



Adult Community Care Charges – Your Views

What is this leaflet about?

We have had to make the decision to charge for some of our adult social care services that are free at the moment. We asked people for their views on this last year before we made the decision. We are now asking you about how we should bring this change in so that we can make it as fair as possible and particularly protect people on lower incomes.

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. This means services are under pressure and we have less money to spend on social care.

We need to make sure that we can still pay for support for people that need it. So, from next year, we will ask people 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 to help them remain independent in the community.

The law says we have to work out how much people can pay towards their care 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
- ⬆ Transport
- ⬆ Personal Budgets

What is not affected

- ⬆ We are **not** thinking about introducing any charges for these services:
 - ⬆ Support to carers
 - ⬆ Telecare
 - ⬆ Reablement
 - ⬆ Equipment and adaptations
 - ⬆ Aftercare provided under the Mental Health Act

These services will carry on being free of charge.



Who already pays?

People getting these 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 any of these charges.

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 (like savings or investments) 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 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 anything. So some people will still pay no charge at all towards their care.

If the amount of 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 towards your total personal budget or care cost. The most you could be asked to contribute would be either your total personal budget or your full care costs. But many people will only pay a small amount or proportion of the total care costs paid by the council.

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 used to calculate the charge.

Example

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

How this is worked out:

- ⬆ The first £14,250 is ignored
- ⬆ The rest of your savings are £5,750
- ⬆ We add £1 to your weekly income for every £250 of savings
- ⬆ £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 or care costs including Attendance Allowance and Disability Living Allowance care component.

Some of your income is ignored and protected from charging.

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, the charge 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

These costs are excluded or protected from charging as they are unavoidable and essential costs.

We would like to know as part of our consultation whether there are other housing related costs that you think we should take off your income and protect from charges.



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 that we would protect from charging.

The changes we are thinking about are:

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

We believe this would particularly benefit people on lower incomes and it would increase the number of people who do not pay any charge at all.

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 people on lower incomes. We also looked at whether we should only consider a percentage of income when working out how much you have to pay. This would apply to everyone but is particularly likely to benefit people on higher incomes who could afford to pay more towards their care costs.

We think that increasing the minimum amount of income you need to live on is the best and fairest way of making sure that everybody is left with a reasonable amount of money after charging.

Have you looked at any other options?

We also looked at whether to protect more capital from charging or to apply a 'cap' or maximum amount to the charges people are asked to pay. Both of these options would particularly benefit people on higher incomes or with lots of savings, investments or other properties. All capital or savings below £14,250 would be ignored anyway and many people would not be asked to pay anywhere near the full costs of their care (see examples on pages 13-15).

We need 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. We think that increasing the minimum amount of income that is protected from charging is the fairest way to make sure everyone 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 asking 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

Hassan 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 Hassan to have home care.

After a Financial Assessment, using the Government's rules we would ask Hassan to contribute £29.75 per week to his care.

This is how we worked this out.

The whole of Hassan'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 Hassan would pay £29.75 a week towards the cost of his care.

$$\pounds 102.15 - \pounds 72.40 = \pounds 29.75.$$

If the Council increased the minimum amount Hassan needs to live on to £151.40, Hassan 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 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, using the Government's rules we would 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;

$$\mathbf{£109.30 - £91.40 = £17.90}$$

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 because she is over pension age. 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

Deepak 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 Deepak will pay £100 a week for his care. If 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. In other boroughs similar to Tower Hamlets we know many people do not pay anything at all towards their care.

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.

Can I get help if I cannot fill in the survey by hand or online?

You can phone in your survey responses if you are unable to complete by hand or online, please phone 020 7364 1451 between the hours of 9.00am and 5.00pm. Staff on this number will also be able available to you about any concerns you may have.