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**REPORT TO: MORAY INTEGRATION JOINT BOARD ON 25 NOVEMBER 2021**

**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 2022/23 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.**

**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 Chief Financial Officer, 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 19 January 2022.

#### **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 together considered 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 2021 was 3.1%. 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 2021) CPIH is 2.9%.
- 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 2021/22 of a £2.3 M, overspend to the end of the financial year, although this will be reduced by the recent announcement of additional funding to support specific pressures. Salary increases for Local Authority staff have still to be agreed for the current year. A provision has been taken but it is not clear at this stage whether that will be sufficient, given the situation around agreement of the public sector pay policy. 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 and the broader context of social care. 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 were being made were 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 has recently been reviewed and approved at a meeting of the Moray Council on 10 November 2021. A report is included for noting on this agenda. There is now a focus on the findings and recommendations as set out in the report published in February this year on the Independent Review of Adult Social Care <https://www.gov.scot/publications/independent-review-adult-social-care-scotland/documents>. The progress around the recommendations made will determine future local policy. It should be noted that the thinking behind the report extends to what is believed to be right and fair for people receiving social care supports in their own homes. It is recommended that people should no longer be charged for non-residential social care support such as care and, support at home, and day care as it is believed that it does not make sense for people to have access to health care free at the point of need but, in circumstances that are equally related to their health and wellbeing, to be charged for support.

## **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 The Contributions Policy approved by Moray Council on 10 November 2021 considered Taper Relief and at what percentage of the service user's available income and capital would be subject to a financial assessment. Any Taper of less than 100% of available income means the service user keeps some additional income above their charging threshold/minimum income guarantee (which supports the principles of the guidance including the Contributions Policy being human rights compatible, ensuring dignity, supporting independent living and maximising economic participation in the community for the service user). The 2021/22 Taper percentage has

remained at 70% of the Service User's available income. The proposal here is to maintain again that level of 70%.

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

- 4.9 In addition to services charged against an individual's financial assessment, a small number of services are charged at a flat rate. In 2019, flat rate charges were benchmarked nationally and recommendations were made accordingly.
- 4.10 Previously, it had been agreed that locally, a review would be carried out during 2021 on non-means tested charging with a view to incorporating this within the Contributions Policy. The revised Contributions Policy now separates out the non-means tested charges. The future of flat rate charging will be aligned to recommendations made through national review and developments that stem from the report published in February this year on the Independent Review of Adult Social Care <https://www.gov.scot/publications/independent-review-adult-social-care-scotland/documents>
- 4.11 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 at its meeting on 18 February 2021 (para 4 refers).
- 4.12 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.
- 4.13 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 1,529 individuals in Moray being charged for utilising a community alarm.
- 4.14 The MIJB, agreed at its meeting of 26 November 2020 that it would aim for the charge to reach the national average over a four year period. In 2021/22, the charge increased to £33.22 from £26.24 per quarter. To continue with what has been previously agreed by the MIJB and Moray Council it is being proposed to uplift this charge again for 2022/23 by the same percentage taking the charge to £40.20 per quarter. At this stage it is anticipated that this level of uplift will continue into 2023/24, however, a position will be sought on the national position at a later date. The potential increase in income based on the existing number of service users is £42,690.
- 4.15 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. It is proposed that this charge is maintained at this level.
- 4.16 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.

- 4.17 HSCM Community Care Finance Team 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**

- 4.18 Whilst there is still a requirement to be mindful of income maximisation, it is also important to consider that often these additional supports, whilst difficult to quantify, have the ability to provide essential support around social inclusion etc. and therefore prevent individuals requiring additional, more intensive care supports. With the current pressures being experienced in social care, it is important to ensure we continue to drive the remobilisation of these supporting services with the aim of alleviating this pressure where possible and safe to do so. With this in mind, the proposal is to retain all other charges at the 2021/22 levels. The proposed charges are expressed in **Appendix 1**.

## **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 2022/23 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 2022/23 financial year, ensuring a strategic role is maintained.**

Author of Report: Tracey Abdy – Chief Financial Officer

Background Papers: with author

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