

Michael McMahon, MSP
Chair, Scottish Parliament Petitions Committee
The Scottish Parliament
Edinburgh
EH99 1SP

17 February 2016

Dear Mr McMahon

PE1533/S: Letter from Scotland Against the Care Tax, 3 February 2016

I write to correct statements regarding the City of Edinburgh Council contained in Mr Adamson's letter to you of 3 February 2016 on behalf of Scotland Against the Care Tax, recently published on the Petitions Committee website pages¹.

Mr Adamson's letter argues that raising the income thresholds for charging to increase the amount of a person's income that is exempt from charging will not benefit many people because councils will increase their charges. Edinburgh is used to illustrate this argument on page 5:

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.

This is not accurate. The total income that is disregarded for the purposes of non-residential care charging in Edinburgh is not £175 per week; nor do we leave people with only £8,500 to live on.

In Edinburgh, we apply the charging threshold figure of £177 per week² for all adult service users, before Council staff apply further disregards on income above this figure (typically for certain benefit income, which we exclude from charging), and finally a "taper" is applied, which on average in Edinburgh disregards a further 50% of income above the charging threshold. The result is that the smallest amount any person is left to live on if they have been assessed to contribute to the cost of their non-residential care is currently £10,564 per year; the average (median) is £13,559.

¹ http://www.scottish.parliament.uk/S4_PublicPetitionsCommittee/General%20Documents/20160203_PE1533_S_Petitioner.pdf

² This figure will go up to £195 per week for 2016/17 with the increase in DWP pension credit levels and the raising of the "buffer" from 16½% to 25%.

Michelle Miller, Chief Social Work Officer

Business Centre 1.8, Waverley Court, 4 East Market Street, Edinburgh EH8 8BG
Tel 0131 553 8520 Fax 0131 529 6218 michelle.miller@edinburgh.gov.uk

The quotation above from Jeff Adamson's letter refers to "Amanda" (not her real name); earlier the letter states that she is an example of someone who owes the Council "thousands of pounds" in unpaid social care charges because "she needs to spend her money on the things that will support her health". We cannot identify this anonymous case, but our policy is to review the circumstances of any person paying care charges who considers that they are in hardship.

Earlier (on pages 4-5) Mr Adamson's letter states that in Edinburgh "850 people (75% of all payers) are annually put under debt management procedures because of a reluctance to pay on time or a failure to pay at all". This is not accurate.

It is not the case that 75% of people paying non-residential social care charges in Edinburgh are annually under debt management procedures. Mr Adamson is basing his comments on the Council's response to a request for information. The relevant FOI questions and answers were:

Question 1. In your local authority how many people pay charges for social care, including those who pay for home care, day care, community alarms and other non residential community care services? **Answer:** A weekly average of 1,175 service users pay or contribute to non-residential social care services they receive. 4,547 individuals pay for community alarms.

Question 5. How many people had debt management procedures commenced against them for non payment of social care charges? **Answer:** 850 people are in the process of having debt management procedures commenced against them. These procedures commence after 4 weeks.

The correct percentage is **15%**: 850 divided by 5,722 (ie 1,175 + 4,547). It is likely that SACT ignored the figure for community alarms because elsewhere these services are charged on a flat-rate basis; however, in Edinburgh charging for alarms is means-tested via a financial assessment. We accept that the FOI response might have made it clearer that the two figures should be added (they come from different systems, which are due to be integrated).

Moreover, the 850 people under debt management procedures was simply a count of the number of people who were four or more weeks in arrears – which is the trigger to send a final notice invoice: the first stage of the debt management process. Many cases are subsequently resolved by reviews of financial circumstances or changes to payment arrangements, and some debts are written off. Court action is very much the last resort and there have been no cases involving social care charges for some years.

I hope this letter will reassure the Committee that the City of Edinburgh Council does not leave people with £8,500 to live on, and has not placed three-quarters of people paying social care charges under "debt management arrangements".

Yours sincerely

Michelle Miller
Chief Social Work Officer