



Meeting: Highland Health and Social Work Committee

Meeting date: 29 June 2022

Title: 2022/23 ASC Charging for Services

Responsible Executive/Non-Executive: Simon Steer, Director of Adult Social Care/Louise Bussell, Chief Officer, Community Services

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1 Purpose

This is presented to the Highland Health and Social Work Committee for:

- Discussion
- Decision

This report relates to a:

- Policy/directive
- Current and emerging issue

This aligns to the following NHS Scotland quality ambition(s):

- Effective

This report relates to the following Corporate Objective(s)

Clinical and Care Excellence <ul style="list-style-type: none"> • Improving health • Keeping you safe • Innovating our care 		Partners in Care <ul style="list-style-type: none"> • Working in partnership • Listening and responding • Communicating well 	X
A Great Place to Work <ul style="list-style-type: none"> • Growing talent • Leading by example • Being inclusive • Learning from experience • Improving wellbeing 		Safe and Sustainable <ul style="list-style-type: none"> • Protecting our environment • In control • Well run 	X
Other (please explain below)			

2 Report summary

2.1 Situation

Charging for many services has been severely impacted due to the pandemic with charges for a number of affected services, namely support work, housing support, and day care temporarily paused since April 2020 with a pragmatic and supportive approach taken by officers to try and mitigate any organisational reputational risk exposure.

Charging processes were quickly aligned where appropriate, with supplier relief and changing Scottish Government guidelines, and the decision to temporarily pause and to then restart charging supported by the Adult Social Care Leadership Team after due consideration of an SBAR. More recently, the Fees Group agreed to align the continued pausing of charging for day services to the current extension to supplier relief to 30 June 2022 as some services do remain impacted by the pandemic.

All other charging for non-residential chargeable services during the pandemic, albeit still disrupted, has resumed, with the Transaction and Income Manager, business support, and finance colleagues assessing individual cases where there has been a significant impact on their service delivery patterns while services restarted.

The Scottish Government has also given a commitment to the ending of charging for non-residential services and it is expected that final charging recommendations will be available for consideration by politicians at the end of summer 2022. COSLA officials have requested that all boards and local authorities complete a detailed information request to inform future decision making and policy in this area with the final response for NHS Highland submitted on 8 April 2022.

The ASC Fees Commissioning, Briefing and Instruction Meeting (Fees Group) on 12 May 2022 discussed the recommendations for 2022-23, considered the implications, and agreed the content, noting this report will be submitted to the Joint Officer Group for information on 17 May 2022.

2.2 Background

NHS Highland (NHS) follows both legislative and national guidance in implementing adult social care charges. These charges cover flat rate charges; long term residential; respite and non-residential charges.

The policies and guidance provide a framework to ensure that charges implemented are transparent, fair and equitable so that users of services only pay what they can reasonably afford towards the costs of providing those services. The process of assessing charges at an individual level is common to all boards and local authorities in Scotland, although the actual level of charges differs from authority to authority.

The partnership agreement in place with the Highland Council allows NHS to charge for services delivered or commissioned by it in the exercise of Adult Services Delegated Functions.

In terms of the process for reviewing annual charges and considering uplifts, it was agreed that any recommended uplifts for existing charges that do not exceed the **average 12 month** Consumer Price Index (CPI) did not require to be considered by the Highland Health and Social Care Committee (HHASC). The integration scheme also states “*Any new charges or proposed increase that **exceeds** the average in year Consumer Price Index uplift will be put forward by NHH for consideration and approval by THC (by the appropriate Council officer or Committee as required)*”.

For noting, the current 12 month CPI average is **6.2%** with the current April 22 inflation rate noted as **7.8%**. The last percentage uplift considered before the pandemic was only **1.5%**, demonstrating the current inflationary challenges and the resultant impact of those whose remaining available assessable income will be affected.

For example, the triple lock for pensions was recently removed and the current percentage uplift is only **3.1%** for 2022-23.

It is important to set the following key components in context before deciding on whether to consider applying a percentage uplift **maximum of 6.2%** to existing charging levels **or to alternatively** consider a standstill position for 2022-23 to all non-residential charges, noting the reasons for doing so.

2.3 Current Charging Position

Scottish Government Commitment to ending non-residential charging

Following the Scottish Government announcement and the establishment of the National Care Service, a detailed consultation process was initiated in August 2021 which involved multiple stakeholders. The Programme for Government already includes the statement: “**We will develop options to remove charging for non-residential care**” although the finer and precise details of this commitment are not yet known at the time of writing this report.

Removing non-residential charges is an important policy commitment although it is important to clarify that current annual income from charging for non-residential services is in excess of £1.58million. Scottish Government has also convened a finance short life working group (SLWG) which includes representation from members of the COSLA Charging Working Group as well as Chief Finance Officers and Directors of Finance. The SLWG has started to develop the process and costings analysis for the removal of the charges.

It is important to note that this SG commitment to end charging will not be extended to Residential Care.

Due to the current SG data gathering charging exercise, significant inflationary cost pressures affecting many families and individuals, the programme for government, and the commitment to end non-residential charging, it is anticipated that emerging national policy commitments will have a substantial impact on local charging policies in the coming months.

A “direction check” was taken by the Transaction and Income Manager with the Adult Social Care Leadership Team before submitting these recommendations to the Fees Group for consideration and to the Joint Officer Group for noting.

2.4 Charging Categories – Non-residential charging

Telecare

Telecare is a financially assessable service and the charge is only paid by those who have either signed to pay full cost as part of the financial assessment process or have been financially assessed as able to pay this charge. We estimate in excess of 75% of current telecare service users chose to pay the full cost without disclosing their personal financial details.

NHS Highland currently charges £6.35 per person per week subject to financial assessment and the previously agreed 2020-21 uplift was disrupted by the pandemic and was actually due for implementation in April 2020, but this was deferred until October 2020.

Our annual income from telecare charging is projected to be in the region of £0.680m for 2022-23 and is our primary non-residential charging area.

It is important to note that there is also a significant IT change project underway that will conclude with replacing all existing telecare equipment, ensuring compliance with the necessary switch from analogue to digital that will impact on the recipients of telecare.

It is assumed at this early stage, that there will be no “passing through” of the additional charge to the individual. For example, all equipment will need to be replaced, final costs are yet to be determined and there is expected to be a monthly additional mobile phone charge that we estimate will be in excess of £3.50 per person per week.

It is suggested that we incorporate any future telecare charging uplifts with this significant change project. If supported, the Transaction and Income Manager will assess and incorporate future SG charging plans and will work in partnership with the new Project Manager to jointly assess any future impact on our service users and to align any possible future charging uplifts, while carefully assessing the impact on the individual.

For example, if we chose to increase the current charge using the average 12 month CPI of **6.2%**, this would increase the weekly charge to £6.74 per person per week which would generate an estimated additional £27k per annum based on current forecast income levels.

Support Work/Housing Support

This is the most contentious and challenging charging area and is predominantly where default and non-payment is experienced, as well as involving substantial more individual input from business support, operational, and finance staff to resolve issues.

These are also the service users who have been impacted most by the pandemic with many support services disrupted. The information flow between operations and business support is not as defined as it should be and this deficiency has been exacerbated by competing priorities and service disruption during pandemic. Improvement actions have been prompted by business support to streamline and improve the “communication processes” between business support, finance and operational staff, acknowledging future SG plans to cease charging.

A high proportion of service recipients are also younger adults with a learning disability or a mental illness who are in receipt of a care package who require support, and are subject to an individual financial assessment. The majority of those chargeable service users pay an individual assessed weekly contribution and very few pay the actual full cost of the service received.

After considering the key factors described, it is **recommended that a standstill charging position** is supported by the committee for all existing non-residential charges.

Current non-residential forecast income will not be affected as we await further information from SG future plans which are due to be considered by political leaders in summer 2022.

Day Care

Day care charging is temporarily paused until 30 June 2022 and is now aligned to supplier relief dates and will be considered separately by a short life task and finish group as agreed at the last Fees Group after due consideration of an SBAR.

2.5 Charging – Care Homes

Privately funded/full cost payers in NHS Care Homes

At the ASC Fees Group of 29 January 2020, it was agreed, after due consideration of a number of options to “*apply the **maximum** percentage uplift, subject to confirmation of the agreed uplift to the National Care Home Contract*” to privately funded care home residents. The agreed 2022-23 increase is 5.58% for NCHC Residential and therefore the current charge of £999 per person per week would increase by this percentage.

It is recommended that the group consider implementing this increase from 1 August 2022 due to last year’s agreed uplift being delayed due to the pandemic.

Maximum Charge for Respite in Care Homes (In-house and External)

Many service users, including family and carers value respite care and the contribution towards this service has always been subject to an individual financial assessment which ensures that only those who can afford to pay the maximum charge, do so.

Highland Health and Social Care committee previously agreed that the 1st 28 nights in any financial year for any short break/ respite care break were to be free of charge to the individual. It would only be those users who received **more than 28 nights** in any financial year (April to March) who would be expected to pay an assessed contribution towards their care accommodation.

Respite charging is also subject to a review by SG and we expect this to be included in the overall charging review.

At the Fees Group of 29 January 2020, It was agreed to align annually the **maximum** respite weekly charge by taking the headline 2022-23 National Care Home Contract Residential weekly rate and to deduct the legislative free personal care amount (£719.50 less £212.85 = £506.65 for 2021-22 which will align to the agreed annual uplift.

It is recommended that the group consider implementing this increase from 1 August 2022.

2.5.1 Quality/ Client Care

No identifiable impact on quality/client care.

2.5.2 Workforce

Business Support, finance, and operational staff will continue to work collaboratively and any notification to service users for those chargeable services that are recommended to increase will be managed by business support.

2.5.3 Financial and Payment

Existing and future income levels will be managed and monitored monthly by business support and finance colleagues. Future income levels for all privately funded care placements are dependent upon the number of financially assessable individuals.

2.6 Recommendation

The committee is asked to consider the following:

- 1) **To note** the current data gathering exercise, the significant current and emerging inflationary cost pressures affecting many families and individuals, and the SG commitment to end non-residential charging.
- 2) It is **recommended** that a standstill charging position is considered by the committee for all **existing non-residential charges** for 2022-23, noting that a short life working group is assessing day care charging as endorsed by the ASC Fees, Commissioning, Briefing and Instruction Group.
- 3) It is **recommended** that for **privately funded residents** in NHS owned care homes, we apply the maximum percentage uplift of 5.58% from 1 August 2022 which equates to £1,054 per person per week.
- 4) It is **recommended** that for **maximum weekly respite charges** that we align to the previously agreed annual recommendation as detailed above, and apply a maximum weekly charge of £506.65 per person per week subject to existing charging rules, effective from 1 August 2022.
- 5) **To note** the charging report has been considered at the following meetings before consideration at committee:
 - Adult Social Care Leadership Team on 19 April 2022.
 - ASC Fees, Commissioning, Briefing and Instruction Group on 12 May 2022.
 - Joint Officer Group on 17 May 2022.