

REPORT

To: **Special Shetland Islands Council**
2007

14 February

From: **Head of Community Care**

Report No: SC03-07F
Community Care Charges – Implementation of Council Decision

1. **Introduction**

- 1.1 This report seeks clarity on the decisions taken by the Council at the meeting on 8 February (Min Ref SIC12/07) in order that Members' intentions are properly interpreted and implemented. This report is for decision.

2. **Links to Council Corporate Priorities**

- 2.1 **Social Justice** – The introduction of an equitable charging scheme will contribute to the Council's corporate priorities of social justice.



3. Background

- 3.1 The report presented to Council on 8 February 2007 included background information on the charges for community care services and the increasing demand for these services due to changes in the population. The proposals included a number of options for revised charges for personal care and domestic tasks for consideration by Members.
- 3.2 Members acknowledged that the Community Care Service is finding it increasingly difficult to meet the demands for services and that the service provided for some clients has been reduced on review in order to meet higher priority needs elsewhere. Members noted that this approach will need to continue in response to the changing population profile and in order to meet the budget targets set by Council as the current levels of community care services are unsustainable in an ageing population.
- 3.3 Members approved a motion that set aside the recommendations of the report and agreed that for this year only, Shetland Charitable Trust should be asked to make up the shortfall in funds (Min Ref SIC 12/07). An excerpt from the minute of the meeting on 8 February is included below at Appendix 1 for ease of reference.
- 3.4 Setting aside the recommendations in the report means that the previous decisions of the Council remain in place as follows:-
- decisions taken on 13 December to introduce revised charges from 1 January 2007 for meals on wheels, day care and laundry services which were set at a 5% increase on the original charge set for 2006/07 (Min Ref SIC 193/06); and
 - decisions taken on 19 September which set the charge for domestic tasks at £4 per hour up to a maximum of £20 per week and for personal care at £7 per hour up to a maximum of £62.25 per week (Min Refs SIC 155/06 and SIC 193/06).
- 3.5 The report before Members on 8 February was concerning the Reduction of General Fund Revenue Budgets 2006/07. The shortfall in funds arising from the decisions set out in paragraph 3.4 above in this year, i.e. 2006/07 is estimated at £29,500.
- 3.6 I believe that the intention of the motion approved by Members was to introduce a policy of no charges for personal care or domestic tasks provided or purchased by the Community Care Service irrespective of age or type of tenure with effect from 1 January 2007. In this case, the shortfall in income in this year i.e. 2006/07 would be approximately £101,000.

- 3.7 The General Manager of Shetland Charitable Trust has been asked to take forward the Council's request for the Trust to meet the shortfall in 2006/07 and a report will be presented to Shetland Charitable Trust at their meeting on 14 February 2007.
- 3.8 The income levels in the revenue estimates approved by Members for 2007/08 were made on an assumption that there would be no charge for personal care or domestic tasks provided by the Care at Home Services but included estimated income from charges for personal care provided to adults in supported accommodation of £45,000 (Min Ref SIC14/07). Therefore, if there were to be no charge for personal care or domestic tasks irrespective of age or type of tenure from 1 January 2007 as per paragraph 3.6 above, then there would be a further shortfall in funds in 2007/08 of £45,000.

4. Proposals

- 4.1 It is proposed that Members consider the effect of the decisions taken on 8 February 2007 as set out in the background to this report and clarify the situation to assist in the practical implementation of the revised charges.

5. Financial Implications

2006/07

- 5.1 Introducing a policy of no charges for all personal care or domestic tasks with effect from 1 January 2007 will mean a loss of projected income in the current financial year, 2006/07, of a further £71,250 over and above the £29,500 already identified at paragraph 3.5 above. This comprises £60,000 projected additional income from charges for personal care and domestic tasks provided through the Care at Home service and £11,250 lost income from charges for care provided for adults aged under 65 in supported accommodation settings.

2007/08

- 5.2 The revenue budget approved for 2007/2008 is £1.277M over the Council's target and the Council is committed to achieving savings to bring this back to the target figure (Min Ref SIC 14/07). Introducing a policy of no charges for all personal care or domestic tasks will mean a loss of income from adults aged under 64 of approximately £45,000 bringing the overall deficit to £1.322M. As things currently stand, income from charges for personal care and domestic tasks would reduce the deficit by an estimated £240,000.

6. Policy and Delegated Authority - SIC

- 6.1 All Social Care matters stand referred to the Services Committee. The Committee has delegated authority to make decisions on matters within its remit and for which the overall objectives have been approved by the Council, in addition to appropriate budget provision (Min. Ref. SIC 70/03.)
- 6.2 This report presents proposals regarding decisions taken by the Council to change the charges made for community care services therefore a decision of the Council is required.

7. Conclusions

- 7.1 The charges agreed by Members on 13 December 2006 for day care, meals on wheels and laundry have been introduced. This has resulted in a shortfall in the budget for 2006/07 of approximately £29,500.
- 7.2 The charges approved in September 2006 for personal care and domestic tasks have not been introduced in that invoices have not been issued for these services and no deductions for charges have been made from Direct Payments provided in lieu of these services.
- 7.3 The decisions taken by the Council on 8 February 2007 mean that the charges for personal care and domestic tasks approved on 19 September 2006 remain in place with an effective date of 1 January 2007.
- 7.4 If these charges are removed, then there will be a further shortfall in the budget for 2006/07 estimated at £71,250 and the effect in future years will be a reduction in income from charges for community care services of approximately £45,000 per annum.
- 7.5 The current levels of service provided are unsustainable within available financial resources and also in the context of an ageing population where it is becoming increasingly difficult to recruit care workers.

8. Recommendations

I recommend that Council:-

- 8.1 Revoke the decision taken on 19 September 2006 to charge for personal care and domestic tasks from 1 January 2007;
- 8.2 Clarify the decision taken on 8 February 2007 in terms of paragraph 3.6 above; and
- 8.3 Note that a letter will be sent to all clients affected informing them of the Council's decision.

Date: 9 February 2007
Ref: CF'AN'SC03-07

Report No: SC03-07F

Extract from Minute - Shetland Islands Council – 8 February 2007

12/07 Reduction of General Fund Revenue Budgets 2006/07 - Charges for Community Care Services

The Council considered a report by the Head of Community Care (Appendix 1).

The Executive Director – Community Services summarised the terms of the report, highlighting the recommended options in section 4.

Mr C B Eunson said that he noted the content of the report, and the recommendations that were being made, but said that his intention would be to move against the proposals. He said that he saw no reason why pensioners should be charged, and suggested that the Charitable Trust could take care of their needs. Accordingly, Mr Eunson moved that the Council throw out this report completely. Mrs I J Hawkins seconded.

Mr J P Nicolson referred to paragraph 3.8 of the report, which stated that the community care service “is finding it increasingly difficult to meet the demands for community care services. The service provided for some clients has been reduced on review in order to meet higher priority needs elsewhere.” Mr Nicolson said the Council had to find some means of directing funds to where the need is greatest. He said it had been made clear this was not just a shortage of financial resources. Mr Nicolson went on to refer to paragraph 4.2, and said that this was a priority issue where, for example, clients in supported accommodation and outreach settings, are charged up to the benefits they receive, but those in care at home are not being charged at all. He said that it was also a question of equality, and having listened hard to the Executive Director, Mr Nicolson said he would be supporting the direction proposed.

Mr L G Groat said that he had sympathy for both cases being put forward. Referring to Mr C B Eunson’s motion, Mr Groat said that although he accepted what he said, it could result in people not getting the care required, as they would be prioritised because there was not the staff available to do all the work. He said it was clearly a dilemma and a difficult one to resolve.

Mrs B Cheyne said that she also had some sympathy with Mr Eunson’s motion, but said that she would support option 2, namely to not charge for personal care for any client, regardless of age or type of tenure.

Mr W A Ratter said that Shetland had a privileged community which should be looked after, but human resources had to be applied to those in greatest need.

Mr A Inkster said he also had some sympathy the views of Mr Eunson, and agreed that people should not be charged for the services received. Mr hkster went on to say that he noticed that at £4 per hour, multiplied by 750 users, would raise a total income of £156k. However, if additional staff were recruited, this would cost £67k, leaving £90k, which he said was a miniscule amount, and the Council should not be pursuing it further.

The Executive Director Community Services advised, for clarity, that there would only be a need to employ additional staff if the Council opted for option 4, to introduce charges for Personal Care for all adults up to age 65 irrespective of type of tenure. He added that the charge of £4 per hour, would not require the Council to undertake any kind of financial assessment.

Mr L Angus said there was increasing number of elderly people needing services, and he was of the view that the Council was not planning strategically for this. Mr Angus said there had to be a shift in resources, and the Council were in full knowledge of where that had to come from. He said that these proposals illustrated how the Council was focussing on vulnerable people in the community to raise a minimal amount of money, however the Council had to take a decision. Mr Angus said that he could have more sympathy with Mr Eunson's motion if he included where he thought the money should come from, for example, for the Council to make a request to the Charitable Trust to fund the matter until it got sorted. He added that the Council's first mistake had been to agree to a 5% cut across the board.

Mrs I J Hawkins sought clarification from Mr Eunson that his motion would mean that there would be no charges for anybody. Mr Eunson confirmed this.

Mr J P Nicolson moved that the Council approve recommendations 8.1, 8.2, Option 4 of 8.3, and 8.4 and 8.5. Mr W N Stove seconded.

Mrs B Cheyne gave notice of a further amendment.

Mr L Angus gave notice of a further amendment.

Mr F Robertson said that if there was to be a reduction in the amount of funding coming in, there would have to be prioritisation of the services. He said that if Mr Eunson could recommend a source of plugging the gap, that would be some sort of answer for that reduction.

Mr B P Gregson said there seemed to be little distinction between thinking on personal care and domestic care. He said that personal

care was a degree more significant and important in terms of people's ability to be maintained in their homes, rather than domestic care. However, he said that it could also be very important. Mr Gregson went on to say that he felt that there was a tremendous opportunity to go back to where things were in the past, where domestic care was done by friends, neighbours and relatives. He asked if there was any potential for any of the elements of social work services to be done by volunteers, such as the WRVS or SWRI, rather than by trained social workers.

In summing up, Mr J P Nicolson said he had sympathy for the point that Mr Eunson was making. He said the rationale was easy to understand, but it did not go far enough as to how it would meet the shortfall. He said it was often the view that the Council had plenty of money and whilst that may be true, it was misleading, as it was all committed. Mr Nicolson said that to take on additional burdens would mean that by 2016 the Council's reserves would be depleted. He said that sustainability was very critical, and the Council had to learn to respond to where the need is greatest. Mr Nicolson concluded by saying that, given the reality of the situation, the motion in its present form would threaten the position of the most vulnerable.

Mr C Eunson said that the Council had an excellent set up of care homes. He said that individual's finances were taken into consideration, and with charges of £400 per week, when their money is finished, they were not thrown out, and everything was set in their lap, but quite rightly so because the Council could do it. He said that employing 3 additional staff - 2 full time and 1 part time – the Council would take in only £67k. Mr Eunson said that he did not think this was necessary at all, and there should be some other way of funding it.

Mrs I J Hawkins called for a roll vote and was supported by Mr T W Stove. A show of hands indicated 10 Members in favour, and none against.

Accordingly, voting took place by roll call vote, and the result was as follows:

Motion (C B Eunson)	Amendment (J P Nicolson)	Abstained
C B Eunson R G Feather L G Groat I J Hawkins J H Henry J A Inkster J G Simpson T W Stove	A J Cluness F B Grains W H Manson J P Nicolson W A Ratter F A Robertson W N Stove	L Angus B Cheyne B P Gregson J C Irvine E J Knight

8	7	5
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Mrs B Cheyne moved as a further amendment that the recommendations be approved and that in respect of recommendation 8.2, that option 2 be approved, namely that no personal care charges be levied. Mr J Henry seconded.

Voting again took place by roll call vote, and the result was as follows:

Motion (C B Eunson)	Further Amendment (Mrs B Cheyne)	Abstained
C B Eunson R G Feather L G Groat I J Hawkins J A Inkster J G Simpson T W Stove	B Cheyne A J Cluness F B Grains B P Gregson J H Henry J C Irvine E J Knight W H Manson J P Nicolson W A Ratter F A Robertson W N Stove	L Angus
7	12	1

Mr L Angus moved as a further amendment that the Council does not extend the charges as outlined in this report and requests the charitable trust, for this year only, for the sum to meet the 5% gap in the social care budget. He clarified that the proposals for charges be set aside and a request be made to the charitable trust as a one off. Mr J C Irvine seconded.

Voting took place by a roll call vote, and the result was as follows:

Motion (Mrs B Cheyne)	Further Amendment (L Angus)	Abstained
B Cheyne A J Cluness F B Grains B P Gregson J H Henry W H Manson J P Nicolson W A Ratter W N Stove	L Angus C B Eunson R G Feather L G Groat I J Hawkins J A Inkster J C Irvine E J Knight F A Robertson J G Simpson	

	T W Stove	
9	11	

Accordingly, the further amendment by Mr L Angus, seconded by Mr J C Irvine, was adopted, namely that the Council does not extend the charges as outlined in the report, and requests the Shetland Charitable Trust, for this year only, for the sum required to meet the 5% gap in the Social Care budget.