

## **Non Residential Care Charging Policy - Consideration of cumulative impact of benefit changes and Non Residential Care Charging Policy**

### **Support for Mortgage Interest**

Temporary changes to the Support for Mortgage Interest Scheme which were due to come to an end in January 2012 have been extended until March 2015.

These include a reduced waiting period of 13 weeks and an increase in the eligible mortgage capital limit to £200,000 (£100,000 for those receiving Pension Credit).

### **Possible impact on social care users**

- This could affect any individual receiving social care but numbers likely to be low.
- No impact on Non Residential Care (NRC) income.

### **Proposed Charging Policy Changes – Mitigating Action Required**

- Mortgage rescue scheme in place. Financial Assessment and Benefits Team to promote this as required.
- No further action required. Actual costs of mortgage are taken into account in NRC financial assessment.

### **Local Housing Allowance (LHA)**

LHA rates will be frozen for one year as part of the preparation for increasing these in line with the Consumer Price Index in April 2013.

### **Possible impact on social care users**

- This could affect any individual receiving social care but it is not felt to be likely. Landlords are likely to keep rents in line with LHA.
- No impact on NRC income.

### **Proposed Charging Policy Changes – Mitigating Action Required**

- No further action required. Actual rent payments are taken into account in the financial assessment.

### **Local Housing Allowance - Non Dependant Deductions**

Non-dependant deductions are increasing. The table below shows the increase in non-dependant deductions from April 2012. Further increases in these deductions will be made in April 2013.

<b>Age 18 - 65 and in remunerative work</b>	<b>Weekly deduction</b>	<b>Weekly deduction</b>
Weekly gross income	HB	CTB
£316 - £393.99	£67.25	£8.25
£394 and over	£73.85	£9.90
£238 - £315.99	£59.05	£6.55
£183 - £237.99	£36.10	£6.55
£124 - £182.99	£26.25	£3.30
Less than £124	£11.45	£3.30
Age 25 and over, and: In receipt of Income Support or income based-Jobseekers Allowance or aged 18-65 and not in remunerative work	£11.45	£3.30

### **Possible impact on social care users**

- This is likely to affect only a small number of social care users.
- However the NRC charging policy proposes to remove a rent allowance for a small group of individual living in family homes.
- Unlikely to impact on NRC income.

### **Proposed Charging Policy Changes – Mitigating Action Required**

- No further action required. If the dependant is the service user and the tenant is the LHA claimant the non dependant deduction will apply but this is allowed for as a rent allowance in the social care financial assessment.
- If the social care service user is a tenant and a clamant of LHA there will not be a non dependant deduction if the individual is registered blind or in receipt of specific disability benefits.

### **Benefit Cap**

There has been a recent announcement that this proposal has been delayed pending the outcome of pilot sites.

The cap will be set at £350 a week for single adults with no children and at £500 a week for couples (with or without children) and lone parents with dependent children.

Because this figure includes Housing Benefit this is most likely to affect those in higher rented properties / more expensive areas, as well as those with large families.

Some households who receive the following benefits will be exempt from the cap:

- Working Tax Credit.
- Disability Living Allowance (Personal Independence Payments from April 2013).
- Attendance Allowance.
- The support component of Employment & Support Allowance.
- Constant Attendance Allowance.
- Industrial Injuries Disablement Benefit.
- War Widows & War Widowers pension.

The cap will apply to the combined income from:

- The main income replacement benefits (Jobseeker's Allowance, Income Support, Employment & Support Allowance – unless in the support group).
- Housing Benefit.
- Child Benefit and Child Tax Credit.
- Carer's Allowance.
- Universal Credit (from April 2013).

The cap will initially be administered jointly by the DWP and local authorities and will reduce Housing Benefit until Universal Credit is in payment.

### **Possible impact on social care users**

- Unlikely to affect many service users as most will receive disability benefits if under pension age.
- Unlikely to impact on NRC income.

### **Proposed Charging Policy Changes – Mitigating Action Required**

No further action required. Actual income taken account of in financial assessment.

### **Direct Payment demonstration projects**

A number of local authority and Housing Association partnerships are trialling changes to the way that Housing Benefit is paid in the social rented sector.

The project runs until June 2013 and will trial how tenants can manage Housing Benefit monthly payments to help prepare for the introduction of Universal Credit.

The projects will include:

- Payments to tenants as the default.
- Adopting the payment frequency envisaged under Universal Credit (monthly Payments in arrears).
- Safeguards to pay the landlord directly where a specified level of arrears accumulate.

#### **Possible impact on social care users**

- Could affect ability of some groups to access housing and could increase homelessness due to non payment of rent depending on definition of “vulnerability” clause which allows payment directly to landlord.
- Possible increased intentional homelessness in groups with social care needs which could increase numbers of cases where the service is required to meet emergency housing needs and costs.

#### **Proposed Charging Policy Changes – Mitigating Action Required**

No further action required.

#### **Child Benefit**

Child Benefit will be withdrawn gradually when one person in a household earns over £50,000.

The rate of withdrawal is 1 per cent of Child Benefit for every £100 earned over £50,000, resulting in total withdrawal when one person’s income exceeds £60,000.

#### **Possible impact on social care users**

- Unlikely to affect many service users.
- No impact on NRC income.

#### **Proposed Charging Policy Changes – Mitigating Action Required**

- No further action required. Child Benefit not included in NRC financial assessment and this proposal will only affect higher earning families.

#### **Medical test to claim Disability Living Allowance**

The Government is proposing to replace Disability Living Allowance (DLA) with a new benefit with stricter criteria and a new medical assessment.

The new benefit will be called the Personal Independence Payment (PIP) and will replace working age DLA from 2013-14.

The reform of DLA includes the following proposals:

- The Care Component is to be renamed the Daily Living Component and reduced from 3 rates to two rates.
- Claimants will need to satisfy the daily living and/or mobility activities test for 3 months prior to claiming and be likely to continue to satisfy this test for a period of at least 9 months after claiming.
- The medical assessment will take into account use of equipment.
- The Personal Independence Payment will not be paid to anyone living in a residential care home.

It is proposed that all claimants, existing and new will undergo a medical and that the award of the benefit will rely on points based scoring, similar to that used by Employment & Support Allowance.

Many claimants (Disability Alliance estimate 650,000 claimants nationally) will have reduced benefits or be removed from disability benefits which is likely to mean a significant reduction in income as associated increases in other benefits are also lost i.e. Pension Credit and Housing & Council Tax Benefit.

#### **Possible impact on social care users**

- Unknown but likely to affect a significant number of service users.
- May impact on NRC income.

#### **Proposed Charging Policy Changes - Mitigating Action Required**

- No further action at this time. Actual income taken account of in NRC assessment.
- Further assessment of income loss as assessments are commenced in the City.

#### **Council Tax Benefit**

The current Council Tax Benefits (CTB) system will end in April and will be replaced by a reduction scheme decided by the local authority.

The Council will consider 2 proposed schemes related to working age adults on 16<sup>th</sup> January. The first would result in a 25% reduction in CTB, the second an average 11.5% reduction.

10% Pensioner Council Tax Discount is currently awarded to all residents aged over 65 who are not in receipt of CTB.

Budget proposals include the removal of the 10% Pensioner Discount for pensioners who are not in receipt of CTB. The proposals would increase costs

to individuals by the amounts detailed below. For those in receipt of the Single Person Discount the increase in costs is less

Council Tax Band	Value of current 10% discount per annum	Value of 10% discount for those receiving single person discount
A	99.46	72.34
B	112.53	88.40
C	128.61	96.46
D	144.68	108.51
E	176.84	132.63
F	208.99	156.74
G	241.14	180.96
H	289.37	217.03

The cost increase will be mitigated for those with the lowest incomes since they will be able to claim Council Tax Benefit.

### Possible impact on Social Care Users

- The numbers of social care users who are affected by the first proposed change and also receive social care are shown below. It should be noted that not all of these households may not be subject to an increase in their contributions towards the costs of their social care services and that in modelling the impact some households will feature in more than 1 group.
  - 83 households in receipt of Disability Premium. The average increase for all households receiving Disability Premium is £4.08 per week.
  - 198 households in receipt of Severe Disability Premium. The average increase for all households receiving Severe Disability Premium is £3.62 per week.
  - 13 households in receipt of Family Premium. The average increase for all households receiving Family Premium is £3.61 per week.
  - 3 households in paid employment. The average increase for all households receiving paid employment is £2.64 per week.
  - 72 households do not fall into a specific category. The average increase for these households is £3.71 per week.

In relation to those receiving Pensioner Discount.

A total of 1,375 individuals over 65 are currently contributing towards the costs of their NRC services. Assuming a need to offer an adjustment to contributions for all of these individuals the level of income loss would be in the range of £99,000 to £398,000. On the assumption that that half of the group would require charges to be reduced for welfare reasons and payment of Council Tax in the mid range band a loss of income of £150,000 has been allowed in the proposals.

### **Proposed Changes to Charging Policy – Mitigating Action Required**

- In relation to those of working age where CTB will be reduced and social care costs increased it is proposed that the Discretionary Fund is used to support those in extreme hardship. This fund totals £200000 and would be accessed via a means tested approach which takes income and expenditure into account.
- In relation to those of pension age where pensioner discount is removed and social care costs are increased: Those on the lowest incomes are likely to qualify for CTB at the removal of the discount. In other situations it is proposed that as part of the social care assessment case by case consideration is given and if required charges for social care services are waived or reduced on welfare grounds. This has been taken into account in existing income from the proposed changes.

### **Changes in the social rented sector**

From April 2013, working age tenants in the social rented sector will have their Housing Benefit restricted where they occupy property that is larger than their household size and structure would warrant.

The proposed change does not apply to pension-age claimants who may be living in accommodation that is bigger than they need.

The size criteria in the social rented sector will restrict Housing Benefit to allow for one bedroom for each person or couple living as part of the household, with the following exceptions:

- Children under 16 of same gender expected to share
- Children under 10 expected to share regardless of gender
- Disabled tenant or partner who needs non resident overnight carer will be allowed an extra bedroom.

All claimants who are deemed to have at least one spare bedroom will be affected. This includes:

- Separated parents who share the care of their children and who may have been allocated an extra bedroom to reflect this. Benefit rules mean that there must be a designated 'main carer' for children (who receives the extra benefit).
- Couples who use their 'spare' bedroom when recovering from an illness or operation.
- Foster carers because foster children are not counted as part of the household for benefit purposes.
- Parents whose children visit but are not part of the household
- Families with disabled children.
- Disabled people including people living in adapted or specially designed properties.

The cut will be a fixed percentage of the Housing Benefit eligible rent. This will be set at 14% for one extra bedroom and 25% for two or more extra bedrooms.

#### **Possible impact on social care users**

- This is unlikely to affect high numbers of social care users individuals.
- Unlikely to impact on NRC income.
- This could be a disincentive to applications to become Shared lives carers.
- Disabled people who live in adapted properties which are bigger than they need may be affected unless they can demonstrate they need the additional space to meet their needs.
- Potential increase in moves from adapted properties. This would increase OT assessments and increased demand on DFG and Social Housing adaptations budgets.

#### **Proposed Charging Policy Change – Mitigating Action Required**

- No further action. Charging Policy allows actual costs of rent.

#### **Social Fund**

Community Care Grants and Crisis Loans for general living expenses will be abolished from April 2013 and replaced with 'local welfare assistance'. These payments will be available to vulnerable people in need which will be administered by local authorities.

Budgeting loans will be replaced by a system of advance payments while someone is waiting for their normal benefit to be paid.

#### **Possible impact on social care users**

- Those moving on from homelessness/moving into own accommodation from supported accommodation will not have funds to set up tenancies
- Council wide consideration is being given to this.

#### **Proposed Charging Policy Changes - Mitigating Action Required**

- No further action related to current proposals.

#### **Benefit Cap**

The total household benefits of working age claimants will be capped at the level of the average take-home pay.

The cap will be set at £350 a week for single adults with no children and at £500 a week for couples (with or without children) and lone parents with dependant children.



It will not apply to people of pension age but in a couple, the cap will apply if only one is working and the other is of pension age.

Because this figure includes Housing Benefit this is most likely to affect those in higher rented properties / more expensive areas, as well as those with large families.

Some households who receive the following benefits will be exempt from the cap:

- Working Tax Credit.
- Disability Living Allowance (Personal Independence Payments from April 2013).
- Attendance Allowance.
- The support component of Employment & Support Allowance.
- Constant Attendance Allowance.
- Industrial Injuries Disablement Benefit.
- War Widows & War Widowers pension.

The cap will apply to the combined income from:

- The main income replacement benefits (Jobseeker's Allowance, Income Support, Employment & Support Allowance – unless in the support group).
- Housing Benefit.
- Child Benefit and Child Tax Credit.
- Carer's Allowance.
- Universal Credit (from April 2013).

The cap will initially be administered jointly by the DWP and local authorities and will reduce Housing Benefit until Universal Credit is in payment.

#### **Possible impact on social care users**

- This is unlikely to affect high numbers of service users given it does not apply to pensioners or those on disability benefits.
- Unlikely to impact on NRC income.

#### **Proposed Changes to Charging Policy - Mitigating Action Required**

- Case by case consideration of waive or reduction of charges for welfare reasons.

#### **Universal Credit**

Introduction of Universal Credit for all new claims which will replace all working age benefits including Housing Benefit into a single benefit.

The amount people will receive will depend on their level of income and other family circumstances. There will be a basic personal amount (similar to the current Jobseeker's Allowance) with additional amounts for disability, caring responsibilities, children and housing costs.

No out of work family will receive more than around £500 per week in total benefits. Single adult non-workers will receive a maximum of £350 per week.

Because this figure includes Housing Benefit this is most likely to affect those in higher rented properties / more expensive areas, as well as those with large families.

Existing benefit and Tax Credit claimants will be transferred to the new Universal Credit by October 2017.

#### **Possible impact on social care users**

- Unknown but unlikely to affect high numbers of service users.
- Unlikely to impact on NRC income.

#### **Proposed Changes to Charging Policy- Mitigating Action Required**

- No further action required. Actual income taken account of in NRC assessment.

#### **Changes for people over state pension age**

In October 2014 individuals over state pension age will receive help with their rent through a new element of Pension Credit called Housing Credit rather than claiming Housing Benefit. Housing Credit will also replace existing support for mortgage interest.

From October 2014 new claimants will claim Pension Credit with Housing Credit.

Existing Housing Benefit claimants over Pension Credit age (with or without Pension Credit) will be transferred to modified Pension Credit including Housing Credit between October 2014 and October 2017.

Pension Credit claimants will be able to opt to have their Housing Credit paid directly to their landlord.

#### **Possible impact on social care users**

- Although high numbers of social care users may be affected this will not affect their income.
- No impact on NRC income.

#### **Proposed Changes to Charging Policy- Mitigating Action Required**

Appendix 5 NRC Charging Policy Review – Benefit Changes and Charging Policy –  
Cumulative Impact

- No further action required. Actual income taken account in NRC assessment.