

ADULT SOCIAL CARE CHARGING POLICY REVIEW

To: Adults Committee

Meeting Date: 16 January 2020

From: Executive Director, People & Communities

Electoral division(s): All

Forward Plan ref: 2020/006 Key decision: Yes

Purpose: The purpose of this report is to:

- Provide information for consideration on a number of proposed changes to the Council's adult social care charging policy following an extensive consultation exercise
- Receive responses, comments and feedback from the consultation exercise
- Seek approval of the recommended changes to the charging policy and the method of implementation.

Recommendation:

- a) The Committee is asked to consider and approve the following recommended changes to the charging policy:
 - i. Change the standard Minimum Income Guarantee (MIG) figure used in the financial assessment for those over state pension age to the level permitted by the Department of Health & Social Care (currently £189.00 in 2019/20)
 - ii. Include in the financial assessment the higher rates of Attendance Allowance, Disability Living Allowance (care component) and Personal Independence Payment (daily living part) and increase the standard disability related expenditure allowance used in the calculation for people receiving the higher rates of these benefits from £20 per week to £28 per week in line with the figures used in neighbouring Authorities
 - iii. Not to adopt the original proposal to charge for respite care using residential care charging rules
 - iv. Introduce a flat-rate weekly charge for the Council-provided appointee service for clients with capital in excess of £2,000 of £10 for residential clients and £12.50 for clients living in the community - to be increased annually in line with inflation
 - v. Increase the arrangement fee for self-funders living in the community who opt for the Council to arrange and administer their care to an annually recurring charge of £400.

- b) Request the Chairman of the Committee to write to the Secretary of State for Health and Social Care asking for the level of Minimum Income Guarantee to be reviewed and increased, and for it to rise with inflation each year.
- c) Approve the implementation of these changes for existing clients over a phased period throughout the 20/21 financial year - to be undertaken by personalised financial assessment at a home visit where appropriate or requested by the client.
- d) Recommend that the Council's General Purposes Committee approve an outline transformation funding bid for up to £230k to increase the staffing complement and capacity of the financial assessment service for a period of up to 18 months and improve quality and customer satisfaction levels - and also, if approved, implement the charging policy changes.

<i>Officer contact:</i>		<i>Member contacts:</i>	
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1. BACKGROUND

1.1 Thousands of people in Cambridgeshire currently arrange and pay for their care and support with no involvement from the Council – but of those in receipt of Council arranged care services, over 60% contribute from their own finances towards the cost of their care. This contributes significantly to the Council's Adult Social Care budget, and helps the Council to meet its statutory care obligations within very tight financial margins. It also enables the Council to invest in prevention and early help services to support people to live in the community and avoid or delay the need for a more expensive care package. The 2019 Think Communities engagement process (with over 500 people taking part) has shown that people have a range of views regarding adult social care, including:

- importance of investing in communities and preventative services
- protecting older people from danger
- individuals taking responsibility for their future as they get old
- Individuals to be properly looked after when they need extra help.

As an organisation that has to deliver statutory adult social care responsibilities with increasing pressure on budgets, charging people for chargeable elements of their care enables the Council to prioritise services to protect resources for those who most need them. Where charging has been introduced by other local authorities reports suggests they have been able to protect those key services without impacting significantly on those who have been charged. To lessen the need that people will also need adult social care (ASC), we are also investing in whole Council transformation work that will support the important role communities play in promoting wellbeing and preventing many of the issues that may mean an individual needs statutory support from ASC (e.g. loneliness, support for carers etc). This will provide further support in the future for those affected by the charging policy, but will also mean we can continue to protect core services.

1.2 Under the Care Act 2014, Local Authorities that provide adult social care services are able to decide locally whether and how to charge for certain types of care and support on a means tested basis, but must only charge people what they can afford to pay. This is achieved by ensuring that after paying care charges people are left with a guaranteed minimum income level on which to live. The Care Act introduced a number of changes that Local Authorities can choose to adopt and implement as part of their own charging policies. In response to this, Cambridgeshire's policy on charging for adult social care services was reviewed during 2017, culminating in a report to Adults Committee of 9th November 2017. A number of changes were proposed to the charging policy, and following a 12 week period of public consultation these were considered by Adults Committee in March 2018. After taking into account the consultation responses and the financial position of the Authority at that time, Adults Committee chose not to introduce these changes to the charging policy.

1.3 In common with all Councils with social services responsibilities, Cambridgeshire has in recent years faced growing and acute financial, demographic and demand pressures in Adult Social Care – including the impacts of an increasingly ageing population and significant financial volatility in the care provider market. Setting the Council's 2019/20 budget proved to be particularly challenging because of ongoing reductions in

Government funding levels and continuing increases in demand. Cambridgeshire needs to invest at least £25m per year just to stand still because of these pressures. In September 2017 Cambridgeshire launched its '#fairdeal4Cambs' funding campaign to lobby the Government to review the perceived unfairness of its funding formula and to increase Central Government funding for the County and bring this into line with the funding allocations of other upper tier County Councils and London Boroughs. This follows significant and unprecedented reductions in Government funding since 2010, including reductions in the Revenue Support Grant - a historic core funding element of Local Authorities - which has fallen year on year from £111m in 2010/11 to zero in 2019/20. The Council continues to regularly bid for all available funding from Government and other funding bodies to supplement its funding sources and has invested heavily in transformation programmes over the last few years. This has helped to reduce operating costs and delivered efficiency savings of around £25m in 2017/18 and 2018/19.

- 1.4 The difficult financial context that all Councils continue to face, combined with unprecedented increases in demand for Council arranged care and support has consequently obliged Cambridgeshire to revisit its Adult Social Care charging policy. Cambridgeshire's charging policy has therefore been carefully reviewed against the Care Act charging legislation and guidance, and also through benchmarking with neighbouring and other Councils to achieve consistency and some alignment of care charging policy and minimise any 'postcode lottery' effects. This review identified a number of changes for consideration in how clients contribute towards the cost of their care and support. It also highlighted a pressing need to change Cambridgeshire's approach to undertaking financial assessments to become more personalised, more customer-focused, more responsive and less transactional.

Key issues

- 1.5 Five proposed changes to the Council's charging policy were considered by Adults Committee on 12 September 2019, and approval was given to undertake a full public consultation on these (see web link)
https://cambridgeshire.cmis.uk.com/ccs_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1108/Committee/3/Default.aspx
Most neighbouring Councils, including Peterborough, Essex, Norfolk, Northamptonshire and many other Councils have now adopted and implemented these changes, which have subsequently become established charging practice in these Authorities. The proposals for Cambridgeshire provide an opportunity to limit and offset the very serious impact of continuing financial pressures without reducing or withdrawing essential care, support and preventative services.
The five proposals which were consulted on are:

- i) Change the standard Minimum Income Guarantee (MIG) figure used in the financial assessment calculation for those over state pension age to the lower level permitted by the Department of Health & Social Care. Original estimates of the number of people affected by this proposed change were between 1300 and 1500, however further, more detailed analysis has identified that up to 2100 people could be affected, and might experience a contribution increase of up to £5.50 per week. Appendix 1 shows a worked example of this proposed charging change.

- ii) Include the higher rate of Attendance Allowance, Disability Living Allowance (care component) and Personal Independence Payment (daily living part) in the financial assessment. This change could increase charges for approximately 2100 clients by up to £28.95 per week. See Appendix 1 for a worked example of this proposed charging change.
- iii) Change the way that care contributions for respite care home stays are calculated from a community based financial assessment, to a residential care based financial assessment Subject to the outcome of individual financial assessments, individual client contributions for around 100 – 250 clients could potentially increase by up to £140 per week. See Appendix 1 for a worked example of this proposed charging change.
- iv) Introduce a charge for the appointeeship service for service users whose social security benefits and finances are managed by the Council and who have capital above £1000. The proposed weekly charge is £10 for those in residential care, and £12.50 for those living in the community. Around 40 clients will be affected by this proposal. Subject to confirming the individual levels of capital held by appointee clients, the additional income would enable the service to be made available to more people.
- v) Increase the care arrangement fee for self-funding people living in the community who have chosen the Council to arrange their care for them from the existing one-off fee of £75, to an annual (recurring) maximum fee of £400. Around 200 people have been charged the one-off arrangement fee so far in Cambridgeshire, but there is potential to apply the proposed annual charge to around 800 people in total.

1.6 In response to the consultation it is not recommended that changes to charging for respite care are implemented, for the reasons set out at paragraph 2. Other changes are also being recommended as a result of the consultation and are set out in Section 2.

1.7 The anticipated additional income that would be generated from the above changes is expected over two years to be £1.7m in 2020/21 and a further £1.7m in 2021/22; totalling £3.4m. This is an estimated calculation as there are a number of variables including the outcome of individual financial assessments, personalised levels of disability related expenditure, the period over which the changes are implemented and the fact that the cohort of people affected will change over the two year period.

Impact

1.8 If all the proposals were to be fully adopted and implemented, some service users could experience maximum weekly increases in their standard care contribution of up to £34.45. These individuals will have higher incomes that will not previously have been taken into account in the financial assessment. Appendix 1 sets out the possible impact of one or a combination of more than one of the proposed changes in more detail. However it is important to note that there are a number of established protections in place to ensure they are able to afford their care contribution. In summary these protections are:

- Financial assessment – if the changes were agreed and implemented, everyone will receive a new personalised financial assessment, by home visit if requested, to ensure that their income (after charges have been paid) meets or exceeds statutory

protected income levels, collectively known as the Minimum Income Guarantee, below which no person's income is permitted to fall after payment of care charges.

- Disability Related Expenditure – an appropriate allowance must be made within the financial assessment for the reasonable cost of any additional items or expenses incurred by a service user as a result of their disability – this is in addition to the Minimum Income Guarantee. The standard level of disability related expenditure used in Cambridgeshire's financial assessment calculation has also been a focus of some concern during the consultation exercise, and has therefore also been subject to review at this time. Consequently an increase in the standard level of disability related expenditure is being recommended as set out in Section 2.
- The Care Act 2014 statute and charging guidance sets out a range of standard income types and capital that must be disregarded in the financial assessment (e.g. the mobility component of both Disability Living Allowance and Personal Independence Payment, and earnings from paid employment)
- Councils continue to retain discretionary powers to set charging levels for individuals – taking into account their own personal financial circumstances and other relevant factors to ensure that the contribution they are assessed as needing to make is reasonable, fair and affordable.
- Underlying entitlement to any welfare benefit or financial concession is routinely identified as part of the financial assessment, and direct personal assistance is provided to help claim these benefits/concessions – maximising people's incomes wherever possible.

2. CONSULTATION

2.1 An extensive and comprehensive public consultation on the charging proposals was undertaken during the 12 week period 23 September to 15 December 2019. The methods of consultation included:

- Holding six face to face public consultation events at various locations across the County attended by over 60 people
- Issuing 3486 consultation letters and surveys to service users (or their nominated representatives) who might be affected by any changes (including easy read versions)
- Discussing the proposals in detail as an agenda item at all the Council's Adult Social Care Partnership Boards
- Engagement with the Council's voluntary and community sector partners and other relevant service user fora
- Engaging the general public via the Council's website. Local press and radio also reported on the Council's proposals during the consultation period.

A total of 517 online and paper surveys were completed – with 649 comments made by individuals/organisations. A dedicated email in box and telephone line were set up and 151 telephone calls and emails were received.

2.2 A summary of responses from the consultation is shown at Appendix 2 (containing links to the detailed consultation findings report and survey comments), but the survey results and key themes identified from the responses are set out below in respect of each proposal.

i) Change the Minimum Income Guarantee figure to the level set by the Department of Health & Social Care

41% of survey respondents agreed with the proposal, 59% disagreed. The three main areas of comment were:

- 1) The proposed change would impact disproportionately on the most vulnerable members of society, people who can least afford to pay more – even £5.50 per week
- 2) Cambridgeshire is an expensive place to live and having a locally set slightly higher Minimum Income Guarantee level for those of state pension age would reflect this
- 3) The impact of this change would put increased strain on carers who are already carrying the burden of care

ii) Include in the financial assessment the higher rate of Attendance Allowance, Disability Living Allowance (care component), and Personal Independence Payment (daily living part)

26% of survey respondents agreed with the proposal, 74% disagreed. The three main areas of comment were:

- 1) People who receive higher rates of disability benefits do so for a reason, i.e. their care and daily living needs are higher and this would penalise them due to their disability and/or complex needs
- 2) The current Disability Related Expenditure assessment process in Cambridgeshire is difficult to engage with, does not reflect the real additional costs that people have related to their disabilities, and is not fit for purpose.
- 3) The potential increased cost per week is not affordable and would have a long term detrimental impact on individuals and their families

iii) Change the way that care contributions for respite care home stays are calculated – using residential care charging rules.

32% of survey respondents agreed with the proposal, 68% disagreed. The three main areas of comment were:

- 1) People will still have costs to pay while in respite accommodation and the proposed change would put a huge strain on people's finances
- 2) People were worried that this could be potentially a large increase in contribution and that it was not a fair proposal
- 3) People were worried that families may be put off using respite services because of this proposal and this would affect the health and wellbeing of not only the people who would have been using respite but also place added strain on their family carers, leading to possible carer breakdown.

iv) Introduce a charge for the appointeeship service

41% of survey respondents agreed with the proposal, 59% disagreed. The three main areas of comment were:

- 1) This proposal discriminates against people who do not have family or friends to undertake this service. In these circumstances the Council should bear the cost of this work.

- 2) For those who agreed with the proposal they felt that making a charge for the service was fair but that it should be kept to a reasonable amount
- 3) Also people felt that the £1,000 capital/savings figure should be higher

v) Increase the care arrangement fee

40% of survey respondents agreed with the proposal, 60% disagreed. The three main areas of comment were:

- 1) The Council should provide a good quality service and information and advice offer about care choices – and some people did not think this was happening at the moment and so did not agree with the proposed charge
- 2) For some of those who did agree in principle to increasing the charge, they thought it should be for a smaller amount
- 3) Some people thought that if people have the money then they should pay for the service

Overview and recommendations

- 2.3 A significant theme from the public consultation was the concern that people felt about increasing the level of care contribution for people in receipt of social security benefits who were in need of care and living in the community, especially where the service user lives in the family home and contributes towards the family budget. Concerns were expressed about leaving people with enough disposable income, which might impact on their ability to lead as normal a life as possible.

Some significant general dissatisfaction was also expressed about the way that the financial assessment process was carried out in Cambridgeshire; in particular that an individual's disability related expenditure was not sufficiently and appropriately considered and allowed for in the financial assessment.

A standard weekly disability related expenditure allowance of £20 is currently applied to all service users receiving disability benefits in Cambridgeshire's financial assessments, with around 9% of service users receiving an enhanced, higher disability related expenditure figure that reflects their own higher disability related costs. People can choose to have the level of their disability related expenditure reviewed if they feel this doesn't properly reflect their circumstances. The published statutory guidance on what counts as disability related expenditure is attached at Appendix 3 for information. Any types of disability related expenditure agreed locally that are not listed as examples in the statutory guidance will be recorded and referenced for future financial assessment good practice purposes.

In response to these concerns, the operation and delivery of the Council's financial assessment service is currently being reviewed and is changing. This is to ensure that it is more accessible and responsive to people's needs, and that each person assessed receives a thorough and personalised financial assessment, by home visit if appropriate, taking proper account of their disability related expenditure, in accordance with Government guidance and best practice. This will help to provide a high standard of financial assessment delivered in a timely way, and will give additional assurance that the service user is demonstrably able to afford the level of their care contribution and all

their personal circumstances have been taken fully into account in the calculation of their charge.

2.4 Taking an approach that balances the concerns raised from the consultation exercise and the significant financial and demand pressures faced by the Council in line with other Local Authorities, the recommended changes to the Council's charging policy are to:

- Reduce the standard Minimum Income Guarantee (MIG) figure for those over state pension age to the level permitted by the Department of Health & Social Care
- Include in the financial assessment the higher rate of Attendance Allowance, Disability Living Allowance (care component) and Personal Independence Payment (daily living part), and increase the standard disability related expenditure allowance used in the financial assessment calculation for people receiving these higher rates of disability benefits from £20 per week to £28 per week. This is in line with the figures used in neighbouring Authorities and will reduce the maximum charge increase that a person may experience as a result of this change from £28.95 to £20.95 per week.
- Introduce a flat-rate weekly charge for the Council-provided appointee service for those with capital in excess of £2,000 (increased from the previously proposed £1000 figure) of £10 per week for residential clients and £12.50 per week for clients living in the community - to be increased annually in line with inflation
- Increase the arrangement fee for self-funders living in the community who opt for the Council to arrange and administer their care to an annual, recurring charge of £400.

2.5 The original proposal to change the way that care contributions for respite care is calculated using residential care charging rules is not being recommended, following the consultation. This is because a significant number of strong concerns were raised from the consultation exercise about the size of the care charge increase from this change and the resulting impact on people's finances. Concerns were also raised about the potential that people might be put off using respite services which could adversely impact on the health and wellbeing of the service user and place additional strain on family carers; possibly leading to carer breakdown.

Implementation

2.6 It is recommended that, if approved, the changes to the charging policy be applied to all new service users from the start of the 2020 financial year onwards, and for existing service users to be applied individually on a phased, rolling basis starting also from April 2020 and continuing throughout the 20/21 financial year. This would be undertaken by a re-focused, responsive and more personalised financial assessment process offering the option of a financial assessment by home visit where appropriate or where requested. Each person affected by the changes will receive an individual financial assessment that looks at their finances (capital, savings, income, expenses and outgoings) and will ensure that the care charge they are assessed to pay is individually affordable, and that any benefits which the person is entitled to are claimed and received. People will always be left with at least the minimum protected income figure set by the Government after their care charges have been paid, and will also have an allowance on top of this for any disability-related costs. The Council will also continue to be able to exercise its discretion to take into account individual hardship and exceptional

circumstances in setting a person's care charge. The financial assessment service will be managed within the Council as an in house service by a Head of Service with expertise in this area who will ensure consistency, quality and standards.

The additional work required to implement the changes, and the resulting likely rise in enquiries from service users would require an increase in staffing resource for the financial assessment service. It is recommended that this should initially be resourced from the Council's Transformation Fund. This would be to enable the Council to implement a step-change to the financial assessment process, completing the financial reassessments of existing clients in the first financial year, with the extra cost thereafter to be met from Council revenue funding derived from increased care charges. The additional capacity required for this work is anticipated to be an additional four financial assessment officer posts for a period of 18 months costing up to £230k, with costs met through core budget thereafter.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The recommended changes have been considered alongside the need to support people to live healthy and independent lives, and continue to fully comply with the requirements of Government guidance on financial assessments for service user contributions to care and support packages.

3.2 Thriving places for people to live

There are no significant implications for this priority.

3.3 The best start for Cambridgeshire's Children

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Section 1 of the report sets out the financial context of the recommended changes, and it should be noted that linked business planning items going to committees in December show that there is still a budget gap of £4m for 2020/21. The Council is legally required to set a balanced budget in February. The Adult Social Care budget needs to grow by around 5% each year just to stand still and without making savings, due to demographic, legislative and market pressures. There are a number of future financial risks that cannot yet be quantified, in particular reliance on unconfirmed funding sources. In that context additional revenue generated through changes to the care charging policy significantly help to offset the budget pressures faced in a way that doesn't reduce services and builds in a stable, recurrent funding source that helps to reduce budget uncertainty
- Increased revenue from changes to the care charging policy is dependent on the delivery of the financial assessment service in an effective way and to a high

standard. Within the proposals there are some risks that will have associated costs, particularly where additional resources may be required - such as financial assessment staffing resource costs initially met from Transformation Fund bids, but in time, met from revenue funding.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

- 4.3.1 The Care Act provides a single legal framework for charging for care and support, and enables Local Authorities to decide whether or not to charge individuals for the care and support they receive, except where it is expressly stated in the Act and in the Care and Support Regulations and statutory guidance that charges must not apply. The overarching charging principle is that people should only pay what they can afford, and will be entitled to local authority financial support on a means-tested basis, and some will be entitled to free care.
- 4.3.2 The Care Act provides a number of broad powers for Councils to carry out certain functions. Where a Council chooses to exercise these powers, it may be necessary to consult on how it intends to do so. A Council would only usually be expected to consult locally where it is using its discretion in the exercise of a particular function.
- 4.3.3 With regard to the disability benefits review proposal, concerns have previously been raised that these changes could be vulnerable to legal challenge in cases where the service user was not receiving night care for which the higher disability benefit rates are intended. The Care Act and associated guidance specifically does not prohibit the inclusion of the higher rates of Attendance Allowance, Disability Living Allowance (Care Component) and Personal Independence Payment (daily living part) in the financial assessment.
- 4.3.4 Precedent has been set in this regard, as many other Local Authorities now routinely include higher rates of these disability benefits in their financial assessments and charging policies - and have done for some time now. In one Local Authority's case, Counsel's advice was sought on this specific point to confirm its legitimacy. The Local Government Ombudsman, responding to a recent complaint by an individual about this issue, has upheld the affected Council's decision and practice to include the higher rate of disability benefits in the financial assessment calculation.
- 4.3.5 Approving and implementing the charging proposals could lead to a higher risk of unpaid care charge invoices and subsequent increased bad debt provision, and potentially also an increase in concerns and complaints raised by service users and their families. There is also a risk that people may decide not to go ahead with arrangements to meet their care needs or cancel services as a result of increased charges. However the application of the policy will ensure that charges are calculated consistently and in a way that does not result in people being charged more than is reasonably practicable for them to pay. Investment in the financial assessment service means that people will receive a higher standard of assessment which takes full account of their circumstances, and also a

higher standard of service in respect of their ongoing interactions with the Council in respect of the financial aspects of their care.

4.4 **Equality and Diversity Implications**

The proposals only impact on those people assessed as having eligible needs for social care support which is a means tested service, and requires the Council to undertake financial assessments on a fair, consistent and equitable basis to determine the contribution that each individual should make towards the cost of their care and support.

A full Community (Equalities) Impact Assessment has been completed in respect of the proposed changes – Appendix 4

4.5 **Engagement and Communications Implications**

A full, comprehensive and extensive County-wide public consultation has been undertaken in respect of these proposals - in line with the Cambridgeshire Compact. A summary of survey results, feedback and comments from the consultation are set out in Appendix 2

4.6 **Localism and Local Member Involvement**

There are no significant implications within this category.

4.7 **Public Health Implications**

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No: Yes Name of Financial Officer: Stephen Howarth
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes or No: N/A Name of Officer:
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No: Yes Name of Legal Officer: Salma Kantharia (LGSS Law)
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No: Yes Name of Officer: Charlotte Black

Have any engagement and communication implications been cleared by Communications?	Yes or No: Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes or No: N/A Name of Officer:
Have any Public Health implications been cleared by Public Health	Yes or No: N/A Name of Officer:

Source Documents	Location
Adults Committee – Adult Social Care Charging Policy Review 12 Sept 2019	https://cambridgeshire.cmis.uk.com/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1108/Committee/3/Default.aspx
Care and Support Statutory Guidance <i>Last updated 26 October 2018</i>	https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance

Proposal 1 - Minimum Income Guarantee**Example 1**

	Weekly charge Current policy	Weekly charge Revised policy
State Pension & Pension Credit	£233.10	£233.10
Attendance Allowance	£58.70	£58.70
	£291.80	£291.80
Less Protected Income (MIG)	-£194.50	-£189.00
Less disability related expenditure	-£20.00	-£20.00
Weekly charge	£77.30	£82.80
Increased charge		£5.50

Proposal 2 - Disability Benefits Review**Example 2**

	Weekly charge Current policy	Weekly charge Revised policy
State Pension & Pension Credit	£233.10	£233.10
Attendance Allowance	£87.65	£87.65
	£320.75	£320.75
Less Protected Income (MIG)	-£194.50	-£194.50
Less disability related expenditure	-£20.00	-£28.00
Disregarded AA	-£28.95	£0.00
Weekly charge	£77.30	£98.25
Increased charge		£20.95

Proposal 2 - Disability Benefits Review**Example 3**

	Weekly charge Current policy	Weekly charge Revised policy
Employment & Support Allowance	£128.45	£128.45
Personal Independence Payment (PIP) - enhanced rate	£87.65	£87.65
	£216.10	£216.10
Less Protected Income (MIG)	-£151.45	-£151.45
Less disability related expenditure	-£20.00	-£28.00
Disregarded PIP	-£28.95	£0.00
Weekly charge	£15.70	£36.65
Increased charge		£20.95

Proposals 1 and 2 combined - Minimum Income Guarantee and Disability Benefits Review

Example 4

	Weekly charge Current policy	Weekly charge Revised policy
State Pension & Pension Credit	£233.10	£233.10
Attendance Allowance (AA)	£87.65	£87.65
	£320.75	£320.75
Less Protected Income (MIG)	-£194.50	-£189.00
Disability related expenditure	-£20.00	-£28.00
Disregarded AA	-£28.95	£0.00
Weekly charge	£77.30	£103.75
Increased charge		£26.45

Proposal 3 - Respite calculation method

Example 5

	Weekly charge Current policy	Weekly charge Revised policy
State Pension & Pension Credit	£167.25	£167.25
Disability Care Allowance (Mobility)	£61.20	£61.20
Attendance Allowance (AA)	£58.70	£58.70
	£287.15	£287.15
Less Protected Income (MIG) or Personal Expenses Allowance in proposed residential calculation	-£194.50	-£24.90
Disability related expenditure	-£20.00	£0.00
Disregarded AA	£0.00	-£58.70
Disregarded DLA Mobility	-£61.20	-£61.20
Typical allowance for housing costs		-£25.00
Weekly charge	£11.45	£117.35
Increased charge		£105.90

**Extract from the Care and Support Statutory Guidance
Annex C: Treatment of Income**

Disability-related expenditure

39) Where disability-related benefits are taken into account, the local authority should make an assessment and 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.

40) In assessing disability-related expenditure, local authorities should include the following. However, it should also be noted that this list is not intended to be exhaustive and any reasonable additional costs directly related to a person's disability should be included:

1. (a) payment for any community alarm system
2. (b) costs of any privately arranged care services required, including respite care
3. (c) costs of any specialist items needed to meet the person's disability needs, for example:
 1. (i) Day or night care which is not being arranged by the local authority
 2. (ii) specialist washing powders or laundry
 3. (iii) additional costs of special dietary needs due to illness or disability (the person may be asked for permission to approach their GP in cases of doubt)
 4. (iv) special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability
 5. (v) additional costs of bedding, for example, because of incontinence
 6. (vi) any heating costs, or metered costs of water, above the average levels for the area and housing type
 7. (vii) occasioned by age, medical condition or disability
 8. (viii) reasonable costs of basic garden maintenance, cleaning, or domestic help, if necessitated by the individual's disability and not met by social services
 9. (ix) purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs, where necessitated by the disability; reasonable hire costs of equipment may be included, if due to waiting for supply of equipment from the local council
 10. (x) personal assistance costs, including any household or other necessary costs arising for the person
 11. (xi) internet access for example for blind and partially sighted people
 12. (xii) other transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA or PIP, if in payment and available for these costs. In some cases, it may be reasonable for a council not to take

account of claimed transport costs – if, for example, a suitable, cheaper form of transport, for example, council-provided transport to day centres is available, but has not been used

13. (xiii) in other cases, it may be reasonable for a council not to allow for items where a reasonable alternative is available at lesser cost. For example, a council might adopt a policy not to allow for the private purchase cost of continence pads, where these are available from the NHS

41) The care plan may be a good starting point for considering what is necessary disability-related expenditure. However, flexibility is needed. What is disability-related expenditure should not be limited to what is necessary for care and support. For example, above average heating costs should be considered.

Example of disability related expenditure

Zach is visually impaired and describes the internet as a portal into the seeing world – in enabling him to access information that sighted people take for granted. For example he explains that if a sighted person wants to access information they can go to a library, pick up a book or buy an appropriate magazine that provides them with the information they need.

The internet is also a portal into shopping. For example without the internet if Zach wanted to shop for clothes, food or a gift he would have to wait until a friend or family member could accompany him on a trip out, he would be held by their schedule and they would then have to explain what goods were on offer, what an item looked like, the colour and would inevitably be based on the opinion and advice of said friend. A sighted person would be able to go into a shop when their schedule suits and consider what purchase to make on their own. The internet provides Zach with the freedom and independence to do these things on his own.