

APPENDIX 11a

REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD 20 MARCH 2024

AHSCP CHARGING POLICY & UNIT COSTS 2024/25

1 Recommendation

It is recommended that the Integration Joint Board (IJB):

- 1.1 Note that it is proposed that the RPI increase of 3.9% is applied to AHSCP charges and unit costs in 2024/25.
- 1.2 Make comment and suggest any required changes to Aberdeenshire Council Communities Committee regarding the proposed charging policy for 2024/25. This comprises of:
 - a) The non-residential charging policy 2024/25 document detailed in Appendix 1
 - b) The rates for Charges and Allowances detailed in Appendix 2
 - c) The unit costs detailed in the charges and Allowances Appendix 2 (the main costs are highlighted in paragraph 5.1)

2 Directions

- 2.1 No direction requires to be issued to Aberdeenshire Council or NHS Grampian as a result of this report.

3 Risk

- 3.1 Risk 1 - Sufficiency and Affordability Resources. Without a fair and equitable charging policy in place, there is a risk to income and affordability of care and support services to service users.

4 Background

- 4.1 Aberdeenshire Integration Joint Board, in-line with the Public Bodies (Joint Working) (Scotland) Act 2014, operates a number of services through Directions to Aberdeenshire Council and NHS Grampian. The setting of charges is not delegated to the Integration Joint Board and remains a power held by Aberdeenshire Council.
- 4.2 Aberdeenshire Council has its own Corporate Charging Framework. The Framework recommends that a full review of charges is carried out every third year with the aim of moving services to a basis of full cost recovery.
- 4.3 A full review of charges for social care services was due to take effect in 2021/22. This has not yet taken place for several reasons. This was initially due to the impact of Covid-19, and in recent years the impact of increased cost of living. It was agreed to apply the September RPI uplift to charges and unit costs instead. It was anticipated that the full review would take effect in 2023/24.



This review was paused pending the outcome of the Scottish Government and COSLA led working group to remove charges for non-residential care services.

- 4.4 The Corporate Charging Framework recommends that where a full review has not been carried out, the costs and charges that Aberdeenshire Council have the discretion to set are increased, as a minimum, each year by a suitable inflationary uplift. For 2024/25 it is expected that the uplift will be in line with the HM Treasury Forecast (September) Retail Price Index which was 3.9%.
- 4.5 Following the publication of the Independent Review of Adult Social Care in Scotland, the Scottish Government and COSLA issued a joint statement of intent in March 2021. This stated that agreement had been reached to have outline plans in place by May 2021 to deliver an end to charging for non-residential services as soon as possible. Finance Officers are members of a Scottish Government and COSLA led short life working group to explore the above. Local Authorities have submitted data collection returns and have provided extensive feedback on areas to be considered, but unfortunately there has been little progress in moving the policy forward. It has recently been confirmed that funding has not been secured to carry out these changes in 2024/25. Scottish Government have not provided a revised timeline. Finance Officers have expressed concern that this makes local policy decision making extremely challenging given the current budget pressures. The Programme for Government 2023/24 states that Scottish Government will agree an approach to ending all non-residential social care support charges within the lifetime of this parliament.
- 4.7 Community alarm and Telecare are not subject to an increase every year due to the administration cost of implementing small increases on a low-level service. These charges are normally reviewed every 4th year. The charges were last increased in April 2022 from £3.50 to £3.75 per week, therefore no increase has been proposed for 2024/25. As the service is moving from analogue to digital provision nationally as telecom providers switch over, the full cost recovery unit costs will be calculated at this time and highlighted for discussion.
- 4.8 Increases to unit costs and charges do not directly result in increased income. This is because individuals are offered a financial assessment and will only be asked to contribute what we have calculated that they can afford to pay. The amount will vary from nothing to the full cost of their care and support.
- 4.9 In light of the published intent for the Scottish Government to remove non-residential social care charges within the lifetime of this parliament, it does not seem appropriate to carry out any significant changes to AHSCP charging policy at this time. It is proposed that rather than undertake a full review of charges for 2024/25 a 3.9% uplift is applied to all charges and unit costs (with the exception of Community Alarm and Telecare for reasons noted above).
- 4.10 Some charges and allowances are set by various sources including Department for Works and Pension (DWP), Scottish Government (SG) and COSLA. As such, some rates for 2024/25 have yet to be confirmed and are marked as such on the Charges & Allowances (Appendix 2).

5 Non-Residential Care and Support

5.1 The calculated unit costs for 2024/25 reflecting a 3.9% increase for RPI are as follows:-

Service	Type	Detail	2023/24	2024/25	% increase
Adult Services	Day Care		£46.73 per day	£48.55 per day	3.9%
	Respite Care		£27.50 per hour	£28.57 per hour	3.9%
	Respite Care	Overnights (11pm to 7am)	£41.48 per night	£43.10 per night	3.9%
	Supported Living		£21.12 per hour	£21.94 per hour	3.9%
	Transport	Up to 50 miles	£8.10 per one-way trip	£8.45 per one-way trip	3.9%
Older People & Physical Disabilities	Day Care		£35.10 per day	£36.47 per day	3.9%
	Homecare		£29.92 per hour	£31.09 per hour	3.9%
	Transport	Up to 50 miles	£8.10 per one-way trip	£8.45 per one-way trip	3.9%
	Very Sheltered Housing		£464 per week	£482.10 per week	3.9%

- 5.1.1 An individual budget is calculated based on the cost of the care and support services included in a service user support plan. This can be made up of services provided by in house or private providers. The cost of providing in house services are calculated and known as unit costs. It is from an individual budget that that the client contribution is calculated.
- 5.1.2 The higher the Unit Cost the less that an individual's budget can "buy." A change in the Unit Costs do not automatically lead to increased fees and charges for service users, as they are subject to financial assessment. However, they can impact on the capacity in an individual's budget.
- 5.2 The proposed Charges & Allowances for 2024/25 are detailed in Appendix 2.
- 5.3 Aberdeenshire Council can provide support and advice to ensure a service user is receiving all the benefits they are entitled to. A benefits health check can be carried out if requested, by the service user. If a potential benefit entitlement is identified the service user will be signposted to the correct organisation who can assist them with any application required.



6 Residential Care and Support

6.1 The impact of applying a 3.9% uplift in line with RPI is shown below:

2023/24	2024/25
£1032 per week	£1136 per week

7 Other/Future Changes

- 7.1 **Self Directed Support – Individual Service Fund Management fees** – since the implementation of Self Directed Support in 2014, individuals can choose from 4 options how they would like their care and support to be managed. One of the options is using an Individual Service Fund (ISF) to manage the practical arrangements of receiving a Direct Payment. This is known as Option 2. This offers many of the benefits of receiving a Direct Payment, without the responsibility of management and payment of the support plan which may be a barrier to some.
- 7.2 Aberdeenshire Council contract with an ISF provider to provide this service to individuals if they choose. There are costs for using the service, and these are included in an individual’s support plan. Since implementation, these costs have been chargeable and therefore subject to financial assessment.
- 7.3 The difficulty in sourcing support at home from our framework care providers means that individuals often have little choice but explore using other providers who are not on our framework. This can be done by receiving a Direct Payment to pay for the support. Many individuals chose to do this using an ISF provider. In many cases, the care provided is all free personal care, with the only charge being the ISF management fee. The result being that financial assessments are being requested and processed for costs of approximately £5 per week in some cases.
- 7.4 Finance Officers attended several “Option 2 Deep Dive” workshops hosted by In Control Scotland. This was attended by key stakeholders, including those with lived experience of accessing Self Directed Support. It was highlighted that by applying a management charge to this service (and the requirement to have a financial assessment carried out), this can be a barrier to individuals accessing Option 2 services.
- 7.5 A cost analysis was carried out using statistics over a 1 year period. The cost analysis can be found in appendix 4. It shows that:
- 29.5% of ISF management fees are attached to carers budgets and are therefore not chargeable.
 - 32.8% of ISF fees are for the management of support plans which contain Free Personal Care. It is suggested that it may not be appropriate to apply charges to a service which enables the delivery of personal care, particularly if care provision choices are limited.
 - 44% of those accessing chargeable ISF services have been financially assessed as not having to contribute.



- The expected income from ISF management fees in 22/23 was £4398, and £1848.98 of this is linked to support plans which contain free personal care.
- It is estimated that it cost £1468 in finance assistants time to carry out financial assessments for the above.

7.6 It is suggested that from 2024/25 Charging Policy, charges for ISF management fees are ceased. This would remove barriers to people accessing these services and it will also ensure more efficient use of finance staff resources.

8 Self Directed Support - Personal Assistants Scottish Living Wage Increase
Aberdeenshire Council is committed to increase the living wage in line with Scottish Government Guidelines. Direct Payments provided to individuals who employ Personal Assistants are subject to fixed PA rates (shown in Appendix 2). The lower rate is in line with the Scottish Living Wage and will increase accordingly. Increases to the other Personal Assistant rates are applied in line with Aberdeenshire Council employee wage increases.

9 Communication Strategy

9.1 The communication strategy for 2024/2025 to service users will be as follows:

- Prior to financial re-assessment service users or their representative will be contacted to give notice of any proposed changes.
- Following annual financial re-assessment, a further letter will be sent to affected service users. This will include specific information relating to their own individual financial circumstances. Again, service users will be given the opportunity to contact a service representative and discuss any concerns they may have about the changes in their personal contribution at this point.
- An information briefing will be prepared and circulated to all relevant staff. This will contain a brief outline of any changes. It will also provide information on where staff can signpost service users to the correct team to assist with any queries that they may have.
- The timescales for the above are outlined in the Equalities Impact Assessment.

10 Summary

10.1 The Chief Officer, Chief Finance and Business Officer and the Legal Monitoring Officers within Business Services of the Council have been consulted in the preparation of this report and their comments have been incorporated within the report.

11 Equalities, Staffing and Financial Implications

11.1 An equality impact assessment has been carried out as part of the development of the proposals set out above. The following impacts have been identified which can be mitigated as described:-



- An increase in unit costs would increase service user SDS individual budgets. This may affect their contributions. This would affect the protected group of Older and Disability. The above can be mitigated by implementing our communication strategy and carrying out financial assessments as detailed in the equality impact assessment.

Chris Smith
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Aberdeenshire Health and Social Care Partnership

Report prepared by Sheryl Donaldson (Finance Officer) 19/02/24