



**FOR PUBLICATION**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**15 June 2023**

**Report of the Executive Director - Adult Social Care and Health**

**Proposal to Consult on Changing the Charging Policy for Local Residents in Receipt of Adult Social Care Support in the Community**

**(Adult Social Care and Health)**

**1. Divisions Affected**

Countywide.

**2. Key Decision**

2.1 This is a key decision because, if the proposed changes are made, it is likely to:

- a) result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned.
- b) be significant in terms of its effect on communities living or working in an area comprising two or more electoral areas in the County.

**3. Purpose**

3.1 Cabinet is asked to approve the undertaking of a public consultation, including consultation with local residents and their carers/ families who are receiving Adult Social Care support in the community on:

a) Three options concerning a proposal to update and change the current Co-Funding Charging policy for Adult Social Care.

b) The current Disability Related Expenditure process

3.2 Charging for Adult Social Care has been in place since it was created in its present form and charging regulations exist <https://www.legislation.gov.uk/uksi/2014/2672/contents>

#### **4. Information and Analysis**

4.1 This report outlines three options for consultation on how the Council proposes to change the current charging policy for local residents in receipt of Adult Social Care support in the community. This includes the proposal to consult on the current Disability Related Expenditure process. If implemented, none of the options would impact any local resident receiving Adult Social Care support whose home is within a residential or nursing placement setting.

4.2 The Council is committed to achieving good outcomes for local residents who require Adult Social Care support; recognising that local people want to remain living in their own homes, wherever possible, for longer. The Council is keen to offer support which promotes independence and offers local residents choice and control over this support. The offer of Adult Social Care support must be sustainable and equitable.

##### National Context

4.2 Adult Social Care is proportionally the largest direct spend area for most County Councils. The financial challenges facing Local Authorities are widely publicised. There continues to be a rising demand for Adult Social Care support which is set to continue with an ageing population and positive medical advances ensuring people can live longer with long-term complex health conditions. Coupled with this are external forces impacting budgets. Local Authorities are having to consider and make difficult decisions about where they can relieve budget pressures to continue to deliver essential services.

4.3 Local Authorities are required to provide certain functions under the Care Act 2014 relating to Adult Social Care support. These include ensuring local residents:

- Receive support that prevents their care needs from becoming more serious, or delays the impact of their needs
- Can get the information and advice they need to make good decisions about care and support
- Have a range of provision of high quality, appropriate services to choose from

- 4.4 Under the Care Act 2014, Local Authorities can choose whether to charge for Adult Social Care community support provided to meet eligible needs, except where it is required to arrange care and support free of charge (for example under section 117 where people receive free aftercare following compulsory detention in hospital under the Mental Health Act).
- 4.5 Under sections 9 and 10 of the Care Act 2014, Local Authorities have a duty to undertake an assessment of any adult with an appearance of need for care and support, or any carer with an appearance of need for support, regardless of their financial situation or whether the authority thinks that the individual is eligible for support. This is to determine if they meet the eligibility criteria. If the person is deemed to have eligible needs which the Local Authority subsequently meets, the person will have a financial assessment undertaken.
- 4.6 The regulations issued under the Care Act 2014 set the current levels of capital (savings and assets) a person can have whilst qualifying for financial support from their local authority. The current capital limit is £23,250. People with capital between £14,250 and £23,250 are charged a tariff income of £1 for every £250.
- 4.7 The capital limits described above are mandatory for care home residents but for adults receiving care and support in the community, local authorities can set a higher upper capital limit, a higher tariff income and a lower financial contribution rate.
- 4.8 When carrying out a financial assessment, local authorities follow the rules on the treatment of income and capital laid down in The Care and Support (Charging and Assessment of Resources) Regulations 2014 and in compliance with the Care Act 2014 and the statutory guidance.
- 4.9 People receiving local authority-arranged care and support other than in a care home need to retain a certain level of income to cover their living costs. Under the Care Act 2014, charges must not reduce people's income below a certain amount, but local authorities can allow people to keep more of their income if they wish. This is a weekly amount and is known as the Minimum Income Guarantee (MIG). The

rates of the MIG are set annually and the current rates may be found [here](#).

- 4.10 There are also welfare benefits available outlined in Appendix 3 which can assist towards the cost of Social Care Support.
- 4.11 Set on the national criteria sometimes the person will pay the full cost, sometimes the cost will be shared between the person and their Local Authority and sometimes the Local Authority will pay the full cost.
- 4.12 There is a national statutory framework taking into account extra expenditure that people incur in relation to disability or ill health, known as Disability Related Expenditure. A local authority can take this expenditure into account in financial assessments to make sure that people who pay towards their care and support have enough money to live on. Where a person feels the additional cost of Disability Related Expenditure is over and above that already allowed in the contribution determination, they are entitled to an individual assessment of their disability related expenditure. The purpose of this review is to establish whether a full or partial reduction in the contribution would be appropriate.
- 4.13 In contrast to the NHS where services are generally free, charging for Adult Social Care is not a new concept and a significant number of people across the Country pay towards the cost of their care and support, as all Local Authorities charge a contribution.

#### Current Derbyshire context

- 4.14 Charging for people receiving Adult Social Care support in the community was first introduced in Derbyshire in 2011. The Council has an Adult Social Care Charging Policy which sets out the charges that apply for those receiving Adult Social Support. Under this policy, the Council charges for care and support provided and carries a financial assessment to determine the amount an individual will contribute towards the cost of their care and support.
- 4.15 The last significant change to the charging policy occurred in 2014 following a public consultation and a Cabinet decision (please see background papers).
- 4.16 The current charging policy is as follows:
  - Residents in Derbyshire who receive social care support in residential or nursing placements:

- Self-fund their care if they have savings above the upper capital limit of £23,250.
- For those who have savings between the £14,250 and £23,250 they are charged tariff income of £1 for every £250 along with a client contribution based on weekly income.
- For those who have savings below £14,250 they are charged a contribution based on just their income.

This is in line with the mandatory capital limits set for those people receiving social care support within a residential or nursing home.

- Residents in Derbyshire who receive social care support in the community:
  - Self-fund their care if they have savings above £50,000.
  - For those who have savings of less than £50,000 and are in receipt of a benefit or allowance specifically made available for an assessed care/support need, such as Attendance Allowance (AA), Disability Living Allowance (DLA) or Personal Independence Payment (PIP), the maximum amount they contribute towards their care is £51.07 (75% of the benefit) per week or less.
  - Tariff income is calculated at £1 for every £500 but people are not charged tariff income. It is applied solely to calculate if their income is of a high enough level to make a contribution towards their care costs.

The Council also operates a Disability Related Expenditure process.

4.17 The Council has, to date, decided to charge less to those people receiving social care support in the community than the national guidance as set out in paragraph 4.6 and has a higher upper capital limit of £50,000 rather than £23,250.

4.18 There are approximately 6,153 Derbyshire residents who receive social care support in the community from the Council where a financial assessment has been completed to calculate their contribution. Under the current policy, for the 2023/24 financial year the most a person can be charged per week is £51.07, the maximum charge set by Derbyshire County Council. The projected income for

this financial year is £8.753m with the projected spend on Adult Social Care support being £148.602m.

- 4.19 To help understand the context of charging within Derbyshire a modelling activity was completed against the other nine Local Authorities in the East Midlands region as well as five Local Authorities just over the border of the region. This consisted of compiling a list of questions in relation to their charging policy about how they charge for community support.
- 4.20 The outcome of this activity evidenced in comparison to the other Local Authorities charging policies, not only is Derbyshire the sole authority with an upper capital limit of £50,000 compared to £23,250, the Council is also the only Local Authority, for local residents supported in the community, who:
- do not apply and charge tariff income on capital – all the above Local Authorities charge £1.00 for every £250 weekly for capital between £14,250 and £23,250
  - do not charge against income – all the above Local Authorities charge on any disposable income received above the nationally set minimum income guarantee.
  - place an upper limit of £51.07 on what people contribute towards their social care support – all the above Local Authorities do not have an upper limit on their charges.
- 4.21 For example Nottinghamshire County Council, Nottingham City Council and Leicestershire County Council set the upper capital limit at £23,250, charge tariff income of £1 in every £250 for those people with capital between £14,250 and £23,250 and include a 100% of disposal income, above the minimum income guarantee, within their calculations. These local authorities do operate a Disability Related Disregard in line with national guidance.
- 4.22 The position of the bordering authorities in contrast to Derbyshire County Council indicates how the Council's existing policy is not sustainable. The discretions the Council has exercised has assisted people to only contribute a small amount towards their social care support, even though they could pay more, and has resulted in Derbyshire County Council heavily subsidising social care support for a significant number of residents.
- 4.23 It is also recognised because of the rigid criteria within the existing policy there are circumstances where the policy could appear to be more advantageous to some. For example, within the remit of the policy there

are personal circumstances which could result in some who pay the weekly standard charge of £51.07; a tapered charged (lesser charge than the standard); and those who do not make any contribution towards their care. Therefore, the average amount charged to people is less than the standard charge.

4.24 Due to the increasing demand for Adult Social Care to meet needs for care and support alongside the need to continue to deliver high quality services and within the pressures on the Council's budget, the Council must now consider how to sustainably fund Adult Social Care support. The Council needs to consider how it can ensure social care support will meet the needs of residents, not only now but also in the future. The Council must be able to meet our statutory duties whilst being able to provide support to those who need this the most. The Council is no longer in a financial position to continue to subsidise to the same level the current financial cost of people's care.

4.25 The Council are therefore proposing to update and change the charging policy

- To operate more fairly and equitably when considering charging for people in receipt of Adult Social Care support.
- To align the upper capital limits for Derbyshire residents in residential and community settings.
- To be able to respond sustainably to demand for Adult Care support in the future.

It is important to note as set nationally the home people live in is not counted within their capital (financial assets). The Council will also continue to provide, in line with national requirements, our short term reablement offer free of charge.

- Option One being considered by the Council

To change the charging policy for local residents in receipt of support in the community to:

- The national position concerning the capital limit of £23,250
- The national position concerning charging tariff income of £1.00 in every £250 for those with capital between £14,250 - £23,250

- To charge on 100% of disposable income with a £20 per week Disability Related Disregard (\*subject to the below).

- Option Two being considered by the Council

To change the charging policy for local residents in receipt of support in the community to:

- The national position concerning the capital limit of £23,250
- The national position concerning charging tariff income of £1.00 in every £250 for those with capital between £14,250 - £23,250
- To charge on 90% of disposable income with a £20 per week Disability Related Disregard (\*subject to the below).

- Option Three being considered by the Council

To change the charging policy for local residents in receipt of support in the community to:

- The national position concerning the capital limit of £23,250
- The national position concerning charging tariff income of £1.00 in every £250 for those with capital between £14,250 - £23,250
- To charge on 80% of disposable income with a £20 per week Disability Related Disregard (\*subject to the below)

(\*Under national guidance where a person feels the additional cost related to their disability (Disability Related Expenditure) is over and above that already allowed in the contribution determination, they are entitled to an individual assessment of their disability related expenditure. The purpose of this review is to establish whether a full or partial reduction in the contribution would be appropriate.)

4.26 Alongside the above proposals, to ensure a transparent and accessible approach to Disability Related Expenditure, the Council will also as part of the consultation, consult on the current Disability Related Expenditure process.



4.27 To ensure a standardised approach to charging for clients that live in the community, it is proposed to include the charging for short term residential respite within the revised Co-funding policy.

#### Impact of proposals

4.28 It is recognised many people already in receipt of community support are likely to be financially affected by the proposals and the impact of this is outlined within the Equality Impact Assessment (Appendix 5). The consultation of the Disability Related Expenditure procedure recognises that people with the most severe disabilities are not in the position to supplement benefit income with earning and therefore should be entitled to a higher level of disregard. This disregard must be minded of the additional expenses people occur due to the level of their disability (Appendix 6). However, both option 2 and option 3 outlined above would still ensure Derbyshire County Council operates a policy that offers more than other surrounding local authorities and would continue to assist people, with lower capital and income levels to financially pay for social care support.

4.29 Prior to the introduction of the financial self-assessment tool, BetterOff, a full financial assessment was not required, and a light touch financial assessment sufficed. Therefore, the full extent of those who may be affected is not fully known, however this will become clearer through the consultation period and mitigations will be explored.

4.30 However, to support the Council to understand how people may be affected by any proposed changes, a full financial assessment of 300 new people requesting support from us has been undertaken.

4.31 The projections, based on the sample of 300 cases, identified that if the proposal went ahead people would be affected as follows for all three options:-

Effect	No of People	% of People
Remain at Nil Cost	59	19.7%
From Nil to paying a contribution	37	12.3%
Increase in Charge	160	53.3%
Decrease in Charge	12	4.0%
Become Full Cost Payers	32	10.7%
<b>Total</b>	<b>300</b>	<b>100.0%</b>

4.32 For any new resident approaching the Council a full financial assessment would be undertaken to understand eligibility for financial support:

- If the person has capital above £23,250, they would be a self-funder and therefore the charging policy would not apply as they would be responsible for funding all of their care.
- If the person has capital below £23,250, the charging policy would apply, and a financial assessment would be completed to calculate their charge.
- If the person's assessed chargeable income exceeds the cost of their care package, they would also be responsible for funding all their care.

For all existing residents in receipt of non-residential services a full financial assessment would be undertaken to identify:

- Those who would become self-funders due to having capital over £23,250 or having chargeable income over the cost of their care package; or
- Those who remain eligible for local authority financial support but will need to increase or decrease their contribution amount; or
- Those who would be exempt from charging

4.33 To reduce any uncertainty for people or to help people understand how they may be affected the Council would ensure support available from the finance and social care assessment teams. For example, a person may have an updated care and support plan review completed to help determine the level of care they may require.

4.34 Adult Social Care will continue to promote person centred and strength-based assessments to maximise a person's independence. This may include utilising existing free services such as short-term reablement services where appropriate or other preventative services where appropriate to do so.

4.35 People would be supported to maximise their income. Under national guidance as an integral part of the financial contribution assessment process all people are offered appropriate benefits advice and

assistance from the Council. This is to ensure that a person's income is maximised. The Council would ensure people have access to the best advice and support at the right time for them via the strengthening of our information, advice, signposting and our free short term service support.

## **5. Consultation**

- 5.1 If this report is approved, it is proposed that formal consultation will commence on 3 July 2023 and end on the 30 September 2023. A public consultation exercise would be carried out seeking people's views on the options available.
- 5.2 The Council will support current residents in receipt of community social care support and their carers to understand and engage in the consultation process and the potential implications for them by offering support to participate in the consultation via one-to-one where requested; and provide documentation, tools and resources in other formats to provide accessible information.
- 5.3 Adults Social Care's Stakeholder Engagement Team (SECT) will arrange and coordinate 6 face to face consultations meetings for the general public, residents receiving social care support and their carers.
- 5.4 The SECT team will also arrange and coordinate 5 virtual public consultation meetings.
- 5.5 Interested parties and members of the public will be invited to book a place on one of the face to face meetings or virtual public meetings via publicity and communications.
- 5.6 There will be an online consultation for the public and all Stakeholders to give their views. They would be able to fill in an online questionnaire made available on the county council's website or by sending a letter, via email to [ASCH.Tell.AdultCare@derbyshire.gov.uk](mailto:ASCH.Tell.AdultCare@derbyshire.gov.uk) or via telephone contact for SECT. Stakeholders will be given the opportunity to either email a message or leave a telephone voice mail requesting a call back from a member of SECT. SECT members will then record any feedback via telephone interviews and/or assist participants to complete an online questionnaire.
- 5.7 There will also be available for residents currently in support of social care and their families/ carers affected the use of:

- An online financial self-assessment calculator
- Telephone contact to discuss individual circumstances with social care or finance assessors

This is to ensure people would have an understanding of how their contribution may change if the proposals went ahead prior to offering their views.

## **6. Alternative Options Considered**

6.1 Rule out the possibility of making changes to the existing charging policy for people being supported in the community:

- Adult Social Care spend is approximately 48% of the overall Council Budget.
- Derbyshire's estimated population of 807,183 people in 2020 is a 0.6% (4,490) increase since 2019. The latest ONS Population Projections (2018 based) predict that by 2043 the county's population will increase to 896,100. 22% of people in the county were aged 65 and over in 2018, by 2043 this will increase to 27%.
- Derbyshire County Council raised the Council Tax precept in 2023/2024 by 1.25% resulting in an additional £ 4.7m funding for Adult Social Care however raising the precept to the maximum 2% would have only generated a further £2.7m

This above position is not sustainable.

6.2 Make changes to the charging policy without consultation. This would be unlawful and would expose the council to legitimate legal challenge while at the same time undermining the quality of its decision-making.

6.3 Consult on more or different potential models or changes. The Local Authority is entitled to consult over its chosen proposed financial model but should not limit their consideration of alternative models or changes. The consultation exercise will therefore facilitate the ability for responses to be provided in this regard.

## **7. Implications**

7.1 Appendix 1 - Implications

7.2 Appendix 2 – Glossary of Terms

7.3 Appendix 3 – Current Benefits provided to support Older and Disabled People

7.4 Appendix 4 – Case Studies

7.5 Appendix 5 – Equality Impact Assessment

7.6 Appendix 6 – Disability Related Expenditure Fact Sheet

## **8. Background Papers**

8.1 Cabinet Paper on 17 June 2014- Proposed Changes to Adult Social Care Policies on Transport, Client Contributions and The Eligibility Threshold

8.2 Co-Funding for Non-Residential Care Services

## **9. Appendix**

9.1 Appendix 1 – Implications

9.2 Appendix 2 – Explanation of Terms

9.3 Appendix 3 – Benefits Available

9.4 Appendix 4– Examples of impact if proposal went ahead

9.5 Appendix 5 – Equality Impact Assessment

9.6 Appendix 6 – Disability Related Expenditure

## **10. Recommendation(s)**

10.1 It is recommended that Cabinet:

- a) Approves the programme of formal public consultation for a period of 12 weeks on the three options concerning the proposal to update and redesign the current Co-Funding Charging Policy
- b) Approves the programme of formal consultation for a period of 12 weeks on Disability Related Expenditure process
- c) Receives a further report following the conclusion of the consultation process, including an updated Equality Impact Analysis.

## **11. Reasons for Recommendation(s)**

11.1 The reasons for the recommendation

- a) Proposals to make significant changes in policy, require consultation with the public and those directly affected including people who access support through Adult Social Care, carers, and relevant stakeholders to ensure that their views can be taken into account when a final decision is made. Consultation for 12 weeks is proposed to ensure the Council complies with its legal obligations.

- b) A further report following the conclusion of the consultation is recommended to ensure that Cabinet is fully informed of the outcome of the consultation and Equality Impact Analysis when it makes the decision on the future of the

**12. Is it necessary to waive the call in period?**

No

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**Implications**

**Financial**

1.1 The projected income for the financial year is £8.753m with the projected spend on Adult Social Care support being £148.602m.

1.2 The estimated annual income generated for the three options is as follows:

	<b>Total Annual Income</b>	<b>Addnl Annual Income</b>
Option 1	£20.645m	£11.892m
Option 2	£18.581m	£9.828m
Option 3	£16.516m	£7.763m

**Legal**

2.1 Section 1 Care Act 2014 imposes a general duty on the Council to promote an individual’s well-being whenever exercising any function under Part 1 Care Act 2014. ‘Well-being’ is not defined within the Care Act 2014 and is a broad concept. Section 1(2) lists nine individual aspects of well-being as follows:

- (a) personal dignity (including treatment of the individual with respect);
- (b) physical and mental health and emotional well-being;
- (c) protection from abuse and neglect;
- (d) control by the individual over day-to-day life (including over care and support, or support, provided to the individual and the way in which it is provided);
- (e) participation in work, education, training or recreation;
- (f) social and economic well-being;
- (g) domestic, family and personal relationships;
- (h) suitability of living accommodation;
- (i) the individual’s contribution to society.

2.2 Although the well-being principle applies specifically when the local authority makes a decision in relation to an individual, the Care and Support Statutory Guidance is clear that the principle should also be

considered by the Council when it undertakes broader, strategic functions.

- 2.3 The Care Act 2014 and the Care and Support Statutory Guidance set out the circumstances in which a social services authority can and cannot charge for adult social care. There are circumstances in which a local authority must meet need (a duty) and circumstances in which it can charge (a power). Accordingly, local authorities are permitted to set local policies that offer more than the *minimum* thresholds in the legislation.
- 2.4 The report includes information that decision makers will need to consider regarding the Minimum Income Guarantee (the MIG) and the Disability Related Expenditure (DRE).
- 2.5 The statutory guidance makes clear that a local authority's policy must be sustainable in the long term
- 2.6. Any proposal to make policy changes as significant as those in the proposed alternatives would require the council to have carried out consultation with the public and those directly affected, including service users, their family/carers, staff and relevant stakeholders.
- 2.7 Case law has established minimum requirements of consultation, which are:
  - a) Consultation must be at a time when proposals are at a formative stage;
  - b) Sufficient information must be given to permit a person to "give an intelligent consideration and response";
  - c) Adequate time must be given for consideration and response; and
  - d) The results of the consultation must be conscientiously taken into account in finalising any proposal and provided to the decision maker to inform their decision
- 2.8 In assessing these proposals, the Council should also have regard to the Public Sector Equality Duty (PSED) under the Equality Act 2010.
- 2.9 The PSED requires public authorities to have "due regard" to:
  - The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010 (*section 149(1) (a)*).



- The need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (*section 149(1) (b)*). This involves having due regard to the needs to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it (*section 149(4)*); and
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- The need to foster good relations between persons who share a relevant protected characteristic and those who do not share it (*section 149(1)(C)*).

2.10 The methods and content of the consultation will need to be designed so as to fully reflect the needs of the relevant protected groups, in particular older people and disabled people.

2.11 A further Equality Impact Analysis (EIA) should be prepared during the consultation process reflecting issues that are raised during the consultation process. This should be reported in full to Cabinet and a full copy of the EIA made available to Members in order that any adverse impact along with any potential mitigation can be fully assessed. Cabinet members will be reminded at that time of the need to have careful regard to the conclusions of the EIA.

## **Human Resources**

3.1 None directly arising.

## **Information Technology**

4.1 None directly arising.

## **Equalities Impact**

5.1 The Council has a duty to recognise and mitigate the impact of any changes it proposes upon people in protected groups. The proposals in this report affect people who are currently in receipt of social care support in the community.

- 5.2 Should the Council make a decision to implement changes to the current policy it must take account of the challenges which the people affected by the proposals in this report face, both in terms of participation in the consultation and in seeking to ensuring that the impact of any changes is mitigated if they are to be implemented. Family, and carers will be invited to participate in any consultation that the council decides to undertake, for which advocacy services would be arranged for people who require them.
- 5.3 A full Equality Impact Analysis will be undertaken, and this will be reported to Cabinet on the completion of the consultation on the proposals in this report, should a consultation exercise be approved by Cabinet.

### **Corporate objectives and priorities for change**

- 6.1 In the Council Plan 2021 – 2025 the Council states that listening to, engaging, and involving local people to ensure services are responsive and take account of what matter most to people, as being a core value.
- 6.2 The Council commits to work together with its partners and communities to be an enterprising council, delivering value for money and enabling local people and places to thrive, and to spend money wisely making the best use of the resources that it has.

### **Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)**

- 7.1 As set out in the report.

### GLOSSARY OF TERMS

#### **Capital**

In general capital refers to financial resources available for use. Examples are savings in banks and building societies, money in current accounts, buildings, land, stocks and shares, etc. When assessing a client for contributions towards community-based care the value of the primary residence is excluded, but any other property is included.

#### **Care & Support Plan Review**

When you receive a re-assessment of your needs and you and the people in your life look at whether the services you are receiving are meeting your needs and helping you achieve your chosen outcomes. Changes can then be made if necessary.

#### **Council Plan**

Sets out the vision and aims for the Council and how these are going to be delivered through areas of focus and priority projects.

#### **Digital financial self-assessment calculator**

A method used to work out how much a person's care and support will cost, based on how much assistance you need with daily living. You will be asked about everything that you might need help and support with, and the calculator then works out the cost of providing that help and support.

#### **Disability Related Expenditure (DRE) Disregard**

Some people have to pay for equipment or services or have higher than average outgoings because they have a disability or long-term health condition. These costs may be allowable as DRE when working out how much they need to pay towards the cost of your support arranged by the Council. The council proposes to allow a standard £20 per week for these costs in all cases, but if the client feels this isn't enough to cover their DRE, a higher amount may be allowed based on an individual assessment.

#### **Disposable Income**

The amount of money left after the Minimum Income Guarantee and DRE amounts have been deducted from the client's overall income.

#### **Financial Assessment**

The process where the person's income and expenditure is assessed to calculate the amount of disposal income available against which charges can be levied.

## **Income Maximisation**

Aims to help you achieve your maximum possible entitlement to welfare benefits.

## **Minimum Income Guarantee (MIG)**

Local authorities must ensure that a person's income is not reduced below a specified level after charges have been deducted. The amounts are set out in the Care and Support (Charging and Assessment of Resources) Regulations. The purpose of the minimum income guarantee is to promote independence and social inclusion and ensure that they have sufficient funds to meet basic needs such as purchasing food, utility costs or insurance.

## **Prevention**

Any action that prevents or delays the need for you to receive care and support, by keeping you well and enabling you to remain independent.

## **Preventative Services**

Services you may receive to prevent more serious problems developing. These services include things like reablement, telecare and befriending schemes. The aim is to help you stay independent and maintain your quality of life, as well as to save money in the long term and avoid admissions to hospital or residential care.

## **Short term Service**

A way of helping you remain independent, by giving you the opportunity to relearn or regain some of the skills for daily living that may have been lost as a result of illness, accident or disability. It is similar to rehabilitation, which helps people recover from physical or mental illness. It includes a service for a limited period in your own home that includes personal care, help with activities of daily living, and practical tasks around the home.

## **Tapered Charge**

Where a client has been assessed to have disposable income under the standard Co-funding charge of £51.07, a reduced or tapered charge will be levied in order to comply with the MIG. Dependent on the level of income available this will be between £2 and £51.07 per week (we do not charge clients whose assessed contribution is under £2 per week).

## **Tariff Income**

Tariff income is the term used to refer to notional income charged against capital. Tariff income is charged on a sliding scale and, for the revised Co-funding proposal, the council would use the levels set in the charging guidance issued by the DHSC (Care and Support Charging and Assessment of Resources) Regulations 2014), of £1 per every £250 of capital over £14,250. Tariff income does not represent the amount of interest earned from capital.

## **The Care Act**

A law passed in England in 2014 that sets out what care and support you are entitled to and what local councils have to do. According to the law, councils have to consider your wellbeing, assess your needs and help you get independent financial advice on paying for care and support.

## **The Care and Support (Charging and Assessment of Resources) Regulations 2014**

It gives the Council the power to charge adults for care and support. This applies where adults are being provided with care and support to meet needs identified under Section 18, Section 19 or Section 20 of the Care Act 2014.

## **Wellbeing**

Being in a position where you have good physical and mental health, control over your day-to-day life, good relationships, enough money, and the opportunity to take part in the activities that interest you.

## **Universal information and advice**

Information and advice that is available to everyone in your local area. This should cover what care and support services are available in the area, how you can get these services, where you can find financial advice about care and support, and what to do if you are concerned about the safety and wellbeing of someone who has care and support needs. Councils are required by law to make information and advice available to everyone, regardless of who pays for the care and support you need.

## **Zero Charge**

Where a client has been assessed to have income under the Minimum Income Guarantee then the council does not levy a charge. There is also a zero charge where the tapered charge would be under £2 per week (see above).

### **Current Benefits provided to support Older and Disabled People**

- Attendance Allowance: Can be claimed by anyone over the state pension age who requires support with personal care (including self-funders). There are two rates £61.10 or £101.75
- Disability Living Allowance: a payment to help with care and mobility needs if you're living with a long term disability, this is being phased out and replaced by Personal Independence Payment only those born prior to 8<sup>th</sup> April 1948 remain eligible.
- Personal Independence Payment: can be claimed by those under the state pension age with a long term physical or mental health condition or who are disabled. Two components:
  - Daily Living Component – standard £61.10 enhanced £101.75
  - Mobility Component –standard £26.90 enhanced £71.00

## Appendix 4

### Case Studies

Ref	Age	Dependent Children	Income Types	Weekly Income	Capital, if over £14,250	Current Co-funding	Option 1	Option 2	Option 3
A	20	-	UC, PIP & PIP (Mobility)	£299.49	-	£33.18	£45.92	£41.33	£36.74
B	18	-	DLA & DLA (Mobility)	£156.90	-	Nil	Nil	Nil	Nil
C	41	2	UC, PIP & PIP (Mobility)	£275.46	-	Nil	Nil	Nil	Nil
D	59	-	ESA & UC	£255.59	-	Nil	£141.44	£127.30	£113.15
E	61	-	ESA, PIP & PIP (Mobility)	£321.60	-	£51.07	£90.60	£81.54	£72.48
F	61	-	PIP & PIP (Mobility)	£156.90	-	Nil	Nil	Nil	Nil
G	82	-	Retirement Pension, AA & Occupational pension	£348.87	£42,808	£51.07	Self-Funder	Self-Funder	Self-Funder
H	93	-	Retirement Pension, AA & Occupational pension	£552.17	£22,000	£51.07	£337.92	£304.13	£270.34
I	79	-	Retirement Pension, DLA and DLA (Mobility)	£286.75	-	Nil	£7.55	£6.80	£6.04
J	76	-	Retirement Pension & Occupational Pension	£666.75	-	Nil	£498.10	£448.29	£398.48
K	71	-	Retirement Pension & AA	£277.91	£18,625	Nil	£22.12	£19.91	£17.70
L	89	-	Retirement Pension, AA & Occupational pension	£468.25	-	£51.07	£252.94	£227.65	£202.35

All the above case studies are based on a standard £20 allowance for Disability related Expenditure. However, if people feel that their DRE exceeds this amount, they can ask for a DRE review which will take into account items such as excessive utility bills, specialist dietary requirements, additional bedding, clothing, laundry etc.

In all the above cases, if the client contribution is greater than the cost of the care package, they would become self-funders.