

NORTH LANARKSHIRE COUNCIL

REPORT

TO: Social Work Committee	Subject: Home Care Charges
FROM: Jim Dickie Director of Social Work	
DATE OF COMMITTEE: 25 January 2000	
REPORT AUTHOR: George McNally	
REF: JD/GMcI/DH	

1 PURPOSE OF REPORT

- 1.1 To inform the Social Work Committee of the basis of the Departments Home Care Charging policy and to recommend some amendments to the existing arrangements.

2 BACKGROUND

- 2.1 Local authorities have discretionary powers to charge for Adult Non Residential Care services as detailed in the Scottish Office circular SW66 1/97 which was issued in 1997.
- 2.2 North Lanarkshire Council Social Work Department operate a charging system which is based on a policy of maximising incomes for clients who receive a home care service, and by applying a level of charge which is reasonable and affordable.
- 2.3 The principles of the charging policy were inherited from the predecessor authority at local Government reorganisation in 1996, however, changes were introduced by the Department following a report to the Social Work Committee in March 1998. The amendments to the original scheme of charges were intended to achieve a simplified system of charges which could be understood by service users and to apply a more equitable system in light of the operational experience of the charging system. (A copy of the revised charge arrangements are listed at appendix 1)

3 THE CHARGING SYSTEM

- 3.1 Under the existing charging arrangements, the home care service is provided free of charge to single people who have an income of less than £100. For couples there is no charge where the income is less than £120.

- 3.2 Where a client has an income in excess of the levels indicated at para 3.1 above. The service charge is determined by a percentage contribution of the excess income. The contribution previously approved by Committee is 25% of the excess figure. (Appendix 2 provides examples of the charge calculation).
- 3.3 In setting charges, account was taken of the full cost of providing the service. However the Department operates on the important principle that no client will pay a charge which exceeds the actual cost of the service. (Appendix 3 provides examples of where charges are restricted).
- 3.4 The charging system in North Lanarkshire compares favourably and indeed is less than that applied by a number of other local authorities.

4 RECOVERY OF CHARGES

- 4.1 Currently 3733 people receive a home care service, this figure can fluctuate quite considerably with existing clients dropping out of the service, and new people entering same.
- 4.2 The variation in client numbers can and does result in an under recovery of client charges. Currently the home care income budget is approximately £300,000 below target. One of the reasons for this situation is that the turnover of clients frequently means that those who are eligible to pay for the service leave, and are replaced by clients who are initially entitled to a free service.
- 4.3 Those clients who are initially entitled to a free home care service, frequently have an underlying entitlement to social security benefits. However, a considerable gap can occur between the application and award of benefits due to the benefit adjudication process. This can be even more protracted when the initial application for benefit is rejected and it becomes necessary to pursue a review or appeal for the particular benefit.
- 4.4 Existing charging policy arrangements only allow for charges to be applied from the point where the increased benefit is in payment to the client. It should be noted however, in most cases the benefits are backdated to the point of application. Depending on the length of time taken to determine the benefit applications, some clients can receive a considerable level of backdated benefit arrears.
- 4.5 The policy of only applying charges once benefits are in payment is not equitable, as the length of time which clients can effectively receive a free service can vary considerably. It is therefore recommended that the home care charging policy be amended to allow charges to be applied from the date benefits increases are awarded, rather than date of payment.

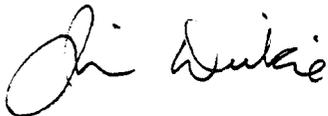
- 4.6 As part of the Department's efforts to reduce the under recovery figure, new guidance has recently been issued to all staff involved in home care to ensure that their respective roles and responsibilities are improved in respect of income maximisation and charge recovery. The guidance will also ensure that the annual uprating of charges are applied more timeously.
- 4.7 As part of the income maximisation process clients are invited to give written authorisation for the Department to act on their behalf to facilitate benefit claims. On occasion, doubt may arise with regard to other financial information the Department requires to make the relevant financial assessment for charging purposes. In these circumstances, it is proposed that the Department seeks the person's written agreement to obtain information directly from the relevant sources.

5 CONCLUSION

- 5.1 The Home Care service in North Lanarkshire is subject to variations in numbers and this contributes to the under recovery of income. As does the policy of only applying charges from the date of payment of benefit rather than date of award.
- 5.2 New procedures have been designed to improve income maximisation and recovery of charges have been issued within the Social Work Department.
- 5.3 There is a requirement to introduce a client mandate to facilitate improved access with external agencies.

6 RECOMMENDATION

- 6.1 Committee is requested to:-
- i) To accept the recommendations contained in this report
 - ii) To authorise the application of charges from the date which income is increased.
 - iii) To otherwise note the terms of this report.



Jim Dickie
Director of Social Work

For further information on this report please contact, Principal Officer (Strategy) (TEL: 01698 332063)

APPENDIX 1**REVISED CHARGING POLICY FOR DOMICILIARY CARE SERVICES**

The Revised Charging Policy is based on the following principles:

1. The level of service provided should be based on the individual's assessed need, not on the ability to pay.
2. Home Help services will be provided free to single people with incomes of £100 per week or less. For couples there will be no charge for services where they have an income of £120 per week or less.
3. Charges will apply where the client's income exceeds the charging threshold of £100 (single people) and £120 (couples). The level of charge will be a contribution of 25% for each pound that the client's income exceeds the threshold figure.
4. Clients who receive a service, the cost of which is less than the charge they are required to pay, will have their charge restricted to the actual cost of the service.
5. Clients who are provided with a meals service, will be charged the sum of £1.20 for each meal supplied. Charges for meals will apply to all clients irrespective of their income levels. The thresholds of £100 (single people) and £120 (couples) do not apply.
6. Prior to charges being levied, clients will be assisted to maximise their benefit entitlement.
7. In the calculation of a person's income, Disability Living Allowance, (Mobility Component), War Pensions (Mobility Supplement), Independent Living Fund Payments, Council Tax, Rent and Mortgage costs will be excluded. In determining the client's income for charging purposes, income from all other sources will be taken into account.
8. Capital of below £3000 will be ignored in the calculation of income. Capital in excess of £3000 will be deemed to produce a tariff income in line with the income support regulations, i.e. for each unit of £250 or part of a unit, the client will have notional income of £1 for each unit.
9. Where a client experiences financial hardship as a result of the charging policy they can make application to the Social Work Area Manager to have the charge waived or reduced. Before the Area Manager can take this decision, they must be satisfied that the person's means are insufficient to pay the amount they would otherwise be charged.

10. The singleton service arrangement, whereby a person who was receiving less than two hours home help service per week had their charge restricted to the sum of £4 per week, will be abolished. Clients receiving service will therefore be charged on the basis of their overall income. However, where the level of charge exceeds the actual cost of the service, the overall charge will be restricted to an amount equivalent to the cost of the service.
11. There will be no charge for the home help service where it is primarily arranged for the benefit of children.

APPENDIX 2**INCOME AND CHARGE BANDS**

SINGLE CLIENTS		COUPLES	
INCOME	CHARGE	INCOME	CHARGE
£100 or less	Nil	£120 or less	Nil
£101.00	£0.25	£121.00	£0.25
£102.00	£0.50	£122.00	£0.50
£103.00	£0.75	£123.00	£0.75
£104.00	£1.00	£124.00	£1.00
£105.00	£1.25	£125.00	£1.25
£110.00	£2.50	£130.00	£2.50
£115.00	£3.75	£135.00	£3.75
£120.00	£5.00	£140.00	£5.00
£125.00	£6.25	£145.00	£6.25
£130.00	£7.50	£150.00	£7.50
£135.00	£8.75	£155.00	£8.75
£140.00	£10.00	£160.00	£10.00
£145.00	£11.25	£165.00	£11.25
£150.00	£12.50	£170.00	£12.50
£155.00	£13.75	£175.00	£13.75
£160.00	£15.00	£180.00	£15.00
£165.00	£16.25	£185.00	£16.25
£170.00	£17.50	£190.00	£17.50
£175.00	£18.75	£195.00	£18.75
£180.00	£20.00	£200.00	£20.00
£185.00	£21.25		
£190.00	£22.50		
£195.00	£23.75		
£200.00	£25.00		

The above tables are only illustrated up to income levels of £200 for both single people and couples. For those with incomes in excess of these figures, the principle of 25% contribution for each pound by which the income exceeds the threshold figures of £100 single people, and £120 for couples would still apply. However, the overall charge would not exceed the actual cost of the service as detailed in Appendix 3.

EXAMPLE OF CHARGE RESTRICTIONSINGLE CLIENT

Home Help Service of 3 hours per week
 Unit Cost of Home Help Service £6.25 per hour
 3 Hours x £6.25 = £18.75

Assessment of Ability to Pay

Weekly Income £190.00
 Charge Threshold £100.00
 Income exceeds Threshold by £ 90.00
 Maximum Charge £90 x 25% £ 22.50

Assessment identifies client capable of meeting full cost. £18.75

COUPLE

Home Help Service of 20 hours per week
 20 Hours x £6.25 = £125.00

Assessment of Ability to Pay

Weekly Income £250.00
 Charge Threshold £120.00
 Income exceeds Threshold by £130.00
 Maximum Charge £130 x 25% £ 32.50

Assessment identifies client not able to meet full cost,
 Home Help Charge restricted to £32.50