

## Appendix C

# **Proposed changes to adult social care charges - Examples**

The following examples are not based on real people or real financial situations.

There are many possible different scenarios and not all of them can be set out here.

Your individual circumstances may well be different to those set out in the examples below, but you should be able to gain a better understanding of what could happen if the proposals are put in place.

### **Proposal 1 - Home Alarm Service:**

Mr B, who is 75 years old, lives independently in his rented bungalow for which he claims housing benefit. He currently has a pendant alarm and under the current charging arrangements, Mr B does not pay for this. Mr B has no social care needs but his family prefer him to have the pendant for peace of mind.

Under the new proposed arrangements, he would be charged £3.64 per week for the pendant alarm service. At the moment, if he uses his alarm his friends and family are notified and go to help him. If this arrangement changes in future and he needs the council to be responsible for responding, then he will be charged an additional £1.50 per week. This means that in future he might pay a total of £5.14 for the pendant alarm and response service.

## Proposal 2 – Care at Home:

Mrs A is new to social care and will receive 3.5 hours of care a week delivered by two care workers. Current arrangements mean that although she receives her care from 2 care workers she would only be charged for the hours delivered by one care worker. The weekly cost would be 3.5 hours x £16.40 = £57.40 a week and Mrs A would pay this amount. Under the new proposed arrangements Mrs A would be charged for both the care workers and the weekly cost would be 7 hours x £16.40 = £114.80 a week. However, because her net available income is only £82.74 then that is what she would pay.

	Current	Proposed
Retirement Pension	£156.43	£156.43
Attendance Allowance	£87.65	£87.65
Pension Credit	£76.67	£76.67
<b>Total Income</b>	<b>£320.75</b>	<b>£320.75</b>
Attendance Allowance - care at night	-£28.95	-£28.95
Minimum Income Guarantee	-£209.06	-£209.06
<b>Total allowances</b>	<b>-£238.01</b>	<b>-£238.01</b>
Net available income	£82.74	£82.74
Care costs	£57.40	£114.80
Contribution to care costs	£57.40	£82.74
Mrs A's Retained Income	£263.35	£238.01

### Proposal 3 - Day Opportunities:

#### **Day Service:**

Mrs P is 79 years old and she lives independently with no social care. Sometimes she get lonely and is thinking about going to a day centre 3 days a week. The current charge for her to attend the day centre would be £93 for the 3 days.

If the new proposal is put in place then the charge for 3 days at the day centre would be £138.

	Current	Proposed
Occupational pension	£360.55	£360.55
State retirement pension	£129.20	£129.20
<b>Total income</b>	<b>£489.75</b>	<b>£489.75</b>
Minimum Income Guarantee	-£209.06	-£209.06
<b>Total allowances</b>	<b>-£209.06</b>	<b>-£209.06</b>
<b>Net available income</b>	<b>£280.69</b>	<b>£280.69</b>
Care Costs (3 days at a day centre)	£93.00	£138.00
Contribution to care costs	£93.00	£138.00
Mr P's Retained Income	£396.75	£351.75

#### **Transport:**

Mr W uses the council's transport service to attend a day centre 4 days a week. He currently pays £24 a week (8 journeys a week x £3 per journey)

If the new proposal is put in place, he would pay £32 a week for his transport (during the 2020/2021 year).

#### **Proposal 4 - Safeguarding Personal Assets (SAPAT):**

All of the safeguarding adults personal assets proposals would result in new charges for people if they are put in place. Full details are available from the website proposal page or the information booklet.

#### **Proposal 5 - Arrangements for people who pay for their own care in full:**

Mrs S is 74 years old and has income & savings of approximately £50,000. As this is above the financial threshold of £23,250 she pays for her own care. Mrs S needs the Council to support her in arranging and paying for care services and the council has agreed to help. She pays £325.00 per week for her care and the council arranges the care and completes the paperwork relating to invoices. If the new proposal is put in place and Mrs S decides to continue to receive support from the Council, she will continue to pay the £325 a week for care and also pay an annual administration fee of £300.00.

Mrs S is safe and will benefit from the Council's service, having the right care in the right place.

#### **Proposal 6 - Maximum weekly charge for non-residential services:**

Miss O gets 6 hours of care at home a day, 7 days a week. This is 42 hours per week and costs £688.80 per week (42 x £16.40). Under current arrangements Miss O would pay a maximum of £429.20 for this care no matter how much income or savings she has (she may pay less). Under the new proposed arrangements she would pay the full £688.80, as long as her financial assessment says she can afford it.

## Proposal 7 - Enhanced daily living component of Personal Independence Payment (PIP):

### Example 1

Mrs A is 30 years old and receives Employment Support Allowance of £128.45 per week and Personal Independence Payment (enhanced) of £87.65 per week. Her total income is £216.10 per week. Mrs A lives in a rented flat, where her rent is fully covered by housing benefit. Mrs A does not pay a contribution towards her care since her expenditure and allowances exceed her income.

If the new proposal is put in place Mrs A's expenditure and allowances would still exceed her income and she will still not have to pay a contribution towards her care.

Example 1	Current	Proposed
Employment support allowance	£128.45	£128.45
PIP Daily Living Enhanced Rate	£87.65	£87.65
<b>Total Income</b>	<b>£216.10</b>	<b>£216.10</b>
Enhanced element of PIP Daily Living	-£28.95	£0.00
Minimum Income Guarantee	-£155.31	-£155.31
Disability related expenditure	-£65.00	-£65.00
<b>Total allowances</b>	<b>-£249.26</b>	<b>-£220.31</b>
<b>Net available income</b>	£0.00	£0.00
Care Costs (15 hours of home care)	£246.00	£246.00
Contribution	£0.00	£0.00

## Proposal 7 - Enhanced daily living component of Personal Independence Payment (PIP):

### Example 2

Mr B is 40 years old and receives disability allowances of £148.85 plus employment support of £194.30, making his total income £343.15 a week. After allowances Mr B pays £81.69 a week towards his total care costs of £246 a week and has £261.46 left to live on.

If the new proposal is put in place Mrs B's net available income after allowances would increase and he would now pay £110.64 a week towards the total cost of his care and have £232.51 left to live on.

Example 2	Current	Proposed
PIP Daily Living Enhanced Rate	£87.65	£87.65
PIP mobility allowance	£61.20	£61.20
Employment Support Allowance	£194.30	£194.30
<b>Total Income</b>	<b>£343.15</b>	<b>£343.15</b>
Enhanced element of PIP Daily Living	-£28.95	£0.00
PIP Mobility payment ignored	-£61.20	-£61.20
Minimum Income Guarantee	-£155.31	-£155.31
Disability related expenditure	-£16.00	-£16.00
<b>Total allowances</b>	<b>-£261.46</b>	<b>-£232.51</b>
<b>Net available income</b>	<b>£81.69</b>	<b>£110.64</b>
Care Costs (15 hours of home care)	£246.00	£246.00
Contribution	£81.69	£110.64
Mr B's retained Income	£261.46	£232.51

## Proposal 8 - Financial assessments for residential respite and short stay care

Mr M gets £343.15 a week in benefits and sometimes uses residential respite care. Under current arrangements using non-residential rules, his allowances whilst in residential care would be £245.46a week, which would mean that he would contribute £97.69 to the cost of his care.

If the new proposed arrangements are put in place, residential rules would be applied, meaning that Mr M's allowances would reduce to £173.75 and he would now contribute £169.40 to the costs of his care.

If Mr M has extra household costs while he is in residential care e.g. rent, service charges or water rates, then a household allowance will be given. For example, if he had rent of £40 per week, then the amount he would contribute in the residential example below would be £129.40

	Non-residential	Residential
Employment Support Allowance	£194.30	£194.30
Disability Living Allowance (DLA) care	£87.65	£87.65
DLA mobility	£61.20	£61.20
<b>Total income</b>	<b>£343.15</b>	<b>£343.15</b>
DLA care (full amount disregarded)	Not applicable	-£87.65
Night rate of DLA (disregarded)	-£28.95	Not applicable
DLA mobility (disregarded)	-£61.20	-£61.20
Personal Expenses Allowance	Not applicable	-£24.90
Minimum Income Guarantee	£155.31	Not applicable
<b>Total allowances</b>	<b>-£245.46</b>	<b>-£173.75</b>
<b>Net available income</b>	<b>£97.69</b>	<b>£169.40</b>

## **Proposal 9 - The Minimum Income Guarantee (MIG)**

### **Example 1 – Person aged over pension age**

Miss W is 66 years old and has total income of £320.75 a week. Her allowances currently total £238.01 a week meaning that she contributes £82.74 to her weekly care costs of £229.60 and still has £238.01 left to live on.

If the new proposal for minimum income guarantee is put in place in full, then Miss W's allowances would reduce to £217.95. She would then contribute £102.80 to her care costs and have £217.95 a week to live on.

	Current	Proposed
Attendance Allowance (AA)	£87.65	£87.65
Pension credit	£103.90	£103.90
State retirement pension	£129.20	£129.20
<b>Total income</b>	<b>£320.75</b>	<b>£320.75</b>
Night rate of DLA (disregarded)	-£28.95	-£28.95
Minimum Income Guarantee	-£209.06	-£189.00
<b>Total allowances</b>	<b>-£238.01</b>	<b>-£217.95</b>
<b>Net available income</b>	<b>£82.74</b>	<b>£102.80</b>
Care Costs (14 hours of home care)	£229.60	£229.60
Contribution	£82.74	£102.80
Retained Income	£238.01	£217.95

## Proposal 9 - The Minimum Income Guarantee (MIG)

### Example 2 – Person aged over pension age

Mrs V is 77 years old and only receives state pension of £129.20 a week as income. Her minimum income guarantee allowance is £209.06 and therefore she does not pay anything towards her £229.60 a week care costs.

If the new proposal for minimum income guarantee is put in place in full, her allowance would reduce to £189. Because this is higher than her income of £129.20 she would still not pay anything towards her care costs.

	Current	Proposed
State retirement pension	£129.20	£129.20
<b>Total income</b>	<b>£129.20</b>	<b>£129.20</b>
Minimum Income Guarantee	-£209.06	-£189.00
<b>Total allowances</b>	<b>-£209.06</b>	<b>-£189.00</b>
<b>Net available income</b>	<b>£0.00</b>	<b>£0.00</b>
Care Costs (14 hours of home care)	£229.60	£229.60
Contribution	£0.00	£0.00
Retained Income	£129.20	£129.20

## **Proposal 9 - The Minimum Income Guarantee (MIG)**

### **Example 3 - Person aged 25 to pension age**

Mr M is 44 years old and receives income in benefits totalling £343.15 a week. His allowances are £261.46 a week and he therefore contributes £81.69 to his weekly care costs of £164.

If the new proposal for minimum income guarantee is put in place in full, his allowances would reduce to £257.60 and he would contribute £85.55 towards his care costs.

	Current	Proposed
Disability Allowance care	£87.65	£87.65
Disability Allowance mobility	£61.20	£61.20
Employment Support Allowance	£194.30	£194.30
<b>Total Income</b>	<b>£343.15</b>	<b>£343.15</b>
Attendance Allowance care at night (-)	-£28.95	-£28.95
Mobility payment ignored	-£61.20	-£61.20
MIG	-£155.31	-£151.45
Disability related expenditure	-£16.00	-£16.00
<b>Total allowances</b>	<b>-£261.46</b>	<b>-£257.60</b>
<b>Net available income</b>	<b>£81.69</b>	<b>£85.55</b>
Care Costs (10 hours of home care)	£164.00	£164.00
Contribution	£81.69	£85.55
Retained Income	£261.46	£257.60

## **Proposal 9 - The Minimum Income Guarantee (MIG)**

**Example 4** – Person aged 25 to pension age, affected by Minimum Income Guarantee and enhanced daily living component of Personal Independence Payment changes.

How a person could be affected if both the minimum income guarantee and the enhanced daily living component of Personal Independence proposals are put in place.

	Current	Proposed
PIP Daily Living Enhanced Rate	£87.65	£87.65
PIP mobility allowance	£61.20	£61.20
Employment Support Allowance	£194.30	£194.30
<b>Total Income</b>	<b>£343.15</b>	<b>£343.15</b>
Enhanced element of PIP Daily Living	-£28.95	£0.00
PIP Mobility payment ignored	-£61.20	-£61.20
MIG	-£155.31	-£151.45
Disability related expenditure	-£16.00	-£16.00
<b>Total allowances</b>	<b>-£261.46</b>	<b>-£228.65</b>
<b>Net available income</b>	<b>£81.69</b>	<b>£114.50</b>
Care Costs (20 hours of home care)	£328.00	£328.00
Contribution	£81.69	£114.50
Retained Income	£261.46	£228.65