

**PE1533/S**

Scotland Against the Care Tax

Michael McMahon  
Chair  
Scottish Parliament Petitions Committee

Wednesday, 03 February 2016

Dear Michael

Thank you for one more opportunity to address the Petitions Committee on this matter.

At the start we would like to remind Committee members that community care charging, per se, is considered by many not only to be socially unjust, but results in the continued dependency and poverty of those who are required to pay it. For many, the charge can exceed over 80% of their income, leaving little to maintain their quality of life. Our aim remains the same - the total abolition of care charges. This is in line with so much Scottish Government policy that is based on a principle of universality; services which benefit just a few are paid for out of general taxation in order to lead to a Fairer Scotland for everyone; whether it is new policies like Free Personal Care, Free Prescription, Ending of Forth and Skye Bridge tolls or long standing policies such as free public education and free health care; it is well understood that we all pay something so that those in need don't have to pay everything.

The Scottish Government in their latest response to the Committee continue to find reasons to deny the benefits of the principle of universality to disabled people. The reason for this may be explained by an announcement in last week's *Dundee Courier*.

We are sure the members of the committee will have more details than we do, but the Scottish Government is to offer £6 million to local councils as long as it is used to reduce care charges. This has been described by the Cabinet Secretary as an anti poverty measure which will see Income Thresholds raised in a number of councils. It has been suggested that 900 people will stop paying all care charges and 13,000 will pay less – two thirds of the beneficiaries will be over 65.

This works out as an average financial gain for these 13,900 people of £8.30 per week. This may significantly benefit a few people but for many others, including myself, who have to pay 10 or 20 times this amount each week, it will have little impact.

It may be a good first step but, it may turn out like the morning mist and vanish as the light of day emerges: every year councils across Scotland raise the amount collected in care charges. Information for this year is still sparse because of the delays in setting budgets. But so far we know that Edinburgh Council has already agreed to raise care charges with costs for “care and support” rising by 7% (7 times the rate of inflation). Falkirk Council has proposed to raise another £70,000 from raising charges including applying them on older people’s day care for the first time. Aberdeenshire Council has gone further and in December<sup>1</sup> agreed to raise social care charges for those receiving Self Directed Support Individual Budgets by 200%. This involves increasing the maximum personal SDS contribution from 35% of the Individual Budget to 100% of it. According to the council’s own paper this could see weekly charges rise from £140 to £400 per week for some people. They provide a number of factors as justification for this including

*4.4 Discussions are currently being held between the Scottish Government and COSLA around a proposal to increase the personal allowance given to clients in a financial assessment. This would mean the client would have more money to pay towards living costs but the local authority could see a decrease in available income and contributions.*

This is a clear reference to the policy that Shona Robison spoke to the Courier about. So before it is even formally announced, councils are using this policy as a justification for a 200% increase in personal social care charges. The £6 million will not make much impact if all other councils follow this early lead.

We must hope that the Cabinet Secretary has thought about how to ensure that councils do not negate the benefit of her intervention by simply increasing aspects of care charging other than the income threshold.

Turning to the response in more detail; we find it hard to believe that the Scottish Government, which argues for greater public sector efficiencies, would acknowledge that ending social care charges would save councils at least £7.5 million but that this money could not be released because the same workers were still collecting library fines. There does seem something slightly immoral in asking disabled people to pay social care charges to cross subsidise parking tickets. But in reality, local authorities will have no problem in reducing employment. Since the summer of 2011, there has been a fall in 45,000 local government employees, saving hundreds of millions in local government expenditure.<sup>2</sup>

We are happy to have a difference of opinion on what will happen to the £16 million put aside to cover the costs of removing care charges from carers. We know that from April 2016, all existing carers will be able to ask for a reassessment and over a period of time all respite services in the broadest sense will be defined as being for

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<sup>1</sup> December 17<sup>th</sup> 2015, Aberdeenshire Council Social Work and Housing Committee, Charging Policy for Non-Residential Care and Support 2016/17.

<sup>2</sup> Public Sector Employment in Scotland Q3 2015 – Web-tables, Scottish Government

the benefit of carers and in practice ending care charges for these services. We believe that we will be proved right in this point but recognise that the Scottish Government cannot acknowledge this at this point.

We are disappointed that the Scottish Government did not mention the savings to the NHS budget that come from good social care. For example, community alarms and telecare services relate directly to the NHS. Their primary use is to prevent serious injury thereby saving the NHS money by reducing the need for hospital admissions.

A 2012 Scottish Government report noted 'Around 44,000 people (including over 4,000 people with dementia) received a telecare service as a result of the national Telecare Development Programme between 2006 and 2011, helping to expedite 2,500 hospital discharges and to avoid 8,700 emergency admissions to hospital and over 3,800 admissions to care homes.'<sup>3</sup>

The response contains a mistaken assumption that there are 30,000 people in Scotland (50% of all home care users), wealthy enough to pay for the social care that they need now and who will all demand 11.5 hours of local authority social care as soon as care charges are ended. The reality is that the vast majority of these would already be over 65<sup>4</sup> and be entitled to Free Personal Care, getting an average of 8.5 hours of free care<sup>5</sup>. This would mean that the additional cost for each person would be 3 hours per week, about £2,500 per year, not the much higher £10,000 figure.

The figure of 30,000 self-funders is also not credible. The National Audit Office has looked at the number of self-funders in England in 2014 and found that the number of self-funders varies from 50% of all service users in the richest South East to 20% in the poorer North East.<sup>6</sup> Given Scotland's long standing comparison with the North East, the 20% should have applied here too but for the Free Personal Care policy. The number of Scottish self-funders are in reality much lower, at most about 15%. This would mean that in Scotland there would be 9,225 self-funders (15% of 61,500 home care users).

This matches closely with the estimates by the leading home care industry body, UKHCA. In a 2015 survey they estimated that there were 9,700 self-funders in Scotland.<sup>7</sup>

If 9,225 people (mostly over 65) did seek local authority help after ending of charges at a realistic cost of £2,500 per year then the annual cost would be a much more

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<sup>3</sup> A National Telehealth and Telecare Delivery Plan for Scotland to 2015, Scottish Government, 2012.

<sup>4</sup> T Poole, Background paper for Wanless Social Care Review, Private Expenditure on Older People's Social Care, 2006.

<sup>5</sup> Free Personal and Nursing Care provision in Scotland 2013-14, Scottish Government

<sup>6</sup> Adult social care in England: overview, National Audit Office, March 2014

<sup>7</sup> UKHCA, An Overview of the Domiciliary Care Market, June 2015, p43.

reasonable £23 million. Far less than the inflated figure of hundreds of millions contained within the Scottish Government response.

We all know that Local Authorities will use eligibility criteria to limit how many people are accepted as being eligible for local authority support. Not all this number will make it through an increasingly tight system.

But we don't want to get stuck in an argument about numbers. We have produced robust figures drawn from existing UK and Scottish Government sources. If the current administration does not want to accept them, it is likely because they wish to push one of the two alternatives identified in the letter. These are extending Free Personal Care to those under 65 (an equality approach) and increasing the Income Disregard of current social care users (an anti-poverty approach) – the measure introduced via the *Dundee Courier*.

The extension of both of these changes is long overdue and we are aware of a number of early stage legal cases that seek to challenge current policy on this issue; however, we believe that neither of these will appreciably change the position of social care users.

Members of the Committee may remember when the policy of Free Personal Care was first introduced there were many arguments about what was to be included. A number of important service such as cleaning, laundry, shopping and vitally important help outside the home remained excluded.

Many disabled people need help with these and unless ALL support with such needs is included within any new definition of Free Personal Care for the under 65s, people may find that there is no noticeable change in the amount of their care charges if they are still charged for “non-personal” social care. It only takes 2 or 3 hours of support to bring most disabled people up to their maximum charge and this will be easily achieved for most disabled people. [see Amanda's story below]

Increasing the Income Disregard has been suggested as an anti-poverty approach. The Income Disregard is the basic income that disabled people are allowed to keep before charges kick in. Currently in most councils, there is a lower level for those under 65 (£123) than for those over 65 (£175). The Cabinet Secretary's statement said this was a “first step” but there has been no indication as to what the final aim might be but we have to assume that it would have to be a single level for everyone regardless of age.

The City of Edinburgh Council is one of 8 councils that **already** have equalised Income Disregards at a higher level and the experience of Scotland's capital can show us what might happen if this policy is implemented more widely. In Edinburgh, 1,175 social care users pay an average of £1080 per year with a range of annual payments from £2.50 to £7,000<sup>8</sup>. Of that number 850 people (75% of all payers) are

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<sup>8</sup> Learning Disability Alliance Scotland, Freedom of Information Request 2013.

annually put under debt management procedures because of a reluctance to pay on time or a failure to pay at all<sup>9</sup>.

Amanda (not her real name)<sup>10</sup> is one of these not paying. She is over 60 years old, and gets over 100 hours a week care at home and is entitled to Free Personal Care. However Edinburgh Council says that she must be getting at least 3-4 hours “non-personal” care per week, although they have not told Amanda what this is. As a result they charge her £50 per week for her care. As she has been in and out of hospital for health related issues, Amanda and those who support her believe she needs to spend her money on the things that will support her health and she has now built up thousands of pound in arrears. The council is demanding she pays and does not seem, to those supporting her, concerned about the additional costs to the National Health Service if Amanda is hospitalised again.

A recent consultation on further increases in social care charging in Edinburgh<sup>11</sup> run by the council found that 57% of people who responded said that people should not have to contribute to the cost of their social care. No one in the survey praised the Income Disregard levels or felt that the local Income Disregard levels improved their lives. Instead the impact of the local charging policy was described as putting more people into poverty.

“I don't know how much it will impact on my family yet, we already live on the poverty line as I am unable to work full time due to my commitment to caring for my son who is disabled”

“I am worried that I will struggle to pay my bills and have money to do things I enjoy.”

“It will leave us short of money and getting into debt.”

What has happened in Edinburgh is that even though the Income Disregard is set at £175 for everyone, the council takes more of any spare income above this level. Even with £8,500 per year to live on (compared to £6,000 elsewhere), many disabled people find it hard to pay their bills and meet the extra expenditure they incur linked to their disability.

A similar situation would happen over time in every council across Scotland that is required to raise their income disregards. Social care users such as Amanda would not benefit in the long term from such a change.

It is our view that the Scottish Government needs to accept that social care charging cannot be tweaked or adjusted. The system is too complicated and too many powerful interests depend on the income generated to let it go lightly. The Scottish Government should acknowledge that when priorities are important enough money can be found to meet them.

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<sup>9</sup> Learning Disability Alliance Scotland, Freedom of Information Request 2015

<sup>10</sup> This example is based on real circumstances but certain details have been altered to prevent identification of a specific individual.

<sup>11</sup> Health, Social Care and Housing Committee, 26 January 2016, Contribution based charging policy change - analysis of consultation responses

We are in a tough financial period. Councils are hard pressed. This year in the draft budget there were cuts to Local Government funding totalling £604.4m (£774.2m real terms). But the same proposals added £250m to NHS board budgets to support the delivery of improved outcomes in social care because it was a priority.

As we pointed out earlier in this letter, we remain committed to the idea that services which support people's human rights should be universal services provided free at the point of need. In our work we have tried to suggest that a clearer understanding of the costs of this change would cost less than the Scottish Government thinks. At the end of the day, it may be that the Scottish Government cannot afford to implement such a policy change immediately but nonetheless they should state this is their ambition for a Fairer Scotland and not settle for policies that will fail to resolve the problem.

Yours Sincerely

Jeff Adamson  
Scotland Against the Care Tax