

Report to Executive Director of Adults and Health

December 2020

Minimum Income Guarantee for Working Age Adults

Report by Director of Finance and Support Services

Electoral division(s): All

Summary

The Care Act 2014 requires adults' social care authorities to ensure, for people receiving publicly arranged care and support, that, when charged for services, they have sufficient money to cover day-to-day living costs by applying a Minimum Income Guarantee (MIG). A decision was taken to apply the statutory minimum MIG for those of working age from 8 April 2019. This has been delayed for a number of reasons set out in the report, but the changes are now ready to be put into effect for the 2020/21 reassessments of all non-residential customers.

Recommendation

- (1) To commence 2020/2021 non-residential financial reassessments and lift the MIG transitional cap with effect from January 2021.
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Proposal

1 Background and context

- 1.1 Under the Care Act 2014 people who receive local authority-arranged care and support are required to pay a means-tested contribution towards the cost of that care. This is determined by a financial assessment. For customers who do not live in a residential care home, the County Council is obliged to ensure that individuals have an amount of money sufficient to cover day-to-day living costs. This amount is known as the Minimum Income Guarantee (MIG). Historically the County Council has applied the MIG at the statutory minimum for older people but has allowed a more generous level for adults of working age.

2 Proposal details

- 2.1 The decision was taken to change the County Council's approach for the MIG with effect from 8 April 2019 by bringing the MIG allowance for working age customers in line with the statutory minimum. It was expected that this would result in an increase for a single person of around £5 per week and £8 for the very small number of customers who have a couple's financial assessment.
- 2.2 Due to administrative issues, which were identified as part of the preparation work to implement the MIG change, an officer decision was taken to amend the

implementation date from 8 April 2019 to 1 October 2019. A transitional cap of £5 per individual and £8 per couple on the weekly increase was also agreed to mitigate the effect. The Service contacted the customers to inform them of the change and advised customers that the cap would be in place until 31 March 2020 and would be reviewed before April 2020. The cap was applied to all customers who were reassessed from October 2019.

- 2.3 Since that date the operational teams in Service Finance have been insourced back to WSCC and operational pressures from Covid-19 have delayed the 2020/21 financial reassessments of all non-residential customers. The changes planned and those notified to customers have not therefore been implemented with the exception of those customers reassessed following a change in circumstances. This proposal is to approve the commencement of the 2020/21 non-residential financial reassessments and that there should be no cap on the increase in the weekly cost of contributing to care, with the full assessed charge to customers applied with effect from January 2021.

3 Other options considered (and reasons for not proposing)

- 3.1 The alternative would mean backdated invoices being sent to customers. Many of these are likely to be sizeable and so would risk causing financial hardship for people. Whilst the impact of the loss of income on the Adults budget is a concern, on balance the recommendation is seen as delivering a better outcome.

4 Consultation, engagement and advice

- 4.1 No further consultation is required as this has been undertaken previously as part of the original decision relating to the change to the MIG.

5 Finance

Revenue consequences

- 5.1 There are around 3,750 customers who will be reassessed for 2020/21 and the new charge will be applied from January 2021. Most of these customers have not had a reassessment since the 2018/19 financial year. Therefore, there will be some under-charging as customers have not been reassessed even though increases will not be backdated. In addition, the small number of customers who have had a 2019/20 reassessment due to a change in circumstances, have benefitted from the cap applied post March 2020.
- 5.2 The Adults budget for 2020/21 was set in expectation that the cap would be removed from April 2020 and that all non-residential customers would be charged in full, backdated to that date, as and when the outstanding reassessments were completed.
- 5.3 The loss of income that will result will not be known in full until the backlog has been cleared, since each person's situation is unique. Nevertheless, it is estimated that the amount will be in the region of £0.8m. No specific mitigation has been identified, which means that it represents a risk to the Adults outturn position. As Covid-19 contributed to the delay in the reassessments, the County Council's Covid-19 funding will be used to offset any impact that cannot be managed through the existing budgets.
- 5.4 Effect of the proposal:

(a) **How the cost represents good value**

The proposal allows the full effect of the approved change to the MIG for working age adults to be implemented as soon as practicable. Whilst the changes could have been backdated it was determined that this would be likely to cause unnecessary risk of hardship for some customers.

(b) **Future savings/efficiencies being delivered**

The review of the MIG charging rates has already been considered in the budgets.

(c) **Human Resources, IT and Assets Impact**

There is no HR, IT or impact on assets for this proposal.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
There is a risk that the impact for some customers may be different and that there may be a perception of unfairness	The changes proposed are to address this risk by implementing a common policy applicable to all from a starting date. There is a rationale for the application of the changes earlier in a small number of cases.

7 Policy alignment and compliance

- 7.1 A council that works for the community. The change will ensure customer contributions are assessed equitably between different client groups, generating additional income that will help the County Council manage the financial challenges that it is facing.

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Appendices

None

Background papers

None