

Medium Term Financial Plan - Equality Impact Assessment 2020/21



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| Service area: | Adult Social Care |
| Budget reference: | PCA12 |
| Budget reduction proposal: | Review of Adult Social Care Non-residential Financial Assessments - changes to procedural arrangements for financial assessments for non-residential service users, which will result in changes to client contributions for adult social care |
| Equality impact assessment owner: | Katherine Sokol |
| Director sign off: | Sheila Smith |
| Review date: | 15/1/2020 |

| Budget Ref. | Budget Reduction Proposal | Budget Reduction £ | | | | Staffing Reduction (FTE) |
|--------------|---|--------------------|---------------|----------|----------|--------------------------|
| | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2020/21 |
| PCA12 | Financial Assessments | 150,000 | 50,000 | 0 | 0 | 0 |
| 1) | <i>Review of all non-residential financial assessments to update client's resources</i> | 115,000 | | | | |
| 2) | <i>Change in the treatment of the enhanced element of the Personal Independence Payment (PIP)</i> | 20,000 | | | | |
| 3) | <i>Correct application of the Minimum Income Guarantee for clients who are part of a couple</i> | 15,000 | | | | |

| Service User Impact (High, medium or low) | |
|--|--------------------------|
| Before mitigating actions | After mitigating actions |
| Medium | Low |
| Medium | Low |
| Medium | Low |

| Staff Impact (High, medium or low) | |
|---------------------------------------|--------------------------|
| Before mitigating actions | After mitigating actions |
| None | None |
| None | None |
| None | None |

Section 1 – The Proposal

1.1 Background to proposal

Users of adult social care and support services undergo a financial assessment in order to determine how much, if any, they should contribute to the costs of their care. These proposals involve changes to a number of procedural arrangements for financial assessments, which will result in changes to client contributions for non-residential adult social care and support packages, whether they be managed services such as home care, or non-managed services such as Direct Payments. The proposals fall into 3 parts:

i. **Review of all Non-residential Financial Assessments (service users in settings other than care homes)**

It is intended to conduct a review of all financial assessments for service users in receipt of non-residential care services, beginning in Spring 2020, and annually thereafter. This has not been done for several years (other than when service users have notified us of a change in financial circumstances) because of the fact that, historically, benefit and pensions increases have been roughly in line with the increase in the Minimum Income Guarantee (MIG)¹ and therefore, any increases in client contributions were expected to be minimal. However, in recent years, benefit and pension increases have exceeded increases in the MIG and, as a result, client contributions are expected to need to be increased.

As a result of the reviews, it is anticipated that many clients will experience an increase in required contributions to the cost of care as a result of increases in benefits or other income. On average we would expect these increases to be in the region of £15 to £25 / week and impact on around 800 service users, although it could be substantially higher for those who have had new or enhanced benefits / income or capital and have not notified the Council of these changes in financial circumstances. On the contrary, there may be a smaller number of clients who have experienced reductions in income and or capital or increases in disregards, which have not been notified to the Council, who may experience a reduction in charges. It should be noted that carrying out reviews / re-assessments is a requirement of the Care and Support Statutory Guidance and not carrying them out is not a viable option. It is not proposed to backdate any of the reviews that result in an increase in contributions, but to apply the new charges three months from the date of the review, in order to allow a period of transition to new arrangements. However, in the event that the review leads to a reduction in contributions, these will be applied immediately and backdated where appropriate.

¹ Charges for care and support for services other than in a care home, must not reduce people's income below a certain amount; this is called the Minimum Income Guarantee.

All charging will comply with the Care Act 2014 and the Care and Support Statutory Guidance. The overarching principle that people should only be required to pay what they can afford will remain; people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care. There will continue to be an appeals process for all Financial Assessments. In addition, allowances may be made on an exceptional case-by-case basis if clients experience significant welfare impacts as a result of the review. The Financial Assessments and Care Charging teams will ensure that they work with social work teams to ensure that a review of the care assessment is triggered where appropriate.

There are around 1,240 non-residential financial assessments over 12 months old; around 70% of these are of working age and all will have some form of disability, which results in them needing a care and support package. 438 of these are “nil charge” (their income is below the MIG); 26 have capital above the £23,250 limit and, as such are charged the full cost of their care; 64 are non-chargeable as a result of them being in receipt of mental health aftercare and 712 make some contribution to their care costs. It is anticipated that around 350 will remain Nil Charge, 88 will become chargeable and 700 will see an increase of, on average, around £15 to £25 per week, although those who have had an increase in income beyond the usual inflation uplifts or an increase in capital, and have not previously advised the Council of these changes, could see higher increases.

ii. **Change in the treatment of the enhanced rate daily living element of the Personal Independence Payment (PIP)**

Personal Independence Payment (PIP) is a state benefit that provides assistance with some of the extra costs if people have a long-term ill-health issue or disability. PIP is available to adults who have not reached state pension age.

The current rates of PIP are shown below:

Personal Independence Payment (for those under State Pension Age)

| | Standard | Enhanced | Higher-rate Element |
|-----------------------------|-----------------|-----------------|----------------------------|
| Daily Living Element | £58.70 | £87.65 | £28.95 |
| Mobility Element | £23.20 | £61.20 | N/A |

Historically, the Council has not included as income in a Financial Assessment the higher rate care element of Disability Living Allowance (DLA) and Attendance Allowance (AA) and the enhanced rate daily living element of the Personal Independence Payment (PIP), because the eligibility criteria means that this element was assumed to be for “night care” that the Council was not providing.

However, PIP is assessed differently from AA and DLA and does not divide components into day and night time care requirements, and the Care Act 2014 allows Local Authorities to take into account all of the PIP “daily living” amount in the Financial Assessment (although it must exclude all “mobility” elements).

With effect from 1 April 2020, for all new and change of financial circumstances Financial Assessments, where the service user is in receipt of the enhanced rate of Personal Independence Payment (PIP), it is proposed to discontinue the practice of automatically disregarding from the income calculation, the weekly amount of £28.95, which historically represents the element of the higher rate of Attendance Allowance / Disability Living Allowance historically assumed to be for “night care”. Instead, any night care costs will be assessed as Disability Related Expenditure (DRE) and the Council will take account of actual amounts paid in the Financial Assessment. So, for clarity, we are not proposing that we won’t take night care costs into account, just that this will be done based on actual costs under DRE, rather than an assumed flat-rate spend based on the out-of-date DLA model.

For existing service users, we propose bringing in the change on a phased basis as follows, with the changes coming into effect as part of the review process described in proposal 1.

| <u>New Rates for existing service users</u> | Current 2019/20 | Phase 1 2020/21 (not before 1 June 2020) | Phase 2 2021/22 (1 April 2021) |
|---|----------------------------|---|---|
| Income disregarded in relation to the higher rate of PIP (daily living component) | £28.95 | £14.48 | £0.00 |

New Service users who would have had the £28.95 disregarded and were not paying for night care are anticipated to be negatively impacted up to the value of £28.95 / week by the proposal; service users paying in excess of £28.95 for night care would be positively impacted by these proposals. For existing service users, the changes are proposed to be phased in as indicated above.

It is proposed to carry out a consultation on this proposal prior to making any final decision about implementation.

We estimate that around 300 **new service users** in a year will be in receipt of the enhanced rate of PIP (the vast majority of whom will be of working age) and, as a result, would have had £28.95 disregarded from their benefits income under the current arrangements. Under the new arrangements, it is estimated that around:

- 200 would no longer receive any allowance would pay up to £28.95 more per week than they would have done under the previous policy
- 50 would no longer receive the allowance but would remain non-chargeable
- 40 would receive some allowance for night care through Disability Related Expenditure (DRE) of up to £28.95 per week, which would offset any loss in allowance
- 10 would receive an allowance in excess of £28.95 through DRE and, as a result would be better off

We estimate that there are also currently around 300 **existing services users** in receipt of the enhanced rate of PIP. Under the new arrangements, it is estimated that around:

- 200 would no longer receive any allowance would pay up to £28.95 more per week than they would have done under the previous policy, but phased over 2 years
- 50 would no longer receive the allowance but would remain non-chargeable
- 40 would receive some allowance for night care through Disability Related Expenditure (DRE) of up to £28.95 per week, which would offset any loss in allowance
- 10 would receive an allowance in excess of £28.95 through DRE and, as a result would be better off

As described above, changes for existing service users will be phased in over 2 years.

This change is fully in accordance with the Care Act and Statutory Guidance and we intend to carry out a consultation on this proposal prior to making any final decision about its implementation.

iii. Minimum Income Guarantee for adults who are part of a couple

Under the Care Act 2014, charges for care and support for services other than in a care home, must not reduce people's income below a certain amount; this is called the Minimum Income Guarantee (MIG). The Government publishes levels of MIG each year and there are separate values for single adults and adults that are part of a couple. The current rates are shown in the table below:

| Age / Status | 18-24 | 25 to under pension credit age | Attained pension credit age |
|---|----------------|---|-----------------------------------|
| <u>Single</u> | | | |
| Basic | £72.40 | £91.40 | £189.00 |
| In receipt of disability premium | £40.35 | £40.35 | £0.00 |
| In receipt of enhanced disability premium | £19.70 | £19.70 | £0.00 |
| | £132.45 | £151.45 | £189.00 |
| <u>Part of a Couple</u> | | | |
| Basic | £71.80 | £71.80 | £144.30 |
| In receipt of disability premium | £28.75 | £28.75 | £0.00 |
| In receipt of enhanced disability premium | £14.15 | £14.15 | £0.00 |
| | £114.70 | £114.70 | £144.30 |
| Difference | £17.75 | £36.75 | £44.70 |

Historically, we have erroneously applied the Single Person's MIG to all service users without regard to the service user's status. We intend to rectify this and propose that with effect from 1 April 2020, for all new and change of financial circumstances Financial Assessments, we will use the Government-set Couple's Minimum Income Guarantee (MIG) where the adult concerned is part of a couple, and also ensure that the couple's income remains in excess of the couple's MIG.

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Most new clients with income above the MIG will pay between £36.75 and £44.70 more compared with the existing arrangements, but it is also possible that a small number of clients who are on low incomes and part of a couple, will benefit, because the MIG for the couple could be $£144.30 \times 2 = £288.60$, whereas we currently only allow £189.00 to cover both people in a couple.

For existing service users, we propose bringing in the changes on a phased basis as follows, with the changes coming into effect through the review process described in proposal 1.

| Age / Status | 18-24 | 25 to under pension credit age | Attained pension credit age |
|--|---------|--------------------------------|-----------------------------|
| Current MIG applied to couples | £132.45 | £151.45 | £189.00 |
| Interim MIG for couples from no earlier than 1 June 2020 | £123.58 | £133.08 | £166.65 |
| MIG for couples from 1 April 2021 | £114.70 | £114.70 | £144.30 |

Of the 700 **new cases assessed each year**, around 175 of these are part of a couple. Around 120 are of working age and 55 are of pension credit age. It is anticipated that around 115 would pay around £44.70 more than they would have done under the previous arrangements and around 50 would pay around £36.75 more than they would have done under the previous arrangements. A small number of services users, who are part of a couple on a low income, are expected to benefit from the couple's MIG allowance being correctly applied as we will ensure that a couple's income remains in excess of the couple's MIG.

We estimate that there are around 280 **existing service users** who are part of a couple. Around 190 are of working age and 90 are of pension credit age. It is anticipated that around 180 would pay around £44.70 more than the current arrangements and around 80 would pay around £36.75 more than under the current arrangements, but these changes will be phased in over 2 years.

This change is fully in accordance with the Care Act and Statutory Guidance and we intend to carry out a consultation on this proposal prior to making any final decision about its implementation.

Summary of changes:

- i. **It is anticipated that this change will lead to small to moderate increases in client contributions to care packages for many clients, with larger increases for any clients that have not notified material changes in income / capital to the Council. The proposals may also lead to a reduction in contributions for a smaller number of clients who have had a reduction in income / capital that has not been notified to the Council.**
- ii. **New service users in receipt of the enhanced rate of PIP and not paying for night care are anticipated to be negatively impacted up to the value of £28.95 / week by the proposal when compared with the previous arrangements; new service users paying in excess of £28.95 for night care would be positively impacted by these proposals when compared with the current arrangements. For existing service users, the changes will be phased in over 2 years, with a potential maximum impact of £14.48 per week in year one and a further £14.47 per week in year 2. Any changes that lead to a reduction in contributions will be implemented immediately as part of the review.**
- iii. **Most new clients with income above the MIG will lose between £36.75 and £44.70 when compared with the current arrangements, but it is also possible that a small number of clients who are on low incomes and part of a couple will benefit. For existing service users, the changes will be phased over 2 years, with a 50% impact in each of the 2 years. Any changes that lead to a reduction in contributions will be implemented immediately as part of the review.**

It is possible that some clients (clients of working age, with disabilities who are part of a couple and not paying for night care) may be adversely impacted by all three proposals. Some examples of possible changes in relation to all three proposals are shown in Appendix 1.

All charging will comply with the Care Act 2014 and the Care and Support Statutory Guidance. The overarching principle that people should only be required to pay what they can afford will remain, and people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care. There will continue to be an appeals process for all Financial Assessments. In addition, allowances may be made on an exceptional case-by-case basis if clients experience significant welfare / financial hardship impacts. Proposal 1 will have a three-month transition period and proposals 2. and 3. will be phased in over a two-year period.

1.2 Please detail below how this proposal may impact on any other organisation and their customers

No significant impacts identified.

Section 2 – What Do We Know?

2.1 Customer/staff profile details – what data or evidence is there which tells us who is, or could be, affected?

Proposal i)

There are around 1,240 non-residential financial assessments over 12 months old; around 70% of these are of working age and all will have some form of disability, which results in them needing a care and support package. 438 of these are “nil charge” (their income is below the MIG); 26 have capital above the £23,250 limit and, as such are charged the full cost of their care; 64 are non-chargeable as a result of them being in receipt of mental health aftercare and 712 make some contribution to their care costs.

It is anticipated that around 350 will remain Nil Charge, 88 will become chargeable and 700 will see an increase of, on average, around £15 to £25 per week, although those who have had an increase in income beyond the usual inflation uplifts or an increase in capital, and have not previously advised the Council of these changes, could see higher increases.

Proposal ii)

We estimate that around 300 **new service users** in a year will be in receipt of the enhanced rate of PIP (the vast majority of whom will be of working age) and, as a result, would have had £28.95 disregarded from their benefits income under the current arrangements. Under the new arrangements, it is estimated that around:

- 200 would no longer receive any allowance would pay up to £28.95 more per week than they would have done under the previous policy
- 50 would no longer receive the allowance but would remain non-chargeable
- 40 would receive some allowance for night care through Disability Related Expenditure (DRE) of up to £28.95 per week, which would offset any loss in allowance
- 10 would receive an allowance in excess of £28.95 through DRE and, as a result would be better off

We estimate that there are also currently around 300 **existing services users** in receipt of the enhanced rate of PIP. Under the new arrangements, it is estimated that around:

- 200 would no longer receive any allowance would pay up to £28.95 more per week than they would have done under the previous policy, but phased over 2 years
- 50 would no longer receive the allowance but would remain non-chargeable
- 40 would receive some allowance for night care through Disability Related Expenditure (DRE) of up to £28.95 per week, which would offset any loss in allowance
- 10 would receive an allowance in excess of £28.95 through DRE and, as a result would be better off

Proposal iii)

Of the 700 **new cases assessed each year**, around 175 of these are part of a couple. Around 120 are of working age and 55 are of pension credit age. It is anticipated that around 115 would pay around £44.70 more than they would have done under the previous arrangements and around 50 would pay around £36.75 more than they would have done under the previous arrangements. A small number of services users, who are part of a couple on a low income, are expected to benefit from the couple's MIG allowance being correctly applied as we will ensure that a couple's income remains in excess of the couple's MIG.

We estimate that there are around 280 **existing service users** who are part of a couple. Around 190 are of working age and 90 are of pension credit age. It is anticipated that around 180 would pay around £44.70 more than the current arrangements and around 80 would pay around £36.75 more than under the current arrangements, but these changes will be phased in over 2 years.

2.2 What does the data or evidence tell us about the potential impact on diverse groups, and how is this supported by historic experience/data?

See above – all service users impacted by the proposals will have some form of disability, which results in them needing a care and support package.

2.3 Are there any gaps in the data, for example across protected characteristics where information is limited or not available?

Estimates are based on the characteristics of the existing customer base and impacts could be different if new service users have significantly different characteristics.

2.4 How have we involved or considered the views of the people that could be affected?

The proposals were discussed with the Equality Stakeholder Group on 13 January 2020; the issues raised, and the Council's response is shown in the table overleaf. We intend to carry out a formal consultation specifically on proposals i) and ii)

2.5 What has this told us?

See 2.4 and table below. Further responses will be published after the formal consultation has been completed.

2.6 Are there any gaps in our consultation, what are our plans for the future?

No

Equality Stakeholder Group Consultation

| Consultation Comment | Response |
|--|---|
| <p>Concern that vulnerable people could be impacted by this change. Those in receipt of Personal Independence Payment (PIP) have been significantly impacted by austerity and this is a further example of an impact on these vulnerable people.</p> | <p><i>See mitigation highlighted in action plan in Section 4</i></p> |
| <p>Communication</p> <ul style="list-style-type: none"> - communication should be accessible (standard large print) and not reliant on information being on line. - acknowledged that this is a very complex area and communication should be as clear as possible - letter should be informative but not 'frightening - ways in which people respond should include email address and telephone number - think about those with low level literacy and those whose first language isn't language - ensure the appeals process is clearly explained in the notification of any change in benefit - how will the equality data collected by social services be used to help communicate with those subject to changes | <p><i>We will take all these issues into account as part of any implementation and ensure that communications are as simple, clear and accessible as possible and, in particular, that clients can speak to experts on the telephone if required.</i></p> |
| <p>Need to ensure the principle of client directed care remains</p> | <p><i>These proposed changes have no impact on the principle of client directed care</i></p> |
| <p>Could the 2-month transition period be extended? Most financial planning advice would be over 3 months.</p> | <p><i>As a result of the concerns expressed, the Council will implement a three-month transition period for implementation of any new charges that follow a review.</i></p> |
| <p>Who determines what is affordable for those in receipt of benefits?</p> | <p><i>The Secretary of State for Health and Social Care sets the Minimum Income Guarantee (MIG) each year, taking account of the welfare benefits available to different age groups, which is the responsibility of the Department for Work and Pensions (DWP). The Social Security</i></p> |

| | |
|---|--|
| | <p><i>Administration Act 1992 requires the Secretary of State for the DWP to conduct an annual review of benefits and pension rates to determine whether they have retained their value in relation to the general level of prices and earnings. The DWP also publishes a range of measures of living standards in the Households Below Average publication. The latest estimates are to 2017/18 and were published on 28 March and can be found at</i></p> <p>https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201718</p> |
| <p>Can it be made clear what can be included as a disability related expenditure.</p> | <p><i>The Council considers Disability Related Expenditure (DRE) on an individual basis, but, in general terms, our policy is as follows:</i></p> <p><i>DRE is expenditure that Service Users incur in addition to their day to day living costs where the cost is more than normal expenditure and incurred due to disability rather than choice. The amount of DRE is deducted from the financial assessment when determining the Service User's charge. The general principles for DRE allowances are that:</i></p> <ul style="list-style-type: none"> <i>• They should be considered in conjunction with the individual's support plan.</i> <i>• They should be the lowest cost alternative</i> <i>• Evidence of payment may be requested if higher costs are involved</i> <i>• Exceptional circumstances will be considered</i> |
| <p>How will this be impacted by universal credit?</p> | <p><i>The Council does not foresee any specific impacts of these proposals in relation to Universal Credit</i></p> |
| <p>Need to consider the ongoing monitoring of the impact on individuals</p> | <p><i>The Council agrees – we will monitor the impact on individuals.</i></p> |

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| <p>Work with NSCAB in advance of the implementation of changes so they are able to advise customers who go to them for advice</p> | <p><i>The Council agrees – we will meet with the North Somerset Citizens Advice Bureaux to give them further information about the proposals and any implementation timetable.</i></p> |
| <p>If people have a change in circumstances how quickly will they be reassessed? Process of re-assessment and notification of any changes should be 'quick' to reduce any uncertainty or stress that may be caused for individuals.</p> | <p><i>In general terms, a change of circumstances financial assessment usually takes in the region of 4 weeks. However, the changes proposed here involve us reviewing in excess of 1,000 financial assessments; as a result, these will have to be completed in phases over a period of several months and we will consider how we communicate this as part of our communications plan. Many of those that have not experienced a change in circumstances (other than inflationary uplifts) will take less than four weeks to complete.</i></p> |
| <p>Changes proposed to the Minimum Income Guarantee will also affect couples, the significant reductions will leave some worse off.</p> | <p><i>See mitigation highlighted in action plan in Section 4</i></p> |
| <p>Reductions in people's available budget may result in them being less able to undertake social activities leading to an increase in social isolation and poor mental health.</p> | <p><i>See mitigation highlighted in action plan in Section 4</i></p> |
| <p>Reduction in higher rate night care may impact on people's ability to engage in community services.</p> | <p><i>See mitigation highlighted in action plan in Section 4</i></p> |
| <p>On the proposed change to the way we treat the enhanced element of PIP, a concern was raised that assessing night care costs as DRE on the basis of actual amounts paid, rather than automatically allowing the £28.95 / week will be a disincentive to those whose night care is being provided by unpaid carers.</p> | <p><i>This is recognised, however, if we were to allow anything for family offering night care, others could argue that we should make allowances for all other unpaid care. If night needs (or indeed any other needs) are identified as a need on a care plan and it is being met by family, then according to Care Act legislation, the need has been met. Anyone over the age of 16 who is providing more than 35 hours care and support a week will be advised to claim carer's allowance and we would also offer them a Carer's Assessment if they have not already had one. We will identify individual impacts on carers and address them on a case by case basis.</i></p> |



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Section 3 – Assessment of Impact

| Impact Level Insert X into one box per row, for impact level and type. | Impact type | | | | Summary of Impact | | | |
|---|-------------|-------------|-------------|----|-------------------|---------|----------|--|
| | High | Med | Low | No | Positive | Neutral | Negative | |
| Disabled people | | X (-tve) | X (+tve) | | X | X | X | Likely to experience an increase in the required client contribution to services, although some may experience a reduction. Everyone will only be required to pay what they can afford, people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care |
| People from different ethnic groups | | | | X | | | | |
| Men or women | | | | X | | | | |
| Lesbian, gay or bisexual people | | | | X | | | | |
| People on a low income | | X (-tve) | X (+tve) | | X | X | X | Likely to experience an increase in the required client contribution to services, although some may experience a reduction. Everyone will only be required to pay what they can afford, people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care |
| People in particular age groups | | X (-tve) | X (+tve) | | X | X | X | By virtue of an increased likelihood that older people will experience some kind of disability, they are also likely to experience an increase in the required client contribution to services, although some may experience a reduction. Everyone will only be required to pay what they can afford, people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care |
| People in particular faith groups | | | | X | | | | |

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| | | | | | | | |
| People who are married or in a civil partnership | | | X | | | | |
| Transgender people | | | X | | | | |
| Women who are pregnant or whilst on maternity leave | | | X | | | | |
| Other specific impacts, for example: carers, parents, impact on health and wellbeing. Please specify: | X (-tve) | X (+tve) | | X | X | X | There could be an impact on health and well-being for those clients who experience an increase in the required client contribution, although everyone will only be required to pay what they can afford, people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care |

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| Does this proposal have any potential Human Rights implications? If 'yes', please describe | No |
| Could this proposal have a Cumulative Impact with any other budget savings? <i>This is an impact that appears when you consider services or activities together; a change or activity in one area may create an additional impact somewhere else</i> If 'yes', please describe? | As mentioned above, it is possible that some clients (clients of working age, with disabilities who are part of a couple and do not pay for night care) may be adversely impacted by all three proposals. |

Section 4 – Action Plan

Where you have listed that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

| Action taken/to be taken | How will it be monitored? |
|--|--|
| 1. Financial Assessments will continue to comply with the Care Act and the relevant Statutory Guidance. The overarching principle that people should only be required to pay what they can afford will remain; people will continue to be entitled to financial support based on a means-test, and many will continue to be entitled to free care. | Quarterly reports on the changes and impacts |
| 2. None of the changes that involve an increase in contributions will be backdated. | Quarterly reports on the changes and impacts |
| 3. Proposals ii) and iii) will be applied to new and change of financial circumstances assessments from 1 April 2020, but for existing service users they will be phased in over 2 years, with a 50% impact in each of 2020/21 and 2021/22 | Quarterly reports on the changes and impacts |
| 4. For proposal i) changes will be implemented following a three-month transition period | Quarterly reports on the changes and impacts |
| 5. There will continue to be an appeals process for all Financial Assessments | Quarterly reports on the changes and impacts |
| 6. We will consider making allowances or a more significant phasing of the introduction of new charges in exceptional circumstances where evidence of significant welfare / financial hardship impact is provided | Quarterly reports on the changes and impacts |
| 7. Visiting Officers will visit clients who are assessed as being required to make a significantly increased contribution | Quarterly reports on the changes and impacts |
| 8. Service users will continue to be signposted to organisations who can provide financial advice, support and information | Quarterly reports on the changes and impacts |
| 9. The Financial Assessment and Care Charging Teams will work closely with social work teams and ensure that a care assessment review is triggered where appropriate | Quarterly reports on the changes and impacts |

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| Action taken/to be taken | How will it be monitored? |
|--|---------------------------|
| If negative impacts remain, please provide an explanation below. | |
| | |

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Appendix One – Examples of Potential Changes

Example 1 – Doris – impacted by proposal i)

Doris - an example of someone who might have to pay more following the Annual Review

Doris is 82 years old and single.

Doris receives a State Pension of £136.93 per week. Doris has an occupational pension of £80.34 per week.

Doris also receives Pension Guarantee Credit and Severe Disablement Premium of £96.17 per week and the higher rate of Attendance Allowance.

Doris's care costs £350 a week.

Doris currently pays £133.11 a week for her care and was last assessed in 2016.

If our proposal went ahead, Doris would have to pay £156.49 a week for her care. That's £23.38 a week more.

| | Old Assessment | New Assessment |
|---|---------------------------|---------------------------|
| Income | | |
| - Pension | £126.50 | £136.93 |
| - Attendance Allowance | £82.30 | £87.65 |
| - Severe Disablement Premium & PGC | £90.95 | £96.17 |
| - Occupational Pension | £74.98 | £80.34 |
| | £374.73 | £401.09 |
| Disregards / allowances | | |
| - DRE | £25.32 | £26.65 |
| - Attendance Allowance Night Care element | £27.30 | £28.95 |
| - MIG | £189.00 | £189.00 |
| | £241.62 | £244.60 |
| Contribution calculation | £133.11 | £156.49 |
| Contribution | £133.11 | £156.49 |
| Difference | | £23.38 |

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Example 2 – Eileen – impacted by proposal i)

Eileen is an example of someone who would pay less following the annual review as a result of a decrease in her tariff income¹ that derives from her reduced capital

Eileen is 89 and single.

She receives a pension of £195.60 and the higher rate of Attendance Allowance.

When she was last assessed in 2015, her capital was close to the upper threshold, but has now reduced and her tariff income will reduce accordingly.

| | Old Assessment | New Assessment |
|---------------------------------|---------------------------|---------------------------|
| Income | | |
| - Pension | £183.25 | £195.60 |
| - Attendance Allowance | £82.30 | £87.65 |
| - Pension Savings Credit | £7.19 | £9.30 |
| - Tariff Income on £23,200 | £36.00 | £0.00 |
| - Tariff Income on £16,900 | £0.00 | £11.00 |
| | £308.74 | £303.55 |
| Disregards / allowances | | |
| - DRE | £16.50 | £18.40 |
| - Night Care Allowance | £27.30 | £28.95 |
| - Pension Savings Credit | £7.19 | £9.30 |
| - MIG | £189.00 | £189.00 |
| | £239.99 | £245.65 |
| Contribution calculation | £68.75 | £57.90 |
| Contribution | £68.75 | £57.90 |
| Difference | | -£10.85 |

¹ Where a person has assets between the lower (£14,250) and upper (£23,250) capital limits, tariff income will be applied. Tariff Income assumes that for every £250 of capital, or part thereof, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs.

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Example 3 – Mark – Impacted by proposals i) and ii)

Mark - an example of someone who might have to pay more following the Annual Review

Mark is 49 years old and single.

Mark gets Employment & Support Allowance of £194.30 per week

Mark gets the enhanced rate of PIP Daily Living Allowance but was previously awarded middle rate.

Mark also receives the higher rate of PIP Mobility of £61.20 per week

Mark's care costs £130 a week.

Mark pays £55.12 a week for his care and was last assessed in 2014.

If our proposal went ahead, Mark would have to pay £101.53 a week for his care in 2020/21. That's £46.41 a week more. When the second phase of the PIP proposals come forward in 2021/22, he would be required to pay a further £14.48 per week.

| | Old Assessment | New Assessment 2020/21 | New Assessment 2021/22 |
|-------------------------------------|-------------------|------------------------------|------------------------------|
| Income | | | |
| - Income Support now ESA | £159.55 | £194.30 | £194.30 |
| - PIP Daily Living | £51.85 | £87.65 | £87.65 |
| - PIP Mobility | £54.05 | £61.20 | £61.20 |
| | £265.45 | £343.15 | £343.15 |
| Disregards / allowances | | | |
| - DRE | £11.09 | £14.49 | £14.49 |
| - PIP daily living enhanced element | £0.00 | £14.48 | £0.00 |
| - PIP Mobility | £54.05 | £61.20 | £61.20 |
| - MIG | £145.19 | £151.45 | £151.45 |
| | £210.33 | £241.62 | £227.14 |
| Contribution calculation | £55.12 | £101.53 | £116.01 |
| Contribution | £55.12 | £101.53 | £116.01 |
| Difference | | £46.41 | £14.48 |

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Example 4 – Susan – not affected by proposals ii) or iii)

Susan - an example of someone who would see no change as a result of proposals ii) or iii)

Susan is 23 years old.

She gets Universal Credit.

She doesn't get the PIP daily living enhanced rate.

Susan's care costs £250 a week.

Now Susan doesn't pay anything for her care.

If our proposal went ahead, Susan would still have to pay nothing towards her care. That's because Susan will continue to have less money coming in than the amount that she can keep.

| | Old Rules | New Rules | |
|---|----------------|----------------|--|
| Income | | | |
| - Universal Credit (including housing benefit) | £309.83 | £309.83 | |
| - PIP daily living element (standard rate) | £58.70 | £58.70 | |
| - PIP mobility (standard rate) | £23.20 | £23.20 | |
| | £391.73 | £391.73 | |
| Disregards / allowances | | | |
| - Housing Benefit element of UC | £253.23 | £253.23 | |
| - DRE | £20.00 | £20.00 | |
| - PIP mobility (standard rate) | £23.20 | £23.20 | |
| - MIG | £132.45 | £132.45 * | |
| | £428.88 | £428.88 | |
| Contribution calculation | -£37.15 | -£37.15 | |
| Contribution | 0 | 0 | |
| Difference | | 0 | |
| | | | |
| * Government's MIG for 18-24 in receipt of disability and enhanced disability premium | | | |
| | | | |

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Example 5a – David – impacted by proposal ii)

David – an example of someone who might have to pay under the new rules that would not have previously had to pay

David is 35 years old and a **new service user**.

He gets the Employment & Support Allowance and enhanced rate of daily living PIP.

David's care costs £100 a week.

Under the old rules David would not contribute towards his care.

If our proposal went ahead, someone like David, with a new financial assessment, would pay £28.65 / week towards his care. That's because he would have more money coming in than the amount that he can keep.

| | Old Rules | New Rules |
|---|------------------|------------------|
| Income | | |
| - ESA | £112.45 | £112.45 |
| - PIP daily living | £87.65 | £87.65 |
| - PIP mobility | £61.20 | £61.20 |
| | £261.30 | £261.30 |
| Disregards / allowances | | |
| - PIP enhanced | £28.95 | £0.00 |
| - PIP mobility | £61.20 | £61.20 |
| - DRE | £20.00 | £20.00 |
| - MIG | £151.45 | £151.45 |
| | £261.60 | £232.65 |
| Contribution calculation | -£0.30 | £28.65 |
| Contribution | £0.00 | £28.65 |
| Difference | | £28.65 |
| <i>* Government's MIG for single 25+ in receipt of disability and enhanced disability premium</i> | | |

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Example 5b – David – impacted by proposal ii)

David – an example of someone who might have to pay under the new rules that would not have previously had to pay

David is 35 years old and an **existing service user**.

He gets the Employment & Support Allowance and enhanced rate of daily living PIP.

David's care costs £100 a week.

Under the old rules David would not contribute towards his care.

If our proposal went ahead, someone like David, with a new financial assessment, would pay £28.65 / week towards his care. That's because he would have more money coming in than the amount that he can keep. However, as an existing service user, the changes are implemented over two years, so that the increase in charge is £14.17 in year 1 and £14.48 in year 2.

| | Old Rules | New Rules 2020/21 | New Rules 2021/22 |
|---------------------------------|----------------|----------------------|----------------------|
| Income | | | |
| - ESA | £112.45 | £112.45 | £112.45 |
| - PIP daily living | £87.65 | £87.65 | £87.65 |
| - PIP mobility | £61.20 | £61.20 | £61.20 |
| | £261.30 | £261.30 | £261.30 |
| Disregards / allowances | | | |
| - PIP enhanced | £28.95 | £14.48 | £0.00 |
| - PIP mobility | £61.20 | £61.20 | £61.20 |
| - DRE | £20.00 | £20.00 | £20.00 |
| - MIG | £151.45 | £151.45 | £151.45 * |
| | £261.60 | £247.13 | £232.65 |
| Contribution calculation | -£0.30 | £14.17 | £28.65 |
| Contribution | £0.00 | £14.17 | £28.65 |
| Difference | | £14.17 | £14.48 |

* Government's MIG for single 25+ in receipt of disability and enhanced disability premium

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Example 6 – Kate – impacted by proposal ii)

Kate - an example of someone who might have to pay less

Kate is 50 years old and a new service user.

Kate gets the enhanced rate of daily living PIP.

Kate's care costs £200 a week.

Kate would pay £88.70 per week for her care under the current rules.

Kate also pays £40.00 per week for night care not supplied by North Somerset Council

– this would have previously been considered under the PIP enhanced rate allowance, but only at a maximum of £28.95. Under the new rules, we would take this into account as Disability Related Expense at the full cost.

If our proposal went ahead, someone like Kate would have to pay £77.65 a week for her care. That's £11.05 a week less than under the current rules.

| | Old Rules | New Rules | |
|---|----------------|----------------|---|
| Income | | | |
| - ESA | £191.45 | £191.45 | |
| - PIP daily living (enhanced) | £87.65 | £87.65 | |
| | £279.10 | £279.10 | |
| Disregards / allowances | | | |
| - PIP enhanced | £28.95 | £0.00 | |
| - DRE | £10.00 | £50.00 | # |
| - MIG | £151.45 | £151.45 | * |
| | £190.40 | £201.45 | |
| Contribution calculation | £88.70 | £77.65 | |
| Contribution | £88.70 | £77.65 | |
| Difference | | -£11.05 | |
| <i>* Government's MIG for single 25+ in receipt of disability and enhanced disability premium</i> | | | |
| <i># now includes £40 night care allowance</i> | | | |

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Example 7 – Keith – impacted by proposal iii)

Keith - an example of someone who might have to pay less

Keith is 70 years old; his partner is Sylvia, who is 58 and does not work.

Keith gets a State Retirement Pension of £199.00 per week

Keith gets the enhanced rate of Attendance Allowance.

Sylvia does not receive any benefits.

Keith's care costs £200 a week.

Keith pays £58.70 a week for his care.

If our proposal went ahead, Keith would have to pay £0.00 a week for his care. That's £58.70 a week less.

| | Old Rules | New Rules |
|---|----------------|----------------|
| Income | | |
| - Pension | £199.00 | £199.00 |
| - Attendance Allowance | £87.65 | £87.65 |
| | £286.65 | £286.65 |
| Disregards / allowances | | |
| - Attendance Allowance Night Care element | £28.95 | £28.95 |
| - DRE | £10.00 | £10.00 |
| - MIG | £189.00 | £288.60 * |
| | £227.95 | £327.55 |
| Contribution calculation | £58.70 | -£40.90 |
| Contribution | £58.70 | £0.00 |
| Difference | | -£58.70 |
| * Government's MIG for couples x 2 as partner has no income | | |

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Example 8a – James – affected by proposals ii) and iii) **NEW ASSESSMENT**

James is 47 years old and lives with his partner in their own home. Someone like James, in receipt of a new financial assessment, would be affected by both proposals. James would currently pay £41.87 per week towards the £200 per week cost of his care services. The balance of £158.13 is paid by North Somerset Council

Money James has coming in each week

- State Retirement Pension £191.45
- PIP daily living enhanced rate £87.65
- PIP mobility enhanced rate £61.20

Money James spends that relates to his disability (known as disability related expenses)

James has a community alarm which costs £5.28 each week, cleaning expenses £10.00 and a gardener, which costs £4 / week. We need to make sure James has £19.28 per week to pay for these expenses.

Money James needs for food and bills

The government says that James must be left with a minimum amount from his income for living expenses and this is called the Minimum Income Guarantee (MIG). We currently allow everyone the Single Person's MIG. For someone of James' age, that is £151.45 a week.

Because of his social care assessment, James's care services cost £200 per week. We work out the amount James should pay towards his £200 cost of care as follows. Under the new rules, someone like James, when he received a new financial assessment, would pay £65.70 more for his care than under the current rules

| | Old Rules | New Rules |
|---------------------------------|----------------|----------------|
| Income | | |
| - ESA | £191.45 | £191.45 |
| - PIP daily living | £87.65 | £87.65 |
| - PIP mobility | £61.20 | £61.20 |
| | £340.30 | £340.30 |
| Disregards / allowances | | |
| - PIP enhanced | £28.95 | £0.00 |
| - PIP mobility | £61.20 | £61.20 |
| - DRE | £19.28 | £19.28 |
| - MIG | £151.45 | £114.70 |
| | £260.88 | £195.18 |
| Contribution Calculation | £79.42 | £145.12 |
| Actual Contribution | £79.42 | £145.12 |
| Difference | | £65.70 |

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Example 8b – James – affected by proposals ii) and iii) EXISTING SERVICE USER

James is 47 years old and lives with his partner in their own home. James, in receipt would be affected by both proposals.

James would currently pay £41.87 per week towards the £200 per week cost of his care services. The balance of £158.13 is paid by North Somerset Council

Money James has coming in each week

- State Retirement Pension £191.45
- PIP daily living enhanced rate £87.65
- PIP mobility enhanced rate £61.20

Money James spends that relates to his disability (known as disability related expenses)

James has a community alarm which costs £5.28 each week, cleaning expenses £10.00 and a gardener, which costs £4 / week. We need to make sure James has £19.28 per week to pay for these expenses.

Money James needs for food and bills

The government says that James must be left with a minimum amount from his income for living expenses and this is called the Minimum Income Guarantee (MIG). We currently allow everyone the Single Person's MIG. For someone of James' age, that is £151.45 a week.

Because of his social care assessment, James's care services cost £200 per week. We work out the amount James should pay towards his £200 cost of care as follows. Under the new rules, James would pay an additional £65.70 per week, but this would be phased in over 2 years.

| | Old Rules | New Rules 2020/21 | New Rules 2021/22 |
|---------------------------------|----------------|----------------------|----------------------|
| Income | | | |
| - ESA | £191.45 | £191.45 | £191.45 |
| - PIP daily living | £87.65 | £87.65 | £87.65 |
| - PIP mobility | £61.20 | £61.20 | £61.20 |
| | £340.30 | £340.30 | £340.30 |
| Disregards / allowances | | | |
| - PIP enhanced | £28.95 | £14.18 | £0.00 |
| - PIP mobility | £61.20 | £61.20 | £61.20 |
| - DRE | £19.28 | £19.28 | £19.28 |
| - MIG | £151.45 | £133.08 | £114.70 |
| | £260.88 | £227.74 | £195.18 |
| | | | |
| Contribution Calculation | £79.42 | £112.56 | £145.12 |
| Actual Contribution | £79.42 | £112.56 | £145.12 |
| Difference | | £33.14 | £32.56 |