



Integration Joint Board

30.11.23

COMMUNITY CARE SERVICES – FULL COST RECOVERY

Report by Head of Partnership Services and Community Care

PURPOSE

- 1.1 The purpose of the Report is to advise Members of the impact of introducing full cost recovery for Comhairle Community Care services and to recommend that full cost recovery be included in the budget setting process for 2024/25

EXECUTIVE SUMMARY

- 2.1 This Report follows the Community Care Services - Fees and Charges 2023-24 report as presented to the September 2023 series of meetings. The report set out the framework of charges for 2023/24 for community care services and recommended applying the same approach to the calculation of uplifts as per the previous financial year. This recommendation was agreed and the resulting fees and charges are explained in paragraph 5.1 of this Report.
- 2.2 Due to the budgetary pressures of the local authority and the IJB, it was also agreed that a report would be submitted to the December 2023 series of meetings introducing the detail of full cost recovery calculations for Comhairle residential and extra care housing services. This would mean that the financial assessment process would be applied to the full cost of the service provision as opposed to the practice of a charge set by applying a percentage increase annually.
- 2.3 In the event of introducing Full Cost Recovery, the Comhairle will continue to follow COSLA Guidance on charges. This Report outlines in paragraph 5.2 what the framework of charges for 2023/24 would have been based on full cost recovery.
- 2.4 Full cost is represented by all direct costs and apportionment of any attributable support costs incurred by the service. The charges set out in this Report are the maximum charge for each service, and do not translate into the amount that all individuals will pay towards their care. Notwithstanding that income received forms part of the IJB budget, it is a legal requirement that these fees be set by the Comhairle.
- 2.5 The cost of delivering residential care through the local authority across the islands is significant. The anticipated value to the Integration Joint Board budget for full cost recovery in 2023/24 would have been £728k in addition to the budget income estimate for charges. The budget deficit for the Comhairle services within the Integration Joint Board for 2023/24 was £3.9m.

RECOMMENDATION

- 3.1 **It is recommended that the Comhairle include full cost recovery for adult social care residential related services in the budget setting process for 2024/25.**

Contact Officer: Graeme Miller Tel: 07717 816 477

Background Papers: 'Community Care Services - Fees and Charges Report 2023-24' dated 20 September 2023'

IMPLICATIONS

- 4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	The estimated value to the Integration Joint Board budget for full cost recovery in 2023/24 would have been £728k in addition to the budget income estimate for charges. The budget deficit for the Comhairle services within the Integration Joint Board for 2023/24 was £3.9m.
Legal	None
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	Full cost recovery would result in a significant increase in charges for those already within services or for those considering residential care related services. The charging process would follow the same tariff-based calculations and thresholds for ceasing to charge but the deductions would be higher and would draw down the resident's resources quicker than the current approach.
Equalities	Given the projected significant increase in charges associated with full cost recovery, an impact analysis and equalities assessment will need to be undertaken to aid final consideration of decision to proceed or otherwise.
Corporate Strategy	None
Environmental Impact	None
Consultation	None

BACKGROUND

- 5.1 The Community Care Services - Fees and Charges Report 2023-24 presented to the September 2023 series of meetings recommended the following charges for 2023/24 for Comhairle Community Care services:

Comhairle Community Care Services	2022/2023	2023/2024
Standard weekly charge for Comhairle care homes	£1,226 per individual per week	£1,287 per individual per week
Housing with Extra Care (HWEC) at Bremner Court	N/A	£762 per flat per week
Ardseileach Care Home	£1,757 per individual room per week	£1,845 per individual room per week

- 5.2 If full cost recovery had been included in the budget setting for 2023/24, the impact on fees and charges would have been:

Comhairle Community Care Services	2022/2023	2023/2024
Standard weekly charge for Comhairle care homes	£1,226 per individual per week	£1,806 per individual per week
Housing with Extra Care (HWEC) at Bremner Court	N/A	£1,120 per flat per week
Ardseileach Care Home	£1,757 per individual room per week	£2,517 per individual room per week

DETAIL

- 6.1 The Community Care Services - Fees and Charges 2023-24 report as presented to the September 2023 series of meetings set out the framework of charges for 2023/24 for community care services and recommended applying the same approach to the calculation of uplifts as per the previous financial year. This recommendation was agreed and the resulting fees and charges are explained in paragraph 5.1 of this Report.
- 6.2 Due to the budgetary pressures of the local authority and the IJB, it was also agreed that a report would be submitted to the December 2023 series of meetings introducing the detail of full cost recovery calculations for Comhairle residential and extra care housing services. This would mean that the financial assessment process would be applied to the full cost of the service provision as opposed to the practice of a charge set by applying a percentage increase annually.
- 6.3 In the event of introducing Full Cost Recovery, the Comhairle will continue to follow COSLA Guidance on charges. The Charging for Residential Accommodation Guidance (CRAG) states that where a person is provided with accommodation under Part III of the National Assistance Act, Section 22 of that Act provides for them to be charged for the accommodation. Section 22 requires local authorities to set the standard rate for local authority homes at an amount equivalent to the full cost to the authority of providing the accommodation.
- 6.4 This Report outlines in paragraph 5.2 what the framework of charges for 2023/24 would have been based on full cost recovery. Personal care delivered to people regardless of age has been delivered free of charge since 1 April 2019. People who receive services as a consequence of an Order under the Mental Health (Care and Treatment) (Scotland) Act 2003, and other compulsory measures, are similarly exempt from charges. People assessed as requiring a service can choose to have their ability to pay assessed, and the total of all charges will thereafter be restricted to the assessed threshold. They currently have the option to pay the full charge without assessment.
- 6.5 Full cost is represented by all direct costs and apportionment of any attributable support costs incurred by the service. The charges set out in this Report are the maximum charge for each service, and do not translate into the amount that all individuals will pay towards their care. Notwithstanding that income received forms part of the IJB budget, it is a legal requirement that these fees be set by the Comhairle.
- 6.6 The cost of delivering residential care through the local authority across the islands is significant. The anticipated value to the Comhairle/IJB of full cost recovery in 2023/24 would have been £728k in addition to the budget income estimate set in the approved charges.

CONCLUSION

- 7.1 It is recommended that the Comhairle include full cost recovery in the budget setting process for 2024/25.