



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 29 NOVEMBER 2018

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 2019/20 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; and**
- 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. The recommended charges will be subject to assessment for the socio-economic impact by Moray Council and reported back to the MIJB for further recommendation where there is significant impact and no mitigation.**

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 On 2 October 2018, the Moray Council Policy and Resources Committee approved that the MIJB were requested to recommend charges for the services delivered under their remit (Para 4 of the draft Minute refers).

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 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 Head of Financial Services, 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 Moray Council has set out their methodology for proposing charges in-line with the government's preferred measure of inflation, that being the Consumer Price Index (CPI). The Bank of England target for inflation is 2%. CPI is currently (September 2018) 2.4%. 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 2018) CPIH is 2.2%. The main measures of inflation have been just under 3% for most of this year and Moray Council has recommended that this is used as the default inflation rate when reviewing charges for 2019/20. In proposing the charges to be levied, recognition has been given to this information.
- 4.4 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.
- 4.5 Officers have followed guiding principles as set out by Moray Council and attention to the service planning responsibilities of the MIJB have been considered in proposing the charges to be recommend to Moray Council as part of their budget setting processes for 2019/20 and will be reported in February 2019. These recommendations are set out at **Appendix 1**.
- 4.6 Following acceptance of the Moray Council request for the MIJB to recommend the charges for services from 2018/19 onwards it was considered timely for the MIJB to conduct a review of charges. The introduction of Self-Directed Support through the Self Directed Support (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 Self-Directed Support, 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 services which charges are being made for 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.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

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 undertaken by Moray Council.

(h) Consultations

The Head of Financial Services, Moray Council; Legal Services Manager (Litigation & Licencing), Moray Council; Equal Opportunities Officer, Moray Council and the Head of Service – Strategy and Commissioning, Health & Social Care Moray 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 2019/20 financial year, ensuring a strategic role is maintained.**

Author of Report: Tracey Abdy, Chief Financial Officer, Moray Integration Joint Board

Background Papers:

Ref: