

Supplement to the agenda for

Adults and wellbeing scrutiny committee

Tuesday 26 January 2021

2.30 pm

Online meeting

**6. 21/22 BUDGET SAVING PROPOSAL AMENDMENT: PRESENTATION
SLIDES AND CORRECTION TO THE REPORT**

Attached for the committee's consideration are the slides setting out the proposed savings plans for the £520k income generation to adult social care.

Please note:

Reference has been made within the committee report and at the previous scrutiny meeting to a savings gap of £330k following the changes to directorate's savings plans. Kindly note that this was an error and the gap was actually £320k.

The directorate's savings target therefore is set at £520k made up of the three elements set out within the slides.

Pages

3 - 10

Savings Proposal

- A3 - Income generation: **£0.52m**

- The proposal breaks into 3 elements :
- £200k savings are identified by applying 3.9% increase to pension income received in 2020/21 that was put on hold this year.
- £312k savings by applying 2.5% increase to state retirement income and review of occupational/private pension income from April 2021
- There is potential for a further £8K savings through conducting reviews of nil charge payers and disability related expenses to identify changes in circumstances.
- It should be noted that these savings proposals are based on the assumption that the Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) rates set by the DHSC will remain frozen in 2021/22

3

Savings Proposal

- A3 - Income generation: **£0.52m**

Consequences

Maximisation of social care income for 2021/22 resulting in lower retained income for pension age service users, people who currently don't pay for care or who have disability related/household expenses.

What will change

Social care charges for people of pension age receiving care and support in their own home will face increased charges in line with pension increases for 20/21 and 21/22. People in long stay care homes will face increases in line with the rise in their pension income.

People who have a review of their financial assessment may have an increase in charges but the outcome cannot be quantified until reviews completed.

Challenges

- Assessment & review capacity due to covid19 pressures
- It is difficult to quantify the exact effect on income generation for 2021/22 as a number of factors such as rent/council tax increases and mortgage payments form part of the financial assessment means-test.
- Savings are based on the assumption that DHSC freeze MIG and PEA

Savings Proposal

- A3 - Income generation: **£0.52m**

- People getting care in their own home on state pension will see charges increase on average by £9.88 per week. If they also have an occupational pension their charges could go up by £11.28 per week on average.
- Broken down into the detailed proposals:
- Delivering £200k savings identified by applying 3.9% increase to pension income received in 2020/21, that was put on hold this year, will affect 686 people with an average increase in charges of £5.93 per week (highest £11.82, lowest £0.95)
- Delivering £312k savings by applying 2.5% increase to state retirement income and review of occupational/private pension income from April 20 will affect 1,182 people with an average increase £3.95 per week (highest £7.42, lowest £0.59) and reviewing occupational income will affect 959 people with an average increase of £1.40 (highest £9.12, lowest £0.02).

Savings Proposal

- A3 - Income generation: **£0.52m**

- People in care homes will see charges go up by £3.95 per on average. If they also have an occupational pension the charge could go up by £5.35 per week. This will affect 496 people on current figures.
- Someone in long stay residential care will continue to retain a Personal Expenses Allowance of £24.90 and keep £5.75 of any pension credit (savings credit)income.
- A single pensioner will continue to retain at least £194.50 per week (which is higher than the DHSC set MIG rate of £189 per week (standard Minimum Income Guarantee for pension credit is £177.10)
- For couples the local MIG rate is £148.47 per week - higher than the DHSC MIG rate of £144.30 per week.
- It is assumed there will be no change in the MIG & PEA values:

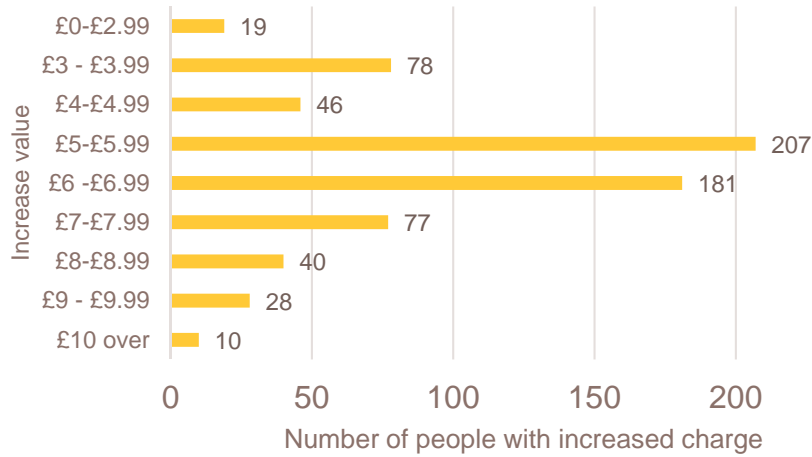
Savings Proposal

- A3 - Income generation: **£0.52m**

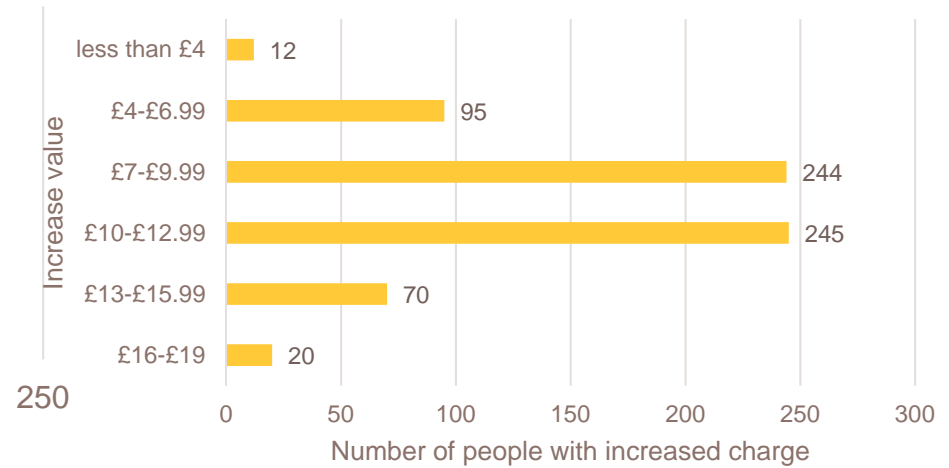
- Things to note:
- Increased council tax/rent/mortgage payments will reduce social care charges – we are not able to calculate impact at this stage.
- People in receipt of Attendance Allowance at the high rate of £89.60 (21/22) who only have social care services for day needs will keep £29.60 per week of that income in addition to the MIG amount mentioned above due to the income disregard.
- All of these calculations are based on the assumption the central Government set Minimum Income Guarantee (MIG) and Personal Expenses Allowance (PEA) remain unchanged.

People receiving care and support in own home

Increased Charge State Pension 3.9%



Combined 3.9% and 2.5% increase



People receiving care and support in care homes

6

