

Circular No. CCD 2/2013

Directors of Social Work
Chief Executives of Local Authorities
Directors of Finance of Local Authorities
COSLA
ADSW
Other Organisations – see Annex 1

April 4, 2013

Dear Colleague

GUIDANCE ON CHARGING FOR RESIDENTIAL ACCOMMODATION

Summary

1. Two sets of regulations made under the National Assistance Act 1948 will come into force on April 8, 2013. This Circular provides information on the content of the regulations. In particular it:
 - confirms the revised Personal Expenses Allowance (PEA) of £23.90 from April 8, 2013 for local authority supported residents of care homes – **Annex 2 refers**; and
 - confirms further amendments to the financial assessment for residential care from April 8, 2013 – **Annex 3 refers**.
2. The regulations referred to in this circular are:
 - The National Assistance (Sums for Personal Requirements) (Scotland) Regulations 2013 (**SSI 2013 No.40**); and
 - The National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2013 (**SSI 2013 No.41**).
3. Copies are available from TSO (telephone 0870 600 5522) or can be accessed on the Scottish Statutory Instruments section of the Office of Public Sector Information Website at: <http://www.opsi.gov.uk/legislation/scotland/s-stat.htm>
4. A revised version of the Charging for Residential Accommodation Guidance to reflect these changes will be issued under a separate circular.

Action

5. Local authorities should note the new rates for 2013 for PEA, Capital Limits and Savings Disregard which take effect from April 8, 2013.

Enquiries

6. All enquiries relating to this circular should be addressed to George Whitton at the above address or by telephone on 0131 244 5403, or by emailing george.whitton@scotland.gsi.gov.uk.

7. This circular is also available on Scottish Health on the Web at: <http://www.show.scot.nhs.uk/sehd/ccd.asp>

Yours sincerely

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Circular Copied to:

Age Scotland
Alzheimer Scotland - Action on Dementia
ARK Housing Association
Association of Directors of Social Work
Audit Scotland
Bield Housing Association
BUPA
Camphill Scotland
Capability Scotland
Care Commission
Care Information Scotland
Carers Scotland
Citizens Advice Scotland
Community Care Providers Scotland
Cornerstone Community Care
Counsel and Care
CrossReach
Crossroads Scotland
COSLA
Equality and Human Rights Commission
The Scottish Housing Regulator
ELCAP Ltd
ENABLE
People First Scotland
Quarriers
RNIB Scotland
RNID Scotland
Salvation Army
Scottish Care
Scottish Churches Parliamentary Office
Scottish Consortium for Learning Disabilities
Scottish Council for Voluntary Organisations
Scottish Council on Deafness
Scottish Federation of Housing Associations
Scottish Older People's Helpline
Scottish Pensioners Forum
SCSWIS
Housing Support Enabling Unit
The Abbeyfield Society for Scotland Ltd
The Scottish Community Care Forum
The Scottish Housing Regulator
United Kingdom Home Care Association
Update
Values into Action Scotland

**NATIONAL ASSISTANCE (SUMS FOR PERSONAL REQUIREMENTS)
(SCOTLAND) REGULATIONS 2013 (No.40)**

Legal basis

1. Under section 22(4) of the National Assistance Act 1948, in assessing a resident's ability to pay for residential accommodation, local authorities are required to allow the resident an amount for personal expenses. This amount is usually increased each April at the same time as Social Security benefits are updated.

2. The standard amount of the Personal Expenses Allowance (PEA) is specified each year in the National Assistance (Sums for Personal Requirements) (Scotland) Regulations. It is the same for all residents, whether they are placed in a local authority or independent sector care home.

New PEA Amount from April 8, 2013

3. The revised PEA of £23.90 applies to all residents in care homes receiving help from local authorities towards the cost of their care over and above free personal and nursing care

4. Local authorities are reminded that the PEA should not be spent on aspects of board, lodgings and care that have been contracted for by the local authority and/or assessed as necessary to meet individuals' needs by the local authority and NHS Scotland. In this regard, local authorities should ensure that an individual resident's need for continence supplies or chiropody is fully reflected in his or her care plan. Neither local authorities nor providers of residential care have the authority to require residents to spend their PEA in particular ways, and should exert no pressure of any kind.

5. Local authorities are reminded that, under the Assessment of Resources Regulations, individuals must be left with the full value of the PEA. It is then up to each resident to determine how the PEA is spent. This does not preclude residents buying extra services from the care home where these are genuinely additional to those services that have been contracted for by the local authority and/or have been assessed as necessary by the local authority or NHS Scotland. Nor does it preclude arrangements agreed between the resident and the care home, particularly where the care home manager is acting as an agent or appointee on behalf of the resident, for the PEA received by the resident to be reduced on an occasional or routine basis for the purchase of additional services. Local authorities are also reminded that under section 22(4) of the National Assistance Act they have the power to increase the PEA in individual cases. This will be particularly important for residents where certain activities or services, although not specifically included in their care plan, can nevertheless contribute significantly to optimum independence and well being.

**NATIONAL ASSISTANCE (ASSESSMENT OF RESOURCES) AMENDMENT
(SCOTLAND) REGULATIONS 2013 (No.41)**

Capital Limits

1. From April 8, 2013 the upper and lower capital limits in residential care charging are increased from £15,250 (lower) and £24,750 (upper) to £15,500 and £25,250 respectively. These increases are in line with inflation and maintain the value of individuals' capital in real terms against which authorities raise charges, effectively making this a cost-neutral change.

Savings Disregard

2. The Savings Disregard was introduced in October 2003 in response to the Savings Credit element of Pension Credit. From April 8, 2013 the maximum Savings Disregard are increased from £5.80 to £5.90 for single people and from £8.70 to £8.85 for couples.