

Examples of financial assessment comparisons

How do we work out the amount a person should pay towards care and support at home or in the community?

We do this by carrying out a financial assessment. This takes account of income (like benefits and pensions), savings and assets (like stocks and shares), household costs (like mortgage, rent, and council tax), and disability related expenses a person has to pay.

How we work out charges for care and support at home, in the community
We add up your income, including disability related benefits (some income is ignored)
PLUS
If you have capital between £14,250 - £23,250 for every £250 or part of £250 above £14,250, you are treated as if you have an extra £1 a week called tariff income
MINUS
Housing Related Expenditure (such as rent, mortgage, home insurance, council tax)
MINUS
Disability Related Expenditure (extra expenses you have because of your disability)
MINUS
Minimum Income Guarantee (MIG)* *The minimum amount you must be left with to pay for daily living costs like food and utilities
EQUALS
Service User Assessed Client Charge* * This is the maximum amount a person will pay.

You may not have to pay the full amount of your contribution if this is less than what the council pays for your care and support.

PROPOSAL 1. INCREASING MIG TO LEVEL OF DWP BENEFIT WITH 25% BUFFER

Example 1. Single working age person receiving the enhanced rate of personal independence payment.

Single person age 25 living with parents receiving Personal Independence Payment (PIP) enhanced rate including mobility part which is disregarded. Savings are below £14,250. Disability related expenses include laundry and specialist equipment.

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
Employment Support Allowance	£131.30	Employment Support Allowance	£131.30
Personal Independence Payment Living Enhanced	£89.60	Personal Independence Payment Living Enhanced	£89.60
A. Total Income	£220.90	A. Total Income	£220.90
Housing Related Expenditure (DRE) (where applicable)	£0.00	Housing Related Expenditure (DRE) (where applicable)	£0.00
Disability Related Expenditure (DRE) (where applicable)	£9.08	Disability Related Expenditure (DRE) (where applicable)	£9.08
B. Total allowable expenses	£9.08	B. Total allowable expenses	£9.08
C. Minimum Income Guarantee	£151.45	C. Minimum Income Guarantee	£158.12
D. Service user assessed charge (A-B-C=D)	£60.37	D. Service user assessed charge (A-B-C=D)	£53.70
		In this example you would pay £6.67 per week less towards your care costs	

Example 2. Single pension age person receiving the low rate of attendance allowance.

Single pension age person receiving pension credit, savings credit element disregarded and attendance allowance low rate, with savings of £18,550.00 (£18.00 Tariff income to be included) No housing related costs. Disability related expenses include excess heating costs.

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
State Retirement Pension	£92.40	State Retirement Pension	£92.40
Pension Credit Guaranteed Credit	£134.00	Pension Credit Guaranteed Credit	£134.00
Tariff income on capital	£18.00	Tariff income on capital	£18.00
Attendance Allowance	£60.00	Attendance Allowance	£60.00
A. Total Income	£304.40	A. Total Income	£304.40
Housing Related Expenditure (DRE) (where applicable)	£0.00	Housing Related Expenditure (DRE) (where applicable)	£0.00
Disability Related Expenditure (DRE) (where applicable)	£2.40	Disability Related Expenditure (DRE) (where applicable)	£2.40
B. Total allowable expenses	£2.40	B. Total allowable expenses	£2.40
C. Minimum Income Guarantee	£194.50	C. Minimum Income Guarantee	£221.37
D Service user assessed charge (A-B-C=D)	£107.50	D Service user assessed charge (A-B-C=D)	£80.63
		In this example you would pay £26.87 per week less towards your care costs	

PROPOSAL 2. INCREASING MIG TO SAME RATE AS THOSE AGED 25 AND OVER

Example 3. Single person under 25 receiving standard rate personal independence payments

Single person under 25 single, living at home with parents receiving personal independence payment standard rate with no Housing or Disability Related Expenses

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
Universal Credit	£59.39	Universal Credit	£59.39
Personal independence payment	£60.00	Personal independence payment	£60.00
A. Total Income	£119.39	A. Total Income	£119.39
Housing Related Expenditure (DRE) (where applicable)	£0.00	Housing Related Expenditure (DRE) (where applicable)	£0.00
Disability Related Expenditure (DRE) (where applicable)	0.00	Disability Related Expenditure (DRE) (where applicable)	0.00
B. Total allowable expenses	£0.00	B. Total allowable expenses	£0.00
C. Minimum Income Guarantee	£112.75	C. Minimum Income Guarantee	£136.62
D. Service user assessed charge (A-B-C=D)	£6.64	D. Service user assessed charge (A-B-C=D)	£0.00
		In this example you would pay £6.64 per week less towards your care costs	

Example 4. Single person under 25 receiving enhanced rate personal independence payments

Single person under 25 living with parents receiving personal independence payment enhanced rate. Disability related expenses include laundry, powered bed, specialist clothing and shoes

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
Universal Credit	£59.39	Universal Credit	£59.39
Universal Credit LCWRA	£79.30	Universal Credit LCWRA	£79.30
Personal Independence Payment	£89.60	Personal independence payment	£89.60
A. Total Income	£228.29	A. Total Income	£228.29
Housing Related Expenditure (DRE) (where applicable)	0.00	Housing Related Expenditure (DRE) (where applicable)	0.00
Disability Related Expenditure (DRE) (where applicable)	£12.00	Disability Related Expenditure (DRE) (where applicable)	£12.00
B. Total allowable expenses	£12.00	B. Total allowable expenses	£12.00
C. Minimum Income Guarantee	£132.45	C. Minimum Income Guarantee	£158.12
D Service user assessed charge (A-B-C=D)	£83.84	D Service user assessed charge (A-B-C=D)	£58.17
		In this example you would pay £25.67 per week less towards your care costs	

PROPOSAL 3. REMOVE INCOME DISREGARD FOR DLA AND AA ALLOW CARE COSTS AS DRE INSTEAD.

Example 5. Single person over 25 receiving high rate DLA with income disregard removed and MIG increased with 25% buffer.

Single person over 25 receiving disability living allowance high rate receiving care during the daytime only. There are no night care costs. Full housing costs covered by housing benefit and council tax reduction. Disability related expenses include telecare, laundry, and wheelchair maintenance

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
Universal Credit	£74.96	Universal Credit	£74.96
Universal Credit LCWRA	£79.30	Universal Credit LCWRA	£79.30
Disability Living Allowance	£60.00	Disability Living Allowance	£89.60
A. Total Income	£214.26	A. Total Income	£243.86
Housing Related Expenditure (DRE) (where applicable)	£0.00	Housing Related Expenditure (DRE) (where applicable) Rent	£0.00
Disability Related Expenditure (DRE) (where applicable)	£10.67	Disability Related Expenditure (DRE) (where applicable)	£10.67
B. Total allowable expenses	£10.67	B. Total allowable expenses	£10.67
C. Minimum Income Guarantee	£151.45	C. Minimum Income Guarantee	£158.12
D Service user assessed charge (A-B-C=D)	£52.14	D Service user assessed charge (A-B-C=D)	£75.07
		In this example you would pay £22.93 per week more towards your care costs	

Example 6. Single pension age person receiving Attendance Allowance high rate with income disregard removed and MIG increased with 25% buffer.

Single person pension age receiving Attendance Allowance high rate receiving care during daytime only. There are no night care costs. Paying £84.48 a week in rent and council tax. Disability related expenses include excess heating costs, telecare, laundry, garden maintenance

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
State Retirement Pension	£169.80	State Retirement Pension	£169.80
Occupational Pension	£85.00	Occupational Pension	£85.00
Attendance Allowance less disregard	£60.00	Attendance Allowance	£89.60
A. Total Income	£314.80	A. Total Income	£344.40
Housing Related Expenditure (DRE) (where applicable)	£84.48	Housing Related Expenditure (DRE) (where applicable)	£84.48
Disability Related Expenditure (DRE) (where applicable)	£19.50	Disability Related Expenditure (DRE) (where applicable)	£19.50
B. Total allowable expenses	£103.98	B. Total allowable expenses	£103.98
C. Minimum Income Guarantee	£194.50	C. Minimum Income Guarantee	£221.37
D Service user assessed charge (A-B-C=D)	£16.32	D Service user assessed charge (A-B-C=D)	£19.05
		In this example you would pay £2.73 per week more towards your care costs	

PROPOSAL 4. APPLY CHARGING RULES FOR SHORT-STAYS IN A CARE HOME UNDER THE SAME RULES FOR CARE AT HOME.

Example 7. Comparison of charging for a short-stay in care home under the same rules as charging for care in own home.

Single person pension age receiving state and private pension, high rate attendance allowance. Housing costs include insurance and council tax, disability related costs include telecare, incontinence aids, and laundry.

Current Charge		Proposed Charge	
Income including benefits		Income including benefits	
State Retirement Pension	£176.31	State Retirement Pension	£176.31
Private pension	£75.32	Private pension	£75.32
Attendance Allowance disregard	£0.00	Attendance Allowance	£89.60
A. Total Income	£240.08	A. Total Income	£329.68
Housing related costs	£27.09	Housing Related Expenditure (DRE) (where applicable)	£27.09
Savings credit disregard	£5.75	Disability Related Expenditure (DRE) (where applicable) *	£16.14
B. Total allowable expenses	£32.84	B. Total allowable expenses	£43.23
C. Personal expenses allowance	£24.90	C. Minimum Income Guarantee	£221.37
D. Service user assessed charge (A-B-C=D) *	£182.34	D. Service user assessed charge (A-B-C=D)	£65.08
		In this example you would pay £117.26 per week less towards your short-stay (respite care) costs	

PROPOSAL 5. CHARGE PEOPLE WITH CAPITAL ASSETS OVER £23,250 THE FULL COST FOR HOME CARE SERVICES.

Example 8. Comparison of home care charges for a person self-funding care living in a rural area.

A person owns their own home and has savings of £30,000. They live in a rural area and ask the council to arrange their home care services for them. They receive 10 hours of home care service. The council pays the home care provider a rural service rate of £21.68 per hour. Total cost £216.80 per week.

Current charges

The person pays the council a service rate of £18.80 per hour for 10 hours service. Total cost £188.00. This is the full cost service rate based on the urban rate the council pays home care providers. *

Proposed charges

The person pays the council a service rate of £21.68 per hour for 10 hours service. Total cost £216.80. The council charges the person the full cost for the service provided based on the rural rate. *

*There is also a fee payable to cover the council's administration costs.