

# Item: 5

**Orkney Health and Care Committee: 4 February 2021.**

**Care and Support Charging Policy.**

**Report by Chief Officer / Executive Director, Orkney Health and Care.**

## **1. Purpose of Report**

To consider a proposed Care and Support Charging Policy in regard to charges for services delivered by Orkney Health and Care.

## **2. Recommendations**

The Committee is invited to note:

### **2.1.**

That, on 14 November 2019, the Orkney Health and Care Committee recommended that consideration of introducing charging for Day Care and Telecare services be deferred, to enable the Chief Officer / Executive Director, Orkney Health and Care to submit a Strategic Charging Policy for social care services, in line with COSLA guidance and best practice.

### **2.2.**

That, should the Council determine to introduce charges in respect of care and support services, and therefore a requirement to undertake financial assessments for people in receipt of multiple services, this would require additional ongoing staffing resources, estimated at £32,800.

### **2.3.**

That it was not possible to estimate income which could be received from implementing new charges for care and support services.

### **2.4.**

The proposed Care and Support Charging Policy, attached as Appendix 1 to this report, which has been drafted in accordance with the COSLA national strategy and guidance in respect of charges applying to social care support for people at home.

**It is recommended:**

### **2.5.**

That the Care and Support Charging Policy, attached as Appendix 1 to this report, be approved.

## **3. Background**

### **3.1.**

The following services are chargeable:

- Care at Home (including Supported Accommodation, Supported Living, and Housing Support Services).
- Day Care.
- Community Alarms and Telecare.
- Laundry Services.
- Meals on Wheels.
- Lunch Clubs.
- Aids and Adaptations.
- After Care Services for people with a mental illness.
- Care and Support Services for those who have or have had a mental illness (in or not in hospital).
- Transport.

#### **3.1.1.**

At present, the Council does not charge for the following:

- Day Care attendance or services provided in lieu of day services, although service users pay for meals that they receive.
- Community Alarms and Telecare.
- Aids and Adaptations.
- After Care Services for people with a mental illness.
- Care and Support Services for those who have or have had a mental illness (in or not in hospital).
- Transport.

### **3.2.**

On 6 June 2019, when considering introducing certain charges, the Orkney Health and Care Committee recommended that the Chief Officer / Executive Director, Orkney Health and Care should undertake a consultation on the proposal to introduce charges in relation to Day Care and Telecare.

### **3.3.**

The consultation was undertaken and presented to the Orkney Health and Care Committee on 14 November 2019. The Committee recommended that consideration of introducing charging for Day Care and Telecare services be deferred, to enable the Chief Officer / Executive Director, Orkney Health and Care to submit a Strategic Charging Policy for social care services, in line with COSLA guidance and best practice.

### **3.4.**

Due to the COVID-19 pandemic, many services were closed or operating on a reduced capacity and, although some of these services are reopening, this is still on a much reduced capacity basis and therefore it was proposed that charging for these services should not be pursued at this time.

### **3.5.**

On 24 November 2020, the Policy and Resources Committee was advised that, although a Strategic Charging Policy could be developed, the policy could not currently be implemented easily, as detailed information in relation to individual service users is not easily accessible. Once the issues regarding extracting detailed information in relation to individual service users had been addressed, a charging policy would be presented to the Committee. As charging for Telecare services is proposed at a flat rate per week, introducing such a charge would not impact any future charging policy. The Committee subsequently recommended that, with effect from 1 January 2021, a flat rate charge of £3.50 per week be introduced in respect of Telecare services provided by the Council.

### **3.6.**

At the General Meeting held on 8 December 2020, when considering the recommendation from the Policy and Resources Committee referred to above, the Council resolved that the proposal for introducing charges for Telecare services be referred back to the Policy and Resources Committee, to be considered no earlier than the meeting scheduled for 20 April 2021.

## **4. Proposed Care and Support Charging Policy**

### **4.1.**

Introducing an overall Care and Support Charging Policy, together with a financial assessment for people receiving multiple services, will ensure the personal, social and economic circumstances of individuals are given due regard in determining a person's ability to pay for their services.

### **4.2.**

The introduction of charges is in support of being able to continue to provide services at a current sustainable level.

### **4.3.**

Faced with significant reductions within public sector funding, it is essential that services try to ensure frontline services can be maintained wherever possible. It has been evidenced through the consultations on proposed charging that some people would be prepared to pay for Council services to minimise the scale of the budget reductions required.

#### **4.4.**

Within the COSLA national strategy and guidance, “Charges Applying to Social Care Support for people at home” it advises that, in the absence of any other suitable national index, the charging threshold is linked to rates set by the UK Government Department for Work and Pensions (DWP).

#### **4.5.**

A “buffer” is applied to these rates to recognise that not all of a person’s income should be taken into account when calculating charges for people on low incomes or who may incur additional living costs due to their impairment or to support frailty. COSLA has currently set this buffer at 25%. This means that the disregarded income will be the rates set by DWP and 25%. An illustration can be found at Appendix 2 to this report.

#### **4.6.**

Within the COSLA guidance, in addition to adding a “buffer”, it states that, in setting the percentage taper which people who use services will contribute, local authorities will be influenced by a number of factors, such as their requirement to raise income which is required to maintain good quality services. This percentage taper is then applied to the available income over the threshold to determine a maximum contribution. A person’s contribution should not exceed the cost of providing the support.

#### **4.7.**

At present, the Council only takes 15% of the percentage taper. This taper has been in place for many years before the “buffer” and minimum income guarantee was applied. Therefore, it is proposed that this be increased to 75% so that the service user is left with a minimum income of £137 for under pension age or £218 for over pension age based on 2020/21 rates. An example of charging, for both Older Person(s) and Disabled Person(s) is attached as Appendix 2 to this report.

#### **4.8.**

Attached as Appendix 1 to this report, is the proposed Care and Support Charging Policy, which has been drafted in accordance with the COSLA national strategy and guidance, “Charges Applying to Social Care Support for people at home”, which can be found at [https://www.cosla.gov.uk/\\_data/assets/pdf\\_file/0016/17521/2020-21-COSLA-Charging-Policy-for-Social-Care-Support.pdf](https://www.cosla.gov.uk/_data/assets/pdf_file/0016/17521/2020-21-COSLA-Charging-Policy-for-Social-Care-Support.pdf).

## **5. Implementation Implications**

### **5.1.**

Currently, across Orkney Health and Care there are multiple stand-alone electronic systems recording information on services clients receive. Collating this information would initially be a time consuming manual process.

## **5.2.**

Each system used, PARIS in adult social work, Staff Plan in Home Care for example, produces management information in different formats. The manual collating and analysing processes involved increases the risk of inconsistencies in the data.

## **5.3.**

A standardised template can be developed to capture all the relevant assessment information for each client, however, current limitations within PARIS mean that automated management of payments is not possible. Therefore, there will still be a significant resource requirement resulting in additional cost implications.

## **5.4.**

Cross referencing between systems will be a manual process due to the different formats in which data is collected, i.e. spreadsheets, PARIS crystal reports, making the process labour intensive.

## **5.5.**

Any changes to the care packages, based on changing client needs, will require any financial adjustments to be manually adjusted and tracked. Clear, timely information sharing will be required so all changes agreed through the Allocation of Resources Committee (ARC) are reflected in the service user's financial record and subsequent payments adjusted accordingly.

## **5.6.**

There are potentially 1,500 service users requiring to be financially assessed and no automated system, therefore there is a risk clients will pay for services not being delivered. For example, if a client reduces their home care hours they may be overcharged. This would mainly affect any service user who has been assessed as paying full charge.

## **6. Equalities Impact**

An Equality Impact Assessment has been undertaken and is attached as Appendix 3.

## **7. Corporate Governance**

This report relates to the Council complying with its financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **8. Financial Implications**

### **8.1.**

All clients in receipt of chargeable community based services will undergo a financial assessment and will be charged according to their ability to pay. At present this relates to Care at Home (including Supported Accommodation, Supported Living, and Housing Support Services).

### **8.2.**

Personal Care services will be provided free of charge to all adults who have been assessed as needing it and who meet the local eligibility criteria to receive the service.

### **8.3.**

Financial assessments have not been carried out for service users unless there is currently a charge for the service because there is not a lawful basis under the UK General Data Protection Regulation (GDPR) to do so. Therefore, it is uncertain what income could be received from implementing new charges. However, previous estimations based on flat rate charges for Telecare and Day Care attendance had estimated generating income in the region of £150,000 per financial year based on services resuming to normal.

### **8.4.**

Future years' charges would be based on the cost of service or incremental increase agreed as part of the Council's budget setting process.

### **8.5.**

To mitigate the negative impact, service users who express a wish to end their service following introduction of charging will be offered a review of the service, focussing on risk assessment and risk management prior to withdrawal. The review will seek to explore with the service user their concerns about the changes and the benefits of the service that is in place. Benefits checks and income maximisation will be offered, and onward referrals made to Citizens Advice Bureau and / or DWP as appropriate. People in receipt of a service should be entitled to benefits as a result of their disability or dependency levels. These benefits are intended to contribute to the cost of their support services.

### **8.6.**

It is an expectation that the charges applied could be paid by direct debit on a monthly basis when this is available. Alternatively, chargeable services will be invoiced in arrears.

## 8.7.

To implement this policy at present would not require any additional staffing requirements as there are no new charges being implemented and therefore no requirement for additional financial assessments.

## 8.8.

However, in future if there was a requirement to financially assess all service users, this will require additional resource. This would be higher in the first instance due to being able to gather all of the information as explained at section 5.3 above.

## 8.9.

It is estimated that the following resources would be required to analyse in the region of 1,500 services users:

### 8.9.1. One off Costs.

Post.	Grade.	FTE.	Cost (£).
Administration (to implement).	G3.	2.0 (for 6 months one off).	24,200.

### 8.9.2. Ongoing Costs

Post.	Grade.	FTE.	Cost (£).
Administration (update system and invoicing, monitoring).	G3.	1.0.	24,200.
Accounting Officer 0.25 FTE.	G7.	0.25.	8,600.
<b>Total.</b>			<b>32,800.</b>

## 8.10.

However, this would be reviewed once it is known how many service users receive a means tested chargeable service and the resources required to enforce the policy on an ongoing basis.

## 9. Legal Aspects

### 9.1.

Local Authorities are permitted to charge for non-residential services which are provided or arranged under the Social Work (Scotland) Act 1968 and the Mental Health (Care and Treatment) (Scotland) Act 2003. These charges must be reasonable, having regard to the care and support being provided and a person's ability to meet any costs. Any charge for services should not exceed the cost of providing the service.

## **9.2.**

The Council has considered and addressed its specific statutory duties in terms of the Equalities Legislation and in particular the duties in terms of the Equality Act 2010 s. 149.

## **9.3.**

That provision requires that a public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct.
- Advance equality or opportunity.
- Foster good relations among all.

## **10. Contact Officers**

Gillian Morrison, Chief Officer / Executive Director, extension 2611, Email: [gillian.morrison@orkney.gov.uk](mailto:gillian.morrison@orkney.gov.uk)

Lynda Bradford, Interim Head of Health and Community Care, extension 2601, Email: [lynda.bradford@orkney.gov.uk](mailto:lynda.bradford@orkney.gov.uk)

Pat Robinson, Chief Finance Officer, Email: [pat.robinson@orkney.gov.uk](mailto:pat.robinson@orkney.gov.uk)

## **11. Appendices**

Appendix 1: Draft Care and Support Charging Policy.

Appendix 2: Charging Examples.

Appendix 3: Equality Impact Assessment.





# Care and Support Charging Policy

## Contents

1. Introduction.....	3
2. Charging Structure.....	4
3. Means Test Mechanism.....	6
4. Income Thresholds .....	7
5. Financial Assessment.....	9
6. Residual Income and Taper.....	11
7. Standard Charge .....	11
8. Final Charge .....	11
Appendix 1 – Details of Charges (April 2020 to March 2021).....	12

# 1. Introduction

This policy applies to all adults who reside within Orkney, or are deemed to be ordinarily resident within Orkney in accordance with the Scottish Government's Ordinary Residence guidelines, who are assessed as requiring and subsequently benefit from community based care services provided, commissioned or funded by Orkney Islands Council on behalf of the Orkney Health and Care Partnership.

Community based care services which are chargeable within this policy are deemed to comprise one or a combination of the services listed below:

- Care at Home.
- Housing Support.
- Very Sheltered Housing / Extra Care Housing.

This policy **does not** cover the charging structure for respite within residential care or the short breaks service.

This policy will apply equally to all service users regardless of the delivery mechanism(s) deployed to most appropriately and effectively meet the needs and aspirations of individuals, which include:

- Direct service delivery by Council staff.
- Indirect service delivery through services commissioned from the private and voluntary sectors by the Council on the service user's behalf.
- Direct payments to service users to enable them to arrange their own care through the employment of their own assistants or by purchasing care from the private and voluntary sectors.

This policy is founded upon the following list of principles or legal requirements:

- Personal Care will be provided free of charge to all people who have been assessed and who meet the local eligibility criteria to receive services.
- All clients in receipt of community based care services, apart from those only in receipt of flat rate charged services, will undergo a financial assessment and will be charged according to their ability to pay. The introduction of creating a financial assessment for people receiving multiple services will ensure the personal, social and economic circumstances of individuals are given due regard in determining a person's ability to pay for their services.
- Service users will not be charged more than it costs to provide the service(s) for which their contribution has been assessed.
- Services will, at all times, be provided in accordance with service users' assessed needs and not their ability to pay.
- No charges will be levied where:
  - The primary reason for service provision is to monitor children under "supervision" or children and families in crisis.

- Services are provided to adults with mental health needs who are subject to measures under the Mental Health (Care and Treatment) (Scotland) Act 2003.
- Services fall within the scope of Criminal Justice Social Work Services.
- Services are provided to adults subject to measures under the Adult Support and Protection (Scotland) Act 2007, or additional services as a result of these measures or.
- Services are provided to support a carer, either directly to the carer or as replacement care to enable a carer to take a break from their caring role, where the carer's assessed needs meet the local eligibility criteria to receive services under the Carers (Scotland) Act 2016.

## 2. Charging Structure

Charges for community based services will be levied in accordance with the structure defined in the table below:

<b>Service</b>	<b>Charging Method</b>
Care at Home	Means tested on an approved hourly charge
Housing Support	Means tested on an approved hourly charge
Very Sheltered Housing / Extra Care Housing	Either Disability Living Allowance (DLA) Care Component / Personal Independence Payment (PIP) Care or Adult Disability Payment (ADP) Full Charge if Capital above upper threshold
Attendance at Day Centre	No charge
Meals provided at Day Centre	Flat rate charge for each meal provided
Community Alarm and Telecare Services	No charge

The means test mechanism used by the Council to determine service users' charges will be reviewed annually, as part of the Council's budget setting process, or at such times as to comply with any legislative changes to ensure that it reflects any changes in the following:

- Government legislation or regulations relevant to charging for the services for which charges are assessed under the means test.
- The guidance issued by COSLA upon which the means test mechanism is based.
- The allowances and premiums calculated by the Department for Work and Pensions and Social Security Scotland which underpin the affordability test within the means test mechanism.

Where a service user receives more than one service which is assessed for charging using the means test mechanism, a consolidated assessment will be undertaken to ensure that service user is not charged more than they can afford for the package of care services which they receive.

## **Older People Leaving Hospital**

Adults leaving hospital who are assessed as requiring support should receive this service free, for up to 42 days, if they have been in NHS inpatient care for more than one day (24 hours) for treatment, assessment or rehabilitation, or had surgery as an NHS day case. Relief from charging should not apply to people who are discharged following admission on a regular or frequent basis as part of the person's ongoing care arrangements. This would cover, for example, admissions for respite care or ongoing but episodic treatment. Only new or additional services provided after a person comes out of hospital will be free and services that were in place pre-admission and continue after discharge will continue to be chargeable.

## **Temporary Changes to Service Provision**

If a service user is receiving community based services before a temporary admission to hospital or care home, we will not charge for services while they are away from home.

The service user will be required to meet any cost for residential services if they are admitted to residential care.

There may be times when increased care has to be provided at short notice and thus the financial assessment is not updated at the same time. Under these circumstances, payments could be subject to review and will begin from the date of the service increase.

## **Financial Re-assessment**

The charges payable by service users will be reviewed on an annual basis, to reflect the annual changes in charges, as part of the Council's budget setting process, and any uplifts within service users' income from the Department of Work and Pensions (DWP).

The contribution payable by service users should be reviewed in the event of a change in the service provided or such other change in the service user's circumstances as would affect their ability to contribute towards the cost of their care.

## **Independent Living Fund Scotland**

Service users eligible to claim financial assistance towards the cost of their care from the Independent Living Fund Scotland will be subject to charging for chargeable services under this scheme.

## **Adults with Incapacity**

Where a service user is unable to deal with their own financial affairs due to incapacity, the service will liaise with another appropriate person, or persons, in order to gather information about the service user's financial affairs and to arrange for the collection of charges. Appropriate persons would include:

- Power of Attorney.
- Financial guardian, appointed in accordance with the Adults with Incapacity (Scotland) Act 2000.

- An individual permitted to act on the service user's behalf under an intervention order granted by a Sheriff Court under the Adults with Incapacity (Scotland) Act 2000.
- Department for Work and Pensions benefits appointee.
- A relative, friend or advocate of the service user who assists the service user, with the service user's knowledge and agreement, to manage their financial affairs.

Incapacitated adults will be charged for the chargeable elements of their service in accordance with this scheme.

Where the Council is unable to collect a service user's charges because the latter has no one to manage their financial affairs, the Council will apply for the DWP Corporate Appointeeship in relation to benefits receivable.

Where it is not financially viable to pursue a financial guardianship through the courts, a claim will be lodged against the service user's estate following their death to recover the accrued unpaid care charges.

## **Age Definition**

The age definitions applied in this scheme classify service users as either:

- Working age – for service users aged below state retirement age.
- Pension age – for service users aged at or above state retirement age.

To identify the date when a person will reach pension age go to the state pension age calculator at: <https://www.gov.uk/state-pension-age>.

## **Charge Waivers**

Where the supported person has difficulty in meeting the approved charge for the service due to their financial circumstances, the Council can use its powers to abate or waive charges on a case by case basis. The final decision will be made by the Chief Social Work Officer in agreement with the Head of Finance.

## **3. Means Test Mechanism**

The means test mechanism described below is based upon the model recommended by COSLA as representing best practice in finding the balance between maximising income generation and minimising reduced opportunity and financial hardship for service users. To ensure parity between service users who contribute towards their care costs in the community and in care homes, the Scottish Government's Charging for Residential Accommodation Guidance (CRAG) has been used extensively to ensure equal treatment of income, capital and assets.

The means test will be used to assess charges for the following services:

- Care at Home.
- Housing Support.

This does not include Respite and Short Breaks which are under a separate charging structure.

The charging method for Very Sheltered Housing / Extra Care Housing is either taking the service user's Disability Living Allowance (DLA) Care Component / Personal Independence Payment (PIP) Care or Full Charge is applied if capital is above upper threshold.

## Means Test Qualification

Service users who own capital and assets, excluding their home (apart from Very Sheltered Housing / Extra Care Housing), equivalent or greater in value to the upper capital limit contained within Charging for Residential Accommodation Guide (CRAG) will be excluded from relief under the means test and will be charged the standard cost of their care.

Service users who are eligible for relief under the means test will pay either:

- The full charge as stipulated in Appendix 1.
- The maximum that they can afford to pay, as determined by the means test.

## Means Test Calculation

To determine the maximum amount the service user can afford to contribute towards their care package, the following calculation will be completed:

- Total Assessed Income (A).
- Less Applicable Disregards (B).
- Less Relevant Income Threshold (C).
- Equals residual income (D).
- Maximum charge (E) is equal to residual income (D) multiplied by a taper of 75%.

## 4. Income Thresholds

Income thresholds represent the minimum amount of money which the Government, via the Department for Work and Pensions, determines that a service user of a particular age and circumstance requires to meet their weekly living costs.

To ensure full compliance with the COSLA Guidance on Charging for Non-Residential Services, this scheme requires that the Council's Income Thresholds are calculated using the allowances and premiums calculated by the Department for Work and Pensions for the purpose of determining minimum weekly living costs.

In order to provide more help to those on low income and to recognise that not all of a user's income above these rates should be taken in charges, a **25% buffer** is added to the income levels.

Staff undertaking financial and charge assessments will select the most appropriate threshold to apply to individual assessment using the following criteria:

- The age of the service user; whether the service user is of working or pension age.
- Whether the service user is one of a couple or an individual.

The **charging threshold** is worked out by adding the buffer (25%) to the appropriate DWP rate(s) for groups of people as set out in the following tables (\* all thresholds are rounded up).

For people below state pension qualifying age the **Income Support Personal Allowance and the Disability Premium** are added together, with the buffer added to the sum of these two rates as shown below.

	<b>Income Support – Personal Allowance</b>	<b>Disability Premium</b>	<b>Buffer 25%</b>	<b>Charging Threshold* (weekly rounded up to nearest £)</b>
Single Person	£74.35	£34.95	£27.32	£137.00
Couple	£116.80	£49.80	£41.65	£209.00

#### **Value of Capital**

Less than £6,000	No impact on weekly charge
Between £6,000 and £28,500	For every £500 of capital over £6,000, £1 of notional weekly income assumed
More than £28,500	Maximum charge applied

For people of state pension qualifying age or above the **Pension Credit Guarantee** is used as the basis for the charging threshold calculation with the buffer as shown below.

	<b>Pension Credit – Guarantee Credit</b>	<b>Buffer 25%</b>	<b>Charging Threshold* (weekly rounded up to nearest £)</b>
Single Person	£173.75	£43.44	£218.00
Couple	£263.20	£66.30	£332.00

#### **Value of Capital**

Less than £10,000	No impact on weekly charge
Between £10,000 and £28,500	For every £500 of capital over £10,000, £1 of notional weekly income assumed
More than £28,500	Maximum charge applied



## 5. Financial Assessment

All service users will be requested to complete a financial assessment on their ability to pay for the services they receive unless they **only** receive services which have a flat weekly rate charge.

If a service user does not wish to disclose their financial information, then the full cost of providing the service will be applied.

Financial reassessments will be done on an annual basis unless their personal circumstances change, or their services are not subject to a financial assessment i.e. Free Personal Care.

**We will consider income from all sources and will take account of net earnings and all social security benefits with the exception of:**

- Mobility component of the Disability Living Allowance / Personal Independence Payment.
- All benefits paid for or on behalf of dependent children e.g. Child benefit.
- Child Tax Credit.
- Disability payment in respect of child.
- War widows and widowers' special payments.

### Deprivation of Income

A service user is to be treated as possessing income of which they have deprived themselves **for the purpose** of paying a reduced charge.

### Meaning of deprivation

A person will have deprived themselves of a resource if, as a result of their own act, they cease to possess that resource.

### Questions for consideration:

Where the service user appears to have deprived themselves of income the local authority should consider the questions covered in the following paragraphs:

#### Was it the service user's income?

Where a person, before they deprived themselves of an income, was in receipt of that income it is reasonable to assume that the resource belonged to them. Sometimes there will be other evidence such as a letter or documentation which shows that the income was properly payable to the person.

#### Has deprivation occurred?

Deprivation will have occurred if a person relinquishes, or transfers to another person, an income which:

- They had been receiving or were due to receive.
- Would have continued to receive had they not relinquished or transferred it.

It is up to the service user to prove that they no longer have the income. If they cannot prove that the income has been disposed of, the local authority should treat the service user as still possessing the **actual** income.

### **Purpose of the disposal of income**

There may have been more than one purpose of the disposal of income only one of which is to avoid a charge, or a lower charge. This may not be the service user's **main** motive but it must be a **significant** one.

### **Timing of the disposal of income**

Consideration should be given to the timing of the disposal of the asset when deciding whether the purpose of disposing of the asset was to avoid a charge for the service.

The local authority should make a judgement as to the purpose of the disposal of income **only** after balancing all the person's motives, explicit and implicit, and the timing behind the action. The local authority should bear in mind, however, that deprivation can be considered for resources disposed of at any time.

### **Conversion of income to a capital asset**

Where, for the purposes of paying a reduced charge or no charge, the right to receive an income resource has been sold, and therefore converted from income to a capital asset, the local authority should consider taking account of:

- The amount of the former income resource.

**Or:**

- If the newly acquired capital gives rise to a tariff income or an increase in tariff income, the **difference** between the former income resource and the tariff income, or the increase in tariff income, arising from that capital asset.

### **Deprivation decided**

If it is decided that the service user has disposed of income **in order to** avoid a charge or to reduce the charge payable, the local authority will need to assess the charge payable using the service user's notional income.

If the service user is unable to pay the assessed charge, the Chief Officer / Executive Director in agreement with the Head of Finance, has delegated authority to waive or abate all or part of the charge.

### **Non-disclosure of Income**

Where the service user refuses to fully disclose their or their partner's income, they will be excluded from the means test and will be required to meet the standard charge for their care.

## 6. Residual Income and Taper

Residual income is the income which the service user has left over after deducting, disregarded income and the income threshold (which includes a 25% buffer). The maximum charge that the service user can afford to pay is thereafter calculated on the basis of 75% of their residual income.

The level of taper applied is at the Council's discretion and will be reviewed on an annual basis to ensure that a balance between cost recovery and fair charging is maintained.

## 7. Standard Charge

The standard charge is equal to the lesser of the actual cost of the service user's service or the maximum charge levied by the Council for the service (this represents a capped charge in order to protect individual service users from excessive charges due to higher than average care needs).

## 8. Final Charge

The final charge to be paid by the service user will be the **lesser** of the standard charge for the service user's service **or** the maximum charge they can afford to pay.

### Collection

Service	Charging Method
Care at Home	Invoiced monthly in arrears
Housing Support	Invoiced monthly in arrears
Very Sheltered Housing / Extra Care Housing	Invoiced monthly in arrears
Meals provided at Day Centre	Invoiced monthly in arrears

## Appendix 1 – Details of Charges (April 2020 to March 2021)

<b>Service</b>	<b>Full Charge Per Week</b>
Care at Home	£18.70 per hour
Housing Support	£18.70 per hour
Very Sheltered Housing / Extra Care Housing	£317.00 per week
<b>Meals provided at Day Centre</b>	
Starter / Desert	£2.45
Main Course Meal	£4.10
Two Course Meal	£5.05
Three Course Meal	£6.05

## Charging Examples

### Older Person(s)

A service user receives 5 hours of Home Care a week  
 Total Charge would be  $5 * £18.70 = £93.50$  per week  
 All service users have the state pension of £173.75 per week

	Service User 1	Service User 2	Service User 3
Savings in bank	£500	£27,000	£100,000
Total income per week	£173.75	£173.75	£173.75
Contributions from savings	£0.00	£34.00	Maximum charges applies for income over £28,500
<b>Total income</b>	<b>£173.75</b>	<b>£207.75</b>	<b>N/A</b>
Less Charging threshold	(£218.00)	(£218.00)	N/A
Sub Total	No Charge	No Charge	N/A
<b>Total Charges per week</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£93.50</b>

### Disabled Person(s)

A service user receives 5 hours of Home Care a week  
 Total Charge would be  $5 * £18.70 = £93.50$  per week  
 Assuming the service users get ESA of £74.35 per week and PIP of £89.15 per week = £163.50 per week

	Service User 1	Service User 2	Service User 3
Savings in bank	£500	£27,000	£100,000
Total income per week	£163.50	£163.75	£163.75
Contributions from savings	£0.00	£42.00	Maximum charges applies for income over £28,500
<b>Total income</b>	<b>£163.50</b>	<b>£205.50</b>	<b>N/A</b>
Less Charging threshold	(£137.00)	(£137.00)	N/A
Sub Total	£26.50	£68.50	N/A
<b>Total Charges per week</b>	<b>£19.88</b>	<b>£51.38</b>	<b>£93.50</b>



## Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated, or minimised and positive impacts are maximised.

<b>1. Identification of Function, Policy or Plan</b>	
Name of function / policy / plan to be assessed.	Charge and Support Charging Policy.
Service / service area responsible.	Orkney Health and Care.
Name of person carrying out the assessment and contact details.	Lynda Bradford, extension 2601.
Date of assessment.	11 January 2021
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	New. Charges currently apply to Home Care, Very Sheltered Housing / Extra Care Housing and Day Care Meals services. This policy would include new charges for Telecare and Day Care attendance.

<b>2. Initial Screening</b>	
What are the intended outcomes of the function / policy / plan?	The introduction of creating a financial assessment for people receiving multiple services will ensure the personal, social and economic circumstances of individuals are given due regard in determining a person's ability to pay for their services.
Is the function / policy / plan strategically important?	Yes, as a mechanism to generate additional income to preserve services and ensure sustainability.

<p>State who is, or may be affected by this function / policy / plan, and how.</p>	<p>All service users who currently receive any of the following services:</p> <ul style="list-style-type: none"> <li>• Care at Home.</li> <li>• Housing Support.</li> <li>• Very Sheltered Housing / Extra Care Housing.</li> <li>• Attendance at Day Centre.</li> <li>• Telecare.</li> <li>• Meals provided at Day Centre.</li> </ul>
<p>How have stakeholders been involved in the development of this function / policy / plan?</p>	<p>Stakeholders have been consulted on the proposed new chargeable services (telecare and Day Care Attendance) and their views are recorded in a report, submitted to the IJB on 14 November 2019 and Policy and Resources on 24 November 2020.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	<p>As mentioned above, all stakeholders have been consulted. ISD NSS have produced data for the authority area which gives the current and projected demographics of the local population. This data indicates there will be increased demand for community services, with Orkney having the highest percentage nationally of people aged over 80 years.</p>
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See <a href="#">The Fairer Scotland Duty Interim Guidance for Public Bodies</a> for further information.</p>	<p>The consultation asked stakeholders whether the ability to pay should be a factor in determining the charge made. The consultation indicated that the majority of respondents are in favour of some form of assessment to determine ability to pay.</p>
<p>Could the function / policy have a differential impact on any of the following equality areas?</p>	
<p>1. Race: this includes ethnic or national groups, colour and nationality.</p>	<p>No, the policy applies equally to all service users.</p>
<p>2. Sex: a man or a woman.</p>	<p>No, as all services are available to both sexes; however, there are more older women currently in receipt of the service.</p>

3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	No, the policy applies equally to all service users.
4. Gender Reassignment: the process of transitioning from one gender to another.	No, the policy applies equally to all service users.
5. Pregnancy and maternity.	No, the policy applies equally to all service users.
6. Age: people of different ages.	Yes. Older people are proportionately more likely to have lower incomes. The Department of Work and Pensions (DWP) have different rates dependant on service user circumstances.
7. Religion or beliefs or none (atheists).	No, the policy applies equally to all service users.
8. Caring responsibilities.	Yes. If costs cannot be met by the service user, respite for carers could be reduced.
9. Care experienced.	No, the policy applies equally to all service users.
10. Marriage and Civil Partnerships.	No, the policy applies equally to all service users.
11. Disability: people with disabilities (whether registered or not).	Yes. If costs cannot be met by the service user there would be a high impact as the majority of people who currently receive the service have a disability. In addition, national evidence shows that disabled people are proportionately more likely to have lower incomes. However, this would be reflected in their financial assessment, with any charges reflecting their ability to pay.
12. Socio-economic disadvantage.	Yes. However, this would be reflected in their financial assessment, with any charges reflecting their ability to pay.
13. Isles-proofing.	No. Access to any care services is not affected by location as it is based on care and risk management needs.

### 3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	There is likely to be a greater impact on older people, people with disabilities, carers and those who are socio-economically disadvantaged.
How could you minimise or remove any potential negative impacts?	Service users who express a wish to end their service, following introduction of charging, will be offered a review of the service, focussing on risk assessment and risk management, prior to withdrawal. The review will seek to explore with the service user their concerns about the changes



	<p>and the benefits of the telecare system in place. Benefits checks and income maximisation will be offered, with onward referral to CAB and/or DWP, as appropriate.</p> <p>In addition, many people in receipt of any care service will also be entitled to benefits as a result of their disability or dependency levels. These benefits are intended to contribute to the costs of their support services.</p> <p>Finally, service users will be assessed for their ability pay.</p>
Do you have enough information to make a judgement? If no, what information do you require?	Yes.

#### 4. Conclusions and Planned Action

Is further work required?	Yes.
What action is to be taken?	If service users wish to cease their service, the review described above will be undertaken with each individual.
Who will undertake it?	Adult Social Work Team.
When will it be done?	As required.
How will it be monitored? (e.g. through service plans).	As part of the outcome of the financial assessment process.

Signature:



Date: 11/01/21

Name: LYNDA BRADFORD

(BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at [hrsupport@orkney.gov.uk](mailto:hrsupport@orkney.gov.uk)