

Michael McMahon
Chair
Scottish Parliament Petitions Committee

Monday 30th November 2015

Dear Michael

Thank you for one more opportunity to address the Petitions Committee on this matter.

From the outset; and before deliberating over figures; we would like to remind Committee members that community care charging, per se, is considered by many not only to be socially unjust, but results in the continued dependency and poverty of those who are required to pay it. For many, the charge can exceed over 80% of their income, leaving little to maintain their quality of life. Our aim remains the same - the total abolition of care charges.

However, we did find the latest response from the Cabinet Secretary to be helpful in showing that the Scottish Government is seriously considering how to resolve the issues around social care charges for non-residential social care but feel they have poorly served the Committee in terms of the financial information that has been supplied.

We will turn to their financial figures included in the letter shortly, but first we want to comment on the continuing suggestion that the "COSLA working group is the proper place for resolving these problems." We continue to find it hard to believe this group can deliver real change when it lacks accurate figures of how much income is generated by care charges. We now believe that the income received has been over stated by at least £10 million annually and possible much more for many years.

For over 5 years, our members have raised concerns about the veracity of COSLA figures for the amount of income collected in non-residential social care charges. For example, one local authority, Glasgow, claims to raise over £16 million annually. The next nearest is South Lanarkshire with only a slightly smaller population but raising just £2 million. Our concerns that the Glasgow figure could not possibly be correct were raised with senior local authority finance people but nothing was done.

New information received by the Learning Disability Alliance Scotland in the last few weeks shows that Glasgow's self-directed support care management information software, CareFirst 6, wraps up individual contributions along with their Independent Living Fund monies and declares it as a single contribution from each client.

Senior Glasgow finance staff have now confirmed that the ILF contributions of 254 clients with a learning disability, a total of £5.3 million are included in their figures for income from care charges. And there are a further 310 service users in Glasgow with physical disabilities who receive ILF and whose ILF is similarly treated within the financial figures. This means that at least £10 million and

possibly as much as £14 million¹ of ILF monies have been declared as income from non-residential social care charges by Glasgow for at least the last 6 years. **Actual income from care charges in Scotland's largest city may be only £2-3 million per year rather than the £16 million claimed in the last financial year.**

According to OLM, the company responsible for this software, a further 13 Scottish councils use the CareFirst system ranging from Highlands to East Dunbartonshire. As a result there is a possibility that the COSLA figure for income from care charges is further inflated by the inclusion of ILF funds in this part of the local government finance statistics from other areas.

Our continuing failure to get an answer from COSLA to questions such as this is why we think returning to the working group would be a waste of our time. If COSLA had been serious about resolving the challenges of care charges, they would have started with accurate figures of what was raised.

Secondly the Committee may already know that the Scottish Government has agreed to earmark £16 million from Carers Bill resources for the cost of replacement care, which would normally be a charge on the person with care needs. This will mean that carers will no longer have to pay charges for any service agreed as being delivered for their benefit through Adult Carer Support Plan.

Further detail is available in a letter sent to the Finance Committee from the Minister of Sport, Health Improvement and Mental Health². This letter identifies £10 million to offset respite charges and £5 million to offset day care charges. These amounts are exactly the same as the total income from charges for these services declared by all local councils in Scotland last year. That doesn't mean that charges have been ended for these services but now where carers are able to have such services included in an ACSP then charges will be waived.

There is still a lot of confusion about what this will mean in practice but it may be that over time most of the respite and day services that are of "dual benefit" will eventually become of "benefit to carers" as "replacement care".

We think that much of this £16 million, perhaps as much as £10 million will reduce the cost of the current charging regime as carers use the "Carers Assessment" to have services reclassified as being delivered for their benefit. Such decisions make sense in increasing the overall household income for many struggling families. The rest will go towards meeting the full cost of new replacement care services.

The decision to end charges for carers has been made because carers provide vital support in helping many disabled people or people with long term conditions. But don't disabled people also work hard to support and develop their own skills so they can become more independent? It seems churlish of the Scottish Government to acknowledge the contribution of carers by ending care charges and not to do the same for "self-carers".

We now want to turn to the financial figures included in the Scottish Government's letter.

¹ <http://www.glasgow.gov.uk/councillorsandcommittees/viewDoc.asp?c=P62AFQDXNT0GUTZL> – this report notes that £14.5 million is received by service users in Glasgow from the ILF. But we believe the figure involved in this error is lower as many pre 1993 ILF users are not known to local authorities.

² http://www.scottish.parliament.uk/S4_FinanceCommittee/General%20Documents/Letter_from_Minister_to_Convener_26.10.15.pdf

Firstly we simply do not agree that the current net cost of ending social care charges is £55 million. It is our understanding that this figure is taken straight from the forthcoming local government finance statistics due to be published in February 2016.

1. We have in a previous paper demonstrated the cost of collecting care charges in Scotland is between £7.5 and £12.5 million pounds spend on social work staff carrying out financial assessment, finances staff collected and recording payments and debt management officers chasing the thousands who cannot afford to pay.
2. Above we suggest that at least £10 million of this £55 million is double counted money from the Scottish Independent Living Fund.
3. And there is some of the £16 million put aside for the waving of care charges for carers based "on current levels of social care charging".

Respectfully we would suggest that the Scottish Government's figure of £55 million should be recalculated taking these numbers into account. This would put the current cost of ending social care charges at a more realistic figure of between £20-25 million. This is hardly a huge sum in terms of the current underspend in Scottish Government budgets.

Secondly we are surprised to see the Scottish Government suggest that ending care charges might lead to additional costs of £300 million per year. This is SIX TIMES their inflated current cost of care charges!

We now understand that the work of Professor Bell of Stirling University did not inform this calculation and have received further information from the Scottish Government about how they arrived at their figures.

We have tried to reverse engineer their figure of £300 million (or £330 million as it has risen to in their later letter to us) to see how they could have arrived at it. It would appear that there is an expectation thousands more people would ask for and get social care than currently do so.

These would have to be people currently eligible for social care as local authorities have strict eligibility criteria that they have no plans to alter. No one would become more eligible for services just because of the ending of care charges. Any extra demand would have to come from people who currently feel unable to take social care or even to apply for it from local authorities because of the policy of charging.

The Scottish Government figure is based on a complicated piece of maths which we have deconstructed and included full details in the annexe to this letter.

Their principal point is that currently 75% of people over 65 who get High Rate DLA or Attendance Allowance get social care and that if social care was free for people under 65 then that proportion would rise at a similar level. This would mean that there was a current 'unmet need' of 5,200 people not getting social care.

We think that there is a serious error in the Scottish Government analysts' figures. They are saying that it will cost £55 million to end care charges for 27,240 known people but £330 million to end care charges for 5,200 unknown people. Common sense should say this could not be possibly correct.

If they are meaning the full cost of services for these 5,200 people then this is also easy to calculate. To arrive at a figure of £300-330 million a quick bit of arithmetic tells us that each person would

need to receive a care package in excess of £60,000 per year. This is more than twice the cost of an average care home place in Scotland.

The average cost of a home care package is only about £7,000 per year. And this group of 5,200 is very likely to be more able than average as they are currently managing without social care input.

Even this is not the full story as while the introduction of Free Personal Care saw an immediate jump in number of people getting home care, the number of people peaked in 2007 and then began to fall steadily until we now have less people receiving home care than before the introduction of the FPC policy. Lying behind this is the introduction in the mid-2000s of stricter local authority Eligibility Criteria to ration service to only those in greatest need. This will apply whether social care is free or not.

So while there may be 5,200 people who might want social care and might even ask for it, it is unlikely that they will get past the gatekeepers of 21st century social work. We suspect that the introduction of this additional cost of £300 million is based more on the politics of justifying forthcoming proposals than on illuminating debate. We think the Petitions Committee deserves better than such “back of the envelope” estimates.

We think poorly supported figures such as these presented by the Scottish Government do not help the debate and would again ask the Petitions Committee to approach the Scottish Government to either share their full research or to withdraw these figures.

Yours Sincerely

Jeff Adamson

Scotland Against the Care Tax