Gloucestershire COUNTY COUNCIL

Report to Cabinet

Appendix 6: Adult Social Care Fairer Contribution Policy consultation illustrations

1. Introduction

1.1 This appendix sets out the illustrations for proposed changes to the Gloucestershire County Council (the County Council) Adult Social Care (ASC) Fairer Contributions Policy. These look to achieve a financially sustainable, fair, and equitable charging model.

1.2 The illustrations within this paper are not a definitive list, but instead provide a framework for consultation.

1.3 The illustrations have been developed using internal and external stakeholder feedback, including initial pre-engagement activities and subsequent stakeholder focus groups.

2. Areas for consultation

2.1 This section includes the proposed charging illustrations, which we recommend the County Council conducts consultation on. The final decision on options will be made by Cabinet members.

2.2 Whilst there are various independently outlined illustrations within this report, it is recognised that there is likely no single solution to how the County Council can assure its policy in relation to the issues outlined within its issues paper. It is considered that any final decision will likely include a range of the models for charging outlined within this report.

2.3 **Models for calculating people's financial contributions**

2.3.1 The following illustrations look at potential changes to the way in which a person's financial contribution to non-residential services is calculated.

2.3.2 A summary of the estimated financial impact can be found in appendix 7 (illustrative financial modelling). Equalities impact can be seen within the supplementary Equalities Impact Assessment (EQiA).

2.4 The Minimum Income Guarantee (MIG)

2.4.1 This illustration looks to increase the MIG, meaning that some people may keep more of their income, when compared to our existing policy (which currently applies the statutory minimum).

2.4.2 There are different ways in which the County Council could approach an uplift to the MIG, for example through a flat rate (e.g., the same increase applies to everyone) percentage increase or through a flat rate monetary increase (see an illustration in table 1 and associated case studies).

Table 1 (based on the local authority circular):

Cohort	Current Minimum Income Guarantee	Proposed Income Guarantee - flat rate percentage increase (10%)	Proposed Income Guarantee – flat rate monetary increase (£10)
Single person			
Adults under 25	£82.15	£90.37	£92.15
Adults over 25 to pension credit age	£103.65	£114.02	£113.65
Pension credit age adults	£214.35	£235.79	£224.35
Member of a couple			
Adults over 18 to pension credit age	£81.40	£89.54	£91.40

One or both adults over pension credit age	£163.65	£180.02	£173.65
Disability Premiums			
Disability premium single person	£45.75	£50.33	£55.75
Enhanced disability single person premium	£22.35	£24.59	£32.35
Disability premium – adult in a couple	£32.60	£35.86	£42.60
Enhance disability premium – adult in a couple	£16.05	£17.66	£26.05
Carer premium	£49.05	£53.96	£59.05
Adults with Dependent Child Premium			
Adult 18 and over who is lone parent	£103.65	£114.02	£113.65
Each Dependent Child Premium	£94.90	£104.39	£104.90

Case study demonstrating the MIG Illustration:

Uplift the MIG by £10

Amber is currently assessed as needing to pay £32.16 a week towards the cost of their care.

If their Minimum Income Guarantee (MIG) was increased by £10 a week their charge would reduce to £22.16 a week.

Amber therefore keeps an additional £10 a week for themselves.

Uplift the MIG (for example by 2%, 5%, 10%)

Lee is currently assessed as needing to pay £73.12 towards the cost of their care.

- *If Lee's MIG was uplifted by 2% their charge would reduce by £2.07 a week.*
- *If Lee's MIG was uplifted by 5% their charge would decrease by £5.18 a week.*
- *If Lee's MIG was uplifted by 10% their charge would reduce by £10.37 a week.*

Lee therefore keeps additional money for themselves.

2.4.3 Applying an uplift to the MIG would mean that some people may be left with more income available to spend on themselves.

2.4.4 Leaving people with more disposable income would mean that the income recovered through client contributions may be reduced (therefore the County Council are paying more towards people's care).

2.5 **Variations to MIG increases**

2.5.1 The County Council could also consider applying an uplift to specific cohorts, removing differentials. This addresses one of the core issues in modelling any new methodology, which is apparent inequality in national regulation and benefits. For example, both basic state pensions and benefits and the national "minimum income guarantee" figures that the County Council are required to apply in financial assessments are all (on average) higher for people over pension age compared with those under pension age.

2.5.2 The County Council could therefore look to increase everybody to the pension credit age MIG or could look at variations within this, for example raising the MIG for adults under 25 to the same level as those between 25 years of age and 'pension credit age' (see table 2 as an example and the associated case study). Table 1 can support in cross referencing MIG levels for others.

Table 2:

	Current Minimum Income Guarantee	Proposed Minimum Income Guarantee
Adults under 25	£82.15	£103.65

Case study demonstrating the MIG illustration

Jamil is a 19-year-old disabled person who is currently assessed to pay towards the cost of their care.

If the County Council were to apply the equivalent MIG for someone over 25 they would pay £21.50 a week less increasing the amount they have available to spend as they wish.

2.6 **Disregard difference in the amount received under the Standard Rate and the enhanced Rate of the Daily Living Component of Personal Independence Payments (PIP) Income**

2.6.1 The County Council currently disregard the extra allowance for Disability Living Allowance (DLA) if there are no night-time care needs, and Personal Independence Payments (PIP) are awarded differently. This means that it could potentially all be considered.

2.6.2 This option would increase the disposable income for those in receipt of disability benefits. This provides additional protected income for some individuals who may be unable to work due to the severity of their disability.

2.6.3 See Table 3 for a full breakdown.

Table 3:

	Current amount of Daily living part used as income in the financial assessment	Proposed amount of Daily living part used as income in the financial assessment
Lower Weekly Rate	£61.85	£61.85
Higher Weekly Rate	£92.40	£61.85

Case study demonstrating the disregard in higher rate DLA and PIP illustration

Priti is currently assessed as needing to pay £155.45 a week towards the costs of their care.

If the difference between higher rate PIP and standard rate PIP was disregarded their charge would reduce by £33.65 a week.

2.7 **Apply a maximum percentage of disposable income to be considered over and above the MIG**

2.7.1 This illustration looks to apply a maximum percentage of disposable income which can be taken into consideration in the financial assessment.

2.7.2 The calculation of disposable income is as follows:

Actual income
Less any disregarded disability benefits
Less allowable housing costs
Less Disability Related Expenditure allowances
Less MIG

= Disposable income

2.7.3 This option takes into consideration a percentage of the individual's disposable income.

2.7.4 There is the potential that some individuals on very low income may no longer need to contribute towards their care.

Case study demonstrating a disregard of disposable income illustration

Gregor is currently assessed as needing to pay £50.73 towards the costs of their care.

If the County Council were to apply a 10% disregard cap this would reduce their charge to £45.66 a week

2.8 Disability related expenditure (DRE's)

2.8.1 A financial assessment must consider whether the expenditure proposed as an offsetting allowance against benefits is a "reasonable additional cost directly related" to the person's disability. It should not be limited to what is necessary only for care and support.

2.8.2 This concept of "reasonable additional costs" will be included irrespective of the model considered for DRE's. This is in accordance with para 39 of the Care Act guidance which states that "where disability-related benefits are taken into account, the local authority should…allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority."

2.8.3 The proposal is to adopt an approach where a fixed amount of money is automatically disregarded from the financial assessment, without additional consideration or evidence, due to the level of benefit entitlement. This discretionary figure would result in people keeping an additional amount of their income, when compared to our existing offer. This is known as a 'banded system'.

2.8.4 Application of these principles ensures everyone gets the DRE that we are required in law to allow for, and that in reaching a decision on allowing a DRE, we apply the Care Act guidance in not limiting such costs to what is in a person's care and support plan.

2.8.5 Applying the banding as a percentage of the value of the benefit is an approach used by other local authorities.

2.8.6 Table 3 provides an illustration as to how this might work in practice, with the banding at 20% of the relevant benefit.

Table 3:

Benefit Rate (care elements only)	Automatic Disregard (per week)
Disability Living Allowance – Low	£5.38
Disability Living Allowance – Middle **Personal Independence Payment – Low** **Attendance Allowance - Low**	£13.62
Disability Living Allowance – High **Personal Independence Payment – High** **Attendance Allowance - High**	£20.35

2.2.1 It is proposed that if an individual's DRE is higher than the amount disregarded in the banding, they may still claim for the full amount by going through the review process and providing evidence of expenses.

Case study demonstrating the DRE illustration

Mark is currently assessed as needing to pay £61.71 a week towards the costs of their care.

Mark is in receipt of Higher Rate PIP.

Mark does not claim any Disability Related Expenses.

Were the County Council to apply a £20.35 disregard, this would reduce their charge by that amount each week, leaving them with this amount to spend on themselves.

2.2.2 An alternative approach, identified in research, could be for people to claim a self-assessed DRE amount without needing to provide evidence when completing an online financial assessment.

2.9 Short-break (respite) care charges

2.9.1 The current (2016) ASC Fairer Contributions Policy for non-residential services does not include information on respite and short break charges.

2.9.2 A person receiving a short break is describe by the Care Act 2014 as: “a person whose need to stay in a care home is **intended** to last for a limited period and where there is a plan to return home. The person’s stay should be unlikely to exceed 52 weeks, or in exceptional circumstances, unlikely to substantially exceed 52 weeks.

2.9.3 The paying for your care booklet describes respite as: ‘short break’ charges and includes that ‘*we will not include the value of your home in your financial assessment if you sometimes need a short break or respite care stay in a care home. We may take the value of your home into account if you need temporary care in a care home for more than 52 weeks. We will make allowances for your essential ongoing living costs while you are in temporary care unless these are covered by benefits. If you receive benefits, there are some things you must do to avoid overpayment while you are in respite care’.*

2.9.4 Respite is currently assessed by the County Council under a different charging model to non-residential assessments and residential assessments. This third charging model treats income and capital in the same way as if someone is living in a care home, but with additional allowances made for maintaining their home.

2.9.5 The County Council wants to consider if the third charging model (respite and short break) should be removed, and that a person in receipt of a chargeable short break service should be charged the same as either a non-residential assessment or a residential assessment.

2.9.6 The proposal to assess for respite under a different assessment type would be less administration for the County Council, and the person may know their charge for respite and short break care sooner than awaiting a third assessment, and simplify the charging process

2.9.7 It is considered that non-residential charging assessment would be preferred, as a residential model for assessment would mean that people would only keep their personal expense allowance. For some, this may not be enough money to cover costs associated with daily living costs, for example, fuel bills, rent or mortgage.

Case study demonstrating the respite illustration

Karen has £15,673.64 over two bank accounts. They receive high-rate Attendance Allowance at £101.75 and a State Retirement Pension at £140 per week. Karen has some additional disability related expenses (DRE) which comes to £12.42 a week. This is how much Karen will be asked to pay for her respite care based on different charging models:

Charging model type	Assessed charge per week	Comments
Current Respite Charging Model	£81.15	

Non-Residential Charging Model:	£0.00	No charge unless circumstances change
Residential Charging Model:	£219.50	First four weeks in respite
	£117.75	After four weeks in respite

Further breakdown:

If Karen goes into respite, with the intention to return home, the County Council will currently assess their charge as **£81.15** per week

Income*	£ 140.00	+
Tariff Income	6.00	
Karen's Chargeable Income	**£ 146.00**	
Personal Expense Allowance (PEA)	28.25	-
Standing charge amount	7.50	
Property related expenses	16.68	
DRE	12.42	
High Income disregard	0.00	
Partners Requirement	0.00	
Karen's Disregards	**£ 64.85**	
Karen's charge to social care:	**£ 81.15**	

* Attendance allowance is not included as income in the current respite charging model.

If we assess Karen based on Non-Residential charging, they will have **no charge** for their respite stay.

Income	£ 208.10	+
Tariff Income**	3.00	
Karen's Chargeable Income	**£ 211.10**	
Minimum Income Guarantee (MIG)	214.35	-
Property related expenses	12.93	
DRE	12.42	
Karen's Disregards	**£ 239.70**	
Karen's charge to social care:	**£ 0.00**	

** Tariff Income is £1 in every £500 for non-residential charging only. For others it is £1 in every £250.

If Karen is assessed based on residential charging rules, Karen will **charge £219.50 for the first four weeks of their respite stay, and £117.75 each week thereafter**. The charge varies as some benefits stop after four weeks in a care home.

First four weeks:							
Income	£	2	4	1.	7	0	+
Tariff Income				6.	0	0	
Karen’s Chargeable Income	**£**	**2**	**4**	**7.**	**7**	**0**	
Personal Expense Allowance (PEA)			2	8.	2	5	-
Karen’s Disregards	**£**		**2**	**8.**	**2**	**5**	
Karen’s charge to social care:	**£**	**2**	**1**	**9.**	**5**	**0**	

After four weeks:							
Income	£	1	4	0.	0	0	+
Tariff Income				6.	0	0	
Karen’s Chargeable Income	**£**	**1**	**4**	**6.**	**0**	**0**	
Personal Expense Allowance (PEA)			2	8.	2	5	-
Karen’s Disregards	**£**		**2**	**8.**	**2**	**5**	
Karen’s charge to social care:	**£**	**1**	**1**	**7.**	**7**	**5**	

2.10 Charging a self-funders care arrangement administration fee

2.10.1 In preparation for the Social Care Reforms, consideration was given to the option of charging an administration fee for self-funding individuals who wished for the County Council to arrange their care and support services. This service is currently provided by the County Council at no cost to the individual, but there is a cost to the County Council (for example administration fees).

2.10.2 Any charge would only cover the cost that the County Council incurs in putting in place the arrangements for meeting those needs, considering the cost of negotiating and/or managing the contract with a provider and covering any administration charges. This charge would not mean that the County Council would be charging for the care needs assessment.

2.10.3 Four of the fifteen local authorities that the County Council reviewed who charge an administration fee to cover the cost of arranging care for the individual, charged between £117 - £300 per year per individual. This is not to be indicative of the County Council’s illustration of charging, which would be a fee that is reflective of the administration and arrangement costs to the County Council only (i.e., the County Council would not incur a profit from any fees).