

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Finance and Resources
<b>DATE</b>	06 August 2025
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Contributing to Your Care and Support (Adult Social Care (Non-Residential) Charging Policy 25-26.
<b>REPORT NUMBER</b>	ACHSCP/25/180
<b>EXECUTIVE DIRECTOR</b>	Fiona Mitchelhill (Chief Officer, ACHSCP)
<b>CHIEF OFFICER</b>	Claire Wilson (Chief Social Work Officer, ACHSCP)
<b>REPORT AUTHOR</b>	Sarah Gibbon (Transformation Programme Manager)
<b>TERMS OF REFERENCE</b>	2.1.5

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### 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to present to the Committee a revised Charging Policy for adult non-residential social care services for its approval.

### 2. RECOMMENDATION

That the Committee:-

- 2.1. Approve the 'Contributing to Your Care and Support – Adult Social Care (Non-Residential) Charging Policy 25-26 and agree that it should be implemented as of 01 April 2026;
- 2.2. Agree that a taper of 67% will continue to be applied to an individual's personal allowance in the application of charges; and
- 2.3. Agree an initial percentage charge on the chargeable elements of an individual budget of 70%, rising 10% each financial year, before reaching an 100% charge in 2029-30.

### 3. CURRENT SITUATION

- 3.1. This report is presented to the Finance & Resources Committees as the approval of the annual fees and charges relating to the Charging Policy remains with the Local Authority. The relevant fees and charges were approved in the annual budget paper (Schedule of Fees and Charges). The Chief Officer of the Aberdeen City Integration Joint Board has powers delegated from Aberdeen City Council to impose and recover charges in respect of non -residential social care services (and has collaborated and contributed to the revised policy) however, the authority to approve the policy setting out the mechanisms for charging and any eligibility criteria, sits within the remit of this committee.

- 3.2. The current 'Contributing to Your Care and Support' Charging Policy was approved by the Finance and Resource Committee at its [meeting on 07 August 2024](#).
- 3.3. The Charging Policy provides a fair and transparent framework for the application of charges that an individual may be subject to depending on the social care services that they use, their personal circumstances, their income and any assets that they might have.

#### Individual Budgets & Flexible Delivery of Social Care

- 3.4. The most important change in the area of social care charging is a strategic and legislative move towards 'Individual Budgets'<sup>1</sup>. Most local authority areas are now applying this method.
- 3.5. This method removes the need to create charges per service and instead uses actual costs for the different types of support provided and considers the whole cost of the care package for a person. Individual budgets are based on actual cost of service delivery. Current charges are subsidised. This is demonstrated by the difference between the actual cost of services delivered and the current charge for a service in Aberdeen City.
- 3.6. The method then considers what aspects of that package are chargeable and / or non-chargeable<sup>2</sup> (based on set criteria), and whether they are included in an individual budget. Generally, services which are subject to eligibility criteria are included within an individual budget (for example housing support) and services which are not subject to are not included within an individual budget (for example community alarms)
- 3.7. A charge, or client contribution, is then applied based on the chargeable elements and is subject to financial assessment. The policy at appendix 1 provides details on the chargeable elements and the financial assessment process.
- 3.8. This model is in line with the expectations for flexible delivery of social care under the Social Care (Self-directed support) (Scotland) Act 2013. Elements of this approach are already in place within Aberdeen City, particularly for Self-Directed Support Options 1 (Direct Payment) and 2 (Individual Service Fund).
- 3.9. An illustration of the difference from a client's perspective between the old policy and this new policy, demonstrating the increased simplicity, is included below:

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<sup>1</sup> Sometimes referred to interchangeably as 'personal budgets'

<sup>2</sup> For example, personal care is free in Scotland and therefore not chargeable

2024 Policy ('old' policy)		2025 Policy ('new' policy)	
<b>Community alarm charge</b>	Invoiced annually	<b>Community alarm charge</b>	Invoiced annually
<b>SDS Option 1 Contribution</b>	Paid directly into pre-payment card by the client	<b>Individual budget charge (inclusive of housing support, transport and daycare charge)</b>	one invoice monthly
<b>Housing support charge</b>	Invoiced monthly		
<b>Transport charge</b>	Invoiced monthly		
<b>Daycare charge</b>	Invoiced monthly		

3.10. The move to individual budgets has the potential to affect every individual with a care package which includes chargeable elements in Aberdeen City. Aberdeen City currently delivers 3,100 care packages to 2,800 individuals<sup>3</sup>.

#### Subsequent Changes to the Charging Policy

3.11. As a result of the move towards Individual Budgets, a more robust and detailed 'Charging Policy' is required to reflect these commitments. Key changes include:

- a) Amendments to allow move to an individual-budgets approach; and processes outlined by Self-Directed Support Option;
- b) Amendments to charges including moving day opportunities (day care) and transport from flat rate to financially assessed charges, included within an individual budget; and
- c) Inclusion of detail relating to application of charges; financial assessment process and implementation process to provide a more thorough and robust policy with practical use for workers (and the public)

3.12. Approval of this revised Charging Policy will provide a continuation of a fair and transparent charging framework for our social work and finance colleagues to implement consistently. It will also provide the framework for the development work required to operationalise individual budgets, for example how we configure our information systems to support delivery and how we communicate with our clients about the changes.

3.13. The proposed local Policy is underpinned by national strategy and guidance produced by COSLA which is refreshed on an annual basis. As such, the proposed local Policy should also be subject to annual review.

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<sup>3</sup> However, if standard sheltered housing is removed from these figures, it is 953 packages provided to 833 people.

### Decisions for the Committee

- 3.14. A key decision for the committee relates to the agreement of two key elements of the approach to how charges are calculated.

#### **Determining the Personal Allowance Taper**

- 3.15. This is a taper which is applied at client level through the financial assessment process. A personal allowance the guaranteed minimum amount of income to cover living costs such as food, clothing and utilities. A taper is then applied to excess income above this allowance to determine an individual contribution to charges.
- 3.16. For Aberdeen City, this is set at 67% of available income. This means an individual will never be charged more than 67% of their available income as a contribution towards the cost of their individual budget.
- 3.17. This paper proposes maintaining the taper at 67%.

#### **Setting the % charge on the chargeable elements of a personal budget**

- 3.18. This is applied at individual budget level. In other words, this is the maximum percentage of the cost of the care package (individual budget) which the client is expected to pay. This can be 0% up to 100%.
- 3.19. A decision needs to be made on what this % is set at. Many HSCPs have adopted a 'full cost recovery' approach to apply a 100% charge (often with phased implementation)
- 3.20. This paper proposes that Aberdeen City starts at 70%<sup>4</sup> and increase gradually (already applied to SDS Options 1 & 2).

<b>Financial Year</b>	<b>% Charge on Chargeable Elements of Individual Budgets</b>
<b>2026-2027</b>	70%
<b>2027-2028</b>	80%
<b>2028-2029</b>	90%
<b>2029-2030</b>	100%

### Engagement & Consultation

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<sup>4</sup> This % is already applied to Self-Directed Support Options 1 (direct payment) and 2 (individual service fund)

- 3.21. Development of this revised policy has drawn on existing engagement including:
- Consultation & engagement exercises undertaken developing 2024 policy.
  - ACHSCP Budget Consultation 2025-26
  - ACHSCP Strategic Plan Consultation 2025-26
  - Conversations & feedback during implementation of 2025-26 charge increases.
- 3.22. The consultation and engagement exercises undertaken in developing the 2024 policy ensured that the mitigations involved in the financial assessment process are robust.
- 3.23. The key learning from these exercises demonstrates that there is a general awareness and understanding of the need to apply charges for some social care services, particularly when contributing to services in this way can help to protect the continued delivery of the service.
- 3.24. Feedback also helped to understand fully the complexity of the current charging landscape, with some individuals receiving multiple charges and different billing methods / periods. The move to individual budgets as outlined in this report and the associated policy will streamline this, reducing complexity for individuals.
- 3.25. However, a consistent theme within the feedback shows the need for charges to be applied fairly, and any increases to charges to be applied in a gradual way, with small increases applied year-on-year rather than in one go. This has resulted in the proposal to increase the chargeable element of an individual budget gradually, moving from an initial 70% towards 100% over a number of years.
- 3.26. This paper and policy is presented to the Finance & Resource Committee in August 2025 to allow for the implementation phase to deliver a further robust communications and engagement plan with individuals and service providers to ensure that they are aware of the changes and how it may impact them, before the policy is operational for the new financial year on 01 April 2026.
- 3.27. This revised policy applies to adult non-residential social care services only. It will impact on certain young people as and when they transition to adult social work services. Effective planning and preparation will ensure that these individuals and their families have a positive transition experience and that all known and potential impacts have been highlighted and explained to them. A multi-service working group to help improve the transition experience continues to meet regularly.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1. The consistent implementation of this revised Charging Policy should ensure that all eligible adults who use a chargeable non-residential social care service are asked to make a financial contribution (flat rate or assessed amount) towards the cost of providing that service.

- 4.2. There are no direct financial implications arising from the recommendations of this report to the Council's cost base or functions, however there are indirect implications for the financial sustainability of Aberdeen City Health & Social Care Partnership, to which the Council delegate a significant budget to each financial year.
- 4.3. There are no implications for the ACHSCP Budget for 25-26 as the assumed increase in income generation was based on increases to existing charges. For future financial years, application of the charging policy and proposed % of the chargeable elements of the individual budget will increase the income from the non-residential charging policy.

## 5. LEGAL IMPLICATIONS

- 5.1. The Social Work (Scotland) Act 1968 section 87 provides the statutory authorisation for social care charges to be put in place
- 5.2. Approving the recommendations of this report will help Aberdeen City Council discharge its duties under the Social Care (Self-directed support) (Scotland) Act 2013, relating to the flexible delivery of social care services.

## 6. ENVIRONMENTAL IMPLICATIONS

- 6.1. There are no direct environmental implications arising from the recommendations of this report.

## 7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H)  *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
<b>Compliance</b>	Risk that this revised policy is not fully implemented	Engagement with staff to raise awareness of new revised policy with improved processes.	L	Yes
<b>Operational</b>	As above	As above	L	Yes
<b>Financial</b>	Risk to individuals of the affordability of care Risk to social work income generation	Local policy developed in line with national Guidance.  Financial Assessment has significant mitigations in place	L	Yes

## 8. OUTCOMES

- 8.1. In directly, this will have a positive impact on the Council Delivery plan: The ACHSCP Strategic Plan and ACC's Delivery plan are both evidence based Strategic Plans from Aberdeen City's population needs assessment and has been aligned to the Social Determinants of Health. Health and Social Care, Economic Sustainability, Communities and Housing, Children, Families and Lifelong learning, Neighbourhood and Environment.
- 8.2. “*Implement an Individual Budget approach to the charging of social care*’ was specifically outlined as an enabling action within the commitment to ‘Modernise Our Approach to Service Delivery’ and the strategic priority of ‘Make Best Use of Resources’.

## 9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Previous <a href="#">Integrated Impact Assessment</a> relating to the Contributing to Your Care policy has been reviewed and changes made.
Data Protection Impact Assessment	Not required.
Other	Not required.

## 10. BACKGROUND PAPERS

- 10.1. [COSLA National Strategy & Guidance - Charges Applying to Social Care Support for people at home 25-26](#)
- 10.2. [Finance & Resource Committee Paper 07 August 2024 - Contributing to Your Care and Support – Adult Social Care \(Non-Residential\) Charging Policy - ACHSCP/24/220 \(page 253-266\)](#)

## 11. APPENDICES

- 11.1. **Appendix 1** – Contributing to Your Care & Support – Adult Social Care (Non-residential) Charging Policy

## 12. REPORT AUTHOR CONTACT DETAILS

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