

APPENDIX A

Review of Charging for Residential and Non-Residential Adult Social Care Services – Detailed information on the proposed changes

Proposed Change 1: Minimum Income Guarantee (MIG) – non-residential

- 1.1 Any person receiving local authority arranged adult social care support outside of a care home needs to retain a certain level of income to cover their living costs. Under the Care Act 2014, charges for care and support must not reduce a person's income below a certain amount. This is a weekly amount, it varies according to the person's age and circumstances, and it is known as the **Minimum Income Guarantee** or '**MIG.**' The age and circumstances of the individual gives rise to a number of different prescribed levels of MIG.
- 1.2 A local authority must allow people the relevant minimum, but it can decide to allow people to keep more of their income if it wishes. The MIG applies to settings other than care homes, for example it applies to a person who is receiving care in their own home. It is intended to cover food, clothes, utility bills, contents insurance and other personal expenses. The MIG is not for housing costs such as mortgage costs, rent, council tax, or buildings insurance. Those costs are addressed directly in the person's individual financial assessment.
- 1.3 The Department for Health and Social Care (DHSC) each year publish the Minimum Income Guarantee circular to all local authorities.
- 1.4 The Council's non-residential charging policy currently adds 25% to the single or couple personal allowance of the basic level of Income support or Pension credit, to work out the MIG figure each year. This method of calculating the MIG is historic (pre-Care Act 2014) and is higher than the DHSC MIG set each year.
- 1.5 This proposed change will be to the calculation of the Minimum Income Guarantee (MIG) figure used in the financial assessment to the level permitted by the DHSC each year.
- 1.6 This will increase income from adult social care contributions to the council and bring Telford and Wrekin's MIG calculation in line with the DHSC guidelines.

Proposed Change 2: Implement Tariff Income (non-residential)

- 2.1 The calculation of care charges depends on the total amount of capital a person has. The limits detailed below are the current capital limits and are set nationally by central government:

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£0 - £14,250: The person will not need to use their capital income to pay towards care and support. Any assessed charges will be worked out from the person's income only.

£14,251 - £23,250: The financial assessment will include capital income added at a rate of £1 for every £250 or part £250. This is called **tariff income**.

£23,250+: The person is assumed to be able to afford the full cost of their care and support. They will be classed as self-funders or full cost.

These are the minimum and maximum set by DHSC however local authorities can choose to set their own limits if those limits do not fall below the minimum upper and lower thresholds set by DHSC.

- 2.2 The Council's current upper and lower capital limit for non-residential care is £23,250. It is proposed to lower the lower capital limit to £14,250 (mirroring the limits set by the DHSC). This will mean that if a customer receiving non-residential care funded by the local authority has savings or other assets between lower capital limit of £14,250 and the upper capital limit of £23,250, capital income will be included in the financial assessment calculation at a rate of £1 for every £250 or part £250. This is called tariff income and equates to an increase in contribution per person of between £1.00 and £36.00 per week.

Proposed Change 3: High-rate Attendance Allowance & Disability Living Allowance

- 3.1 There are currently 3 main non means tested Department for Work and Pensions (DWP) benefits that can help with some of the extra costs for people who have a long term physical or mental health condition or disability. These are Attendance Allowance (AA), Disability Living Allowance (DLA) and Personal Independence payment (PIP).
- 3.2 PIP is gradually replacing DLA, however if a person was born before 08 April 1948 and they are already currently claiming DLA, they can continue to do so.

3.3 Attendance Allowance (AA)

There are 2 rates of AA, depending on the care needed.

Rate	Amount per week	Who gets this?
Higher rate	£101.75	You need help during the day and at night, or you are terminally ill
Lower rate	£68.10	You need help during the day or at night

3.4 Disability Living Allowance Care component (DLA)

There are 3 rates of DLA, depending on the care needed.

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Care component	Weekly rate	How much support you need
Highest rate	£101.75	Constantly need help day or night
Middle rate	£68.10	Frequently need help day or night
Lowest rate	£26.90	Need help only some of the day or with cooking meals

3.5 Personal Independence Payments Care component (PIP)

There are 2 rates of PIP, depending on the care needed.

Daily Living Component	Weekly rate
Enhanced	£101.75
Standard	£68.10

- 3.6 In our current policies where a person is in receipt of higher or enhanced rate of AA or DLA, we disregard the difference between the higher rate of AA and the middle rate of DLA in the financial assessment. For those in receipt of PIP we do not disregard any element.
- 3.7 The proposed change is to include the full value of high-rate Attendance Allowance and Disability Living Allowance payments, when carrying out non-residential financial assessments for all services not just services provided at night.
- 3.8 Where night-time care is funded privately the difference between the lower/middle and higher rate will be disregarded in the financial assessment.
- 3.9 The mobility component of DLA / PIP, whether low or high, must be disregarded from the financial assessment.

Proposed Change 4: Charging self-funders for brokering and administration of care

- 4.1 A self-funder is a person who:
- Must pay for the full cost of their care and support due to having relevant capital above the upper capital limit in force at the time (currently £23,250).
 - Is not eligible for financial support as an outcome of a full financial assessment.
- 4.2 Usually self-funders will source and manage their care package themselves following information, advice and guidance to find the right care; however, they can ask the Council to arrange their care and support on their behalf.
- 4.3 Where the person's needs are to be met by residential care, the Council may choose to meet those needs and arrange the care, but they are not required to do so by law. The Council currently does not source, arrange and administer residential care for self-funders.

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- 4.4 For non-residential care, the Council must meet the eligible needs if requested by the person. However, these people will not be entitled to receive any financial assistance from the Council and may pay the full cost of their care and support until their capital falls below the upper capital limit.
- 4.5 For those people who have assets above the capital limit and ask the Council to arrange care on their behalf, the Council can charge an administrative fee to cover the costs. This charge must not be higher than the cost the Council has incurred in arranging the care and support on behalf of that person.
- 4.6 The proposed change is to implement a £300 set up charge and an annual administration charge of £182 for self-funders who request the Council to source, arrange and administer their non-residential and residential care.
- 4.7 These administration charges represent the actual cost to the Council of delivering the service.

Proposed Change 5: Telford & Wrekin Appointee and Deputy Services

- 5.1 The Council offers an Appointee and Deputy Service for individuals who are unable to manage their own finances and where there is no other person, family, or friends able to offer this support to them.
- 5.2 The Appointee Service manages benefit income on behalf of individuals whereas the Deputyship Service covers all financial assets and savings. Deputies can only make decisions that they are authorised by the Court of Protection to make. The role typically involves managing bank accounts, pensions, and other financial assets on behalf of people.
- 5.3 There is no statutory requirement to provide a Corporate Appointee and Deputy Service but supporting individuals to pay their bills and budget wisely has a positive impact on their wellbeing and therefore helps to fulfil the promotion of the individual wellbeing duty within the Care Act.
- 5.4 The Council currently does not charge for Appointee Services but can charge proportionate and reasonable costs to those people in receipt of Appointee services provided by the Council to cover administrative functions.
- 5.5 For Deputy Services the fees charged currently are in line with the published Office of the Public Guardian (OPG) Deputy standards.
- 5.6 In August 2022, the Council was required to change the Appointee and Deputy bank and pre-payment card provider due to the previous bank withdrawing their Appointee and Deputy Services. The Council's new provider charges for some elements (bank charges and card transactions). It is proposed that these charges are passed on to the people who are in receipt of Appointee and Deputy Services provided by the Council.

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- 5.7 In addition, it is proposed to implement an administrative charge of £10.00 per week to those in receipt of Appointee services provided by the Council. An introduction of an annual property management fee to people in rented accommodation who are in receipt of Deputy Services provided by the Council is also proposed. This is in line with the OPG Deputy Standards. These charges represent the actual cost to the Council of delivering these services.
- 5.8 The Council is currently an Appointee for 122 people, however, 105 will be transferred to Local Authority Deputyship over the next 12 months due to meeting the criteria (savings above £5,000). They will then be subject to the OPG Deputyship charges.
- 5.9 The Council currently is Deputy for 54 people with a further 11 pending approval.

Proposed Change 6: Community Alarms

- 6.1 The Community Alarm service helps people who need extra support to stay in their own homes with the security of knowing that they can call for help in an emergency, such as a fall or an illness, at any time of the day or night.
- 6.2 The Council currently funds community alarms services that provide 24 hours a day, seven days a week alarms monitoring provision for individuals across the borough. Community alarm systems incorporate a pendant or wristband worn by an individual which connects to a telephone line through a base unit. If required, individuals can summon assistance by triggering an alert and once the person is connected to an operator at a monitoring centre, they can assess how to support the person's needs at that time.
- 6.3 The Care Act (2014) does not give Councils the power to charge for equipment under £1000.00 and therefore the Telecare Community Alarm equipment is provided free of charge to those with an eligible need. However, some telecare equipment requires connection to a community alarm base unit so that specific sensors or equipment can provide information through to a monitoring centre, this monitoring service has an associated charge.
- 6.4 It is proposed to introduce a new charge for the monitoring and administration costs (cost recovery) associated with Council funded Community Alarms.

Proposed Change 7: Deferred Payment Arrangement

- 7.1 A Deferred Payment Agreement allows people who meet criteria set out in the Care Act (2014) guidance and regulations to defer or delay payment of their assessed contribution towards the cost of their care and support, until a later date, against equity in property they own or part own.
- 7.2 The Council is planning to increase charges for people using the Deferred Payment Scheme to cover administrative costs. This will include increasing the one-off administration fee and introducing an annual administration fee.

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The Council has not raised charges since the introduction of the Care Act (2014).

Deferred Payment Arrangement fees and charges	Cost
Legal set up arrangement fee	£360
Registering the Legal Charge (Land registry fees)	Costs incurred
Cancelling the charge and/or ending the agreement	£120
Cancelling/ending the legal charge (Land registry fees)	Costs incurred
Annual administration fee	£120

- 7.3 The council will continue to charge interest on the deferred amount for the whole period that the agreement is in place. As stated in the regulations the interest is linked to the 'market gilt rate' plus 0.15%, currently 3.18%.
- 7.4 These charges represent the actual cost to the Council of delivering these services.