

PE1533/GG

Petitioner submission of 25 January 2018

2018 marks the fourth year that our petition has been considered by the Scottish Parliament Petitions Committee. Can I take this opportunity to thank you for your continuing interest in this subject of social care charges which remains a matter of concern for so many across Scotland?

Our current understanding of how the Scottish Government plan to extend Free Personal Care is that an annual payment will be made to each council based on their estimated personal care support for adults between 18 & 64 at an agreed hourly rate¹. Councils will apply a zero rate on each hour of personal care for charging purposes.

This may have problems. Previous care charging initiatives by the government may not have delivered the type of changes that were expected. And now evidence has emerged that this preferred option might not deliver. If this proves to be true then the Petition Committee could play an essential role in stimulating the Scottish Government to consider more effective ways of delivering their policy aims.

As outlined below, providing free personal care to under 65s will still leave many disabled people facing significant charges to receive the social care they need for independent living. Personal care doesn't include many elements of a social care package, a disabled person may receive, e.g. respite care, day care centres, or employ Personal Assistants, which can still be charged for.

Continuing to charge for "non-personal" elements of a social care package will add additional complexity to the system as local authorities will have to determine which parts of the package can be charged for and which must be free. SACT therefore continues to call for an end to all social care charges, as only this will remove the current discrimination against disabled people whereby they are charged for the essential support they need to enjoy the same human rights as anyone else.

Failure To Deliver

Two years ago, the Scottish Government agreed to give an additional £6 million per year to Integrated Joint Boards to raise care charging Income Thresholds for 2016-17 onwards. In Feb 2016, the Cabinet Secretary said that "This would benefit more than 13,000 people who will pay a smaller contribution towards the cost of their care and around 900 people who will be taken out of charging altogether."

We looked at the income from social care charges for this year, examining the amount of money that was allocated to each local authority to increase thresholds and what change this led to in overall income from care charges. Where income from charges fell by that amount given, it is likely that the Scottish Government's aims of making people pay a smaller contribution were realised. However, if the income from charges fell by a significantly smaller amount or actually rose overall, then it is likely that the aims had been frustrated.

Social care charging, as the committee knows, is a complicated financial process and there is a real danger that while one change promises to reduce contribution, other changes introduced at the same time could lead to increased contributions.

¹ For the calculations in this paper we have assumed this hourly rate is £10. There is no suggestion that this will be figure actually used by the Scottish Government.

Scotland Against The Care Tax made a FOI request from Scottish Councils on income from social care charges. We received information from half the councils in Scotland (16). While this information remains to be validated, it does provide some indication of how the policy has worked. We are not identifying any councils at this point until the data is fully authenticated by the Scottish Government.

We found that

- 31% of council areas had seen their income from care charges fall in line with the amount allocated by the Scottish Government (5).
- 25% of councils areas saw a significantly smaller fall in income from care charges than the funding given by the Scottish Government (4).
- 44% of council areas actually saw a rise in income from care charges despite the additional funding given to reduce care charges. (7).

These results demonstrate that the Scottish Government need to be cautious in how it makes any future changes to care charges. If the policy is not designed properly then the outcomes may not be as it desires.

Evidence Emerges To Support Concerns About A Simple Extension Of Free Personal Care

It can be attractive to assume that extending Free Personal Care will be a straightforward repeat of what happens for over 65s. But, it may not be so easy because there are significant differences in the care and support received by adults in the 18-64 age group.

The Social Care Services 2017 statistics release published last month shows

- The average (mean) hours of home care for those over 65 is 9 hours per week.
- The average (mean) hours of home care for those between 18 and 64 is 22 hours per week.

As long as other home care remains chargeable, it is easier for people over 65 with an average of only 9 hours to manage their care packages to reduce the number of these other care hours to a level that minimises care charges.

For people between 18 & 64 with more hours of support, simply making their personal hours free may not affect their actual charges.

Personal Care Calculator

In order to test this theory, SACT has created a Personal Care Calculator App. This is currently available on our website, free to use. It allows individuals to enter their details as if undertaking a financial assessment for home care. When the relevant details have been entered including the relevant local authority, then the current level of charges is shown.

The app also allows people to estimate how their current home care package might be split between personal care and 'other social care'. This allows that user to compare their current charges with what they may expect to pay following the introduction of Free Personal Care.

The app has some limitations. It is not a full care charges calculator. It does not take into account fixed rate charges such as community alarms or meals services. It also

does not take into account service based services such as day centres or respite which may be charged for in some areas.

Results from the Personal Care Calculator.

The Personal Care Calculator App has had hundreds of people use it to see how the policy might affect them. No identifying data is retained so each user is anonymous but the information that they enter such as hours of support and income from benefits and so on is kept for our analysis.

Most will not gain.

1. User 37 from the Aberdeen area current receives 10 hours of home care for which they are financially assessed to pay £42 per week. In the future they estimate they will have 4 hours of personal care which is free and 6 hours of other social care. The calculation is that their financial assessment will remain at £42 per week, making them no better off. *[However the local council would receive £40 per week in respect of User 37 from the Scottish Government – 4 hours times the £10 hourly rate.]*
2. User 123 from the Glasgow area currently receives 18 hours of home care for which they pay £45 per week. In the future they estimate that they will also have 15 hours of personal care which is free and 3 hours of other social care for which they will still have to pay £45 per week, also making them no better off. *[The council may be reimbursed as much as £150 pw]*

There will be some gainers

1. User 13 from the Edinburgh area has significant savings high above the threshold for charging and pays £224 per week for 14 hours of home care at this point. They estimate that all of these 14 hours will be reassessed as being personal care and will have no care charges in the future.

User 13 is a gainer because of their high level of savings they are expected to pay the full cost of their support. For this person all their care will be zero rated and therefore free.

Analysis

From our analysis of the overall results, it looks like the main gainers from the proposed method of extending Free Personal Care will be

- Those with high levels of savings
- Those with a high net weekly wage.
- Those with a very small number of “other social care” hours - 4 or less dependent on area.

Most others will see no change in the level of charges they are asked to pay. However the Scottish Government is committed to funding the zero rating of all personal care hours whether or not individuals are better off. The funding this policy costs will thus make a net contribution to local authorities with no benefit to most service users.

An Alternative Option

There is an alternative which would have no additional cost to the Scottish Government which could deliver real benefit to people needing personal care around Scotland.

A Personal Care Rebate

In this option, each adult under 65 receiving care would still be assessed and their individual personal care hours would be identified. The current charging regimes would be still be applied with all the income thresholds, allowable expenses, taper rates and service rates.

However, at the end, after the current calculation has been made, a Personal Care Rebate is applied to the charges deducting the individual cost of personal care hours. This would be a simple calculation of number of hours times the local hourly rate. If the value of the rebate was greater than the actual cost of charge a null charge would be set.

The Scottish Government would still set the amount it was going to transfer to each local authority in lieu of personal care charges. An example of how this works:

User 37 (described in more detail above) currently pays £42 per week for 10 hours of home care. Following the extension of FPC, they will have 10 (6 personal and 4 other care) hours of social care for which the initial calculation will still be £42 per week but then a Personal Care rebate of £40 off their weekly bill, leaving them with a weekly charge of just £2. *[The local council would receive the £40 per week in respect FPC from the Scottish Government.]*

This would mean that everyone who received personal care would see an improvement in their care charges. Care users would still pay care charges for their other care hours of support. The Scottish Government would be seen to improving the position of care users. Local Authorities would still be in receipt of the current full value of income they receive from care charges – now made up of a mixture of paid charges and a “free personal care” contribution from the Scottish Government.

Merits

- This would be fairer to individuals, deliver net benefit all personal care recipients under 65 and meet the Scottish Government’s promise to extend Free Personal Care to under 65s.
- Local authorities would not be at a financial disadvantage because of this policy
- The Scottish Government would meet the spirit of its promise to extend Free Personal Care.

Follow Up

We would ask the Petitions Committee to write again to the Scottish Government asking them the following three questions.

- Would the Scottish Government confirm that the aim of its policy of Extending Free Personal Care is, first, to improve the financial position of people between 18 & 64 who receive Personal Care and, second, to leave local authorities no worse off than they are currently?

- What investigations have the Scottish Government carried out to ensure that their method of extending Free Personal Care will deliver these aims for the maximum number of people?
- What alternative method of delivering an extension of Free Personal Care has the Scottish Government considered and would they examine our (the petitioner's) proposal?

I look forward to watching the committee proceedings as usual.