

NORTH LANARKSHIRE COUNCIL

REPORT

To: SOCIAL WORK COMMITTEE	Subject: CHARGING POLICY FOR CARE AT HOME SERVICES
From: DIRECTOR OF SOCIAL WORK	
Date: 11 MARCH 2004	Ref: JD/GMcI/LMcA

1. PURPOSE OF REPORT / INTRODUCTION

- 1.1. To seek Committee approval to adjust the charging arrangements applied by the Council in respect of care at home services including housing support.

2. BACKGROUND

- 2.1. Since the inception of North Lanarkshire Council charges for home care services have been applied in line with the powers contained within the Social Work (Scotland) Act, 1968 and guidance on charging issued by COSLA.
- 2.2. The Introduction of Supporting People and the Housing (Scotland) Act, 2001 have either enhanced or superseded the current legislation on charging. COSLA have also issued new guidance on financial assessments which take account of the main change to welfare benefits namely, Tax Credits.
- 2.3. The existing charging policy requires to be amended to take on board the above changes. It is important to recognise that the principles of the policy have not changed in that the people at the lower end of the income spectrum are not brought into a charge band.
- 2.4. The Council will continue to exempt community alarm services from charging and personal care services for people over 65 years old are exempt from charge as a result of the National Policy to provide free personal care.

3. PROPOSALS/CONSIDERATIONS

- 3.1. Following the introduction of Tax Credits in October 2003, COSLA recommended the income threshold at which charges should be applied, be increased from £115 to £119 for a single person and for a couple the figure be increased from £175 to £182 per week. By increasing the threshold it ensures that recipients of Tax Credits are not paying a disproportionate increase in charges.
- 3.2. In addition to the amendment to the threshold level, the charging guidance allows for annual adjustments to the threshold level to take account of benefit uprating. Applying the formula approved by COSLA and endorsed by the Executive, the threshold at which service users will begin

to pay a contribution towards the cost of the services will increase from £119 to £123 single person and £182 to £188 for couples from April 2004.

- 3.3. The level of capital which a service user possesses can affect the charge calculation. For example, the current arrangements are for every £250 of capital above £6,000 there is an assumed income of £1 for each unit of £250. COSLA have recommended that for persons aged 60 years and over the tariff income from capital should be calculated on the basis of £1 for every £500 above £6000 producing a net saving to service users. It is proposed this new figure apply to all ages within North Lanarkshire.
- 3.4. The maximum service user contribution/charge is calculated by taking account of disposable income over an agreed threshold figure which for 2004/05 is £123 for single people and £188 for couples. Persons with income below these figures are not required to make a contribution or charge for services. However, those with an income above the threshold may contribute up to 25% of the excess towards the cost of the service.
- 3.5. When calculating the maximum service users contribution/charge, the Council deducts from their assessable income any costs which the service user is liable for in respect of housing costs i.e. rent, mortgage, council tax and water charges. For example a single person with an income of £150 after deductions would have their contribution/charge assessed as follows:

Income	£150
Threshold	<u>£123</u>
Disposable income	£ 27

Calculation: £27 x 25% = £6.75 maximum client contribution

Examples of charge calculations are provided in the Members library.

- 3.6. From April 2003, Local Authorities were empowered to apply charges in respect of housing support services provided through the Supporting People arrangements. The Social Work Committee at its meeting on 27th February, 2003 agreed not to charge for support services in the first year of operation. However, in order to ensure continued and sustained delivery of support services it is necessary to implement a charging structure as a means of providing revenue for the development of the service.
- 3.7. It is therefore proposed that housing support services be eligible for charging. It is the recommendation however, that the chargeable arrangements are combined with the existing home care scheme, which will result in a single system which is affordable for service users.
- 3.8. The introduction of charges for housing support services will have a marginal impact on service users, indeed a significant number will be exempt from charges on the following grounds:
- ◆ Service Users in receipt of any element of housing benefit
 - ◆ Those whose housing support services were previously funded up to, and including the 31st March 2003, in full or part, by Special Needs Allowance Package (SNAP)
 - ◆ Tenants of sheltered housing complexes who were resident and receiving support services for at least one month prior to the commencement of the Supporting People amendments on 1st April 2003
 - ◆ Those owner occupied sheltered housing tenants in receipt of Income Support (IS)/Job Seekers Allowance (JSA)/Pension Credit (PC)

- ◆ Those receiving designated short term services; a service may be considered short term where it serves that defined below:
 - aim to bring about independent living within two years
 - aim to increase the capacity for independent living

Therefore anyone receiving housing support services specific to the above will not be liable for charging.

- 3.9. Charges will however be applied for homecare services, such as preparing meals, banking, ironing, laundry, pet walking and assisting with fire lighting etc.
- 3.10. For the purpose of calculating the cost of home care services being provided the hourly cost of the home care service has for a number of years been maintained at an artificially low figure of £6.50 per hour. The true cost of the service is £11.46. The reason for maintaining the lower figure of £6.50 per hour was to afford an element of protection to those service users who because of income or capital had to pay the full cost of the service. Because of the growing differential between the unit cost and the actual cost, it is proposed that the figure of £1 per hour be added to the unit cost bringing it to £7.50 in 2004/05.
- 3.11. Where home care / housing support services are being provided which are not based on an hourly charge, the actual cost of providing these services will be used in the calculation.
- 3.12. The actual charge for service will be the lower of either the maximum charge based on the client's income as described in 3.4 and 3.5 above or the actual cost of the service in 3.10 and 3.11 above.
- 3.13. Meals on wheels will be subject to a charge of £1.30 (2003/04 £1.20) per meal and this is not subject to any assessment of ability to pay.
- 3.14. In carrying out the financial assessment necessary to establish the appropriate level of charge, for an individual, the Department will ensure that the client's income is maximised by assisting clients claim all benefits to which they are entitled.

4. FINANCIAL/PERSONNEL/LEGAL/POLICY IMPLICATIONS

- 4.1. The Council is empowered under the Social Work (Scotland) Act 1968, to apply charges in respect of services provided for housing support and homecare and have made use of these powers to generate income which enables the provision of quality services.

5. CONCLUSION

- 5.1. In approving the above proposals the Council is ensuring that persons who have limited levels of income will not incur a charge for the service and that the charge is affordable to those who have to pay for the service.

6. RECOMMENDATIONS

- 6.1. Committee is requested to approve the following for 2004/05:
- (i) The charging policy thresholds of £123 per week for a single person and £188 per week for a couple (section 3.2);

- (ii) Tariff income be calculated on the basis of £1 for every £500 of capital or part thereof above £6000 (section 3.3);
- (iii) The charge for housing support services and the exemptions listed in section 3.8;
- (iv) The unit cost of £7.50 to be applied for calculating cost of service as outlined in section 3.10;
- (v) The charge for meals on wheels of £1.30 per meal as outlined in section 3.13;
- (vi) Refer the report to Housing & Property Services Committee for information;
- (vii) To otherwise note the report.



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10 February 2004

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