

**3. BACKGROUND**

- 3.1 Integration Authorities do not currently have statutory powers to set charges for the services aligned to delegated functions. Moray Council, therefore has the legal responsibility to set social care charges on behalf of the MIJB.
- 3.2 Moray Council has in place a Charging for Services policy that was updated and approved by the Policy & Resources Committee on 24 October 2017

(para 8 of the minute refers). The policy states that a review of charges should be undertaken annually as an integral part of the budget process.

- 3.3 During 2017, discussions took place between the MIJB Chief Financial Officer and the Head of Financial Services, Moray Council, where it was considered appropriate for the MIJB to be involved in the setting of charges for the services it has commissioning responsibility for. Whilst Moray Council retains the statutory responsibility for this duty, the recommendation made to the Moray Council Policy and Resources Committee at its meeting of 24 October 2017 was that the MIJB should be requested to recommend the charges for services delivered. A report was presented to this Board on 14 December 2017 where it was agreed that the MIJB would take responsibility for recommending charges for services to Moray Council (para 6 of the minute refers).
- 3.4 MIJB have continued to consider the charges it will recommend to Moray Council on an annual basis, ahead of Moray Council setting its charges as part of its budget setting process. The recommendations of the MIJB will be considered at a meeting of the Moray Council on 20 January 2021.

#### **4. KEY MATTERS RELEVANT TO RECOMMENDATION**

##### Charging Overview

- 4.1 The net funding provided to the MIJB from Moray Council considers the impact of social care income generation from charging for services. On this basis, the MIJB Chief Officer, Chief Financial Officer and the Chief Financial Officer, Moray Council have met to consider an equitable approach reflecting this position.
- 4.2 Not all charges are within the control of the Moray Council. Some charges levied by the Council are set by statute, some are limited by statute and some have the method of calculation prescribed by statute.
- 4.3 In prior years, Moray Council' methodology for proposing charges has been in-line with the Consumer Price Index (CPI). The CPI 12 month rate released in September 2020 was 0.5%. CPIH extends the CPI to include a measure of the costs associated with owning and maintaining a home, along with council tax and is considered the most comprehensive measure of inflation. Currently (September 2020) CPIH is 0.7%.
- 4.4 It is important, when considering the setting of charges to also consider the MIJB's overall financial position. Another report being presented to this meeting today is the Revenue Budget Monitoring position to the end of September, which includes a forecast to the end of 2020/21 of £0.509 M, overspend on core services. Salary increases for staff working within Health and Social Care Moray have been considerably higher in 2020/21 than CPI. Pay inflation is an important measure as approximately 40% relating to Moray Council and 45% relating to NHS Grampian MIJB expenditure is attributable to wages and salaries and has considerable impact on the MIJB financial position.

#### Charging for Care Services (means tested)

- 4.5 It is necessary that the MIJB considers its approach to income maximisation within the context of its existing policies. The introduction of Self-Directed Support through the Self Directed Support (SDS) (Scotland) Act 2013 led the Moray Council to review its charging policy for non-residential services to ensure a fair, effective, consistent and transparent system. This led to the introduction of the Contributions Policy. Under SDS, individuals are informed of their entitlement to support as part of their overall personal budget designed to meet their needs and achieve their outcomes. It also determines how much they will have to contribute (based on their ability to pay) for the care and support they choose. With the introduction of the Contributions Policy, the number of services for which charges are being made are reduced. It is important to understand that charges still require to be determined to enable personal budgets to be calculated and any associated contributions to be applied to overall budgets. The Contributions Policy is currently under review and will be brought before the Board in due course

#### Taper

- 4.6 If a service user has income over the charging threshold, the local authority has the power to determine what the person pays for their service, provided it does not exceed the cost of providing that service.
- 4.7 COSLA recommend that the charge towards social care is not based on all remaining income. A percentage is determined of the remaining income that is available to the service user over the threshold and this determines the maximum contribution a service user will pay towards their care.
- 4.8 A benchmarking exercise completed in 2019 nationally highlighted the following:
- The Scottish average taper is 61%.
  - Moray is above the Scottish average with the current taper 70%, meaning that for someone who has £100 excess income, we would require them to pay £70 maximum.
  - Three areas in Scotland have a 100% taper meaning there will be no further disregard of excess available income after applying standard disregards.
- 4.9 It should be noted that this benchmarking exercise has not been carried out in 2020.
- 4.10 The SDS Steering Group has cautiously assessing the impact of increasing the taper as part of the review of the Contributions Policy. As an example, increasing the taper to 80% would result in a potential increase in annual income to HSCM of approximately £130,000. This is based on average weekly contribution by service users paying a contribution. It should be noted that any change to the Taper relief is dependent on approval of the contributions policy that is currently under review.

- 4.11 There are currently 233 service users who have applied for financial assistance and are now paying a contribution towards their care for chargeable services.

#### Charges for Care Services (non-means tested)

- 4.12 In addition to services charged against an individual's financial assessment, a small number of services are charged at a flat rate.
- 4.13 Existing charges were benchmarked against other local authorities in Scotland in 2019. The current charges are based on further alignment of Moray's charges to the Scottish average but not exceeding the cost of care to HSCM.
- 4.14 It is proposed to retain the existing flat rate charges at the current level, (with the exception of the Community Alarm increase approved by Moray Council's Policy and Resources Committee on 14 January 2020), pending a full review of non-means tested charges during 2021. The Community Alarm will be reviewed in the future as a clearer picture becomes available and innovations are advanced following the learning through the current pandemic.
- 4.15 The key components to the review will be finalised in 2021, but will include financial impact on current service users and ability to pay, level of service provided/value for money and Fairer Charging guidance.

#### Community Alarm

- 4.16 The community alarm service is provided to support independent living at home. Historic charges have not reflected the cost of providing this service including staffing costs, assessment, installation and collection of equipment, administrative costs etc.
- 4.17 The 2019 benchmarking exercise highlighted the following:
- The Scottish average at that time was £3.63 per week.
  - Moray was the second lowest in Scotland with a charge of £1.48 per week.
  - There are currently 1,538 individuals in Moray being charged for utilising a community alarm.
- 4.18 The recommendation made ahead of the 2020/21 financial year was to increase the quarterly charge from £19.28 to £33.22 (inc vat) resulting in an increase of 72.3%. The actual charge implemented for 2020/21 was £26.24 (inc vat) with the proposal now being to continue to aim for the national average, but over a longer period of time (four years in total). This would take the proposed increase for 2021/22 to £33.22. The potential increase in income based on existing number of service users is £35,743.

#### Meal Charges

- 4.19 Service users currently receiving meals whilst attending day services are charged for a two course meal.
- 4.20 The 2019 benchmarking exercise highlighted the following:

- The Scottish average was £4.17 per week.
- Moray was at that time the fifth highest area in Scotland with a charge of £4.95 per week.

- 4.21 The current charge (2020/21) per week for individuals is £5.03 which results in an approximate income of £15,000 per annum. However, in light of Covid-19, no income has been generated to date due to lunch clubs ceasing since March 2020.
- 4.22 As Moray is already higher than the Scottish average in its charging for meals and given the proposal to review non-means tested services, it is proposed to continue the current weekly charge (invoicing will recommence as day centres re-open) until the review has concluded later in 2021.

### **Stairlift Maintenance**

- 4.23 There is a current charge for maintenance of certain types of stairlifts. The recent benchmarking exercise did not include stairlift charges although several local authority areas do provide service and maintenance at a charge.
- 4.24 There is a modest charge for individuals following an initial 12-month warranty period where maintenance is not charged. It has been difficult at this stage to identify average Scottish cost of stairlift maintenance but in 2014, the charity Which? conducted a UK survey which stated the average charge for maintenance was £99 per annum.
- 4.25 There are 216 people in Moray who are currently charged with maintenance of their stair lift.
- 4.26 The current income is £14,307 with service users charged £16.56 (inc VAT) quarterly.
- 4.27 Given the proposal to review non-means tested services, it is proposed to continue the current weekly charge until the review has concluded later in 2021.

### **Closomat Toilet Aid**

- 4.28 The charges for annual maintenance commenced from April 2020 following approval by Moray Council's Policy and Resources Committee on 14 January 2020.
- 4.29 The equipment is provided by HSCM and currently, 105 people in Moray are being charged for the annual maintenance of this aid.
- 4.30 The current income to HSCM is £11,357 with service users charged £27.04 (inc VAT) quarterly.
- 4.31 Given the proposal to review non-means tested services, it is proposed to continue the current weekly charge until the review has concluded later in 2021.

### **Blue Badge**

- 4.32 Local Authorities administer the Blue Badge Scheme on behalf of the Scottish Government, which has set the maximum administration fee at £20. Badge validity lasts for 3 years.
- 4.33 In April 2018, The Fairer Scotland Duty, part 1 of the Equality Act 2010 came into force placing legal responsibility on public bodies in Scotland to consider how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. In this respect, the setting of charges would fall within this section of the duty and as a result due consideration is being given to the consequent impacts and mitigation.
- 4.34 HSCM will continue to work with service users and in collaboration with Moray Council's Income Maximisation Team to ensure all individuals are getting the benefits assistance they are entitled to so no one who really needs a service has to give it up.

### **Other Charges**

- 4.35 There is still a requirement to be mindful of income maximisation and therefore the proposal would be that, where possible a percentage increase closer to CPIH is applied. 1% has been suggested for other charges including the hire of day centre rooms, case reviews carried out on behalf of other local authority areas

## **5. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan "Moray Partners in Care 2019 – 2029"**

The levying of charges for social care services is an essential component of delivering priorities on a sustainable basis.

### **(b) Policy and Legal**

The Public Bodies (Joint Working) (Scotland) Act 2014 dictates that the setting of social care charges will not be able to be delegated by a local authority to an integration authority as part of the joint working arrangements prepared under the Act.

### **(c) Financial implications**

Charging for services provides a consistent approach to the levying of charges where appropriate, however the net financial benefit is limited and constrained by the Contributions Policy.

**(d) Risk Implications and Mitigation**

There are no risks arising directly from this report. There remains a risk in that any increase or introduction of charges could have a detrimental effect on service uptake.

**(e) Staffing Implications**

None arising directly from this report

**(f) Property**

None arising directly from this report

**(g) Equalities/Socio Economic Impact**

Full assessment of the socio-economic impact of the Social Care charges on the protected groups as outlined in the Fairer Scotland Duties legislation will be carried out prior to Moray Council setting its charges for the 2021/22 financial year.

**(h) Consultations**

The Chief Financial Officer, Moray Council and the Head of Service – Strategy and Commissioning have been consulted and their comments have been incorporated within this report.

**6. CONCLUSION**

**6.1 Moray Council by way of their statutory duty for setting charges for services has requested the MIJB recommends the charges for services to be delivered for the 2021/22 financial year, ensuring a strategic role is maintained.**

Author of Report: Tracey Abdy / Catherine Quinn, Support Manager –  
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Background Papers: with author

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