

Cabinet 6 December 2016	 TOWER HAMLETS
Report of: Denise Radley, Director of Adults' Services	Classification: Unrestricted
Adult Social Care Charging Policy	

Lead Member	Councillor Amy Whitelock Gibbs, Cabinet Member for Health and Adult Services
Originating Officer(s)	Helen Donnellon, Project Manager
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A healthy and supported community

Executive Summary

A decision was made in February 2016, as part of the of the Council's budget setting process for 2016/17, to introduce charging for Community Adult Social care services, subject to thorough consultation on the approach to the development and implementation of financial assessment and charging. The rationale for this decision was to protect social care provision and put it on a sustainable footing for the future, in light of Government reductions in funding and rising demand for support, by asking people who can afford it to contribute to their care costs, in line with almost all other councils.

The Mayor made clear that the policy development and consultation must ensure any charging scheme is fair, particularly protects those on low incomes and explores additional rules that are more generous than the statutory framework.

Public consultation was undertaken from 20th June to 4th September focusing on the impact of charging and the extent to which the council should exercise discretion in its approach to financial assessment in order to mitigate any adverse impacts.

Responses to the consultation have been analysed and financial modelling produced in order to understand the likely impact of charging on individuals who are in receipt of services and on the overall income the council will generate.

A new charging policy has been drafted which sets out our proposed approach to charging for community adult social care services. The policy also covers charging for residential, nursing and extra care services in sheltered housing (which are already charged for) including our approach to deferring payments for

residential and nursing care to reflect the requirements of the 2014 Care Act.

Key points to note regarding the introduction of charging for community services:

- The services to be charged are home care, day care and transport.
- Telecare, support for carers, reablement and preventative services will not be charged for.
- National requirements provide protection from charging for those on very low incomes with no/minimal savings.
- Our financial assessment process will provide an opportunity to support social care clients to maximise their benefit take up. We will identify through the process clients with potential benefit entitlement that they are not claiming and provide pro-active advice and support to those clients to ensure that they are maximising their income.
- Clients are only charged based on what they can afford following an individual financial assessment.
- Until all clients have had a financial assessment we cannot confirm how many will actually pay a charge. Our modelling suggests that between 30% and 40% will have to contribute towards the cost of their care under the proposed policy. It should be stressed that this is an estimate based on the information available to us and therefore may not reflect the exact proportion that will contribute following the full financial assessment process.
- For people receiving community adult care services, there is no risk of someone's home being lost as the value of the main home where the person is living is disregarded.
- Financial modelling in this report is based on assumptions regarding the financial circumstances of those receiving services – income generated for the council following individual financial assessments may be higher or lower than projected.
- For anyone in employment, earned income is disregarded for the purposes of applying charging.
- Capital (including savings) is taken into account for charging purposes. Capital below the lower capital limit of £14,250 is ignored, between this amount and the upper limit of £23,250 an amount of £1 is added to weekly income for every £250 of capital. Service users with capital above £23,250 will be expected to meet the full cost of their care subject to the cap of £250 on care charges.
- Charging will be implemented from April 2017, following individual financial assessments to commence from January 2017.

Recommendations:

The Mayor in Cabinet is recommended to approve the new charging policy for adult social care (attached in Appendix 8) including the following discretionary elements

- a. Agree a standard allowance of £15 per week for all utilities (e.g. heating, water and electricity) which will be disregarded from the income used for charging for community-based services.
- b. Use a higher standard weekly minimum income guarantee

(MIG) for adults under pension age of £151.45 when determining how much service users will be asked to contribute to their care costs for community-based services.

- c. Agree a cap on care charges of £250 a week to limit the maximum amount that could be charged to an individual user.
- d. Agree that the local authority will not charge interest rates on deferred payments for residential and nursing care whilst the client remains in residential/nursing care.
- e. Agree that the local authority will charge administration fees (set out in Appendix IV) in relation to deferred payments for residential or nursing care that reflect the actual costs incurred by the local authority.
- f. Agree that the local authority will disregard 10 per cent of any rental income when calculating how much a person with a Deferred Payments Agreement needs to pay towards the cost of residential or nursing care.

1. REASONS FOR THE DECISIONS

Charging for community-based services

- 1.1 The overarching reason for introducing charging for community social care charges is to manage growing cost pressures and rising demand for support (including from a population predicted to grow significantly), in the face of significant reductions in central government funding for local authorities.
- 1.2 Following the decision of Full Council in early 2016 to introduce charging for community adult care services, further work was undertaken to analyse the options for the detailed policy to support charging. As Tower Hamlets are the last local authority to introduce charging for community services¹, charging policies for London Boroughs with similar profiles to Tower Hamlets were reviewed. These demonstrated a range of discretions applied making local policies more 'generous' than the national scheme. In line with the Mayor's priorities to tackle poverty, the application of discretions which provide further protection for those on low incomes was proposed. Proposals were drawn up and consulted on to gauge local views which have then informed the final proposals set out in the policy.
- 1.3 Additional allowance for utilities - the statutory framework for charging requires us to make allowances for housing costs. These amounts are deducted from income in deciding how much is available for charging. The regulations specify that these costs must include mortgage payments, rent, ground rent, council tax and service charges, meaning that these essential types of expenditure are protected from charging. Applying a standard

¹ All local authorities now charge for community adult care services with the exception of Hammersmith & Fulham – this Council used to charge but withdrew charging for community social care in recent years through a specific policy decision.

allowance of £15 a week for all other utilities which will be deducted from the income available for charging is a discretion and is proposed to reflect consultation feedback and provide additional help to meet the cost of heating, lighting, water etc.

- 1.4 Survey responses and feedback from events with community groups has shown that a majority of people feel that an allowance should be made for other household costs. The response on what costs these should be has been varied although heating, electricity and water bills were cited most frequently. Setting a universal allowance to cover general household costs ensures that no one type of expense is prioritised over another and addresses the range of suggestions made.
- 1.5 Application of this discretion is in line with the Council's objective to tackle poverty as it would benefit those on lower incomes, who often pay a "poverty premium" for water and other utilities as they are subjected to higher rates, and for whom these essential costs are a far higher proportion of their disposable income, compared to those on higher incomes. This discretion is applied by two of the seven Councils whose policies were considered to inform our policy.
- 1.6 The estimated impact of a £15 allowance for utilities is illustrated at Appendix 6. This shows that, depending on the level of service user income, the income forgone by the Council by adopting this discretion could be up to £1.9m.
- 1.7 Enhanced Minimum Income Guarantee - the statutory minimum income guarantee (MIG) is set at income support or pension credit levels plus 25% and is set at these levels in order to cover living costs. The MIG for each person will vary according to circumstances (Appendix 1 shows the current levels.) The minimum income guarantees as set by government are:
 - under 25 £72.40
 - over 25 but less than pension age £ 91.40
 - over pension age £189

In addition, people eligible for certain disability benefits are entitled to a disability premium of £40.35 a week and enhanced disability premium of £19.70 a week

- 1.8 Using a basic MIG for adults under pension age which is equivalent to the rate for those over 25 but under pension age (£91.40) and adding amounts equivalent to disability premium (£40.35) and enhanced disability premiums (£19.70) would increase the MIG for all single people under pension age to at least £151.45 per week. This is similar to the policy in neighbouring Hackney.

Whilst this would have no effect on those already entitled to a MIG in excess of this amount either through the addition of disability premiums or because they are over pension age and in receipt of a basic MIG of £189, it would

ensure that more single people under pension age on very low incomes are not charged at all. Setting the MIG at this level ensures there is a fairer approach to adults needing social care support whose needs are not recognised by the benefits system and would otherwise fall below this level. It also allows us to have a basis for uprating this amount each year in line with the statutory guidance

Exercising this discretion will ensure that service users will be able to keep more of their income and will benefit people who are in the lower income range, as they will keep a higher proportion of their disposable income. More people will be taken out of having to pay a charge at all. This discretion is applied by a number of the other Councils considered. Introducing this discretion supports the council's strategic objective to tackle poverty. Analysis of the financial impact of charging and the discretions that have been recommended are included as Appendix 6. This suggests that the income forgone by the Council from this discretion could be up to £642k per year.

- 1.9 Weekly maximum charge - applying a cap of £250 per week on the maximum that could be charged would ensure that those who were assessed as having to pay and whose package of care was over £250 a week would make a maximum contribution to the cost of their care of £250 a week. This would particularly benefit those who have very complex needs and therefore a more expensive care package. Through the consultation, stakeholders and residents asked us to consider a cap on charges to avoid people with more complex needs being particularly penalised. A weekly charge of £250 per week is similar to the policy applied in Hackney.

The regulations offer no protection on the cost of care so it is possible to charge the full cost of the care package. Anyone who has a high cost package of care who has to pay the full cost of that care could face a substantial bill and significant lifetime costs, especially those with a disability or health condition that starts at a young age. The Care Act guidance suggests that Councils should consider providing people with protection from unlimited care costs that could see them losing a large proportion of their assets in order to meet the costs of their care.

Deferring payments for residential and nursing care

- 1.10 The Care Act 2014 requires local authorities to provide an option of Deferred Payments for those moving into residential and nursing care who own their own property. In these circumstances an agreement allows for charges to be deferred until the home is sold, at which point money is repaid to the Council. Local authorities have some limited discretions in relation to how Deferred Payments are operated locally.
- 1.11 Interest on Deferred Payments - not charging interest removes a barrier to taking up deferred payments, as interest rates can act as a disincentive. This approach mitigates against the risk that residents on lower incomes will not

want to take a deferred payment – or will be reluctant to take up care – out of a real or perceived concern that they will not be able to afford later repayments. In order to mitigate the risk of long delays in sorting out a client's financial affairs following their death, it is proposed to start to charge interest after the point at which the deferred payment becomes due. This approach to charging interest after the point at which the deferred payment becomes due is in line with other local authorities

- 1.12 Administration Fees for Deferred Payment Agreements - Charging administration fees for deferred payments based on the actual amounts incurred will ensure the local authority is not at a financial disadvantage in this respect. This is in line with the approach taken by other local authorities.

- 1.13 Disregard for those Renting out their Property - Disregarding 10 per cent of any rental income when calculating how much a person with a Deferred Payment Agreement needs to pay towards the cost of residential or nursing care will enable residents to keep an amount of income that they are likely to need to keep their property insured and in good repair. This amount is a disregard and should not be confused with their Disposable Income Allowance, which is a fixed amount of money from a person's income that we must allow a person to retain to meet daily living costs. Disregarding 10 per cent of rental income is in line with the approach taken by other local authorities and is considered an appropriate amount for meeting the costs of insurance and repairs.

2. ALTERNATIVE OPTIONS

Charging for community-based services

- 2.1 Generally, the council could decide not to charge for community-based services, but a previous decision was taken by Full Council to proceed with this policy, as charging would raise crucial income for the council at a time when it has to find £58m of savings in the next three years.

- 2.2 A number of different types of discretions were considered as set out below. In general, the proposed policy was constructed by trying to balance and take into account:
 - A strategic priority to tackle poverty and identify discretions which support those on lower incomes
 - The experience of other, similar Councils in applying discretions within their charging policies
 - Feedback from the consultation
 - The potential impacts on different groups identified in the equality analysis
 - The income that needs to be generated from charging as part of the agreed

Council budget

- Financial modelling on the likely impact of different scenarios

2.3 *Discretions relating to the assessment of income*

A percentage could be applied to income that is considered to be available for charging. This discretion was common in other councils but seems to have been phased out in recent years. We are only aware of one other borough (Hackney) that currently applies this. It would apply universally to clients with high and low incomes so would likely have a significant impact on council income and effectively benefits those on higher incomes more, as they are more likely to have 100% of their income eligible for charging.

2.4 *Discretions related to the assessment of capital*

The regulations specify that capital such as savings and other assets should be considered in carrying out a financial assessment. There are a range of capital sources that must be ignored, and these are attached as **Appendix 2**, other than that, the regulations specify that the first £14,250 of capital should be ignored entirely, and that service users should pay the full cost of care if they have more than £23,250 of capital. Between those two limits, tariff income of £1 per £250 of capital should be added to the assessed income level. For example someone with £20,000 in capital would have £23 added to their weekly income. This is calculated by the difference between £14,250 and £20,000 (£5,750) divided by 250. The Council could increase these thresholds, or reduce the amount of tariff income taken. Some other councils apply this discretion although we have been unable to identify any in London. Exercising this discretion would most benefit people with significant amounts of capital and is not therefore in line with the aim of protecting those on lower incomes. It should be noted that in relation to capital, the value of the home an adult occupies as their main residence is excluded from the assessment of capital.

2.5 *Discretions related to allowances*

In relation to disability related expenditure; the discretions that are applied in some other councils involve setting standard rates, with provision to individually assess expenditure for clients who believe they spend more. An example would be that £15 is automatically deducted from assessed income as disability related expenditure, but that any service users who spend more would have to have a full assessment of how much they actually spend. Some clients may benefit financially if their actual expenditure is below the standard rate. However, the standard rates tend to be low and it appears that this discretion is used as a way of making the assessment easier rather than to benefit service users financially. Since we will be carrying out individual financial assessments for all service users as part of the implementation of the charging policy (which will in turn generate data which can be used to estimate income going forward), any advantage through a simplified assessment is considered to be minimal.

2.6 *Discretions related to charges*

Discretions related to charges that are used in some other councils are to charge standard (rather than actual) rates for care. Standard rates will benefit clients who are receiving care where the actual cost is higher than the set standard rate and penalise those with actual care costs below the standard rate. This does not appear to be a commonly exercised discretion and may be contrary to the personalisation and choice agenda.

A period of free care could be applied when people first access care services, but this is a discretion that does not appear to be applied by other councils, since applying a number of weeks free care would make the assessment more complex and confusing for service users as there would be different periods with different amounts of charges. Everyone will continue to be assessed and receive services based on need rather than ability to pay with a financial assessment taking place separately from the needs assessment and many of the services available to service users will continue to be free of charge (such as preventative services accessible to all).

Deferred Payments

- 2.7 The discretions set out in national guidance were considered. The local authority has discretion to charge interest up to a maximum rate that is based on the cost of government borrowing². It also has discretion not to charge interest at all. The proposed application of charging interest following the death of the client aims to balance barriers to take-up of the scheme and prompt access to care with the councils' need to recoup charges incurred in a timely way. It should be noted that not charging interest is likely to have a negative financial impact on the local authority: whilst we recoup the actual amount spent through the deferred payment agreement, the value of the recoupment will diminish over time whilst the cost of services increases. Even though the charges will increase with the Council's charges, this does not account for the loss to the Council of paying for a service in advance of recoupment through the deferred payment agreement. Applying current national government borrowing rates to the average cost of residential and nursing care, the estimated lost income per client over 5 years would be £2,600.
- 2.8 The local authority has discretion to charge administration fees in relation to deferred payments. Not charging residents the actual cost incurred would leave the local authority at a financial disadvantage.
- 2.9 The local authority has discretion when it comes to offering deferred

² The maximum interest rate chargeable is derived by adding the weighted average interest rate on conventional gilts ("the gilt rate") to a 0.15 per cent default component. The gilt rate is set out by the Office for Budget Responsibility (OBR) twice a year in their Economic and Fiscal Outlook reports. The maximum interest rate changes every six months to track the gilt rate and it is fixed for six-monthly periods (1 January – 30 June and 1 July – 31 December). The relevant figure to use in calculating the interest rate for a given six monthly period is the gilt rate set out in the Economic and Fiscal Outlook report published most recently before the start of that period for the financial year in which the period is to start. From 1 January to 30 June 2016 the maximum chargeable was 2.15 per cent

payments on “top-ups”³. Not offering deferred payments on top-ups may leave a number of residents with little option but to sell their home in order to pay for the top-up amount. However, it should be noted that offering deferred payments on top-ups will mean that the local authority will be taking on an increased level of financial risk as the amount of payments being deferred will be higher. Offering a deferred payment on a topped-up amount also presents a risk to the local authority of assets being depleted more quickly, and the authority having to pay a high-cost placement if the provider will not accept a lower, non-private rate. Balancing all of these risks, the local policy does not provide for Deferred Payments on tops ups and families would need to take this into account if choosing a home above the fee levels paid by the local authority.

- 2.10 The local authority has discretion in relation to the amount of rental income someone with a deferred payment is able to retain. The local authority could ask residents to contribute less, more or all of their rental income towards the cost of residential or nursing care, but this would potentially leave residents with little resource to pay for insurance and repairs. However, it should be noted that Disposable Income Allowance (a fixed amount of money of a person’s income which the local authority must allow the person the option of retaining) is intended to be used to meet daily living costs. Disposable Income Allowance could arguably be used to meet the costs of renting property, such as insurance and repairs.

3. DETAILS OF REPORT

- 3.1 The majority of this report provides details of the consultation and proposals in relation to introducing charging for community adult social care services. A new charging policy has been drawn up to reflect these proposed changes (Appendix 8) and this also updates the charging arrangements already in place for residential, nursing and extra care services. It also contains new provisions for Deferred Payment Agreements which is a requirement of the Care Act 2014 – some discretions in relation to this element are also proposed in this report.

Charging for community-based services

- 3.2 The combined effect of rising demand for adult social care services and inflation will result in estimated budget pressures of approximately £4m per annum over the three year period from 2016 to 2019. Due to reductions in Government funding, in its Medium Term Financial Strategy (MTFS) the Council as a whole will have to make an estimated £58m savings across the three years from 2017/18. The Council therefore has to consider how to make funding for adult social care sustainable in this context to ensure that adults with care needs continue to receive the support they require.

³. A “top up” is an amount of money that a social care user or a third party pays in addition to the contribution they have been asked to pay through a financial assessment. It is typically paid when someone wishes to use a particular service that costs more than the local authority has agreed to pay: That person is “topping up” their care package so that they can use a more costly service if this is in line with their preferences.

- 3.3 As part of its budget setting process for 2016/17, Cabinet agreed a proposal to implement charging for community based adult social care services, as part of its strategy to address the expected budget shortfall as a result of reduced funding from central government and growing demand for services. This was agreed as part of the Council's budget in February 2016 by Full Council.
- 3.4 The Council is one of only two in England and Wales that do not generally charge for community based social care services. The exception to this is extra care sheltered housing clients in Tower Hamlets who are already charged for care if they can afford to contribute. Residential clients are charged in line with the pre-Care Act 2014 regulations which obliged councils to charge for residential care.
- 3.5 The Care Act 2014 introduced a new statutory regime for charging for adult social care services. Largely this is similar to the old regime in that clients must be financially assessed to determine their ability to pay before any charge can be made. The main difference is that the Council now has discretion over residential as well as non-residential charging. It is not proposed to change the current rules for residential care as in the current climate this would not be affordable.
- 3.6 The statutory provisions in the Care Act set out what the Council can charge for and what it must consider in assessing whether a service user can afford to pay a charge. The key aspects of this statutory framework are:
- Income and capital should be considered in any assessment
 - Certain sources of income and capital **cannot** be included in any financial assessment, they are essentially protected from a charge (**See Appendices 2 and 3**)
 - Housing costs for rent and council tax (net of any benefits), mortgage payments, ground rent and service charges and disability related expenditure must be taken off income
 - The concept of a 'minimum income guarantee' which is a floor below which a client's income net of housing costs, disability related costs and care charges cannot fall. The rates are set nationally and are equivalent to income support or pension credit plus 25% (**see Appendix 1**).

These rules mean some people do not pay any charge at all.

Certain services cannot be charged for:

- Intermediate care, including reablement,
- Community equipment (aids and minor adaptations)
- Advice, information and guidance including employment support.
- Care and support provided to people with Creutzfeldt-Jacob Disease

- After-care services/support provided under section 117 of the Mental Health Act 1983
 - Any service or part of service which the NHS is under a duty to provide; this includes Continuing Healthcare and the NHS contribution to Registered Nursing Care
 - Assessment of needs and care planning may also not be charged for
- The main services where there is discretion to charge are shown in the following table:

Service	Current Council position	Proposed policy
Residential care	Charged for	Charged for (no change)
Nursing care	Charged for	Charged for (no change)
Home Care in extra care sheltered housing	Charged for	Charged for, using new proposed financial assessment rules
Home care in other settings	Not charged for	Charged for
Day care	Not charged for	Charged for
Transport	Not charged for	Charged for
Meals	Charged for	Charged for (no change)
Telecare (NB Telecare is provided both to clients with assessed needs as well as others below the social care threshold)	Not charged for - and was specifically excluded from charging in the budget consultation, recognising the preventive benefits of this service	Not charged for
Support for carers	Not charged for	Not charged for – in recognition of the major contribution carers make through the support they provide

- 3.7 As set out above, the statutory guidance on charging and financial assessment sets minimum thresholds in relation to the income and capital levels below which people cannot be charged. This leaves some flexibility to the Council to be more generous, which will have differential effects on different people, depending on their circumstances (and this will of course impact on the level of income raised for the council's budget).
- 3.8 Discretions used by other councils were reviewed (See Appendix 9) and from this proposals were developed which contained detailed options for discretions that could be applied, with the aim of particularly protecting people on low incomes.
- 3.9 Discretions considered relating to the assessment of income

- Applying a percentage cap to income that is considered available for charging
- Protecting more housing costs from charging
- Discretions related to the assessment of capital
- Increase the thresholds for capital or reduce the amount of tariff income taken
- Discretions related to allowances
- Set a standard rate for disability expenditure
- Increase the minimum income guarantee

3.10 Discretions considered related to charges

- Charge standard rates for care rather than actual cost
- Apply a cap or maximum level of charges (weekly, annual or lifetime)

3.11 From these options two were considered to meet the Council's aim of protecting people on lower incomes;

- protecting more housing costs from charging; and
- increasing the minimum income guarantee

As such these were taken forward into the public consultation. During the consultation we asked about the specific discretions and any additional expenses or costs that we should consider protecting from charging, or other ways to minimise the impact of charging on vulnerable adults.

Consultation on charging for community-based services

3.12 A consultation was undertaken on how charging and financial assessment should be undertaken. Views were sought on the discretionary areas proposed and on how to mitigate any adverse impacts from charging.

3.13 The consultation period lasted for 11 weeks from 20th June to 4th September and included:

- Accessible information on the proposals for charging made available on the Tower Hamlets website along with a survey, with options to complete online, by post or assisted completion by phone. The helpline was staffed Monday to Friday from 9am to 5pm.
- 2650 Individual letters and an information booklet were sent to all service users identified as being in receipt of at least one of the services it is proposed to charge for. The information booklet contained clear and easily understandable public information and a number of illustrative examples to

demonstrate how charging might affect people in different circumstances. A copy of the information and survey questions is attached as Appendix 4.

- Focus group sessions held with our established service user and provider representative groups: Sessions were arranged for Tower Hamlets Council for Voluntary Services (THCVS) and Real, these sessions were run by the groups themselves at their request.

Group	Number of Attendees
Older People's Reference Group	12
Health Watch	12
Health Watch Mental Health Task Group	14
Have your say group (services users with a learning disability)	9
Carers	14
Beyond barriers (Adults with sight or hearing disability)	18
Pan providers forum	49

- Additional consultation sessions with service users and providers of support for people who use social care (or may in future) were, organised by Tower Hamlets Council for Voluntary Services (THCVS) and Real.
- Booklets sent to day centres and idea stores for display/distribution.
- Consultation session held with the Overview and Scrutiny committee (cross-party) during the public consultation window to ensure the full engagement of Council members. Briefing sessions were also offered to all political groups.
- Information published in the managers' and members' briefings and copies of the information booklet were distributed to all members.
- Briefing sessions held for staff including social workers, carers, occupational therapists, reablement and review teams.
- The information provided aimed to reassure people around common fears and misunderstandings e.g. that people on low incomes are protected and that the value of someone's own home is not taken into account (therefore there is no risk of them having to sell their home to meet charges).

- 3.14 A total of 685 survey responses were received. A full analysis of these and feedback from the events is included at **Appendix 5**, however, the key points are as follows:
- 3.15 Of the 685 responses received, 627 (92%) were from service users, and 58 (8%) from non-service users. The majority of respondents were receiving home care services with a quarter receiving day care.
- 3.16 Overall views were fairly mixed. A total of 383 out of 685 (56%) disagree that the council should ask people to contribute to their care costs, with over a third of respondents strongly disagreeing with its introduction. However, a quarter of people said they were unsure and a fifth (130 respondents) agreed that the council should ask people who can afford it to contribute. In addition, many respondents suggested that protecting those who were least able to pay, and supporting people through the assessment and charging process, would be key mitigations against a potential negative impact.
- 3.17 A small majority (51%) of respondents believe they will be affected by the introduction of charges, although a sizeable minority (40%) felt they would not be affected.
- 3.18 The majority of respondents (62%) believe that additional living costs should be protected when determining charging. Household utilities (gas, electricity and water) were the most common suggestions for additional costs to be protected.
- 3.19 A third of people said they were unsure or had no view about the council's propose to raise the Minimum Income Guarantee, though of those who expressed a view, more people agreed with this proposal than disagreed.
- 3.20 A small majority of respondents (51%) did not believe that the introduction of charges would stop them from asking the council for support This is an area of concern to many people which we will address by ensuring that needs are assessed before a financial assessment is undertaken, social workers understand the assessment process and that although clients will have to have an assessment the result of this for many will be that they will not have to contribute to the cost of their care. All information published about assessments will be clear and easily accessible and will include details about the support that is available. Training sessions have also been offered to voluntary sector organisations to help them to support their users
- 3.21 The majority of respondents who expressed a preference believed that on balance the Council was taking the right approach in protecting people on lower incomes from charging (244 out of 685). A third of respondents were unsure or had no view (242 out of 685) and 161 disagreed.
- 3.22 In addition to the surveys, representations were made by individuals and combined responses were submitted on behalf of the voluntary and community sector by THCVS and on behalf of disabled people by Real. These all received written responses to the issues they raised. TH CVS and Real both had serious concerns about the implementation of charging in principle, but requested additional protections if the Council were to proceed with the policy.

3.23 A particular issue raised by stakeholders and residents was why the council had not consulted on applying a cap to the charges that an individual would have to pay. Some people felt that those who have been able to work and save throughout their lives but have very complex needs would be doubly penalised when they became subject to charging – because they may be required to pay the full costs of their care (due to higher pensions or savings) and have very expensive care packages due to their needs. This was described as akin to a “disability tax”, where people pay more because of their condition. People raised that the Care Act envisaged a cap on care costs, to protect people from significant lifetime costs of care. This is a policy some councils apply e.g. through a maximum weekly charge.

3.24 The issues raised in the combined response from the voluntary and community sector and by individuals were that the council should continue to provide services free at the point of use in order to ensure people are able to access the services they need. Where charging was implemented the proposed timetable of implementation in January 2017 was felt to be too ambitious and would leave the voluntary sector insufficient time to prepare to support clients. Some specific areas were also raised as to how the assessment would be undertaken and how guidance and information would be disseminated. In order to address these concerns the following actions will be taken:

- To mitigate the potential impact on clients and those who may be requested to support them through the assessment process, the Council will ensure that the financial assessment process is as straightforward as possible. The Council will seek to use light touch financial assessments where possible using information already held. This will reduce the number of people who need to have a full financial assessment.
- The Council has prepared communications which will provide more detail on the assessment process and how people will be supported through it. Service users and families will be informed of the independent support that is available to them. The Council will also aim to maximize benefit entitlement by providing advice and support about benefits people may be entitled to, where relevant.
- Training will be provided to support groups who request it to help them assist their clients.
- Implementation will not take place in January 2017 as originally planned, but by the start of the new financial year in April 2017. This will give individuals more time to prepare for new financial obligations and organisations more time to provide the necessary information, advice and support to their clients.
- As part of the budget proposal agreed last year, the Council will invest in staff to carry out the individual financial assessments and provide information/support where required to reassure people and support them through the process.

Modelling the Impact of Charging

3.25 A model has been developed to assist understanding of the impact of the discretion options being considered by the Council. The purpose of modelling is to inform an understanding of what *could* happen – not what *will* happen. It is therefore illustrative. It is difficult to accurately predict the impact as the cohort of service users affected have never had their income assessed in this way. Assumptions are used to facilitate modelling and consequently, the income generated following the introduction of charges may be higher or lower than projected in the model.

3.26 The total income raised from charging is calculated as follows:

Total Number of Clients who pay a charge	x (multiplied by)	Charges that are paid	= (equals)	Total income raised
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3.27 The Council therefore needs to understand how many clients will be charged, and how much they will each have to pay.

3.28 Not everyone will be charged. **Only those who can afford to pay will be charged.**

3.29 Clients will receive a Financial Assessment which determines how much they can afford to pay in accordance with guidelines published by Government plus the local discretions outlined in this paper. The guidelines set out how the Financial Assessment should be conducted, and specifically what client income, capital and expenditure must be considered, and disregarded (not included in the calculation of the charge). Some key points to note include:-

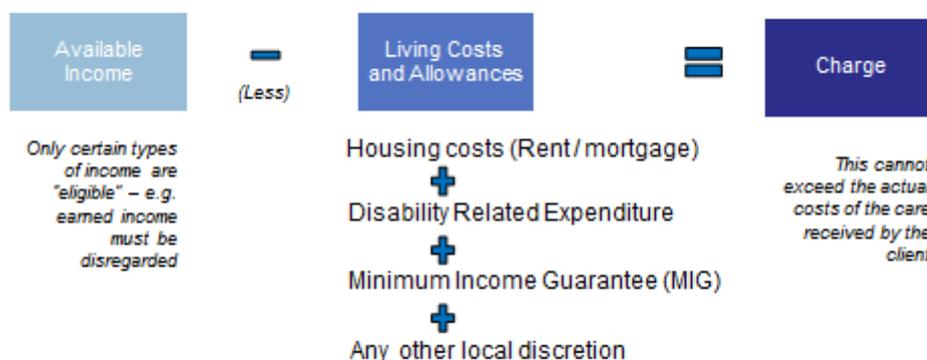
- Only the income and capital of the client is considered. Joint income is apportioned, usually 50/50.
- All earned income (e.g. from employment) is disregarded.
- State benefits are included as income, but some specific benefits are disregarded in full or in part.
- A client's income must not fall below a specified level after charges have been deducted. This is the Minimum Income Guarantee after charges to cover costs like food, utilities and insurance.
- Housing costs (rent, mortgage, council tax and service charges) must be deducted as expenditure.
- Where disability-related benefits are taken into account, the client must keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority; these expenses must be taken off income.
- The client's main home is disregarded as capital.
- There are minimum and maximum thresholds for capital. Any capital below the minimum threshold (currently £14,250) is disregarded. If the client has

capital exceeding the upper threshold (currently £23,250) they are deemed to be able to afford the full cost of their care.

- The client cannot be charged more than the actual cost of their care.

3.30 The guidance identifies the areas in which the local authority has discretion, and is clear in stating that the “overarching principle is that people should only be required to pay what they can afford”.

3.31 The charge that a client pays can be summarised as illustrated below.



3.32 The illustration also confirms that every financial assessment is unique to the circumstances of that individual.

3.33 We will continue to match against income data that has been collected as part of Housing benefits assessments, where this is not held we will check directly with the DWP (Department of Work and Pensions) in order to help us implement charging in a simple and straightforward way. The analysis of this data so far has been used to test our income estimates as outlined in this report. The model will be updated and the actual position will be reported in future budget monitoring reports.

3.34 Appendix 6 sets out the details of the modelling undertaken to date. The key points arising from this modelling are as follows:-

- Only those who have the highest level of disability benefit, private pensions and / or significant sums of capital are likely to be charged.
- The model shows that at lower income levels, deductions for housing, disability related expenditure and living costs are sufficient to exclude clients from charges.
- The allowance for utilities benefits all users, and therefore is not targeted at those who may need it the most. Consequently, the financial cost to the Council from income forgone is the greatest. Increasing the Minimum Income Guarantee benefits those with the lowest benefit incomes because the difference between this and the corresponding Statutory Minimum Income Guarantee are relatively greater. It therefore meets the Council's policy aim of protecting those with the lowest incomes.
- The weekly cap on care charges only benefits those who would pay the full cost of care which exceeded this amount (i.e. those with more expensive care

packages), or if they could afford to pay more than £250 per week. This would be a small number of people but those with particularly high needs.

After applying the local discretions, the total income the council would raise could range from £969,632 to £4,533,520. The lowest amount of income raised is based on an assumption that all clients have a low income whilst the highest figure is based on the converse assumption that all clients have a high income. In both cases we have also assumed that 5% of clients will pay a full charge. In reality there will be a mixture of different levels of income and it is expected that due to local demographics and income levels the income is likely to be towards the lower end of this range.

To gain a better understanding of the likely levels of income potentially available to use for charging, a data matching exercise was undertaken between social care and housing benefit administration information held by the Council. This returned a sample of 754 community based care clients in receipt of housing benefit. As clients are in receipt of benefit, this will not fully represent the whole client group, however, it did provide the following insight:-

- 42% were in receipt of a disability benefit, and of these, almost half were in receipt of the highest level of disability benefit
- 9% were in receipt of a personal pension with monthly income ranging from £6.26 to £701.01
- The receipt of disability benefit (which can be counted as income for charging) is a significant factor in determining those that may potentially face a charge

3.3 Deferred payments for residential and nursing care

3.35 Deferred payments enable residents to postpone payments for residential or nursing care. The local authority takes on these payments, and then recovers costs at a later date. Typically, deferred payments are taken against the value of a property. They enable residents to keep their homes for a period of time, rather than having to sell them straight away in order to pay for residential or nursing care.

3.36 The Care Act 2014 introduced a new statutory regime for deferring payments for residential and nursing care. The statutory provisions in the Care Act set out how the Council must act in relation to deferred payments, and where discretion can be exercised. The key aspects of the statutory framework for deferred payments are:

- During the first 12 weeks of a permanent stay in residential or nursing care, the capital value of the person's property is disregarded.
- The local authority will seek adequate security against the deferred amount. Typically, the local authority will gain a legal "charge" against a property.
- The amount that can be deferred is based on the value of the property (or equivalent), minus 10 per cent, minus the lower capital limit, minus any encumbrance secured on it. The lower capital limit is a nationally-

set rate: It is subject to change, but is currently £14,250. An encumbrance refers to an outstanding debt in relation to the property – typically a mortgage. The local authority will undertake regular valuations of the property being used in the deferred payment.

3.37 The Care Act 2014 also introduces a number of discretionary areas in relation to deferred payments. Key amongst these are:

- Discretion to charge interest on deferred payments up to a maximum amount.
- Discretion to charge administration fees on deferred payments.
- Discretion to offer deferred payments on “top up” amounts.
- Discretion as to how much rental income to disregard when calculating how much a person needs to pay towards the cost of care (in cases where a person wishes to rent out their property).

3.38 Consideration has been given to these discretions taking into account the likely impact of each on families and also the financial implications and risks for the Council. It is therefore proposed to include the following discretions in the policy:

- Charging of interest on deferred payments only from the point at which the person living in residential/nursing care dies
- Charging administration fees to cover the actual costs to the Council of setting up and administering the Deferred Payment Agreement
- Disregarding 10% of rental income to allow properties to be maintained in a good state of repair

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The financial implications of the proposed community care services charging policy was reported as part of the budget report to Cabinet on 2nd February 2016 and is reflected in the Council’s medium term financial strategy. Its implementation was estimated to provide a net annual income of £1.080m.

4.2 The recommended option, following consultation, is based on a Minimum Income Guarantee (MIG) of £151.45 for all service users other than those where the government’s MIG is higher, together with an additional £15 per week (£780 per annum) utility allowance for all users and a cap on care charges of £250 a week to limit the maximum amount that could be charged to an individual user. In most other respects the proposal reflects the national scheme guidance.

4.3 Whilst the recommended level of the MIG has been derived from components of the national scheme as described in paragraph 1.7 there is no overriding basis for it to be set at this level. In particular it should be noted that the national MIG is considered already to include recognition of utility costs – this

is set out under the Living Costs and Allowances within Appendix 6 and states:

Local Authority Circular LAC(DH)(2016)2 sets out the (Statutory) Minimum Income Guarantee (MIG). This is the amount of income which people receiving local authority arranged care and support other than in a care home need to retain to cover their living costs, which are defined as costs such as rent food and utilities. This is not a single figure and the value of this is based on age, family, and personal circumstances stated in the circular.

- 4.4 The modelling which has been undertaken in order to estimate the financial implications of the recommended approach is based on a number of assumptions which are set out in Appendix 6 and has been undertaken in the absence of any detailed individual financial assessments; it must be treated therefore with a significant degree of caution. However the key messages for Members, which are summarised in the tables in Appendix 6 to this report, are that:
- At the medium level of assumed client income, the proposed approach would generate an estimated income of £0.970m;
 - At the medium level of assumed client income the income foregone from adopting a local approach above that of the base national scheme amounts to £0.600m per annum - in particular this reflects the recommendation to apply a discretionary £15 per week allowance for utilities. At higher levels this loss could be as much as £1.9m.
- 4.5 There are however a very wide range of potential outcomes depending in particular on the assumptions about levels of client income. These potential scenarios can be seen in the tables in Appendix 6; the most significant components are the assumptions around client levels of income. The range of potential income to be generated is estimated between £0.970m at the lower income level and £4.534m at the higher income level
- 4.6 The implementation timetable indicates that charging is expected to commence in April 2017. This will result in no additional income in the first year and consequently adds a pressure on the remaining Adults' Service budget for 2016/17.
- 4.7 Deferred payment arrangements are an available option already established for the payment of residential and nursing care. The Council has not however, entered into any deferred payment agreements in the past two years. The recommendation to apply rental income allowances, and forego the discretion to charge interest will improve their attraction as a safe and affordable payment alternative.
- 4.8 There is a further cost to the Council of the deferred payment approach which, currently amounts to an estimated c2% compound interest cost per annum – the financial cost will clearly depend on take up of the scheme. It is recommended that once the deferred payment becomes payable (normally

following the death of the client) the interest cost becomes payable from that point.

- 4.9 The ability to charge administration fees will ensure that the Council is compensated for the additional resources required to operate the scheme.
- 4.10 A further consideration is the extent to which any charges due are actually collected and, as a result, the need to apply the Council's income collection policy and establish an appropriate bad debt provision, the establishment of a bad debt provision will further reduce the estimated income generated.

5. LEGAL COMMENTS

- 5.1 Most provisions of the Care Act 2014 ("the Act") came into force on 1st April 2015 and replaced the existing duties and powers in respect of assessing and meeting an individual's eligible care needs. Local authorities previously had a duty to charge for residential care in accordance with regulations and statutory guidance; however section 14 of the Act introduced a power, rather than the previous duty, to charge for residential care in certain circumstances. The previous power to charge for non-residential care remains, subject to the new regulations and statutory guidance.
- 5.2 Section 8 of the Act provides that those eligible needs may be met in a number of ways, including accommodation in a care home. Section 14(1)(a) of the Act provides that a local authority may make a charge for meeting needs under the Act, whether these needs are met pursuant to the Council's duty or power to meet those needs. This power to charge applies to all types of care provision, whether through the provision of residential care or domiciliary care, though this can only cover the cost incurred by the local authority in meeting those needs (section 14(4)). Sections 14(6)-(8) provide that regulations may prohibit a local authority from making a charge in specified circumstances; and set an amount beyond which a person's income cannot fall after paying any charges.
- 5.3 The Care and Support (Charging and Assessment of Resources) Regulations 2014, ("the 2014 Regulations") were made under section 14(5)-(8) and section 17 of the Act. Part 2 of the 2014 Regulations governs the power of local authorities to charge for care and support, and identifies services which cannot be charged for. Regulation 6 specifies the personal expenses allowance for residents provided with accommodation in a care home. Regulation 7 sets out the minimum income guarantee for adults and carers whose needs are being met other than in a care home.
- 5.4 Part 3 of the Regulations is concerned with the assessment of financial resources. Regulation 12 of the Regulations prohibits the Council from paying towards the cost of care home accommodation for an adult whose financial resources exceed the capital limit. However, no such prohibition applies to the cost of care provided other than in a care home. The upper capital limit is currently set at £23,250 and the lower capital limit, below which the Council cannot take capital into account when undertaking a financial assessment, is currently £14,250.

5.5 Chapter 8 of the Care and Support Guidance released in October 2014 ('the Guidance') provides guidelines on charging and financial assessments under sections 14, 17 and 69-70 of the Act and associated regulations. The Guidance sets out in paragraph 8.2 the principles that the Council should take into account when making decisions on charging. The Guidance has subsequently been updated, most recently on 9th May 2016.

5.6 The Guidance sets out that the Council must consider the need to meet daily living costs, and describes the Minimum Income Guarantee and treatment of disability benefits. The Council has some flexibility in respect of setting charges, for example the flexibility to disregard certain sources of income, set maximum charges, or charge a person a percentage of disposable income.

5.7 Paragraph 8.46 of the Guidance specifically refers to the need to consult before exercising the discretion to charge for non-care home fees. It states that:-

"Local authorities should consult people with care and support needs when deciding how to exercise this discretion."

5.8 Paragraph 8.46 then goes on to set out various factors that a local authority should consider when deciding how to exercise the discretion, including how to protect a person's income, whether to set a maximum percentage of disposable income to be taken into account in charges and whether it is appropriate to set a maximum charge.

Consultation

5.9 Section 14 of the Act does not set out an express statutory duty to consult before exercising the power to charge for either residential or non-residential care. However, section 78 of the Act requires that local authorities act compatibly with the Guidance unless they have clear reasons for not doing so.

5.10 Paragraphs 8.45 and 8.46 of the Guidance require the Council to have a policy on how it wishes to exercise the discretion to charge for non-residential care; and to consult people with care and support needs when deciding how to exercise the discretion. These do not set out a specific expectation in respect of consulting on charging for residential care.

5.11 However, chapter 23 of the Guidance sets out the expectations for transitioning to the new legal framework. Para 23.14 refers to financial assessment and states:

"Local authorities should review the operation of their local charging regime ... should consider the need to consult with their local population, but should not be expected to consult formally if their approach has not changed as a result of the Act."

5.12 Any consultation will be required to:

- a. Be proportionate to the changes proposed, bearing in mind the impact on those potentially affected and the extent to which these may be controversial
- b. Give sufficient reasons for any proposal to permit intelligent consideration and response
- c. Set out the realistic alternatives to the policy chosen and the reasons these have not been selected in sufficient detail to enable consultees to make proper representations on the issue
- d. It should be at a time when proposals are still at a formative stage
- e. Provide a reasonable period for consideration and response, allowing that these policies will need to be in place by 1 April 2015. A 4 week consultation is likely to be appropriate.
- f. The product of consultation must be conscientiously taken into account and may require inviting and considering views about possible alternatives, including other areas in which savings may be made.
- g. Give due regard to the Council's equality duties.

5.13 Having regard to (f) above, the consultation took place between 20th June and 4th September 2016 and Appendix 5 contains a Community Care Charging Consultation Feedback Briefing Note. Paragraphs 3.12 to 3.22 of the report also detail the Consultation undertaken. These need to be fully considered before any decisions are made.

Equality Duty

- 5.14 The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to avoid discrimination and other unlawful conduct under the Act, the need to promote equality of opportunity and the need to foster good relations between people who share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required in order to enable the Council properly discharge this duty and in some cases, such as where savings are made which impact on individuals with care needs, consultation will be required to inform the equality analysis. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged.
- 5.15 The obligation on the Council is that it should take all necessary steps to ensure that it properly understands how the change to services affects people who have protected characteristics. In the circumstances not only should the Council perform an Equality Analysis prior to any changes being made but it should consider consultation with affected services users if it considers it necessary to show that it has taken due regard of the impact on those Service Users. The duty is for the Council to take appropriate steps to fully understand the needs of the people affected by the changes. This also includes the families and carers of the individuals with care needs, who may also be affected.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 Equalities impact assessment included as Appendix 7.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 This report concerns the raising of charges for adult social care as part of the Council's income approach and Medium Term Financial Strategy.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no direct implications around environmental issues arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Charging for community adult social care is in place across the country aside one other local authority and there are tried and tested ways to implement charging safely and with regard to risks for individual clients and the Council. The impact of charging on individuals is assessed throughout the financial assessment process and on an ongoing basis through reviews. The charging policy makes no change to the duties on the Council to assess and support those with needs to be met under the Care Act 2014. Monitoring the take-up of services through the implementation of charging will be undertaken and reviewed.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no direct implications around crime and disorder reduction arising from this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Clients could refrain from accessing services if they have to contribute towards them, however, the needs assessment and safeguarding procedures will be carried out irrespective of charging being applied.

Experience of charging in other Councils has shown that service users continue to access the service they require

In order to ensure that service users continue to access service we will undertake an assessment of needs before a financial assessment thus minimising the likelihood that services will not be accessed due to concerns around the cost of those services.

Social work Staff and voluntary sector organisations that provide support and advocacy to vulnerable adults will be trained to support vulnerable adults through the charging process. We will also ensure there are clear and simple procedures in place for them to raise any concerns

The charging policy specifies that services will not be withdrawn where there is an assessed need so service users will not face losing services.

APPENDIX 1

Minimum Income guarantees as at 6 April 2016

These weekly amounts are specified by the Government as the minimum amount of income a service user can be left with after all charges. The Council could increase these amounts in any local policy to protect more of people's income or capital, but cannot go below them.

- £83.65 per week in respect of each child in the household that the person is responsible for;

PLUS

- *For single people:*
 - 18-25 years old, £72.40
 - 25 to pension age- £91.40
 - Pension age- £189
 - Lone parents over 18- £91.40
- *For each member of a couple:*
 - Aged 18 to pension age- £71.80
 - Pension age- £144.30

PLUS

- *For single people:*
 - Disability premium where entitled-£40.35
 - Enhanced disability premium where entitled- £19.70
- *For members of a couple:*
 - Disability premium where entitled- £28.75
 - Enhanced disability premium where entitled- £14.15

PLUS

- Carer premium where entitled- £43.25

APPENDIX 2- Statutory Capital Disregards

Regulations specific that the capital listed below **must** be ignored in the financial assessment. The Council **may** ignore (disregard) other capital such as savings as well.

- A person's only or main home where the person is receiving care in a setting that is not a care home, or if their stay in a care home is temporary.
- A person's main or only home for 12 weeks after they move into a care home permanently
- A property occupied as their only or main home by the persons partner, or close relative
- The surrender value of any
 - Life insurance policy
 - Annuity
- Payments of training bonuses of up to £200
- Payments in kind from a charity
- Any personal possessions such as paintings or antiques, unless they were purchased with the intention of reducing capital in order to avoid care and support charges
- Any capital which is to be treated as income or student loans
- Any payment that may be derived from:
 - The Macfarlane Trust
 - The Macfarlane (Special Payments) Trust
 - The MacFarlane (Special Payment) (no2) Trust
 - The Caxton Foundation
 - The Fund (payments to non-haemophiliacs infected with HIV)
 - Eileen Trust
 - MFET Limited
 - Independent Living Fund (2006)
 - Skipton Fund
 - London Bombings Relief charitable Fund
- The value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal injuries compensation funds
- The value of a right to receive:
 - Income under an annuity
 - Outstanding instalments under an agreement to repay a capital sum
 - Payment under a trust where the funds derive from personal injury
 - Income under a life interest or a life-rent
 - Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK
 - An occupational pension
 - Any rent (although the income may not be disregarded.)
- Capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction

- The value of a right to receive any income under an annuity purchased pursuant to any agreement or court order to make payments in consequence of personal injury and any surrender value of such an annuity
- Periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income.)
- Any Social Fund payment
- Refund of tax on interest on a loan which was obtained to acquire an interest in a home or repairs or improvements to the home
- Any capital resources which the person has no rights to as yet, but which will come into his possession at a later date, for example on reaching a certain age
- Payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement
- The amount of any bank charges or commission paid to convert capital from foreign currency to sterling
- Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit)
- Community charge rebate/ council tax rebate
- Money deposited with a Housing Association as a condition of occupying a dwelling
- Any Child Support Maintenance Payment
- The value of any ex- gratia payments made on or after 1st February 2001 by the Secretary of State in consequence of a person's or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War
- Any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act)
- The value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products
- Payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt- Jakob disease to the victim or their partner (at the time of death of the victim)
- Any payments under Section 2,3, or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983)
- Any payments made under section 63 (6) (b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section
- Any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital

APPENDIX 3

Statutory Income Disregards

Regulations specific that the income sources listed below must be ignored in the financial assessment. The Council *may* ignore (disregard) other sources of income as well, with exceptions listed at the end of this appendix.

- Employed and self- employed earnings
- Direct Payments
- Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- The mobility component of Disability Living Allowance and Mobility Supplement
- The mobility component of Personal Independence Payments and Mobility Supplement
- Armed forces Independence Payments and Mobility Supplement
- Child Support Maintenance Payments and Child Benefit
- Child Tax Credit
- Council Tax Reduction Schemes where this involves payment to the person
- Christmas bonus
- Dependency increases paid with certain benefits
- Discretionary Trust
- Gallantry awards
- Guardian's Allowance
- Income frozen abroad
- Income in kind
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Savings credit disregard
- Social Fund payments (including winter fuel payments)
- War widows and widowers special payments
- Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- Any grants or loans paid for the purposes of education
- Payments made in relation to training for employment
- Any payment from:
 - Macfarlane Trust
 - Macfarlane (Special Payments) Trust
 - Macfarlane (Special Payment) (No 2) Trust
 - Caxton Foundation
 - The Fund (payments to non-hoemophiliacs infected with HIV)
 - Eileen Trust
 - MFET Limited
 - Independent Living Fund (2006)

-
- Skipton Fund
- London Bombings Relief charitable Fund
- Charitable and voluntary payments that are made regularly
- The first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, War Disablement pension and payments to victims of National Socialist persecution (paid under German or Austrian law.)
- Part of savings credits under certain circumstances.

Income that must be taken into account

The following income sources *must* be taken into account- the Council cannot decide to ignore them in financial assessments:

- Attendance allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance
- Bereavement Allowance
- Carers Allowance
- Disability Living Allowance (Care Component)
- Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit
- Income Support
- Industrial Injuries Disablement Benefit or equivalent benefits
- Jobseeker's Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (Daily Living Component)
- State Pension
- Universal Credit
- Working Tax Credit

APPENDIX 4 – Consultation leaflet on charging for community-based services

What is this leaflet about?

A decision has been made to charge for some of our adult social care services that are free at the moment. We are asking you about how we should bring this change in.

Why is the Council doing this?

The amount of money that the Council is being given by the Government is going down every year. Also, the number of people needing our support is increasing.

We need to make sure that we can pay for support for people that *need* it. So, we are asking those that can afford it to pay something towards the cost of their care. Most councils already do this. Tower Hamlets is one of only two in England that do not currently charge for care services that people get in their own home.

The law says we have to work out how much people can pay by deciding if they can afford it. The Council is thinking about how it might make this decision.

We need to make sure that nobody is asked to pay if they cannot afford to, The Mayor particularly wants to protect people on lower incomes so we are looking at ways we can do this |

We also want to make sure that nobody is put off coming to us for help because they might be asked to pay towards their care.

When we look at what people can afford to pay, we will also check if there are benefits that people are eligible for, to make sure everyone is getting all the income they are entitled to, to help pay for care and other costs

Who is affected?

Anyone who gets any of these services may be affected.

- Home care for people who do not live in extra care sheltered housing
- Day care (including the cost of transport for getting to and from day care)

We are **not** thinking about introducing any charges for the following services:

- Support to carers
- Telecare
- Reablement
- Equipment and adaptations
- Aftercare provided under the Mental Health Act

If you get any of these services, then you will **not** be affected by the change. The services will carry on being free of charge.

Who already pays?

People getting the following services already pay a charge if they can afford to:

- People in residential or nursing care
- People getting home care in extra care sheltered housing

A set charge is already made for meals on wheels. We are not thinking about changing this.

How will the Council work out if I can afford to pay?

By law, the Council has to look at the amount of money you get every week, and the amount of capital you have. We add up this amount of money and take off your housing costs

For some people we will also take off your disability related costs. We will then work out how much money you have left.

If the amount of money you have left is higher than the minimum amount of income the Government says you need to live on, you will be asked to pay towards the cost of your care.

If the money you have left is **less than the minimum amount of income the Government says you need to live on**, you will not be asked to pay.

If the money you have left is **more than the minimum amount of income the Government says you need to live on**, then we will ask you to contribute any excess towards your total personal budget or care cost. The maximum you could be asked to contribute would be either your total personal budget or your care costs.

If you have savings or other capital over £23,250 we will ask you to pay the full cost of your service. Savings or capital includes money in Post Office, bank or building society accounts, shares or other investments. It does not include the value of the home you live in or your possessions. If you own a second property it could include this.

Any savings under £14,250 are ignored and will not be used to work out how much you will pay

If you have **between £14,250 and £23,250** in savings or other assets we will add £1 for every £250 to your weekly income.

Example

If you have £20,000 in savings or other assets, the Council will add £23 to your weekly income.

How this is worked out:

- The first £14,250 is ignored

- The rest of your savings are £5,750
- £5,750 divided by 250 is £23

What income do you take into account when calculating if I have to pay?

We will take account of most of your income from benefits and pensions we also take into account benefits you receive to help towards disability costs including Attendance Allowance, Disability Living Allowance care component.

Some of your income is ignored. This includes:

- Any earnings you get from a job
- The mobility component of Disability living allowance or Personal Independence Payment
- The first £10 per week of War Widows or War Widowers pensions
- Housing Benefit
- Council Tax Benefit
- Child Benefit
- Christmas Bonus payments
- Social Fund Payments
- Winter fuel payments

What savings and assets do you take into account?

We will include in our assessment any savings or other assets that you could use to help you to pay for your care. Savings or capital includes money in Post Office, bank or building society accounts, shares or other investments.

It does not include the value of the home you live in or your possessions. If you own a second property it could include this

If you are living in residential or nursing care, this includes the value of your home if you own it. We ignore the value of your home if you live in it.

What housing costs will you take off my income?

The housing costs we will take off your income are:

- Mortgage payments
- Rent
- Ground rent
- Council tax
- Service charges

We would like to know as part of our consultation whether there are other housing related costs that we should take off your income

Disability Related Expenditure

If you are getting a disability benefit and we include this in your income we have to take any disability related expenditure off the amount that you can afford to pay. This might include for example Telecare, any special clothing or special equipment that you are paying for from your income.

The Council will work out your disability related expenditure as part of your financial assessment.

What is the minimum amount the Government says I need to live on?

The amounts vary depending on your circumstances. They are the same as you would get if you were getting Income Support, plus 25%.

The weekly amounts for 2016-17 are:

- £72.40 for adults under 25 years old
- £91.40 for adults over 25 but less than pension age
- £189 for people over pension age

There are additional amounts for some people. These include:

- If you have children, £83.65 for each child
- £40.35 if you get disability benefits
- £43.25 if you are a carer and entitled to a carer premium

Because the Council wants to make sure that everybody is left with enough money to live on after any charges that we make, we are thinking about increasing the minimum amount of income the Government says you need to live on.

The changes we are thinking about are:

- **Increasing the minimum amount of income the Government says you need to live on so there is** one rate for everyone under pension age. This would have the effect of increasing the amount for all single people under pension age to £151.45 per week. The rates that the Government sets are currently £72.40 for under 25 year olds and £91.40 for over 25s.

We would like your feedback on this idea.

Have you looked at other ways of protecting people on lower incomes?

We want to make sure we are protecting those on lower incomes. We have considered whether a policy which only considers a percentage of income when

working out how much you have to pay, or increasing the minimum amount of income the Government says you need to live on would be the best way to do this. We think that increasing the minimum amount of income the Government says you need to live on is the most effective way of making sure that everybody is left with a reasonable amount of money after charging

The Financial Assessment Process

To work out how much you have to pay, the council will need to carry out a financial assessment.

We will be employing financial assessment officers who will work with you and your social worker to carry out this assessment. This will involve taking details from you about your income and savings. In most cases we will need to see evidence of the amounts you get, and how much you spend on housing costs and disability related expenditure. We are considering how we could work with other services, for example our benefits department, to make this process easier.

As part of the process we will check if there are benefits that you might be entitled to but are not getting, and will help you to get these benefits.

Examples of how this might affect you

Example 1

John is a single man aged 23 with a learning disability who gets Employment Support Allowance of £102.15 a week and has savings of £2000

The council pays £150 a week for John to have homecare
The whole of John's income from Employment Support Allowance is used to work out how much he should pay

His savings are below £14,250 so we do not count any of this

We then take off the amount the Government says he needs to live on which is £72.40 .This means John would pay £29.75 of the cost of his care;

$£102.15 - 72.40 = £29.75$

If the Council increased the minimum amount John needs to live on to £151.40, John would not have to pay any charges for the care that he receives. This is because his Employment Support Allowance is less than this new minimum amount.

Example 2

Tina is a disabled single person aged 35 and receives support for day care which costs the Council £110 a week.

Tina has a part time job where she earns £100 a week. She also receives £109.30 Employment Support Allowance per week and has £2000 in savings given to her by her grandmother.

After a Financial Assessment, we ask Tina to contribute £17.90 per week to her care.

This is how we worked this out.

We did not include the income from her part time job and her savings. This is because all earned income, and savings below £14,250 are not included in the assessment.

This leaves the £109.30 Tina receives in Employment Support Allowance.

The Government says that the minimum amount Tina needs to live on is £91.40 per week. So;

$$£109.30 - £91.40 = £17.90$$

If we increased the minimum amount Tina needs to live on to £151.40, Tina would not have to pay any charges for the care that she receives. This is because her Employment Support Allowance is less than this new minimum amount.

Example 3

Mavis is 75 years old, she gets state pension and pension credit which gives her a total weekly income of £155.60, and she has no savings but owns the house she lives in.

We pay £75 a week for Mavis to receive day care and £25 a week for transport to and from day care giving a total of £100 a week

The whole of Mavis's income from her state pension and pension credit is used to work out how much she should pay

The value of Mavis's house is not included as this is where she lives

The Government says she needs a minimum of £189 to live on. As this is more than Mavis's income she would not pay anything towards the cost of her care

If we increased the minimum amount Mavis needs to live on to £151.40 this would not affect Mavis because the minimum amount we have already used is £189

Example 4

Eric aged 80 has a state pension, a private pension and pensions saving credit which gives him a total weekly income of £243.55. He has savings of £40,000

The council pays £100 a week for homecare. As he has £40,000 in savings which is more than the upper limit on savings, the government says he can afford to pay the full cost of his care. This means Eric will pay £100 a week for his care. Once his savings go below £24,250 we would look again at what he could afford to pay.

How many people will have to pay?

We do not know yet how many people will have to pay. We want only those who can afford to pay to do so which is why we are asking you about how you think the scheme should work

When will people start paying?

We expect that this will start in January 2017

When will I know if I have to start paying?

First you will need to know how we are going to calculate payments, to see if this might affect you. Secondly, you will need to have a conversation with a member of staff from the Council to see if you will have to start paying and how much this will be. Staff from the Council will contact you to discuss this, but it is not likely to be before October 2016

What happens next?

At this stage, we are collecting people's views on what calculation to use to decide who should pay for care. We are going to look at all this information and make a decision about how charging will work. We expect that the changes will come into effect in January 2017

Who can I contact if I am worried about these changes?

We will have staff available to talk to you about any concerns you may have please phone xxx between the hours of xxx and xxxx

Survey Questions

1. Overall, to what extent do you agree that the Council should ask people that can afford to pay for a contribution to their care costs? (Response on 5 point scale)
2. Having read the Council's leaflet, do you think that you will be affected by the introduction of charges? (Y/N)
3. To what extent do you agree with the Council's idea of increasing the minimum amount of income that you should be left with after charges to a level which is higher than the Government says you need to live on? (Response on 5 point scale)
4. Are there any other housing costs apart from Mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from charges? This could be things like gas/electricity or water charges (Y/N response)
5. If yes, please tell us what these are (free text response)
6. Do you think that the introduction of charges will stop you from asking the Council for support? (Y/N)
7. We want to get the balance right between raising income to make sure there is enough money to pay for social care and protecting people on lower incomes from charging. To what extent do you agree with our approach?
8. Is there anything else you want to say about the council's ideas for charging? (Free text)
9. Have you got any concerns about how charging will be introduced? (free format text)

(Questions will also include the standard set of equalities questions and questions to identify whether the respondent is a recipient of care services.)

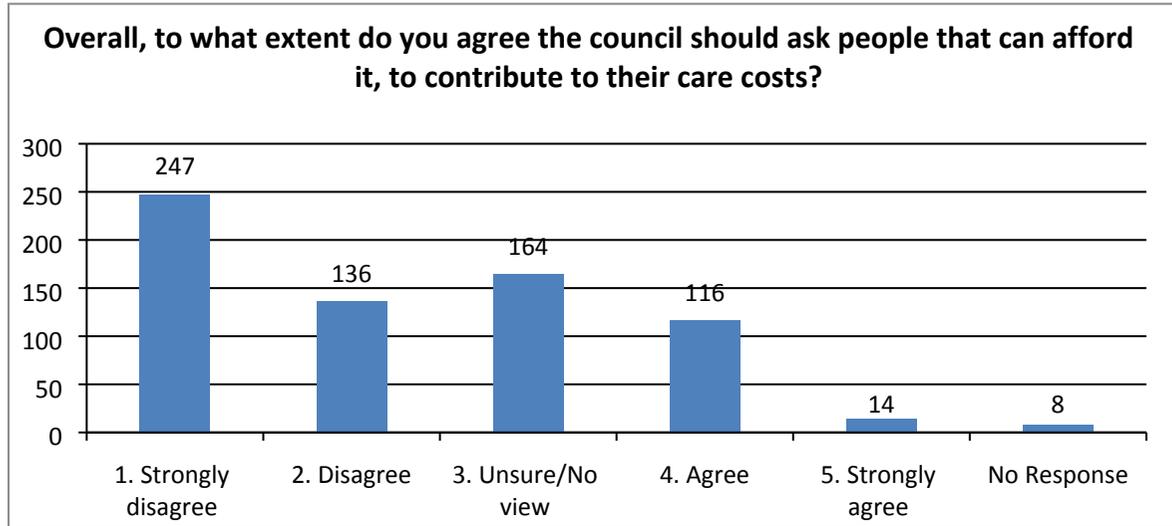
APPENDIX 5 Community Care Charging Consultation Feedback Analysis

Responses as at 9am Friday 16 September 2016

	Total	Percentage of Total
Number of Responses	685	
Responses from		
Service Users	627	92%
Non Service Users	58	8%
	Total	Percentage of Service Users
Services Used		
Home Care	492	78%
Support in a day centre	154	25%
Transport	169	27%
Money to pay for care through a personal budget	139	22%

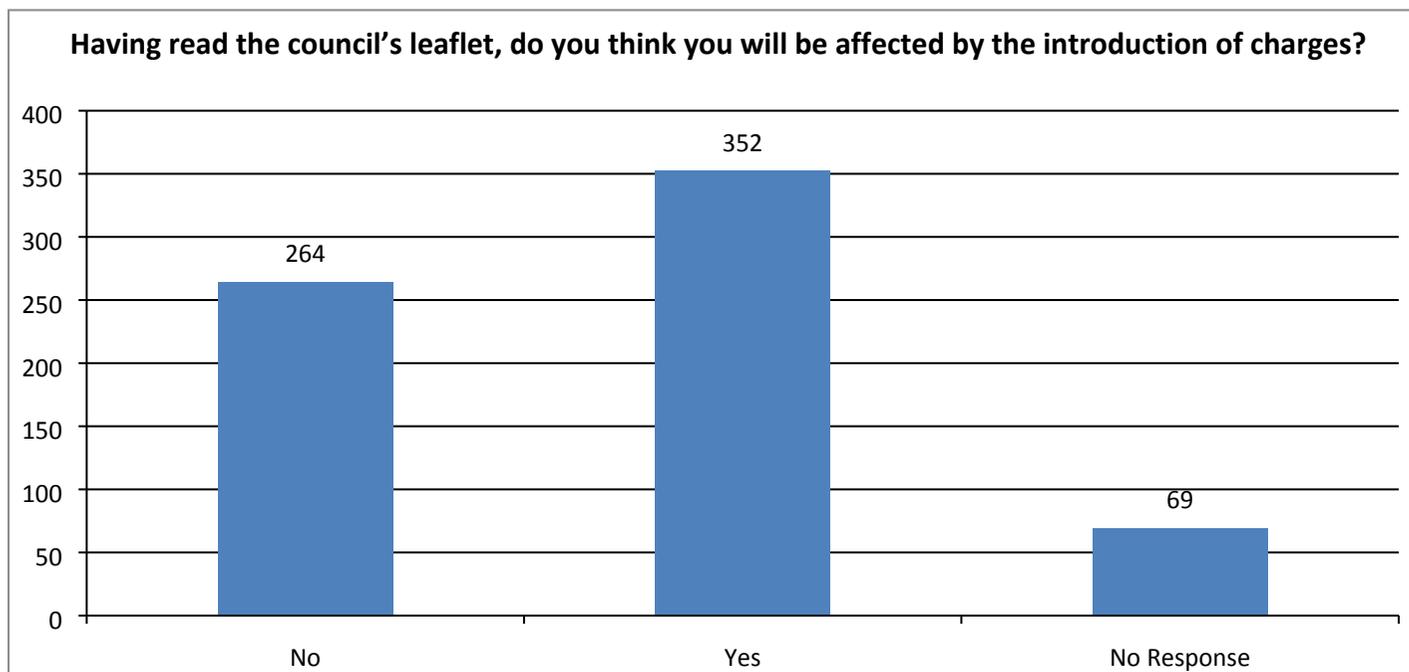
1. Overall, to what extent do you agree the council should ask people that can afford it, to contribute to their care costs?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	247	36%	Negative
2. Disagree	136	20%	383
3. Unsure/No view	164	24%	Positive
4. Agree	116	17%	130
5. Strongly agree	14	2%	
No Response	8	1%	Net
Grand Total	685	100%	-253



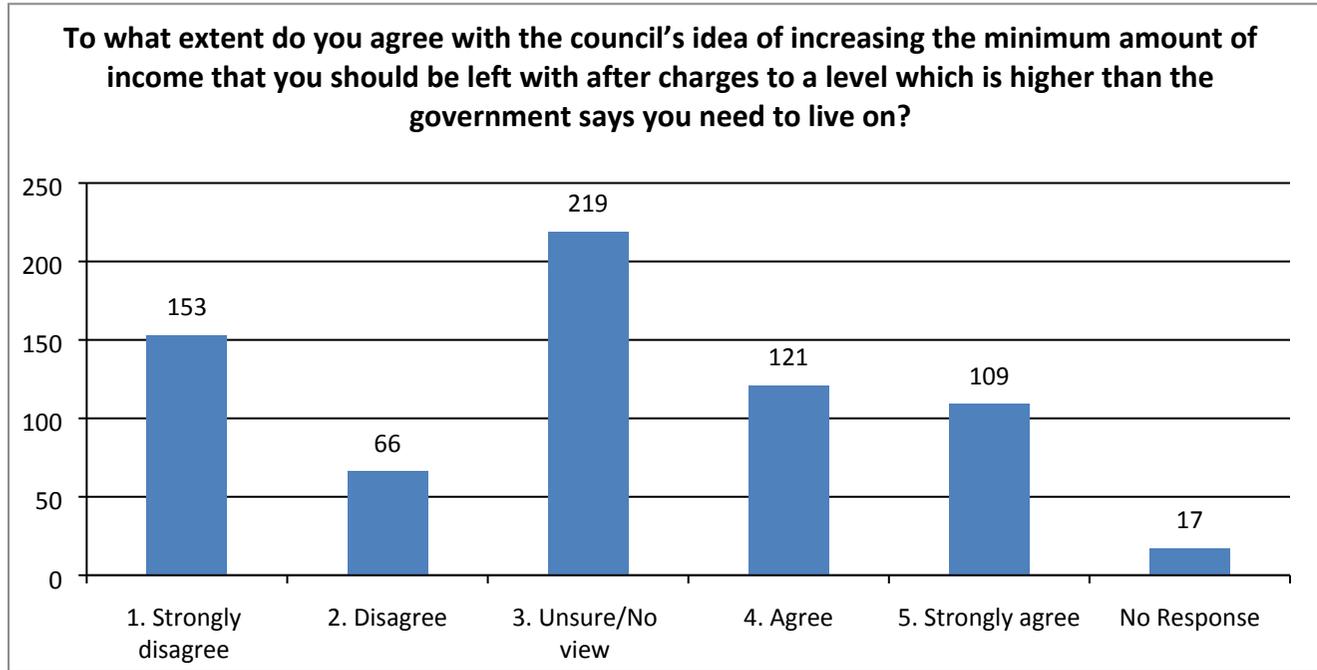
2. Having read the council’s leaflet, do you think you will be affected by the introduction of charges?

Response	Number of Responses	% of All Responses	Net Response
No	264	39%	No
Yes	352	51%	264
No Response	69	10%	Yes
Grand Total	685	100%	352
			Net
			88



3. To what extent do you agree with the council’s idea of increasing the minimum amount of income that you should be left with after charges to a level which is higher than the government says you need to live on?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	153	22%	Negative
2. Disagree	66	10%	219
3. Unsure/No view	219	32%	Positive
4. Agree	121	18%	230
5. Strongly agree	109	16%	
No Response	17	2%	Net
Grand Total	685	100%	11



4. Are there any other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from charges? This could be things like gas/electricity or water charges.

Response	Number of Responses	% of All Responses
No	204	30%
Yes	427	62%
No Response	54	8%
Grand Total	685	100%

Net Response
No
204
Yes
427
Net
223

Question 5. Are there any other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges that you think we should protect from

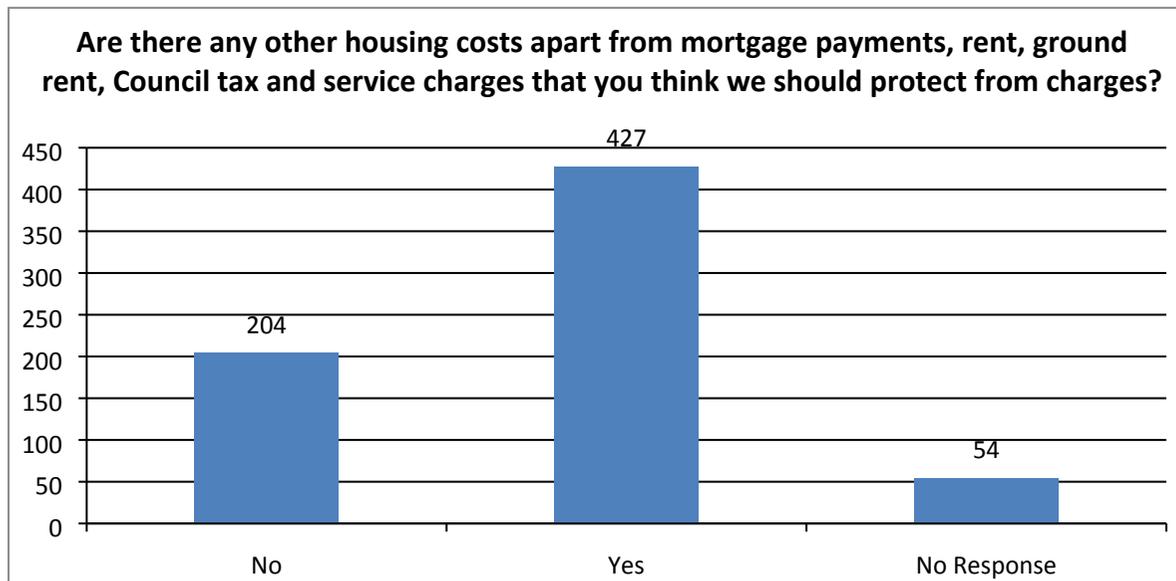
Total Number of Responses: 344 (50% of all responses)

Suggestions in order of frequency:-

- 1 Gas
- 2 Electricity
- 3 Water
- 4 Food
- 5 Telephone
- 6 Television
- 7 Insurance

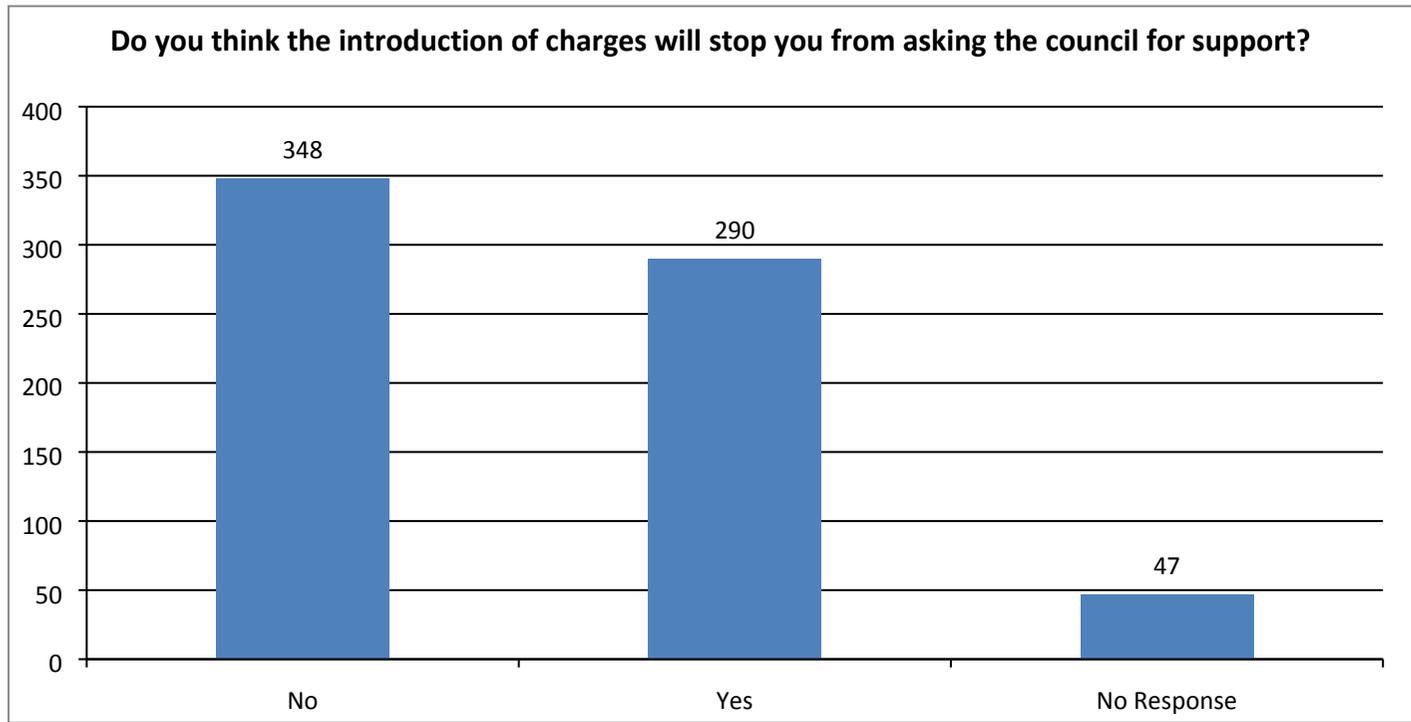
Other notable suggestions included:-

- Service charges
- Clothing
- Transport
- Items which may be considered disability related expenditure



6. Do you think the introduction of charges will stop you from asking the council for support?

Response	Number of Responses	% of All Responses	Net Response
No	348	51%	No
Yes	290	42%	348
No Response	47	7%	Yes
Grand Total	685	100%	290
			Net
			-58



Question 7. Do you think the introduction of charges will stop you from asking the council for support? If yes, what could the council do to help you feel more comfortable or less worried about asking for support?

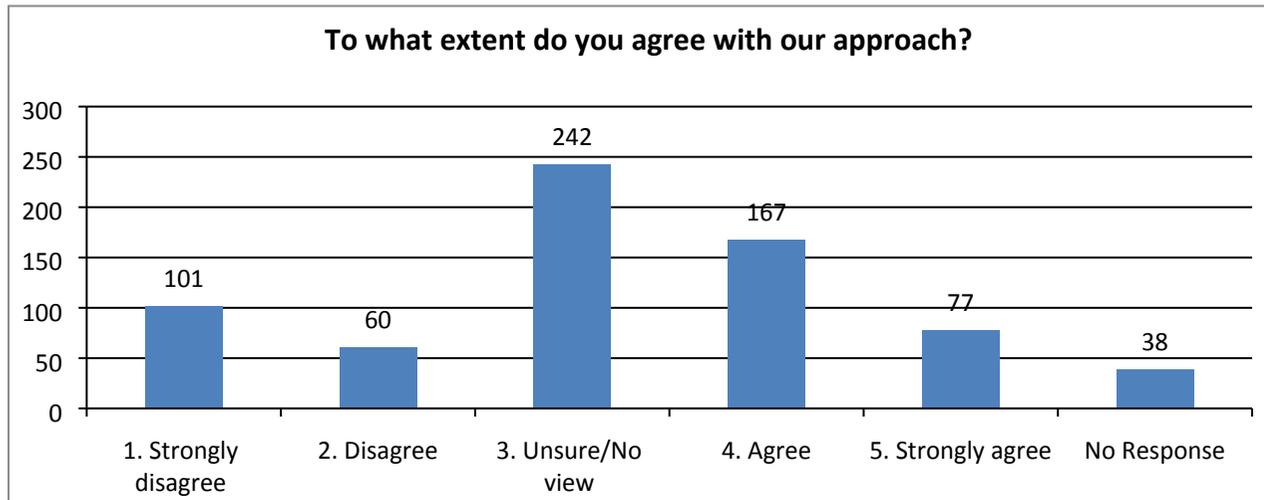
Total Number of Responses: 225 (33% of all responses)

The key themes are: Notable responses include:-

- Services should be free as they are now. Having to undergo a financial assessment is felt to be an intrusive process. Help should be made available to clients including the opportunity for face to face meetings Information should be available in different languages and should be clear and easy to understand People will stop accessing services if they have to contribute towards the cost The minimum income and capital limits should be higher to ensure people have enough money to provide a safety net for expenses People were worried about having to pay and how they would manage

8. . . . We want to get the balance right between raising income to make sure there is enough money to pay for social care and protecting people on lower incomes from charging. That’s why we have proposed raising the minimum amount of income that is protected from charging and not the other options we looked at. To what extent do you agree with our approach? To what extent do you agree with our approach?

Response	Number of Responses	% of All Responses	Net Response
1. Strongly disagree	101	15%	Negative
2. Disagree	60	9%	161
3. Unsure/No view	242	35%	Positive
4. Agree	167	24%	244
5. Strongly agree	77	11%	
No Response	38	6%	Net
Grand Total	685	100%	83



Question 9. Is there anything else you want to say about the council's ideas for charging?

Total Number of Responses: 247 (36% of all responses)

The balance of the comments do not support charging for care. The key themes are:-

We understand the difficult position the council faces Charging should have been brought in before to bring LBTH in line with other authorities It is reasonable that people on higher incomes contribute to their care People won't be able to afford care Older people who have saved all their life should not have to use their savings to pay for care People who need support won't be able to afford it People who have services need them Older people will end up in hospital as they won't be able to afford care The council should look at other ways of saving money

Equalities Profile

Sex

Response	Number of Responses	% of All Responses
Female	330	48%
Male	225	33%
No Response	130	19%
Grand Total	685	100%

Age

Response	Number of Responses	% of All Responses
16-24	15	2%
25-34	34	5%
35-44	40	6%
45-54	65	9%
55-64	73	11%
65+	331	48%
No Response	127	19%
Grand Total	685	100%

Ethnicity

Response	Number of Responses	% of All Responses
Any Other Asian Background	16	2%
Any Other Black Background	7	1%
Any Other Ethnic Group	9	1%
Any Other Mixed Background	1	0%
Any Other White Background	21	3%
Asian or Asian British: Bangladeshi	149	22%
Asian or Asian British: Pakistani	5	1%
Black or Black British: African	35	5%
Black or Black British: Caribbean	27	4%
Mixed / Dual Heritage: Any Other Background	1	0%
No Response	153	22%
Other Ethnic Group: Chinese	1	0%
Prefer not to say	7	1%
White – British	243	35%
White – Irish	6	1%
White British	1	0%
White: Other	3	0%
Grand Total	685	100%

Disability

Response	Number of Responses	% of All Responses
No	19	3%
Prefer not to say	2	0%
Yes	31	5%
No Response	633	92%
Grand Total	685	100%

Sexual Orientation

Response	Number of Responses	% of All Responses
Heterosexual/straight	30	4%
Prefer not to say	15	2%
Gay man	3	0%
No Response	637	93%
Grand Total	685	100%

Religion

Response	Number of Responses	% of All Responses
Agnostic	7	1%
Christian	14	2%
Humanist	1	0%
Muslim	14	2%
Other religion	2	0%
Prefer not to say	12	2%
No Response	635	93%
Grand Total	685	100%

Summary of responses from events

Service users

- Capital limit should be higher
- More events should be held about the changes
- How will the Council monitor the impact of Charging
- Older people will be most affected by the change
- Need to be clear on what services will be charged for

Carers

- Carers need to have information about changes as they often manage financial affairs of the service user
- Need to know how often people will be reassessed as this is a difficult process

Providers

- Scheme will cost more to administer than it will raise
- There should be an initial free period of care
- The transition from not charging to charging needs to be handled carefully
- How will the council ensure people are safe?

APPENDIX 6: Charge Income Modelling and Recommendation

The modelling of potential income arising from the levy of charges is fraught with challenges. Like any forecasting, these challenges are overcome by using assumptions for the variables that impact the calculation of potential income. The accuracy of these assumptions is influenced by the availability of relevant data.

As charging has not been undertaken previously for the services to which charging will now apply, there is no directly comparable data to use for modelling.

The charging model comprises the following elements:-

- Client group characteristics
- Assessed income for charging
- Living Costs and Allowances
- The cost of care provided to the service user

Client Group Characteristics

These are the volume, socio-economic and demographic characteristics of the service users eligible for charging. This is relevant as the Statutory Minimum Income Guarantee varies with household composition and characteristics.

The following table summarises the number of service users currently receiving long term non-residential support from the Council. Of these, Meals and Extra Care Sheltered Housing are the only two where service user charging is currently applied.

Service Type Description	Number of Service Users Receiving Each Type of Service				
	March 2014	March 2015	Sept 2015	May 2016	Average
Adults Direct Payments	558	582	612	609	590
Adults Home Care	1703	1828	1930	1781	1811
Adults Supported Living	51	41	45	48	46
Adults Day Services	592	685	718	711	677
Adults Meals	405	397	400	382	396
Adults Extra Care Sheltered Housing	189	175	173	167	176
Adults Therapeutic Support	5	4	4	4	4
Adults Home Care Block (Special)	1	1	1	0	1
Total Long Term Support (LTS)	2783	2924	3037	2889	2908
Total LTS excluding Meals And Extra Care Sheltered Housing	2528	2699	2883	2659	2692

The following table shows the age category of the users of the additional services to which charging will now apply.

Age (May 2016)	Number of Service Users					
	Direct Payments	%	Home Care	%	Day Services	%
18-24	42	7%	61	3%	60	8%
25-62	287	47%	536	30%	355	50%
63+	279	46%	1184	66%	296	42%
Total	608	100%	1781	100%	711	100%

The above tables include service users that receive multiple services. The following table therefore shows the number of unique users and their age category.

Unique Service Users Receiving Direct Payments, Home care and Day Services May 2016		
Age <25	113	4%
Age 25-62	957	37%
Age 63+	1544	59%
Total Unique Clients	2615	100%

The volume and age categorisation from the above table has been used in the Charge Income Model. This influences the assumed levels of income, and the associated Statutory Minimum Income Guarantee.

Assessed Income for Charging

Assumptions about the amount of income available to the client are critical to accuracy of the Charge Income Model.

The Care and Support Statutory Guidance (9 May 2016) lists the income sources that can be considered in a financial assessment for charging for social care. This lists specific benefits which can be considered, and others which must be disregarded. All earned income must be disregarded.

The Financial Assessment must relate to the income received by the person receiving the care support. Joint income must be apportioned accordingly. Other household income is not considered.

To gain a better understanding of the likely levels of income potentially available to use for charging, a data matching exercise was undertaken between social care and housing benefit administration information held by the Council. This returned a sample of 754 community based care clients in receipt of housing benefit. As clients are in receipt of benefit, this may not fully represent the whole client group, however, it did provide the following insight:-

- 42% were in receipt of a disability benefit, and of these, almost half were in receipt of the highest level of disability benefit
- 9% were in receipt of a personal pension with monthly income ranging from £6.26 to £701.01
- 74% were in receipt of a “benefit that would entitle them to maximum Housing benefit. This is an indication of low income.
- For those on a passported benefit, only those in receipt of a disability benefit which can be counted as income for charging fell into the group who might potentially face a charge
- Average rent (after Housing Benefit) was £19.47 per week, and ranged from zero to £249.20. There were 2 clients with rents over £200, and 24 with rents over £100 per week
- No client had capital savings higher than the lower capital threshold of £14,250

As earned income must be disregarded, the average reference incomes used in the model are based on standard benefit rates which a service user might typically receive. The income sources used in each income scenario are as follows. The statutory MIG for each scenario is a combination of the age related and disability components. Disability premiums are awarded based on specific disability benefits being received and the level of those benefits

Lower Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	Employment Support Allowance (Support Group)	£102.15	72.40

Between 25 and retirement Age	Employment Support Allowance (Support Group)	£109.30	91.40
Over retirement age	State Pension with Pension Credit	£155.60	189.00

Middle Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	Employment Support Allowance with Enhanced Disability Premium, and Personal Independence Payment at the standard rate	£173	£132.45
Between 25 and retirement Age	Employment Support Allowance with Enhanced Disability Premium, and Personal Independence Payment at the standard rate	£180.15	£151.45
Over retirement age	State Pension with Pension Credit, Attendance Allowance (Lower), and Savings Credit	£242.95	£229.35

Higher Income Level			
Age Group	Composition	Weekly Amount	Statutory MIG
Under 25	ESA SDP + PIP Enhanced	£262.05	£132.45
Between 25 and retirement Age	ESA EDP +PIP Standard	£269.20	£151.45
Over retirement age	State Pension + £50 per week Private Pension+ Pension Savings Credit	£243.55	£189.00

To simplify the scenarios, it is assumed that those clients who are not full cost payers, all have capital savings below the lower capital threshold of £14,250. Benefits data shows that people do not have savings above this amount

Living Costs and Allowances

These are the costs deducted from the assessed income and determine whether the service user can afford to contribute to the cost of their care. These costs include:-

- housing costs (e.g. rent / mortgage, Council Tax, service charges)
- disability related expenditure (if disability benefits are taken into consideration)
- living costs (the Minimum Income Guarantee)
- other discretions and allowances the local authority may make

As demonstrated by the analysis from the benefits matching, Housing costs can vary significantly. For the purposes of this model, rent of £30 for all users has been applied. The amount is an average based on the amount that people have to pay after Housing Benefit has been taken into account.

The Care Act Statutory Guidance requires the Council to allow a 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*, this only applies when their disability benefits are included in the financial assessment. Disability benefits are defined as attendance allowance (other than severe disablement occupational allowance), disability living allowance or personal independence payment. Councils approach this requirement in different ways with some opting to make a single fixed allowance. This benefits those with costs below this amount, and disadvantages those with higher costs. It is recommended that an allowance is made for actual disability related expenditure as assessed through the Financial Assessment.

For the purposes of this model, it is assumed, that only half of service users will have additional disability related expenditure which is not covered by the local authority, and that the average cost of this is £15 per week, this figure is based on the standard amounts used by other councils .

Local Authority Circular LAC(DH)(2016)2 sets out the (Statutory) Minimum Income Guarantee (MIG). This is the amount of income which people receiving local authority arranged care and support other than in a care home need to retain to cover their living costs, which are defined as costs such as rent, food and utilities. This is not a single figure and the value of this is based on based on age, family, and personal circumstances stated in the circular.

The Council has consulted on additional discretionary allowances for people receiving support from Tower Hamlets Council. The Mayor is keen to particularly protect people on low incomes and those with complex needs who face long-term care costs over their lifetime. Of those who expressed a view, more respondents to the community survey agreed than disagreed with the council's idea of increasing the minimum amount of income that service users should be left with after charges to a level which is higher than the government says they need to live on.

It is therefore recommended to increase the Minimum Income Guarantee to £151.45 per week. This is equivalent to Government's Statutory Minimum Income Guarantee for a single person, aged 25 or older but less than pension credit age, receiving the disability premium and the enhanced disability premium. This will benefit those on the lowest levels of income who are under retirement age. People over retirement age already have a higher Minimum Income Guarantee set by Government.

Sixty percent of the respondents to the charging survey agreed that the Council should protect service users from other housing costs apart from mortgage payments, rent, ground rent, Council tax and service charges. The most frequently suggested additional costs were for household utilities (gas, electricity, and water). It is therefore recommended that a further allowance is given for utilities of £15 per week. Application of this discretion could be in line with the Council's objective to tackle poverty as it would benefit those on lower incomes, who often pay a "poverty premium" for water and other utilities as they are subjected to higher rates, and for whom these essential costs are a far higher proportion of their disposable income, compared to those on higher incomes.

The Cost of Care Provided

When choosing to charge, a local authority must not charge more than the cost that it incurs in meeting the assessed needs of the person. It also cannot recover any administration fee relating to arranging that care and support. Accordingly, the value of the cost of care will be unique to each service user and this will be determined when care is purchased by the Council on behalf of the Service User, or when the value of their Direct Payment is determined.

The average cost of community based care for the demographic groups described earlier, as at May 2016, has been used in this model.

Assumptions about the cost of care are particularly important when considering how many users are likely to pay the full cost of care. The model assumes that 5% of services users will pay the full cost of care as they have capital above the upper limit. This is consistent with the experience from other local authorities.

Potential Impact on Clients of Discretions

The following portraits illustrate how these recommendations may affect individual clients. To simplify these examples, it is assumed that housing costs are covered by Housing Benefit, and therefore, there is no additional cost to the client.

Example 1

Hassan is a single man aged 23 with a disability who receives home care from the Council. Hassan's only source of income is Employment Support Allowance of £102 per week.

Hassan has £2,000 in savings in a bank account. Because this is below the lower capital threshold of £14,250, this is not considered in his Financial Assessment.

The Government says that Hassan needs a minimum income of £72.40 per week. If the Council applied this Minimum Income Guarantee, Hassan would have £29.75 to use to pay for his care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, Hassan would not be charged for the cost of his home care.

Example 2

Rebecca is a single disabled woman aged 21. She receives Employment Support Allowance with Enhanced Disability Premium and a Personal Independence Payment totalling £173 per week. She has no savings, but has additional disability related costs of £16 per week which are not covered by her support package.

With consideration of her disability, the Government has set her Minimum Income Guarantee at £112.75 per week. If the Council applied this Minimum Income Guarantee, Rebecca would have £60.25 to use to pay for her care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, making an additional £15 allowance for utilities and deducting her disability related costs, Rebecca would not be charged for the cost of her care.

Example 3

Syed is a single disabled man aged 49. Due to the severity of his disability, Syed receives Employment Support Allowance with the Severe Disability Premium. He also received a Personal Independence Payment (Daily Living and Mobility Components) at the Enhanced Level. Syed also has £10,000 in a combination of tax free savings.

The Council would not consider Syed's Mobility Component of his Personal Independence Payment, and therefore the eligible income would be £269.20 per week. His savings are below the Lower Capital Threshold of £14,250 and therefore would be disregarded.

With consideration of his level of disability, the Government says that Syed would need a Minimum Income Guarantee of £151.45 per week. This would leave Syed with £117.75 per week to use to pay towards the cost of his care.

However, because the Council is increasing the Minimum Income Guarantee to £151.45 per week, making an additional £15 allowance for utilities and deducting his disability related costs, Syed would only have to pay £87.75 per week towards the cost of his care.

Example 4

Mavis is a 68 year old single pensioner. She receives a State Pension, and because she has no other income, also receives the Pension Credit. This totals £155.60.

The Government has set the Minimum Income Guarantee for Mavis at £189 per week. Because this is more than the income she receives, Mavis would not be charged for her care.

Example 5

Nala is a 78 year old single pensioner. She receives a State Pension, and £50 per week from a private pension. She also receives the Pension Savings Credit. These total £243.55 per week.

The Government has set the Minimum Income Guarantee for Nala at £189 per week, and consequently she would have £54.55 per week to contribute towards the cost of her care.

The Council's decision to increase the Minimum Income Guarantee to £151.45 per week would have no impact on Nala because she is over pension age and as such her Statutory Minimum Income Guarantee is already £189. However, the Council's decision to make an additional £15 per week allowance for utilities would mean that Nala's contribution towards her care would reduce to £39.55.

Example 6

George is a 74 year old single pensioner. He receives a State Pension of £119.30, high level Attendance Allowance £82.30 and £350 per week from a private pension. These total £551.60 per week.

The Government has set the Minimum Income Guarantee for George at £249.05 per week, and consequently he would have £302.15 per week to contribute towards the cost of his care.

The Council's decision to increase the Minimum Income Guarantee to £151.45 per week would have no impact on George because he is over pension age and as such his Statutory Minimum Income Guarantee is already £189. However, the Council's decision to make an additional £15 per week allowance for utilities would mean that George's contribution towards his care would reduce to £287.55

The application of a cap of £250 on charge costs would reduce his contribution to £250

Charge Income Scenarios

The combination of variables in the model significantly impact the modelling of income that will be generated through user charging. Each service user will have unique circumstances; therefore it is not possible to make assumptions that will apply to everyone. Three scenarios have been selected to illustrate the potential implications of these recommendations. This provides an indication of the range of income that might be possible for the council to achieve.

Recommendation A

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Utilities Allowance of £15 pw	£969,632	£0	£969,632	£969,632	£43,121	£1,012,753	£969,632	£3,669,604	£4,639,236
Income Forgone	£0	£0	£0	£0	£598,681	£598,681	£0	£1,936,740	£1,936,740

The table illustrates the impact of the recommendation to make an allowance for all utilities at £15 per week for all clients. All clients therefore will benefit from this.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. The addition of an allowance for utilities does not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee.

At the medium income level, a £15 allowance for utilities results in income forgone of £598,681. In essence, this is the cost of the allowance under the assumptions in this scenario. At the higher income level, the income forgone is £1.9m. This is because all clients were paying at charge at this level, and therefore the value of all charges has been reduced accordingly.

Recommendation B

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Increasing Minimum Income Guarantee to £151.45 pw	£969,632	£0	£969,632	£969,632	£0	£969,632	£969,632	£5,500,628	£6,470,260
Income Forgone	£0	£0	£0	£0	£641,802	£641,802	£0	£105,716	£105,716

The table illustrates the impact of the recommendation to increase the Minimum Income Guarantee to £151.45. This only affects those clients for whom the Statutory Minimum Income Guarantee is less than this.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. Changes to the Minimum Income Guarantee do not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee. At the medium income level, increasing the Minimum Income Guarantee to £151.45 results in income forgone of £641,802. In essence, this is the cost of the increase in the Minimum Income Guarantee under the assumptions in this scenario. At the middle income level, the only income raised is from full cost payers.

At the higher income level, the income forgone is less than at the middle income level. This is because the Statutory Minimum Income Guarantees in this scenario are already higher than £151.45 due to the addition of disability premiums except for those under 25. The reduction in income only affects this group as illustrated below.

Demographic Group	Higher Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Under 25	£78,000	£512,444	£590,444	£78,000	£406,728	£484,728
Over 25 to Retirement Age	£355,056	£3,793,257	£4,148,313	£355,056	£3,793,257	£4,148,313
Over Retirement Age	£536,576	£1,300,642	£1,837,218	£536,576	£1,300,642	£1,837,218
Total	£969,632	£5,606,344	£6,575,976	£969,632	£5,500,628	£6,470,260

Combining Recommendation A and B

	Charging Income Range								
	Lower Income Level			Medium Income Level			Higher Income Level		
	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income	Charges From Full Cost Clients	Charges From Remaining Eligible Clients	Total Annual Income
Base Scenario	£969,632	£0	£969,632	£969,632	£641,802	£1,611,434	£969,632	£5,606,344	£6,575,976
Utilities Allowance of £15 pw AND increasing the MIG to £151.45 pw	£969,632	£0	£969,632	£969,632	£0	£969,632	£969,632	£3,563,888	£4,533,520
Income Forgone	£0	£0	£0	£0	£641,802	£641,802	£0	£2,042,456	£2,042,456

The table illustrates the impact of the recommendation to make an allowance for all utilities at £15 per week for all clients *and* increase the Minimum Income Guarantee to £151.45.

Charges from full cost clients are the same in all the scenarios because the assumption applied is that 5% of all clients pay full cost. An allowance for utilities and changes to the Minimum Income Guarantee do not affect this.

In the Base Scenario, no income is raised from remaining clients at the lower income level because the reference income, minus housing and additional disability related expenditure is less than the Statutory Minimum Income Guarantee.

At the middle income level, applying these discretions results in foregone income of £641,802. This is because the level of client income is insufficient to enable a charge to be levied.

At the higher income level, applying these discretions results in foregone income of £2m. This is comprised of a reduction in all charges due to the allowance for utilities, and the reduction in charges of those under 25 who benefit from a higher minimum income guarantee.

The range of income that could be raised is £970k to £4.5 million; this does not include the impact of applying a cap on care charges. Based on the data available as detailed below these estimates would need to be reduced by £30k to account for this discretion

Recommendation C

The application of a cap on the weekly cost of care only affects those clients whose care costs are above this amount. Thirty eight percent (38%) of clients (as at May 2016) received a care package with a weekly cost exceeding £250.

However, the charge levied on a client is limited to what they can afford to pay. Therefore, only those clients who can afford to pay costs of care exceeding £250 will benefit from this discretion.

The modelling above uses average care costs for each cohort and these do not exceed £250. Therefore, the model does not effectively demonstrate the impact of this discretion. This would be better illustrated through the use of actual income and cost of care data.

The only data available on actual incomes is sourced from the Council's Housing Benefits system. Client data matched between this and the Adult Social Care system showed that only 5 people out of 754 in the sample would benefit from the cap as their care packages were above £250 per week. These were all above the age of 55 with 4 in receipt of a private pension. All were in receipt of disability related benefits.

By capping their weekly charge to £250, the Council would forgo income of £586 per week, totalling £30,472 per annum.

Of the remaining clients not matched with housing benefits data, 607 had a care package exceeding £250 per week. As we do not have actual income data for these clients, it is not possible to assess the impact of this discretion on them.

Conclusions

The above scenarios are illustrative only and assume everyone has the levels of income specified. In reality, the range of starting incomes is likely to vary from client to client. This is why all clients must undergo a Financial Assessment to ensure that the assessment of affordability is based on their personal circumstances.

- Only those who have the highest level of disability benefit, private pensions and / or significant sums of capital are likely to be charged.
- The model shows that at lower income levels, deductions for housing, disability related expenditure and living costs are sufficient to exclude clients from charges.

The recommendations affect the client groups differently.

- The allowance for utilities benefits all users, and therefore is not targeted at those who may need it the most. Consequently, the financial cost to the Council from income forgone is the greatest. Increasing the Minimum Income Guarantee benefits those with the lowest benefit incomes because the difference between this and the corresponding Statutory Minimum Income Guarantee is relatively greater. It therefore meets the Council's policy aim of protecting those with the lowest incomes.

- The weekly cap on care charges only benefits those who would pay the full cost of care which exceeded this amount because they have more expensive care packages, or if they could afford to pay more than £250 per week.

Appendix 7

Full Equality Analysis

Section 1: General Information

1a) Name of the savings proposal

Charging for community social care services and deferred payments for residential and nursing care

1b) Service area

Adult Social Care

1c) Service manager

Luke Addams

1d) Name and role of the officer/s completing the analysis

Jebin Syeda, Strategy Policy and Performance Officer / Joanne Starkie, Community Engagement Quality and Policy Manager/Helen Donnellon Project Manager

Section 2: Information about changes to services

2a) In brief please explain the savings proposals and the reasons for this change

The council has legal duties to meet the needs of people who are eligible for social care support. This proposal will ensure that our charging policy is fair and equitable.

In Tower Hamlets, our social care budgets are under significant pressure due to rising demand for services and high levels of complex needs, coupled with continued reductions in funding from central government. We are considering the introduction of a charging policy so that people who can afford to pay are charged for services that are currently provided free of charge. This would be in line with most other Councils in England who introduced charging some time ago. The new policy will enable us to generate income to contribute towards meeting the needs of vulnerable people in the community, particularly in the future as the need for social care services is predicted to rise significantly, whilst ensuring that services continue to be provided and that appropriate financial protection is available for those who need it and maximises people's personal income through benefits maximisation which fits with the Council's wider Welfare Reform agenda.

The following services are currently charged for:

- Residential and nursing care
- Residential respite care (with the exception of respite for learning disability service users,

which is not currently charged for)

- The personal care provided to tenants in Extra Care Sheltered Housing
- Telecare services to tenants of sheltered housing and Extra Care Sheltered Housing
- Delivered meals (meals on wheels)
- Meals and refreshments in council run day centres, for which a flat rate is charged.

The following services, where the council has discretion to charge, are not currently charged for:

- Home care
- Day care services
- Employment support services
- Telecare outside of Sheltered and Extra Care Sheltered Housing
- Transport
- Other community based support services, including preventative and “universal” services
- Carers’ support

The services which will be charged for are ;

- Home care
- Day care services
- Transport

Charging would be based on ability to pay following an assessment of clients’ disposable income. We do not currently hold financial assessment information on social care users unless they receive residential care where a financial assessment would need to be undertaken to determine contribution in line with the 2014 Care Act statutory and legal framework⁴.

The policy will be introduced in April 2017.

Our aim is to support and promote strong communities so that people can live their lives as independently and safely as possible. Our approach is to promote independence and choice, to be fair and equitable and give service users more power and control over their lives.

2b) What are the equality implications of your proposal?

Evidence to assess the equalities implications It is difficult to model the cash flow implications or impact on the current users of social care, of any changes to the charging framework because to a large extent many of our services are provided free of charge. We have not had to compile financial assessments and therefore do not have any information on the level of assets or the income of these individuals. If a charging framework is put in place and we have completed financial assessments for individuals, we will be better placed to assess what the implications are and will undertake further work to consider the impact. We can use this information to review the protection of assets thresholds.

We can draw on wider research about income of local people. There is some research which gives us income levels; however there is lack of data on the asset levels of local population. We will take a much more rounded view and consider income as well as assets of individuals through our financial assessments.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/366104/43380_239027_77_Care_Act_Book.pdf

The profile of adult social care users⁵

- The biggest single group of adult social care users are “White British” at 44%. This is followed by “Asian Bangladeshi” at 24%, Black African at 6% and Black Caribbean at 5%.
- The biggest single religious group of adult social care users are “Christian” at 38%. This is followed by “Muslim” at 29%.
- The majority of adult social care users are over 65 years old (58%).
- The majority of adult social care users are female (55%). 42% are male. Very little information is available on transgender service users.
- By the nature of the services being provided, it can be assumed that the vast majority of adult social care users have a disability/long term conditions.
- 29% of adult social care users are single, making this the biggest single group in terms of marital status. 22% are widowed.

Income in Tower Hamlets^{6,7:}

The median annual household income in Tower Hamlets in 2013 was £30,805. Compared to the other East London boroughs, the household income in Tower Hamlets is comparably higher. The lowest household income (median) in London is concentrated in the East London Boroughs Barking & Dagenham (£25,833), Newham (£26,364) and Hackney (£28,293).

The median household income by ward ranges from £25,397 per year in St Dunstan's and Stepney Green to £47,426 per week in St Katherine's and Wapping⁸.

Data from the Housing Needs Survey 2014 demonstrates how income varies by ethnic groups and age. Residents of a White British ethnic background are more likely to have high (£60,000+) levels of income whilst the lowest levels of income (under £15,000) are found in the Black and Asian ethnic groups. More detail is set out below:

	White	Black/African/ Caribbean/ Black British	Asian/ Asian British	Mixed/ multiple ethnic group	Other ethnic group
Less than £5,000	8.3%	15.9%	14.7%	34.6%	26.4%
£5,000- £10,000	17.4%	33.7%	18.2%	8.8%	0.0%
£10,000- £15,000	4.9%	14.1%	19.4%	0.0%	0.0%
£15,000- £20,000	11.4%	15.7%	8.8%	0.0%	11.6%
£20,000- £30,000	12.7%	12.4%	11.1%	22.2%	0.0%
£30,000- £40,000	13.6%	0.0%	7.6%	0.0%	0.0%
£40,000-	12.1%	4.4%	8.2%	28.8%	62.1%

⁵ November 2015 figures. This includes those in residential care and those in receipt of community based support who meet the national eligibility threshold. Figures do not include those accessing commissioned universal or preventative support services.

⁶ SMAH – draft

⁷ Tower Hamlets Council Corporate Briefings

http://towernet/document_library/corporate_research/RB2013_12_PopulationkeyfactsTowerHamlets

⁸ July 2015 JSNA Summary Document

£60,000					
£60,000 or more	19.6%	3.8%	11.9%	5.6%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Income by Ethnic Group Source: Tower Hamlets Housing Needs Survey 2014

‘All Older’ households have the lowest levels of incomes of the groups with almost 70% having incomes of less than £10,000.

Assets in Tower Hamlets

40% of houses in Tower Hamlets are socially rented, a third (33%) are privately rented and 27% are owner-occupied⁹. The borough has high rental figures compared to the rest of the UK.

As previously noted, there is lack of data on the asset levels of local population. However, research indicates that over 50% of ‘All Older’ households own their home either outright or on a mortgage. Over 40% are renting in the social sector while only c.2% rent in the Private Rented Sector. Given that income levels for older people are low but home ownership rates are relatively high, many of this group can be described as ‘equity rich but cash poor’.

Cost and use of services

Residential / nursing care and home care represent the two biggest areas of expenditure in adult social care. The former accounted for approximately 30% of expenditure in 2014/15 whilst the latter accounted for approximately 18%. Day care accounted for approximately 9% of expenditure, representing the third biggest area of spend on support services.

Service users who receive free community-based support services

- **Homecare**: 2438 adult social care users received home care in 2014-15. In line with the profile of all adult social care users, the biggest groups are: Older (68.5% aged 65 or over), female (59%), White British (43.5%) followed by Asian Bangladeshi (27%) and Christian (38%) followed by Muslim (31%). 25% are widowed. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. Of these, 12% have a learning disability and 5.5% have mental health issues.
- **Day care**: 772 adult social care users used day care services in 2014-15. The profile is different to the overall profile of adult social care users in terms of age, ethnicity and religion or belief. The biggest groups are: Younger (58% aged 18 to 64), female (53%), Asian Bangladeshi (38%) followed by White British (33%) and Muslim (41%) followed by Christian (36%). 40% are single. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. Of these, there is a higher prevalence of adults with a learning disability (44%) or mental health issue (10%).
- **Other free community-based support services**: There are a range of other community-based support services. These include information and advice, LinkAge Plus Centres for older people and support to adults with a disability to find employment. Some of these services are provided directly by the local authority, whilst others are commissioned. The “profile” of users will vary from service to service. However, by the nature of the support being provided, it can be assumed that the majority have a disability/long term condition.

Service users in residential and nursing care

⁹ 2011 Census

The profile of service users in residential and nursing care gives some indication as to who may be eligible for deferred payments in future. There were 709 people in residential / nursing care in 2015-16. In line with the profile of all adult social care users, the biggest groups are: Older (68% aged 65 or over) and White British (63%). 51% are male, whilst 49% are female. 50% are of a Christian faith and 9% are Muslim, although it should be noted that for 30%, their religion or belief is not known or has not been stated. By the nature of the service, it can be assumed that the vast majority have a disability/long term condition. 54% have a physical disability or sensory impairment.

Service users who make some financial contribution towards the cost of their care

The biggest service area where adult social care users are making some contribution towards the cost of care is residential care. Of this cohort, the majority are older (306 are aged 65 or over), male (265), White British (316) followed by Asian Bangladeshi (38) and Christian (254) followed by Muslim (47). By the nature of the service, it can be assumed that the vast majority have a disability/long term condition.

Service users who pay the full cost of residential care

23 adult social care users were paying the full cost of residential care as at March 2015. 19 are aged 65 years or over, whilst the ages of four more had not been recorded. 15 were female and four were male. Eight were of a "Christian" religion or belief, though the religion or belief of 14 others had not been recorded.

The most expensive social care packages

We currently have 61 service users with care packages between £100,340 and £201,594 per year each, in both residential and community settings (our most expensive care packages are spread evenly across a range of services). Of these:

- 51 are aged 18 to 64 years old – this is younger than the average "profile" of an adult social care user
- 38 are male – this is different to the average "profile" of an adult social care user
- 30 are Christian and 17 are Muslim. This broadly follows the profile of all adult social care users.
- 28 are of a "White British" ethnic background and 18 are of a "Bangladeshi" ethnic background. This broadly follows the profile of all adult social care users.

We do not have the information on the income and asset levels of the people who are receiving the most expensive community-based packages therefore it is not possible to say what the impact would be and which community groups would be impacted on if a threshold for contribution was applied.

The ability of adult social care users to deal with financial matters

In response to the question "do you usually deal with finances and paperwork by yourself?", 58% of adult social care users report not being able to do this¹⁰. 20.5% say they can do this with help, and the remaining 21.5% say they can do this easily by themselves. The proportion of people reporting being unable to deal with finance and paperwork drops to 55% for homecare users, but rises significantly for respondents using day care, respondents with a learning disability and respondents of a Bangladeshi ethnic background (71.5%, 77%

¹⁰ February 2015, Annual Adult Social Care Survey in Tower Hamlets. Sent to approximately 3,500 service users with an average response rate of approximately 30%

and 78% respectively). Collectively, this suggests that the majority of adult social care users would need advice and support in order to make and manage a financial contribution towards the cost of their care.

Resident feedback on charging for adult social care

Feedback from residents, adult social care users and carers has been mixed¹¹. Many disagree with the principle of charging for adult social care services in the community.

However, a number of people feel that this proposal will be fairer by ensuring that those who can afford to pay, do so, as in other local areas. Respondents suggest that the income this generates could be positive for adult social care services given the savings that have to be made. Most respondents were keen to stress that those on low incomes should not have their income lowered further, and many felt that services should be free to all. On balance the comments received do not support charging for care with services users unsure what impact charging may have on them and having a level of concern over this.

Some feedback raised through consultation included:

From the survey

- From what I have read in your leaflet the Council's approach seems fair.
- I appreciate the council is in an impossible position. My personal view is having a minimum protected income is probably the most equitable approach.
- It is reasonable that people on higher income contribute towards their care so long as all avoidable reasonable costs of living are offset.
- It is not fair. There should be a budget allocated for the people who need support and they shouldn't have to pay, the Council should. I am 75 years old, I don't want to be worrying about the support and care I receive being reduced due to new rules of money to pay for social care.
- Lots of people who need support won't be able to afford it.
- It shouldn't affect the savings of working class people who worked hard and put some savings aside to use at old age only to be punished for having this savings and have to contribute. This would discourage people from saving money as they fear the state will take it away in charges.
- Charging will result in principally older and vulnerable residents trying to manage alone which will undoubtedly result in acute hospitalisation

From events and voluntary sector submissions

- A concern that those in need of help may be "put off" from approaching adult social care for fear that they will have to pay. Clear and careful communication is being devised to help mitigate against this risk.
- A concern that those receiving help may feel like they have to reduce the support they receive or not accept further help in order to protect their assets or savings. Clear and careful communication will help mitigate against this risk.
- A concern that the most vulnerable may have difficulties in budgeting. Financial assessors will be trained in benefits maximisation and will be able to direct people to support around budgeting .
- A concern that the most vulnerable may not be assertive enough to appeal against financial decisions they disagree with. The council commissions advocacy services

¹¹Online survey results (563) and feedback from community group events (99 attendees).

who will be able to provide support

Equality Impact Assessment – Approach

This proposal introduces the principle of charging for community-based services. This Equality Impact Assessment focuses on home care and day care as the two most commonly used community-based support services. More detail is in the next section.

APPENDIX 8

**London Borough of Tower Hamlets
Adult Services Directorate**

**Adult Social Care Charging Policy
(Includes deferred payments)**

Document Control

Author	Joanne Starkie (Community Engagement, Quality and Policy Manager)	Date	16 th August 2016
Department	Adult Services Directorate	Phone	020 7364 0534

Review Date	Review Method	Reviewers	
16.08.16	Review to incorporate changes to charging for community-based services	J Starkie	
Version	Date	Summary of changes	Author
0.1	16 th August 2016	Draft developed	J Starkie
0.2	2 nd September 2016	Draft revised with feedback	J Starkie
0.3	6 th September 2016	Incorporates deferred payments	L Richards
Authorisation			
Name	Date	Version	
Security classification: Unrestricted			

1. Purpose

- 1.1 This policy sets out the framework for charging for adult social care services. The scope of the policy covers both residential care and community-based adult social care services.
- 1.2 This policy also sets out the approach in Tower Hamlets to residents deferring payments for residential or nursing care. This part of the policy is applicable to adults in Tower Hamlets who need residential or nursing care.
- 1.3 The London Borough of Tower Hamlets has a strong commitment to promoting the wellbeing and independence of all people eligible for care and support. We recognise that at the point of needing care and support, families should not have the added stress of selling their home to pay for care. By using the Tower Hamlets Deferred Payments Scheme, a person can defer or delay paying the costs of their care and support until a later date.
- 1.4 There is a separate policy for top ups.

2. Definitions

- 2.1 Service user
For the purposes of this policy, a service user is defined as someone who meets the eligibility threshold for adult social care services.
- 2.2 Carer
For the purposes of this policy, a carer is defined as “someone who helps another person, usually a relative or friend, in their day-to-day life”. This definition is taken from Care Act statutory guidance.
- 2.3 Care package
This is defined as the support someone receives as a result of meeting the 2014 Care Act national eligibility threshold.
- 2.4 Capital
This broadly refers to the amount of savings someone has, plus the value of any valuable items (“assets”).
- 2.5 Income
This broadly refers to money received on a regular basis, such as income through employment earnings, pensions or benefits.
- 2.6 Deferred payment
This is defined as a temporary postponement of a payment of an outstanding bill or debt.

3. Scope

3.1 Staff

The Charging Policy will be applied by all staff providing support under the provisions of the Care Act 2014 on behalf of the London Borough of Tower Hamlets. This includes staff working in the Community Learning Disability Service and Community Mental Health Teams (jointly managed by the local authority and East London NHS Foundation Trust).

3.2 Social care services

The Charging Policy sets out our approach to charging (including our approach to services that are free) across all adult social care services. This includes:

- Information and advice services
- Preventative services
- Carer services
- Residential and nursing care for those who meet the national eligibility threshold as defined in the 2014 Care Act
- Community-based services for those who meet the national eligibility threshold as defined in the 2014 Care Act

It should be noted that different charging rules apply to different services. These are explained more fully in the policy.

3.3 Housing-related support

“Housing-related support” refers to what was formerly known as the Supporting People programme. This Charging Policy does not include our approach to charging for housing-related support, as this does not fall under 2014 Care Act statutory guidance.

3.4 Service users and carers

3.4.1 This policy applies to service users and carers who are considered to be ‘ordinarily resident’ in Tower Hamlets¹².

3.4.2 Service users who are considered to be ‘ordinarily resident’ in another council area and are being supported by that Council will be subject to the Charging Policy of that council.

3.4.3 The deferred payments elements of this policy apply to Tower Hamlets service users who are eligible for residential or nursing care. The policy will also have implications for the carers of people eligible for residential or nursing care.

4. **The legal context**

4.1 Much of this policy is determined by the 2014 Care Act and accompanying statutory guidance. Details on this guidance can be found [here](#).

¹² Statutory guidance arising from the 2014 Care Act on how ordinary residence is determined, can be found here: <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance#Chapter19>

4.2 The Care Act permits a local authority to recover a reasonable charge for social care from service users who satisfy the authority that they have sufficient means for them to pay for the service.

5. Key principles

5.1 Charging for residential care

5.1.1 The financial contribution a service user will be required to pay towards their care package will be determined through a financial assessment.

5.1.2 Service users will only be required to pay what they can afford.

5.1.3 We will not charge service users more than the full cost of providing their services. This is reviewed on an annual basis.

5.1.4 We will provide clear, timely and transparent information so that people can easily understand our approach to charging.

5.1.5 If a service user received more than one charged-for service, charges will not be made for any one service in isolation.

5.1.6 We recognise that it is important that people are not deterred from seeking help due to this policy. We will endeavor to communicate this policy in accessible ways to ensure that people have a good understanding of our position in relation to charging.

5.2 Deferred payments: the implementation of the Deferred Payments Scheme is guided by the following principles:

5.2.1 We will follow the entitlement and eligibility criteria which is set nationally;

5.2.2 The scheme is offered to all those that are eligible so that they are not forced to sell their home to pay for care at the point of entering into care;

5.2.3 The scheme is offered to people who have local authority-arranged care and support, and to people who arrange and pay for their own care, subject to criteria stated in this policy;

5.2.4 That information is available on the Deferred Payments Scheme so that all individuals can make an informed decision about whether the Scheme is right for them;

5.2.5 That our decisions are guided by appropriate statutory guidance and regulations to ensure fairness and consistency;

5.2.6 That those who can, make a contribution towards their care costs;

5.2.7 That the Deferred Payments Scheme is self-financing and sustainable.

6. Services provided free of charge

6.1 Assessments

Assessments in adult social care are provided free of charge.

6.2 Information and advice

Information and advice services that are provided or commissioned by adult social care are free for residents to use.

6.3 Preventative services

Preventative services that are provided or commissioned by adult social care are free for residents to use. This includes:

- Reablement
- Telecare and assistive technology
- “Universal” services that are commissioned by adult social care, such as visiting LinkAge Plus Centres or employment-related support.

6.4 Community equipment

Community equipment (aids and minor adaptations) provided as a result of an Occupational Therapy assessment is free for residents. An adaptation is minor if the cost of making the adaptation is £1,000 or less.

6.5 Aftercare provided under the Mental Health Act

After-care services provided under section 117 of the Mental Health Act 1983 are provided free of charge.

6.6 Other services provided free of charge

In line with the requirements of the 2014 Care Act, the other care and support services that are provided free of charge are:

- Care and support provided to people with Creutzfeldt-Jacob Disease
- Any service of part of service that the NHS is under a duty to provide.

6.7 Carer services

6.7.1 Support services for carers that are provided or commissioned by adult social care are free. This includes information, advice and preventative services that all carers can access, as well as care packages for carers who meet the national eligibility threshold.

6.7.2 In line with statutory guidance, it should be noted that “replacement care” (which is often in the form of respite care) is part of the cared-for person’s care package, even if it is put in place primarily to support the carer¹³. We charge for replacement care in the form of replacement respite care or replacement home care

¹³ Please see Section 11 of Care Act statutory guidance for more details on this:

<https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

6.7.3 There may be instances where the carer meets the eligibility threshold for support from adult social care, but the person they care for does not. In these instances, “replacement care” would have to be part of the carers’ care package. As such, replacement care in these circumstances will be free of charge.

7. Overview of charged-for adult social care services

7.1 Residential and nursing care

We charge for care and support delivered in a care home on a temporary or permanent basis.

7.2 Community-based services

We charge for the following community based services:

- Care and support delivered in Extra Care Sheltered Housing on a temporary or permanent basis.
- Internal and commissioned home care (also known as ‘domiciliary care’) provided to service users
- Internal and commissioned day care
- Transport provided by the local authority to and from day care
- Residential respite care
- Services purchased by a service user using a personal budget or direct payment

7.3 Actual costs

When calculating the cost of care, we use the actual cost of services (rather than a “usual” cost to represent the maximum amount of funding we will usually be prepared to pay for a particular service). Service users who would like a more expensive option can usually pay the difference from their own funds. More details on this are provided in the “Adult Social Care Top-Ups, Usual Cost and Preferred Accommodation” policy and the “Adult Social Care Personal Budget and Direct Payment policy”.

8. Charging for long-term residential care

8.1 Service users who are assessed as being eligible for long-term residential care will receive a financial assessment. This financial assessment will determine what (if any) financial contribution a service user has to make towards the cost of care. This financial assessment is repeated each year, or sooner if there is a change in circumstances.

8.2 We charge service users their assessed contribution. If there is a delay in organizing a full financial assessment, we will charge service users an amount of money that mirrors Care Act 2014 national guidance. This is to ensure that service users do not receive a large bill once a financial assessment has been carried out. Details on current rates are included in Appendix II. We are able to backdate a charge for clients who are already in receipt of appropriate benefits. However, we are limited to only backdating for a period of three months following a new benefit claim required for those entering residential or nursing care.

- 8.3 The financial assessment will take into account income and capital. It will take into consideration any mandatory disregards of income, capital and property as defined in the 2014 Care Act.
- 8.4 Where a person has been assessed as having eligible needs for residential or nursing care and owns a property, during the first 12 weeks stay in residential care, the capital value of the property is disregarded. After this time, the capital value of the property is included as capital in a financial assessment.
- 8.5 If a service user has savings or capital assets in excess of the upper capital limit, they will be charged the full cost for their care. The upper capital limit is set by the government and is subject to change. Details on current rates are included in Appendix II.
- 8.6 If a service user has capital of less than the “lower capital limit” (details on current rates are included in Appendix II), we will:
- Disregard this capital in calculations
 - Still consider income in calculations
 - Not take savings into account.

Anyone receiving full funding will have to contribute all of their income (including benefits) to the local authority, except for the “personal expenses allowance”. The “personal expenses allowance” is set by the government and is subject to change. Service users may have an additional amount added to their “personal expenses allowance” based on the level of their occupational or private pension. This is called the “Savings Credit Disregard”. Details on current rates are included in Appendix II.

- 8.7 If a service user has capital between the “lower capital limit” and “upper capital limit” they will have to contribute towards care home fees. They will have to:
- Contribute a certain amount of their savings, which is called “tariff income”. Tariff income rates are determined by national guidance. Details on current rates are included in Appendix II.
 - Contribute all of their income (including benefits) to the local authority, except for the “personal expenses allowance”, explained in section 8.6 above.
- 8.8 The value of a service user’s property will not be taken into account if it is occupied by:
- A partner, civil partner or a lone parent who is the service user’s estranged or divorced partner
 - Someone that is aged 60 or over
 - A child aged under 16 of the resident
 - Someone who is incapacitated
- 8.9 There are also a number of ‘statutory income disregards’ that we must ignore in financial assessments, and a number of income sources that must be taken into

account. These are set out in statutory guidance and are summarised in Appendix III.

8.10 A service user with a deferred payment may wish to rent their property whilst in long-term residential care. If the property is to be rented, rental income net of relevant charges (such as management fees) will be included in the financial assessment. Service users will be able to keep 10 per cent of their rental income to pay for things like insurance and repairs. The remainder will be included as investment income for financial assessment and charging. Investment income will be viewed as a potential contribution towards the cost of care.

8.11 Service users have the option of deferring payments for residential or nursing care until a later date. More details on this are provided in the “. Deferred Payments” section of this policy.

8.12 Any charges are applied from the date care commences.

9. Charging for community-based services

9.1 Service users who have community-based services included in their care package will receive a financial assessment. This financial assessment will determine what (if any) financial contribution a service user has to make towards the cost of care. This financial assessment is repeated each year, or sooner if there is a change in circumstances.

9.2 Community-based services refer to:

- Home care (also known as ‘domiciliary care’) Home care includes replacement care provided at home which is intended to act as a form of respite.
- Day care (also known as ‘day centres’)
- Transport to and from day care
- Personal care element of Extra-care sheltered housing
- Services or items purchased with a direct payment or factored into a managed personal budget amount¹⁴,
- A temporary stay in residential care¹⁵. A temporary resident is defined as a person whose need to stay in a care home is intended to last for a limited period of time, and where there is a plan to return home. The person’s stay should be unlikely to exceed 8 weeks at a time, or in exceptional circumstances, unlikely to substantially exceed 8 weeks.

9.3 As noted previously, respite or replacement care is part of the service users care package, even if the primary purpose of this respite care is to provide relief and respite to a carer. If respite is in the carer’s care package (due to a service user being ineligible for support), it will be provided free of charge to the carer.

9.4 The financial assessment will take into account income and capital.

¹⁴ Items that are provided free of charge (e.g. preventative services) could be part of a service user’s support package, but would not be in their direct payment amount due to being freely available

¹⁵ Please see 8.34 of Care Act statutory guidance: <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

9.5 However, there are also a number of ‘statutory income disregards’ that we must ignore in financial assessments, and a number of income sources that must be taken into account. These are set out in statutory guidance and are summarised in Appendix III. The main sources of income that we will ignore include:

- Any earnings a service user receives from a job
- The mobility component of Disability Living Allowance or Personal Independence Payments
- The first £10 per week of War Widows or War Widowers pensions
- Housing Benefit
- Council Tax Benefit
- Child Benefit
- Christmas bonus payments
- Social fund payments
- Winter fuel payments

9.6 Disability-related expenditure is deducted from income in a financial assessment.

9.7 Housing-related expenditure is deducted from incomes in a financial assessment. This is made up of:

- Mortgage payments
- Rent
- Ground rent
- Council tax
- Service charges

9.8 We then deduct the minimum amount of income service users need to live on. This is called the “minimum income guarantee”. These amounts are listed in Appendix II. They are set nationally each year with a local policy to uprate the amounts for some users (see paragraph 9.10).

9.9 Likewise, some types of capital are disregarded in financial assessments. These are set out in statutory guidance and are summarised in Appendix III. The main sources of capital that we will ignore include:

- The value of a service user’s home (although the value of a second home may be considered)
- The value of a service user’s possessions

9.10 Local discretions

The council has discretion to apply additional allowances in order to ensure that a person who receives care and support outside a care home will have sufficient income remaining to meet their daily living costs such as rent, food and utilities
The following local discretions will be applied:

- A £15 allowance for utilities
- A basic MIG for all those below pension age, equivalent to the rate for a single person over 25 including disability and enhanced disability premiums. The MIG applied to all service users will be either the relevant statutory rate or the locally enhanced rate, whichever is the highest.
-
- A £250 max weekly care charge

10. Charging for meals

Hot and frozen meals delivered to the home of the service user (“meals on wheels”) and meals provided in day care services are all charged at a standard flat rate, and are not subject to a financial assessment. These standard charges are subject to revision from time to time. These changes will be communicated by the service to the service user with as much notice as possible.

11. Carrying out financial assessments

11.1 Service users can expect financial assessments to take place swiftly and without delay.

11.2 Financial reassessments will take place annually unless there is a change of circumstances. A service user can request a financial reassessment at any time.

11.3 Financial assessments will be carried out in accordance with our Mental Capacity Policy and Procedures.

11.4 We will carry out a ‘light-touch’ financial assessment¹⁶ if we have seen clear evidence that a service user can afford, and will continue to afford, any charges due. This applies to when:

- A service user has significant financial resources, and does not wish to undergo a full financial assessment for personal reasons, but wishes nonetheless to access local authority support in meeting their needs. In these situations the local authority may accept other evidence in lieu of carrying out the financial assessment and consider the person to have financial resources above the upper limit.
- Where we charge a small or nominal amount for a particular service (e.g. for subsidised services) which a service user is clearly able to meet and would clearly have the relevant minimum income left, and carrying out a financial assessment would be disproportionate.
- When a service user is in receipt of benefits which demonstrate that they would not be able to contribute towards their care and support costs.

11.5 As part of the financial assessment process, advice will be provided to service users regarding benefit entitlement. This is to support service users to maximise their income and mitigate as far as possible any adverse impacts of having to pay a

¹⁶ Whereby we treat a person as if a financial assessment has been carried out

financial contribution. This may include assistance to complete applications or signposting to relevant agencies and services.

- 11.6 As part of the financial assessment process we will identify where a service user is potentially entitled to benefits that they are not claiming, and provide reasonable advice and assistance to support a claim. We will refer service users to specialist financial advice if a need for this is identified during the assessment process.
- 11.7 We will encourage service users to disclose financial information. In situations where this is refused, we will assume that the service user is eligible to pay the full cost of services.
- 11.8 A written record of the financial assessment will be given to the service user to explain how the assessment has been carried out.

12. Couples

- 12.1 The definition of a couple for the purposes of this policy is:
- Married or in a civil partnership and living in the same household; or
 - Living together as a couple in the same household
- 12.2 When carrying out a financial assessment, we will only look at the income, capital and expenses of the person receiving care. To do this when assessing one member of a couple as a single person, the following will apply in line with statutory guidance:
- 100% of solely owned and 50% of all jointly owned capital will be taken into account, unless evidence can be produced to show the exact allocation of funds.
 - All assessable income appropriate to the individual will be taken into account. Where benefits are paid at the couple rate, the benefit will be apportioned
 - 50% of the couple's total joint household expenditure will be allowed for
 - The minimum income guarantee will be as set out in statutory guidance.

13. Change in circumstances

- 13.1 Service users will be informed that they must notify the local authority of any changes to their financial circumstances. Upon notification, we will arrange for a financial reassessment as appropriate.
- 13.2 Changes to contributions can be backdated. If there has been a change in circumstances that results in a service user being eligible to pay more towards the cost of care, payments will be adjusted and/or backdated to the date the change came into effect. If there has been a change in circumstances that results in a service user being eligible to pay less towards the cost of care, we would expect the service user to notify of us this change and provide evidence to this effect. In this scenario if we are not informed, the maximum we will backdate payments to is three months (unless there are exceptional circumstances).

- 13.3 The Council reserves the right to carry out a financial reassessment at any point relating to current or historical services provided. This may require service users to provide new or additional information and evidence where necessary.
- 13.4 Where appropriate, we may automatically carry out a financial reassessment based on changes that we become aware of through things like regulation changes or national policy changes. These may include annual increases to standard benefits payments such as the State Retirement Pension, occupational or other private pensions (except fixed rate annuities) or service cost increases.
- 13.5 Service users will be notified promptly of any changes that might affect the amount they pay towards the cost of care. No increased charge will apply before written notification of the new charge and its effective date has been issued to the service user, unless there has been a change that the service user has not notified us of in a reasonable timeframe.

14. Deprivation of assets

- 14.1 If someone has deliberately deprived themselves of capital or an asset to reduce their financial contribution to care costs, this may be treated as deprivation of funds.
- 14.2 In reaching a decision about deprivation of assets, the Council will follow the Care Act 2014 statutory guidance (Annexe F.)
- 14.3 In the event that a service user is found to have deprived themselves of assets for the purpose of avoiding care costs, the Council will complete the financial assessment assuming a notional level of assets equivalent to the value of assets prior to the deprivation taking place. This will be applied for a period that is considered reasonable with regard to the level of assets and the level of contribution to care costs required.
- 14.4 In all cases where it has been decided that a service user has deprived themselves of assets, this will be confirmed in writing to the service user and/ or their representative, including the reason for the decision and how this will affect the assessed charge. There will be a right to review/ appeal as set out in section 33 of this policy.

15. Access to care and assessment of ability to pay charges

- 15.1 Once someone has been assessed as needing a service, that service will not be withdrawn solely if the service user refuses to pay the charge. The service will continue to be provided, but any debt outstanding will be pursued - if necessary through the civil courts – in line with our Debt Recovery Policy which details our approach to recovering debts from vulnerable adults.

16. Services not provided as planned

- 16.1 If services are not delivered for whatever reason and no costs are incurred, no charge for that element of the care will be made in respect of that period. This may or may not have the effect of reducing the amount which the client is assessed to pay, depending on the individual's circumstances and their financial assessment.

16.2 However, there may be occasions when services are not delivered but costs are still incurred (for example, if a service user is not at home for a scheduled visit). In these circumstances, charges will continue to apply.

17. How payments will be collected

17.1 Where the local authority is arranging care for a service user, their financial contribution will be paid to the local authority.

17.2 Where a service user is receiving a direct payment, their financial contribution will be automatically deducted from that amount.

18. Debt recovery

18.1 Services to meet assessed needs will not be refused or withdrawn if a person does not pay their assessed charge, or lodges an appeal against their assessed charge, this will ensure that vulnerable adults remain safe in the community and are not left without the care they have been assessed as needing. Debt recovery will be pursued for any outstanding verified charges.

18.2 We will take all appropriate and necessary steps to recover non-payments, in line with our Debt Recovery Policy.

19. Deferred payments- eligibility?

London Borough of Tower Hamlets (LBTH) will offer a deferred payment to people who meet the eligibility criteria set out below:

19.1.1 Anyone who is eligible to have their care needs met by the provision of residential or nursing care¹⁷;

19.1.2 Anyone who has savings less than (or equal to) the upper capital limit of £23,250¹⁸, excluding the value of their home (i.e. in savings and other non-housing assets); and that there is sufficient value in their home to meet the criteria for self-funding;

19.1.3 Anyone whose home is not 'disregarded' in a financial assessment. For example, a home that is not occupied by a spouse or dependent relative as defined in regulations on charging for care and support would be taken into account as part of a financial assessment on paying for residential or nursing care;

19.1.1 Anyone who meets the eligibility criteria must also have the mental capacity to enter into a Deferred Payments Scheme or have a person legally appointed to manage their finances such as through a Deputyship or a Lasting Power of Attorney. They

¹⁷ This is determined when someone is assessed as having eligible needs which the Council decides should be met through a care home placement. This should comply with choice of accommodation regulations and care and support planning guidance and so take reasonable account of a person's preferences

¹⁸ As of August 2016 - This figure is subject to national guidance and is not determined by the Council

will be responsible for the Deferred Payment Scheme and reporting any changes of circumstances.

19.2 Discretion

In some circumstances we may be more generous than the criteria set out above. If an individual does not meet the above criteria we will take into account the following discretionary areas¹⁹:

- 19.2.1 Whether someone has other accessible means to help them meet the cost of their care and support;
- 19.2.2 If a person is narrowly not entitled to a deferred payment agreement because they have slightly more than the asset threshold, including individuals who are likely to meet the eligibility criteria;
- 19.2.3 If in meeting care costs, someone is likely to have very few accessible assets such as assets which cannot quickly/easily be liquidated or converted to cash.
- 19.2.4 Financial Assessment Officers who determine that a deferred payment should be offered to a service user who does not meet the criteria outlined in section 6.1 will need to gain authorisation from the appropriate Service Head.

20. Under what circumstances would we refuse deferred payments?

20.1 Circumstances leading to a refusal of a deferred payment

We will always offer a deferred payment to anyone who is eligible and where the Council is able to secure the debt against the property. However, there are circumstances where we may refuse a request to safeguard the local authority against default or non-repayment of a debt. We may refuse to enter into a deferred payment agreement even if someone meets the eligibility criteria under the following circumstances:

- 20.1.1 If we are unable to financially secure the property by placing a first charge on the property. We would have to be satisfied that we could gain ownership of the property or assets at the point of termination and be satisfied that there is at least one years' worth of funding in the property. The property would also have to be insurable;
- 20.1.2 Where someone is seeking a top up and does not agree to the terms and conditions of the agreement;
- 20.1.3 We may refuse offer of a deferred payment if the person lacks capacity and there is no appointed deputy to make a decision. All staff involved will be guided by the

¹⁹ In these situations we will seek to offer a deferred payment agreement but will be guided by 'how much can be deferred' (see section 12) to determine the amount that is sustainable and that it reflects their core care costs without any top-ups and agree a deferral. The individual can then choose whether they wish to agree to the DPA.

Mental Capacity Act 2005 (MCA) in these circumstances. If someone lacks mental capacity and does not have a representative to act on their behalf, there is an option for the local authority to manage their finances under a “Court of Protection” deputyship arrangement.

20.2 Refusing any further deferred charges

Once a deferred payment has been agreed there are circumstances in which we may refuse to defer any further charges. This includes:

- 20.2.1 When the individual’s total assets fall below the level of the means-test and they become eligible for local authority support in paying for their care;
- 20.2.2 Where an individual no longer has need for care in a care home (or supported living accommodation in the future);
- 20.2.3 If terms of the contract set out in the legally binding Deferred Payment Agreement is breached and our attempts to resolve the breach is unsuccessful and the contract specifies this;
- 20.2.4 If, under the charging regulations, the property becomes disregarded for any reason and the individual consequently qualifies for local authority support in paying for their care, including but not limited to:
 - Where a spouse or dependent relative (as defined in charging regulations) has moved into the property after the agreement has been made, where this means the person is eligible for local authority support in paying for care and no longer requires a Deferred Payment Agreement; and
 - Where a relative who was living in the property at the time of the Agreement subsequently becomes a dependent relative (as defined in charging regulations). The local authority may cease further deferrals at this point.
- 20.2.5 We will cease deferring further amounts when the ‘equity limit’ allowed to be deferred has been reached (see Section 18 of this policy); or when a person is no longer receiving care and support in either a care home setting or in supported living accommodation. This also applies when the value of the security has reduced and so the equity limit has been reached earlier than expected.
- 20.2.6 In cases where we refuse to defer any further charges, we will not demand repayment of future instalments in these circumstances. However, the repayments will be subject to the terms of termination as set out in Section 18 of this policy.

20.3 Discretion in refusing a deferred payment

- 20.3.1 In any of the above circumstances, we will consider whether to exercise discretion to offer a deferred payment (for example, if a person’s property is uninsurable but has a high land value we may choose to accept charges against this land as security instead). In all cases we will have to financially secure the recovery of the debt.

20.3.2 We will not exercise the discretionary powers set out in this section if a person would, as a result, be unable to pay off any income due to the local authority from their non-housing assets.

20.4 Notice of ceasing future deferred payments

20.4.1 We will provide a minimum of 30 days' notice that further deferrals will cease and will provide the individual with an indication of how their care costs will need to be met in future. It will be based on the individual's circumstances and our duties under the 'well-being' principle as set out under the Care Act and can be funded by us or from the individuals' income and assets.

20.4.2

21. What information will residents be provided with on deferred payments?

21.1 We recognise that moving to a residential or nursing home can be a challenging time for service users and their loved ones. The Financial Assessment Officer will provide all the necessary information available to service users and carers to enable them to make an informed decision about entering into a deferred payment agreement. The information we provide will be clear and easy to read, in line with our Accessible Information Policy.

21.2 The Financial Assessment Officer will ensure that service users entering residential or nursing care are made aware of the ability to enter into a Deferred Payment Scheme; the eligibility criteria; that this involves using their home as a security so that the costs of paying for care can be paid at a later date such as when the home is sold to repay the full amount; and the implications of entering into the agreement on the income and benefits entitlement of the individual.

21.3 The Financial Assessment Officer will make service users aware that they have the right to seek independent financial advice, and will provide an overview of the advantages and disadvantages of the Deferred Payments Scheme and other options for paying for care for their consideration.

21.4 The Financial Assessment Officer will ensure that service users are aware of the 12 week disregard to enable service users to have time to consider their options for care.

21.5 The Financial Assessment Officer will inform individuals of the administration charge in Tower Hamlets when entering into a Deferred Payment Agreement. See Section 14 of this policy for more details.

21.6 The Financial Assessment Officer will explain the security we will be willing to accept. See Section 11 of this policy for more details.

21.7 The Financial Assessment Officer will be clear about the amount that can be deferred and the circumstances in which we will stop deferring further amounts.

21.8 The Financial Assessment Officer will explain what needs to happen so that individuals are not in breach of the Deferred Payments Agreement, and the

consequences if they do not repay the amount/s due. The Financial Assessment Officer will also explain what will happen when the agreement is terminated and the options for repayment.

21.9 Information on the Deferred Payments Scheme is published on the Council's website for service users and carers. The website includes information about Financial Services Authority regulated financial advisors who can provide independent financial advice.

22. Calculating payments for the first 12 weeks someone is in residential care

22.1 Where a person has been assessed as having eligible needs for residential or nursing care and owns a property, during the first 12 weeks stay in residential care, the capital value of the property (i.e. the value of the house) is disregarded. This will allow time for the service user to decide whether they will choose to sell, rent or enter into a Deferred Payment Agreement with the local authority.

22.2 After 12 weeks, unless there is statutory disregard of the property, the property is taken into account as a capital resource. This means its value will be taken into account when assessing how much someone needs to pay towards the cost of their residential care. By the 13th week of residential or nursing care we will ensure a smooth transition to the Deferred Payments Scheme.

22.3 If it is necessary to sell the property immediately to fund the care, i.e. where any other available resources are below the upper capital limit (currently £23,250), then a 12 week property disregard will be automatic and the Deferred Payment Scheme will be available subject to the appropriate eligibility criteria.

22.4 Persons already in residential care who may need to access local authority funding are not entitled to the 12 week property disregard. However, if the request to access local authority support is made due to a sudden and unexpected change, we have the discretion to allow a 12 week property disregard. An example where we might consider exercising this discretion might be a person's partner dying suddenly. Staff seeking to exercise this discretion will need to gain prior approval from a relevant Service Head.

23. Deciding not to sell a home and refusing a deferred payment

23.1 An individual may wish not to sell their property and choose not to defer payments for nursing or residential care. If this decision is made, the full cost of their care would still be payable and we will invoice as such. If there is failure to make payments on the invoices, we will pursue the payments through our debt recovery process. Practitioners will encourage all individuals to seek independent financial advice if they are unsure about deferring payments.

24. Getting security against a deferred payment

24.1 As part of agreeing to a deferred payment, the Council is required to have adequate security against the deferred amount. The individual or their representative is

responsible for providing the evidence that they are able to give the Council adequate security.

24.2 For homeowners, security is in the form of a legal “charge” against the property whether the property is sole, joint or a Tenancy in Common in place. The “charge” is the security that supports the local authority in recovering the accrued debt, and is registered on the property title deeds held by the Land Registry Office. In all cases we will need written agreement to have a first charge against the property and will be required to have this in place so that the Council is able to recover the accrued amount before we can agree to a deferred payment.

24.3 The Council has the discretion to accept other forms of security on a discretionary case by case basis if it is unable to obtain security against the property. Staff seeking to exercise this discretion will need to obtain prior approval from a relevant Service Head. We will only accept this if there is adequate security against the chosen form of security and the Council is clear that it will be able to recover the accrued amount. Other forms of security we may consider include:

- Third party guarantor;
- A solicitors undertaking provided in writing ;
- A valuable object;
- An agreement to repay the amount deferred from the proceeds of a life assurance policy.

25. How much can be deferred

25.1 The Council will only defer the amount that the statutory guidance allows to be deferred. This is usually the actual cost of care and support, minus the assessed financial contribution. It is considered by looking at the equity available in the security chosen, contributions from other sources and the total costs a person will face.

25.2 Where a property is used as security to offer a deferred payment agreement, the total amount that can be deferred is:

- The value of the property
- Minus 10%
- Minus the lower capital limit (£14,250 at the time of writing)
- Minus the amount of any encumbrance secured on it. “Encumbrance” refers to any outstanding mortgage or debt secured on the property²⁰.

For example:

Market value of property	£600,000
Less 10%	- £60,000

²⁰ If there is a mortgage, the mortgage lender gets precedent in terms of securing first charge. As such, the local authority will be ranked as second charge. The local authority therefore cannot offer deferred payment on the full amount but only on the part not covered by mortgage, if any.

Less lower capital limit	- £14,250
Less outstanding mortgage	- £2,500
Maximum that can be deferred	£523,250

25.3 When an individual is reaching the point at which they have deferred 70% of the value of their chosen security, we will work with the individual to review the cost of care. This will include a view of any means-tested care and support they receive and review whether a deferred payment is the best option for them.

26. Other options to pay for care and support

26.1 The Deferred Payments Policy is one option available to pay for the cost of care and support. The other options might include sources of income, savings or other assets or a financial product (such as insurance) designed to pay for long term care. Individuals may choose to use a mix of these options. We will clearly set out the full range of financial information for all individuals based on their assessment and financial position.

26.2 Individuals entitled to a Deferred Payment Agreement will have a financial assessment to make contributions towards the cost of care and support. This will be based on their assessable income and any capital such as savings as set out in this policy.

26.3 An individual who has a deferred payment can retain a Disposable Income Allowance. This amount is designed to be used to meet housing-related costs, such as utility bills and maintenance costs. From this, an individual can decide (if they choose) to keep less of this amount in order to reduce the debt accrued through the Deferred Payment Scheme.

26.4 Individuals and family members may wish to top-up the cost of their care to buy care and support services in addition to that provided by the local authority. However, it is not possible for individuals to take a deferred payment on the top-up element of their care package.

26.5 Renting the property

- An individual may wish to rent their property. This can be through the private market. We would expect to see a tenancy agreement as evidence of this as part of securing the property.
- We can support individuals or their representatives to rent their properties by providing them with information and advice on how to go about doing this.
- If the property is to be rented, rental income net of relevant charges (such as management fees) is to be notified to the Financial Assessment and Benefits team. Service users will be able to keep 10 per cent of their rental income to pay for things like insurance and repairs. This amount is in addition to the Disposable Income Allowance described in Section 26.3. This amount will be excluded in the financial assessment calculation to see how much an individual needs to pay towards the cost of residential or nursing care. The

remainder of rental income will be included as investment income for financial assessment and charging. Investment income will be viewed as a potential contribution towards the cost of care. Rental income should be used to pay for care home charges in preference to accruing further deferred charges.

27. Interest, charges and fees

27.1 The Council will not charge interest on deferred payments, until the death of a service user as set out in paragraph 31.1.4.

27.2 An administration charge is applied to all Deferred Payments Agreements that are accepted. This is based on a number of costs which we incur in setting up the deferred payment. This will only reflect the actual costs. This includes but is not limited to the following:

- Registering a legal charge against the property with the Land Registry;
- Cost of removing the legal charge;
- Land registry search;
- Postage, printing and telecommunication charges;
- Cost of staffing time;
- Cost of valuation and re-valuation of property

Appendix IV provides guidelines for calculating administration fees and the current amount applied (as of August 2016). These amounts will be reviewed every December and July, or more frequently if required.

28. Valuing a property

28.1 The Council will undertake a valuation of the property being used in the deferred payment. The value of the property will inform how much equity is available in order to decide how much money can be deferred. The person or their representative entering into the deferred payment agreement can undertake an independent valuation at their own cost if they wish. If the valuation differs significantly, a joint decision between the individual and the Council will be made on the valuation to apply. Any disputes about property valuations will be dealt with under the review and appeals procedure as outlined in Section 20 of this policy.

28.2 For the duration of the deferred payment agreement, the Council will undertake a re-valuation of the property annually and as required. This is to ensure the upper limit of 70% is not exceeded or to ensure the sustainability of the deferred payment is not in question. Re-valuations will take place at least when the accrued debt has reached 50% of the agreed deferred amount or when there is a significant market correction of the property values. The costs of this can be tied into the deferred amount. Any disputes about property valuations will be dealt with under the review and appeals procedure as outlined in Section 20 in this policy.

29. Statements detailing deferred payments and outstanding debt

- 29.1 Every six months, service users will be sent a statement of their deferred payment. This will detail the deferred amount, the rate at which it is growing and an estimate of the length of time the remaining assets will be sufficient to fund the full cost of care.
- 29.2 Statements can also be sent out at any time if requested by the service user or their representative. A statement will be sent out within 28 days of any request.

30. The Deferred Payment Agreements

- 30.1 A formal legal Deferred Payments Agreement will be provided to the service user. The agreement confirms that the service user or their legal representative wishes to enter into a Deferred Payment Scheme and that all the implications have been explained. We will provide details of what will happen in taking out a Deferred Payment Agreement, the timescales involved and the policy in writing.
- 30.2 The Financial Assessment Officer completes a Charging Authority form, which is sent to the local authority's legal team. They then draw up the Deferred Payment Agreement and send this to the service user or their representative.

31. Ending or terminating a deferred payment

- 31.1 The deferred payment will end or can be terminated under the following circumstances:
- 31.1.1 The deferred payment will end when a person no longer has the need for care and support in a care home.
- 31.1.2 The Council will stop deferring further amounts when a person has reached the 'equity limit' that they are allowed to defer (see Section 12.2). This also applies when the value of the security has dropped and so the equity limit has been reached earlier than expected. In these circumstances we will write to the service user giving 30 days' notice of this. This aims to give the service user time to discuss and make plans for the continuation of care and support needs.
- 31.1.3 If a service user sells their property, the accrued debt must be repaid upon the sale. The sale of the property effectively terminates the deferred payment agreement.
- 31.1.4 On the death of the service user, the deferred payment arrangement ends. Care Act guidance expects that the debt becomes payable 90 days after death. We will provide a statement of the final debt within two weeks of the death of the service user to the relevant party. We will apply interest to the deferred payment amount from day 91 onwards if the amount is not repaid. The interest rate will be in line with the national maximum rate that local authorities can apply over the life of the deferred payment.
- 31.1.5 A service user can cancel their Deferred Payment Agreement at any time. A 30 day notice period applies and any outstanding balance must be repaid. If the balance is not repaid within an agreed timeframe, we will apply interest to the deferred payment amount from the first day the repayment is late. The interest rate will be in line with the national maximum rate that local authorities can apply over the life of the deferred payment.

3.1.15

32. Continuing Healthcare funding

32.1 If a service user enters into a Deferred Payment Agreement prior to health services agreeing to provide Continuing Care funding: Once the Continuing Care funding comes into effect, we would expect the service user to continue to make payments towards the deferred amounts. It is good practice to ask for voluntary payments to continue, wherever possible, as this will reduce the amount of the accrued debt set against the value of the property.

33. Reviews, appeals and complaints

33.1 People will be informed of their right to ask the Council for a review of financial assessment, if he or she considers that they cannot afford to pay it and/or if he or she considers that the assessment has been carried out incorrectly.

33.2 People will be made aware of their right to an appeal if, following the outcome of a review he or she still considers they cannot afford to pay. Please see the “Appeals Policy” in adult social care for more details on this.

33.3 People will be made aware of their right to make a formal complaint using the Adult Social Care Complaints procedure. Contact details are as follows:

- Telephone: 0800 374 176
- Address:
Freepost Plus
RRBZ-UCYT-ZLRX
The Complaints Officer, Tower Hamlets
Mulberry Place, 5 Clove Crescent
London
E14 2BG
- Email: complaints@towerhamlets.gov.uk

33.4 The decision made on an application for a deferred payment can be reviewed. The grounds for reviewing a decision include:

- The decision failed to take into account new information
- There are eligible care costs which the Council has failed to take into account.

33.5 Service users will be advised that they can ask for the decision on a deferred payment application to be reviewed. The decision on a review can be appealed within 20 working days of being notified of the review decision. If the individual finds the appeal decision to be unsatisfactory, they can request that the Council deal with the matter under the Councils complaints procedure.

34. Monitoring and review

34.1 This policy will be reviewed annually, or more frequently if needed.

34.2 The implementation of the policy will be reviewed as needed.

Appendix I - Glossary

	Term	Meaning
1	12 week disregard	For the first 12 weeks funded by the Council of a service user's permanent stay in care, the value of their main property is not taken in to account in care home fee calculations. They are not eligible for a deferred payment during this time.
2	Accrued debt	The total amount of money owed
3	Capital or capital resource	The combination of valuable items ('assets') and savings that a person has
4	Capital value	The amount of money someone has in savings plus the value of any valuable items ('assets').
5	Equity	The value of something once any outgoings have been considered
6	Equity limit	The total amount that can be deferred
7	Legal charge	This is a legal agreement stating that the Council can receive the value of a property to cover outstanding debt when it is sold. It is registered on the property title deeds held by the Land Registry Office.
8	Lower capital limit	A financial "limit". Any capital below this limit will be ignored when calculating how much a person may need to pay towards the cost of care.
9	Non-housing assets	Something with financial value that is not a house.
10	Security	Reassurance that a debt can be repaid
11	Statement of Accrued Debt	A document that sets out how much has been paid and how much is still owed
12	Tariff income	Tariff income rules apply to the portion of a client's 'Capital, Savings and Investment' i.e. between £14,250 and £23,250 that is considered in assessing how much they need to contribute/pay towards the cost of their care. Clients with over £23,250 are required to pay the full cost of their care. The current tariff income rule on non-residential charging is based on the assumption that for every £250 of capital or part thereof, the client is

		able to afford to contribute £1 per week towards the cost of their care. This amount will be added to the weekly income when assessing the weekly charge payable by eligible clients. Note that The Care and Support (Charging and Assessment of Resources) regulations 2014, provides flexibility for local authorities to apply discretion on using the minimum requirement of £1 for every £250.
13	Upper capital limit	A financial “limit”. Any capital above the ‘upper capital limit’ must be put towards the cost of residential care.

Appendix II: Current rates set out in statutory guidance

Key rates set out in national statutory guidance for 2016-17 are as follows:

1. The minimum amount service users can expect to pay towards care home fees is £130.70 per week if they are over pension age or £80.45 if under pension age.
2. The lower capital limit is £14,250.00.
3. The upper capital limit is £23,250.00.
4. If a service user has capital between the “lower capital limit” and “upper capital limit” they will have to pay £1 for every £250 of their savings between these amounts (“tariff income”).
5. The personal expenses allowance is £24.90 per week.
6. The Savings Credit Disregard is £5.75 per week.
7. The statutory “minimum income guarantee” is set by Government each year. The weekly amounts for 2016-17 are:
 - £72.40 for adults under 25 years old
 - £91.40 for adults over 25 but less than pension age
 - £189 for people over pension age

There are also additional amounts for some people. These include:

- An additional amount for people with children. The 2016-17 weekly rate is £83.65.
- An additional amount for people receiving disability benefits. The 2016-17 weekly rate is £40.35.
- An additional amount for carers entitled to a carer premium. The 2016-17 weekly rate is £43.25.

Appendix III: Statutory disregards and inclusions

Statutory income disregards

Regulations specific that the income sources listed below must be ignored in the financial assessment. The Council *may* ignore (disregard) other sources of income as well, with exceptions listed at the end of this appendix.

- Employed and self- employed earnings
- Direct Payments
- Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- The mobility component of Disability Living Allowance and Mobility Supplement
- The mobility component of Personal Independence Payments and Mobility Supplement
- Armed forces Independence Payments and Mobility Supplement
- Child Support Maintenance Payments and Child Benefit
- Child Tax Credit
- Council Tax Reduction Schemes where this involves payment to the person
- Christmas bonus
- Dependency increases paid with certain benefits
- Discretionary Trust
- Gallantry awards
- Guardian's Allowance
- Income frozen abroad
- Income in kind
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Savings credit disregard
- Social Fund payments (including winter fuel payments)
- War widows and widowers special payments
- Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- Any grants or loans paid for the purposes of education
- Payments made in relation to training for employment
- Any payment from:
 - o Macfarlane Trust
 - o Macfarlane (Special Payments) Trust
 - o Macfarlane (Special Payment) (No 2) Trust
 - o Caxton Foundation
 - o The Fund (payments to non-hoemophiliacs infected with HIV)
 - o Eileen Trust
 - o MFET Limited
 - o Independent Living Fund (2006)
 - o Skipton Fund
 - o London Bombings Relief charitable Fund
- Charitable and voluntary payments that are made regularly

- The first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, War Disablement pension and payments to victims of National Socialist persecution (paid under German or Austrian law.)
- Part of savings credits under certain circumstances.
- Working tax credit if the service user is not resident in a care home.

Income that must be taken into account

The following income sources *must* be taken into account- the Council cannot decide to ignore them in financial assessments:

- Attendance allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance
- Bereavement Allowance
- Carers Allowance
- Disability Living Allowance (Care Component)
- Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit
- Income Support
- Industrial Injuries Disablement Benefit or equivalent benefits
- Jobseeker's Allowance
- Maternity Allowance
- Pension Credit
- Personal Independence Payment (Daily Living Component)
- State Pension
- Universal Credit
- Working Tax Credit if the person is resident in a care home.

Appendix IV: Administration Fee Breakdown

Deferred Payments	Administration fee amount £
Setting up the Deferred Payment Agreement (DPA) - One off set up fee	
Land registry search*	3
Legal fees: this covers the cost of placing the charge on a property and may change as this is set by the solicitor not LBTH*	250
Staff costs: 15 hours' work for an officer to initiate, set up and complete all the tasks required*	260
Property valuation: this charge may vary as it is set by the district valuers office*	570
In year cost of maintaining the DPA - charged annually	
Legal fees: no costs are anticipated in a standard DPA case but may arise in unforeseen circumstances*	
Staff costs: 2 hours staff time, every quarter to monitor, re-evaluate and carry out necessary sustainability tasks *	150

Property valuation: only when debt reaches 50% of equity or the unforeseen need for an in-depth review of the DPA's sustainability*	
Land registry search*	3
Closing down of the DPA - charged annually	
Legal fees: this covers the cost of placing the charge on a property and may change as this is set by the solicitor not LBTH*	150
Staff costs: 2 hours' work for an officer to initiate, set up and complete all the tasks required*	40

Appendix 9

Analysis of other councils' charging policy (in relation to community based clients.)-

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
Hackney	No	For single people under pension age- £151 Pension age MIG as per statutory	75%	No	25% of DLA and PIP is disregarded to cover DRE. Any above that is assessed individually.	Water rates	No	£250/ week for people over upper capital threshold 92% of personal budgets	
Newham	N	No	100%	No	Standard weekly amount (not specified) with assessment offered if above the set amount	Buildings insurance	No	£200/ week	
Greenwich	No	No	100%	No	Standard rate £15.30	No	Day care: £5.10 per day	£530.60/ week	Capital tariff income set at £1 per

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
							Home care £12.95 per hour		£500
Camden	No	Appear to have higher MIG rates for single people (eg £134 a week without disability premium)	100%	No	No	No	No	No	
Haringey	No	No	100%	No	65% of disability related benefits	No	No	No	
Lewisham	No	IS plus 30% (going down to 25% in 16/17)	100%	No	No	No	No	No	
Southwark	No	No	100%	No	No	No	No	No	

Council	Additional income disregards	MIG above statutory	% income	Additional capital disregard	DRE other than statutory	Housing related expenditure other than statutory	Standard rates	Cap	Other
Islington	No	No	100%	No	No	No	No	No	Policy leaflet specifically says water rates and insurance are not taken into account

