

PE1533/H

Public Petition PE1533

(Abolish all local authority charges for non residential care services)

North Lanarkshire Council Response

23 December 2014

**Q1: What are your views on what the petition seeks and the discussions that took place at the meeting on 11 November 2014?**

Firstly, it is important to provide some background to charges for non residential services. Charging for non residential services has been in place since 1992/93 with the introduction of the Community Care Act. The legislation resulted in a funding shortfall for local authorities which is greatly exacerbated today because of recent local government financial settlements.

In 1999 COSLA set up a task group to develop a charging system which introduced a **common approach** to charging policies, at the same time allowing **individual local authorities to determine the level of charges** to apply for services. In 2002, COSLA published its first guidance for charges for non residential services which set out the following common approach:

- Acknowledge that personal care should be provided free of charge
- Charges for non personal care services should apply
- Charges should be affordable and fair
- Service users should not be charged fees at a level which is greater than the cost of providing the service
- There should be local discretion on treatment of income
- Standard capital rules should apply
- There should be local discretion on cases of hardship
- Authorities should ensure income maximisation procedures are in place to increase service users' incomes
- Charging arrangements should be clearly explained by way of good public information material

This guidance was subsequently reviewed and amended in 2006, 2009, 2010, then revised in 2012 and 2013 in co-production with the Third Sector, some of whom are listed in the petitioners list. At no time was COSLA and its Non Residential Charging Working Group asked to "reform" the system.

North Lanarkshire Council, like all other local authorities, bases its charging policies on services users' **ability to pay** and provides income maximisation to service users to firstly increase their income and secondly to determine if a charge applies. In 2013/14, 6,762 service users received a non residential service from North Lanarkshire Council of which 1,310 service users where charged.

In 2013/14, North Lanarkshire Council, generated £3.6m in additional income via benefits for services users receiving non residential services and collected £1.1m in charges for non residential services (including charges for sheltered housing services for which the council ceased to levy a charge from 1 April 2014). All charges collected are re-invested in non residential services by enhancing services and increasing support to meet demand.

What the petitioners fail to point out is that, as well as the threshold being disregarded, local authorities also disregard housing costs and council tax costs, including water rates, therefore the figures quoted in the petition are flawed. We do not share the view that the charges lead to a life in poverty with insufficient resources to pay for anything more than the bare essentials. Services users who experience hardship can request that their charge be waived, as outlined above in the common approach, and this has remained a key principle of COSLA's charging guidance. The petitioners example of "a Health Bath and a Social Bath" under the heading of "the case for abolition of care charges" is an old and long redundant argument. The introduction of Free Personal Care determines the act of bathing or assistance with bathing as personal care tasks. We (and we are sure all other councils) would deem this task as personal care and not liable for a charge if you are over 65; if you are under 65, it is still a personal care task, but chargeable. Local authorities are within their rights to charge and do so, due to the increasing financial constraints that we have to work within and to allow us to continue to provide non residential services. If charges are to be abolished, the Scottish Government would need to make up any shortfall that local authorities would suffer as a result of the abolition of charges. If they did not, further direct cuts to services would be necessary.

**Q2: What are the reasons for the non residential social charges in your local authority being relatively low compared to other local authorities?**

Local authorities use DWP rates of benefits (income support) and apply a 16.5% buffer as recommended by COSLA.

Some local authorities will have three different thresholds (under 25, 25 to 59 and 60 and above) which are the age bands used by DWP, based on their local circumstances, needs, demographics and demands. Some local authorities will include just the personal allowance and disability premium prior to applying the 16.5% buffer, whilst others will include the severe disability premium then the buffer which allows a more generous threshold.

Local authorities will also use the DWP capital disregards/tariffs which again are split for people of pensionable age and those under pensionable age, e.g. £6,000 limit, £1 for every £250, if under pensionable age and £10,000, £1 for every £500, if over pensionable age.

As described above the common approach allows local authorities the discretion to determining treatment of income.

In North Lanarkshire Council we apply the pension credit rate and apply the 16.5% buffer. This results in a threshold for a single person of (£173) and a couple (£264).

We then add their housing costs and council tax costs and we apply this to **all service users** who are assessed on their ability to pay for their service. North Lanarkshire Council also uses the pensionable capital disregards/tariff in the treatment of all services users' capital.

This will be the main reason why our charges are lower and why less service users are charged for their services. The other reason will be the taper applied after the financial assessment has been completed which currently in North Lanarkshire Council stands at 50% of the service users' disposable income, i.e. single person with an income of £209, no housing or council tax costs:

Income: £209

Less threshold: £173

Disposable income: £36

Client charge: £36 x 50% = £18

When calculating the service user contribution, the amount which the individual will contribute will not exceed the cost of providing the service. The actual charge to the service user will be the lower of either the actual cost of service or the maximum contribution based on the service user's ability to pay.

Local authorities will have different tapers and again this is due to their local circumstances, needs, demographics and demand.

We do not consider "Disability Related Expenditure" as you will see from above 1) we use Pension Credit rates for all service users and 2) we do not include people's income support disability premiums in our threshold, e.g. they are left with these premiums.

North Lanarkshire Council's Charging Policy is in line with COSLA Guidance and approved by local elected members and it is this local decision making process which is at the heart of COSLA's Guidance for Non Residential Services.

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