

EAST RENFREWSHIRE COUNCIL

CABINET

6 February 2025

Report by Chief Officer – Health and Social Care Partnership

HEALTH AND SOCIAL CARE PARTNERSHIP
CHARGING FOR NON RESIDENTIAL CARE SERVICES 2025/26

PURPOSE OF REPORT

1. To update Cabinet on the proposed charges for non-residential care in the Health and Social Care Partnership (HSCP) for 2025/26, following discussion at Cabinet on 5 December 2024.
2. Cabinet will recall that the decision on implementation of this charge was deferred to allow time to consider any impact from the Scottish Governments draft budget announcement on 4 December 2024.

RECOMMENDATION

3. The Cabinet is asked to:
 - (a) Agree the implementation of charging for non-residential care for 2025/26.

BACKGROUND

4. The legislation supporting the integration of health and social care determines that the authority and approval for setting charges for social care remains with the Council, this function is not delegated to the Integration Joint Board (IJB).
5. Cabinet received a report in December and agreed the rates for existing charges within the HSCP for 2025/26, however deferred the decision on the introduction of charges for non-residential care until February, to allow time to assess the impact of the draft Scottish Government budget announced on 4 December 2024.
6. As previously reported, the work of the Income Generation Short Life Working Group (IGSLWG) was established at the request of the IJB. This group was set up to explore the implementation of wider charging for non-residential care.
7. The IJB considered the charging proposals for 2025/26 at its meeting on 20 November 2024 and whilst with some reluctance, endorsed the recommendations as presented to Cabinet in December:
 - The introduction of charging for non-residential care, at that point with a proposed implementation date of 1 April 2025.
 - The charge set at £20 per hour, subject to the ability to pay.
 - The taper to consider the amount of a person's disposable income, after assessment, to be used towards the cost of care be set at 60%.

8. All charges are linked to the ability to pay and this is confirmed through financial assessment. There is a risk that some people may choose not to engage in this process and potentially pay the full cost of care, or withdraw from engagement with the HSCP. Given the East Renfrewshire population dynamic, some people may opt to engage in private arrangements entirely.
9. All charging proposals will be supported by the HSCP charging policy (this will be revised for non-residential care). This aligns with the current "COSLA NATIONAL STRATEGY & GUIDANCE; Charges Applying to Social Care Support for people at home 2024/2025 guidance" which provides a recognised framework. The policy will of course, be revised for any changes to this framework for 2025/26.

REPORT

10. The proposed charges for the HSCP implementation for non-residential care for 2025/26 are set out in this report, with a proposed implementation date of 1 July 2025, recognising the proposal to allow a three month notice period along with continued development work on the policy, reflecting the engagement and feedback from those who will be impacted.
11. The existing HSCP charging policy needs to be revised to reflect the required changes, subject to Cabinet decision and the policy will be finalised, reflecting the continued engagement with those who will be impacted. The policy will also reflect any changes that result from the COSLA guidance for 2025/26.
12. As we previously reported there have been a number of communication and engagement events with people who will be impacted by the proposals to charge for non-residential care. This engagement continues.
13. The December report to Cabinet included the feedback from all engagement events and from the questionnaire issued. Subsequent engagement to mid-January 2025 includes:
 - Continued complaint and enquiry responses.
 - Updating the dedicated web page - <https://www.eastrenfrewshire.gov.uk/Info>
 - Continued engagement and updates with key partners including the Carers Centre and SDS Forum.
 - Meetings with individual stakeholders and parents.

Further engagement work that is in progress includes:

- Ensuring we get feedback from groups who have not yet had the opportunity to participate, including direct engagement with people who have a learning disability directly, rather than from their carers/family. We have developed an accessible survey to support this.
- Engagement with care providers who will facilitate engagement.
- Development of a guidance and background information pack for providers to support this piece of work.
- We have hosted two online sessions on 7 and 8 January with care providers to take them through this and support them with any questions.
- We have made two animated videos - one aimed at people doing the survey and one for carers and care providers.
- Ensuring we contact all those with Power of Attorney / guardians to make sure they have involvement. We did not do this correctly in the initial engagement.

14. The Frequently Asked Questions (FAQ) continues to be revised reflecting questions raised.
15. Although the Scottish Government budget announcement on 4 December 2024 was better than expected for the public sector, this did not address social care charging. Whilst there were policy announcements in relation to the living wage and free personal nursing care uplifts, the HSCP will see equivalent costs associated with this funding. This means there is little scope to address existing and new costs pressures.
16. It is still our understanding that the Scottish Government's policy decision remains to abolish charging for non-residential care in the term of this parliament, so this leaves the IJB and the council in the same position as in December. The introduction of this charge is one of the few remaining options open to the IJB to meet the required savings of £1.5 million to help balance cost pressures. We also recognise that charging for non-residential care has been in place for a number of years across almost all local authorities in Scotland, including all of those we neighbour with. East Renfrewshire is clearly an outlier.
17. As previously reported the proposed charge for care and support is set at £20 per hour and this is a contribution towards the direct costs of care. The actual income that will be generated will depend on the outcome of the individual financial assessments that would be required.
18. The proposed charge for care and support is based on the ability to pay. A financial assessment looks at all income the person has, allows for a range of deductions recognising the costs of living incurred, identifies a "disposable amount" left over and then applies a taper to that disposable amount.
19. A taper is used to determine the percentage of the disposable income the person should keep and the percentage that should go towards paying for their care. The IJB previously agreed the proposed taper needed to be set at 60% and this is reflected in the draft charging policy, subject to Cabinet decision.
20. The Income Generation Short Life Working Group recommended that the taper for 2025/26 is set at 60% as this is the level our modeling assumptions showed is required to achieve the savings needed. The maximum taper level is 75%.
21. The table below shows the level of income we have modelled for a range of taper options. The modelled income is based on the estimated chargeable elements of care commitments, so excludes personal care and carer-related costs.

| Taper Level | Modelled Income £m | Reduction v's 60% taper £m | Part Year Shortfall £m |
|-------------|-----------------------|-------------------------------|---------------------------|
| 75% | 1.956 | | |
| 60% | 1.541 | | 0.385 |
| 50% | 1.264 | 0.277 | 0.316 |
| 40% | 0.987 | 0.554 | 0.247 |
| 30% | 0.710 | 0.830 | 0.178 |
| 25% | 0.572 | 0.969 | 0.143 |

22. As you can see from the table above any reduction to the taper below the highlighted 60% will impact on the level of income achievable. The final column also shows the part year shortfall that will result from the revised proposed implementation date of 1 July

2025, delayed from the original proposal of 1 April 2025. For the 60% taper level this shows that of the modeled income of £1.541 million in a full year would reduce to £1.156 million in 2024/25.

23. We know that a neighbouring council has set its taper levels at 75% and benchmarking for 2023/24 suggests a Scotland wide average of 64% for 2023/24.
24. Cabinet will recall the policy recognises there will be certain circumstances where it is not appropriate to charge for a service and also sets a proposed ceiling to ensure that those with the most complex needs, whose cost of care is normally higher, are not disproportionately disadvantaged.
25. The HSCP work closely with the council's Money Advice and Rights Team (MART) and we will continue to do so with a focus on income maximisation for individuals. MART will also be invaluable in support and training as we prepare for implementation following the Cabinet's decision.

FINANCE AND EFFICIENCY

26. The proposed charges should generate income of c£1.5 million in a full year and c£1.2 million for the nine month period in 2025/26.
27. Should this charge not be agreed, the IJB will need to seek alternative proposals to reduce costs, which will still result in a significant impact on other services.

CONSULTATION

28. The engagement activity has helped inform the Equalities, Fairness and Rights impact assessment, as previously reported. Engagement activity continues.
29. The Chief Financial Officer has consulted with our partners and will continue to work in partnership with colleagues to develop and implement the expansion of non-residential charging, preparing for 2025/26 and subject to ERC Cabinet decisions.
30. The Council's Money Advice and Rights and Debtors teams are aware of the proposals and will continue close working to ensure that future impact to workloads is fully considered.

PARTNERSHIP WORKING

31. The setting of fees and charges remains a responsibility of East Renfrewshire Council under the legislation. As reported, the IJB endorsed the proposals at its meeting on 20 November 2024.

IMPLICATIONS OF THE PROPOSALS

32. The equalities, fairness and rights impact assessment has been completed reflecting information from engagement events.
33. There are no direct implications in relation to staffing, property, legal, sustainability or IT as part of this paper. However, it should be noted that Council is supporting the HSCP with Invest to Save funding for a fixed term post to support the implementation of non-

residential charging for services.

34. There is a significant risk to the ability of the IJB to set a balanced budget for 2025/26 without the implementation of this charge. The part year shortfall for 2025/26 needs to be considered as part of the proposed IJB budget for the year. If the IJB is unable to generate the required level of income from this proposal it will need to seek alternative proposals to reduce costs by c£1.5 million on a recurring basis. This will result in a significant impact on other services.

CONCLUSIONS

35. The Cabinet previously agreed the changes to the existing HSCP charges in December 2024. The proposed non-residential care charge for 2025/26 is required to meet the £1.5 million income target required by the HSCP in a full year. The Charging Policy will be finalised to reflect the Cabinet decision, the ongoing engagement work and any changes from the COSLA framework for 2025/26.

RECOMMENDATIONS

36. The Cabinet is asked to:
 - (a) Agree the implementation of charging for non-residential care for 2025/26.

REPORT AUTHOR AND PERSON TO CONTACT

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19 January 2025

BACKGROUND PAPERS

Cabinet 05.12.2024: HSCP Charging for Services 2025/26

https://www.eastrenfrewshire.gov.uk/media/11007/Cabinet-Item-4-5-December-2024/pdf/Cabinet_Item_4_-_5_December_2024.pdf?m=1732270393647

Cabinet 03.10.2024: HSCP Charging for Services 2024/25 and Beyond

https://www.eastrenfrewshire.gov.uk/media/10752/Item-05-HSCP-Charging-for-Services-in-2024-25-and-Beyond/pdf/Item_05_-_HSCP_-_Charging_for_Services_in_2024-25_and_Beyond.pdf?m=1726746630563