

Cabinet Member for Adults and Health	Ref No: AH6 (18/19)
September 2018	Key Decision: Yes
Minimum Income Guarantee for Working Age Adults	Part I
Report by Executive Director Children, Adults, Families, Health and Education and Interim Director of Adults' Services	Electoral Division(s): All
<p>Summary</p> <p>The Care Act 2014 requires local authorities, for people receiving publicly arranged care and support, that they have sufficient money to cover day-to-day living costs. Up until now, the Council has set its level above the statutory minimum set by the government. In view of the financial situation facing the Council this concession can no longer be afforded and so the proposal is to reduce the Minimum Income Guarantee in line with the statutory minimum.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>A council that works for the community - the change will make arrangements for assessing customer contributions equitable between different client groups, generating additional income that will help the Council manage the financial challenges that it is facing.</p>	
<p>Financial Impact</p> <p>This proposal will result in working age adults contributing in the region of an additional £0.4m per year towards the cost of their social care. Some of this will accrue to the clinical commissioning groups in West Sussex because it will impact upon pooled budgets. The benefit for the Council will be in the region of £0.3m per year.</p>	
<p>Recommendations</p> <p>The Cabinet Member for Adults and Health is recommended to approve a process of engagement with those working age adults who require a financial assessment of customer contributions who are receiving Council arranged care and support other than in a care home, with a view that this be based on the statutory Minimum Income Guarantee with effect from 1 April 2019.</p>	

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 Council is obliged to ensure that they have an amount of money sufficient to cover day-to-day living costs. This amount is known as the Minimum Income Guarantee (MIG). Charges cannot reduce people's income below that figure, though local authorities can allow people to keep more of their income if they wish. Historically the Council has applied 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 Council's application of MIG could be seen as inequitable in that a concession is made for customers of working age, but not for older people. As a result that cohort of people has been able to keep relatively more of their income. While this was possible to justify in the past, the nature of the financial challenge facing the Council makes its continuation much harder to support. Consequently it is proposed to end this concession with effect from 1 April 2019 by bringing the MIG allowance for working age customers receiving Council arranged care and support other than in a care home in line with the statutory minimum. This will result in those who are assessed to make a contribution paying more towards the cost of their care.
- 2.2 The precise effect of this will depend on the level of the MIG which Government sets for 2019/20. This is likely to be announced early in 2019. Based on the position in 2018/19, the increase for a single person would be £5.28 per week (the MIG would reduce from £136.96 to £131.68) and £8.04 for a couple (£201 rather than £209.04).

Factors Taken Into Account

3. Consultation

- 3.1 The overall approach described in this report has been discussed and agreed by the West Sussex Leaders' Board as part of a wider discussion on strategic budget options.
- 3.2 This decision report was discussed at the Health and Social Care Select Committee (HASC) on 27 September 2018. The HASC was asked if it wished to explore issues relating to the forthcoming engagement process in terms of timing; stakeholders to be engaged; process for member engagement; how engagement should be carried out and how the information would be analysed and reported, and how it would inform the final funding decisions.
- 3.3 Following its debate the HASC recommended that the County Council should seek evidence from service users who would be impacted by the proposals; highlighted the importance of advocacy for the groups subject to this consultation and asked that voluntary groups are included in the consultation to provide any additional information. It was agreed that more detailed or finalised proposals would be subject to scrutiny at a further meeting of the Select Committee in November 2018, following the engagement exercise as informed by the committee's discussions.

- 3.4 The Council will consult with customers who will be impacted by this decision and welcomes views from the wider community and has established a generic mailbox to receive individual or community comments. This mailbox is Minimum.Income.Guarantee@westsussex.gov.uk.

4. Financial (revenue and capital) and Resource Implications

4.1 Revenue consequences of proposal

Assessment of financial contributions will remain means-tested. Consequently a completely precise budget impact cannot be stated at this time, since it will depend on:

- Customer means
- The number of customers of working age
- The statutory minimum published by Government for 2019/20

In addition it is important to note that part of the benefit will accrue to the local clinical commissioning groups because of pooled budgets impacts within Learning Disabilities and Working Age Mental Health.

Nevertheless, if the proposal was to be applied to the customer group as it existed in December 2017, the effect on income would be as follows:

	Current Year 2018/19 £m	Year 2 2019/20 £m	Year 3 2020/21 £m	Year 4 2021/22 £m
Revenue budget	N/A	4.3	4.3	4.3
Change from Proposal	N/A	0.4 of which 0.1 would arise for the CCGs	0.4 of which 0.1 would arise for the CCGs	0.4 of which 0.1 would arise for the CCGs
Remaining budget	N/A	4.6	4.6	4.6

4.2 The effect of the proposal

Based on the position at the end of December 2017, around 1,700 working age customers will be affected. For those who are single, the outcome will be that they are charged an additional £275 per year towards their care costs and £420 for those who are part of a couple.

4.3 Future transformation, savings/efficiencies being delivered

An ongoing £0.3m saving will be achieved for the Council.

4.4 Human Resources, IT and Assets Impact

There will be no impact in these areas.

5. Legal Implications

5.1 Paragraph 8.42 of the Care Act 2014 states:

Because a person who receives care and support outside a care home will need to pay their daily living costs such as rent, food and utilities, the charging rules must ensure they have enough money to meet these costs. After charging, a person must be left with the minimum income guarantee (MIG), equivalent to Income Support plus a buffer of 25%.

The proposals are consistent with that requirement.

6. Risk Assessment Implications and Mitigations

6.1 The key risk involved with this process revolves around the quality of the consultation and the effectiveness of the engagement with stakeholders.

7. Other Options Considered (and Reasons for not proposing)

7.1 At this stage no other options are being considered.

8. Equality and Human Rights Assessment

8.1 The Equality Act requires the Council to promote equality and to eliminate discrimination, paying particular regard to the need for equality of opportunity for those that share a protected characteristic and those who do not. An Impact Appraisal which addresses this will form part of the engagement process.

9. Social Value and Sustainability Assessment

9.1 An assessment of Social Value and Sustainability will form part of the Impact Appraisal.

10. Crime and Disorder Reduction Assessment

10.1 An assessment of the relevance of MIG to Crime and Disorder reduction will form part of the Impact Appraisal.

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Appendices: None

Background papers: None