

Decision maker:	Officer: Director for adults and wellbeing
Decision date:	20 March 2017
Title of report:	Minimum Income Guarantee (MIG) allowances 2017/18
Report by:	Welfare and financial assessment team manager

Classification

Key decision

This is not a key decision.

Wards affected

Countywide

Purpose

To approve the Minimum Income Guarantee (MIG) allowances for 2017/18 when charging for council arranged care and support other than in a care home.

Recommendation(s)

THAT:

- (a) MIG allowances for 2017/18 remain at the levels set for 2016/17.**
- (b) If the Department of Health continues to freeze the MIG allowances at the rates set out in circular LAC (DH) (2017) 1 for future years, the 2016/17 levels will continue to remain in place.**

Alternative options

- 1 Apply all MIG allowances as stated in Department of Health circular: Social Care – CHARGING FOR CARE AND SUPPORT LAC (DH) (2017)1. This will result in all people who have not reached pension credit age keeping the same allowances as applied in 2016/17, but people of pension credit age could have their maximum charge increased by up to 5.3% in 2017/18, even though their income levels may only

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increase by up to 2.5%

- 2 Increase MIG allowances in line with the percentage increase applied to pension credit and premiums for disabled people. This will result in the council setting higher MIG allowances for all people of pension age and people of working age with disability premiums and will ensure that maximum charges are based on minimum income allowances that reflect current benefit rates with a 25% buffer. This would have a negative impact on the council meeting its budget income forecast of a 2% increase.

Reasons for recommendations

- 3 Freezing the MIG allowances for 2017/18 at the levels set for 2016/17 provides consistency with the Cabinet member for health and wellbeing policy decision taken in March 2016, and minimises the impact of increased charges for people of pension credit age.

Key considerations

- 4 When the Care Act 2014 came into force on 1 April 2015, the Department of Health prescribed the minimum amount of income a person must be left with after charging for care and support. However, local councils can allow people to keep more income if they wish. This is referred to as the Minimum Income Guarantee (MIG). The MIG allowances can be found in the Care and Support (Charging and Assessment of Resources) 2014 regulations
- 5 On 30 March 2016, a Cabinet member decision was made to bring the allowances in the care and support charging policy into line with the prescribed MIG allowances in the above regulations for all people under pension credit age, and discretion was applied to increase the allowances for people of pension age by 2.9%. This change was effective from 11 April 2016.
- 6 The Department of Health has issued a circular LAC (DH) (2017) 1, which states that MIG allowances for 2017/18 will remain at current levels. This means the allowances will still be set at the same levels as 2015/16, when they were first implemented. Paragraphs 3.1 and 11.3 of the current care and support charging policy state that "after charging, a person will be left with the minimum income guarantee amount (MIG) as defined in the Care and Support (Charging and Assessment of Resources) 2014 regulations".
- 7 The table below shows where the council is currently applying allowances higher than those defined in the regulations following the Cabinet member decision in 2016. This results in these people having to contribute less towards their care than if the allowances set out in the Department of Health's circular were applied.

	MIG allowance in LAC (DH) (2017) 1	Current MIG allowance used in the council's charging policy 2016/17
Single person attained pension credit age	£189.00	£194.50
Member of a couple where one or both attained pension credit age	£144.30	£148.47

- 8 From April 2017, the state pension is being uprated by 2.5% in line with the government's "triple lock" commitment .The minimum guarantee in pension credit is being increased by 2.4% and the savings credit element of pension credit is increasing by 1%. Premiums paid to pensioner recipients of working age benefits will continue to be uprated to match pension credit rates.
- 9 Premiums paid to disabled people receiving working age benefits and to Employments Support Allowance claimants (in the support group) will increase in line with the Consumer Price Index (CPI) by 1%.
- 10 All working age benefits (main rates) will remain at 2016/17 rates, as they are being frozen for four years.
- 11 In accordance with the council's care and support charging policy, all benefit and pension recipients' income details will be uplifted in line with the above when the annual re-assessment of client contributions is carried out with effect from 10 April 2017.
- 12 As the Department of Health's MIG allowances are not being uplifted in line with these benefit increases, a decision is required about whether the council continues to use the MIG allowances as defined in the regulations and charging policy, or uplifts the allowances to reflect the increase in benefit awards.

Community impact

- 13 The people affected by this decision are those who receive social care and support at home or in the community. The impact on individuals will vary depending on their individual financial circumstances, for example some people may have to pay more towards rent and/or council tax from April 2017, but these changes will be taken into account when their financial assessments are re-assessed against the MIG allowances.
- 14 Some examples of the impact to individuals have been included at Appendix 1.

Equality duty

- 15 An equality impact assessment of the proposal to apply MIG allowances as prescribed in the regulations was undertaken in 2016, following consultation and engagement with stakeholders, and is still applicable.
- 16 This identified that the approach to calculating charges based on the MIG allowances impacted mostly on older and disabled people, as they are a significant user group of adult social care services. However, those affected will not be left with less available income than the minimum amount prescribed in the government's regulations.

Financial implications

- 17 The adult social care budget for 2017/18 has been set based on an assumption that income raised through charging for care and support for people not in a care home will increase by £62K. This is in line with the forecasted increase in benefit payments for disabled people and people who have reached pension age. This decision will ensure that income generated through charging for care and support services (based on the current service user levels) will meet the 2% income inflation.

Legal implications

- 18 The Care Act 2014 enables councils to charge a person for providing them with care and requires councils to have a policy in place. Subject to the person meeting the criteria, a duty is placed on the council to ensure that the person is left with a minimum level of income after paying for any eligible care and support needs they may have.
- 19 The Minimum Income Guarantee (MIG) allowances can be found in the Care and Support (Charging and Assessment of Resources) 2014 regulations.
- 20 Statutory guidance provided by the Department of Health states that local councils can use discretion to allow people to keep more income than the minimum amount prescribed in the regulations if they wish. To date, the council has chosen to be more generous.
- 21 The council can therefore, as per the care act, amend the current MIG allowances for 2016/2017 in accordance with the relevant regulations.

Risk management

- 22 If the recommendation in this report is agreed, people of pension credit age with a maximum assessed charge may have to pay up to 2.4% more for care and support services from 10 April 2017. There is likely to be some adverse reaction to the increased charges.
- 23 Although individuals will pay more towards care costs, they will not be left with less available income than the MIG allowance prescribed in the regulations. People affected by these changes will receive a letter explaining the changes and will be given information and advice about how to request a review of their financial assessment, if their personal financial circumstances have changed.

Consultees

- 24 From 11 January to 11 March 2016, the council carried out a public consultation on the proposal to use the MIG allowances as prescribed in the regulations with effect from 11 April 2016. This included financial assessment officers discussing the proposals and carrying out reviews of financial assessments with people most affected by the changes, so they were fully informed and aware of the impact of the proposed changes.
- 25 At the time when these reviews were conducted, it was anticipated that the MIG allowances for 2016/17 would be increased in line with Department for Work and Pensions (DWP) benefit and pension payments (as had previously been the case). However, on 17 March 2016 the Department of Health published the MIG allowances for 2016/17 stating that the allowances would remain at the 2015/16 levels.
- 26 As this recommendation is to continue to use the MIG allowances as decided following the consultation in 2016, no further consultation is required.

Appendices

- Appendix 1 Examples of impact on individuals.

Background papers

- Department of Health Circular LAC (DH) (2017) 1