



## **Minimum Income Guarantee Consultation**

### **Information Sheet and FAQs**

**Shropshire Council is consulting on the way that people of pensionable age who pay for some of their care costs will be charged in the future.**

Shropshire Council, like other local authorities, is facing a significant increase in the cost of adult social care due to increasing demand, demographic pressures and rising contract costs; the cost of adult social care purchasing expenditure is forecast to increase by an average of 8% per year over the next five years. In such circumstances it is inevitable that the Council must seek to maximise its income in a fair and transparent manner.

Advances in medical care also mean that people are living longer and people with disabilities are able to be supported at home for longer. Whilst we welcome this news, it does mean we have to think about how we provide our services. These challenges, coupled with new responsibilities due to changes in the law, means more people than ever require our support. In these challenging times we need to use our available money where we can help people the most and maximise our income where we can. We also have to make difficult decisions to make sure our services can keep helping all the people who need support in the future.

People who receive care which is funded by the council are supported through a financial assessment to see if they can afford to pay something towards the cost of their care. The Council makes sure that any charges to individuals are not more than they can afford and if a person's income is very low they are not be charged anything for their care. This financial assessment process protects the people who are most financially vulnerable.

For people who are charged for part of the cost of their care there is a protected level of income that they must be left with which is set by the Department of Health. This is called the Minimum Income Guarantee or MIG. After paying any required service charge, no person's weekly income should fall below the set level. This limits the amount that the Council can charge someone for their care - no matter what the cost of the care package is to the Council.

## Frequently Asked Questions (FAQs)

### What is Minimum Income Guarantee?

The Minimum Income Guarantee, otherwise known as 'MIG', is the amount that a person using adult social care services must be left with, to pay for everyday living costs after they have contributed to the care they receive in a non-residential setting.

### How much is the MIG?

For people of pensionable age, the statutory minimum income, set by government (for 2018/19), is £189.00 per week for a single person and £144.30 per week for a member of a couple. If you are also a carer, an extra £43.25 is included and your protected income should be £232.25. The MIG for people of working age varies depending on their circumstances. More information about MIG for 2018/19 can be found [here](#).

Since 2016 the Shropshire Council's existing MIG for people of pensionable age, is already set above the statutory required levels. For example based on Shropshire Council's current MIG levels.

- A single person, of pensionable age might be left with £194.50 a week to live on.
- A member of a couple of pensionable age might be left with £148.50 to live on.
- MIG for those of working age has remained in line with the statutory minimum.

### Why is a consultation taking place?

Although Central Government requires that local authorities comply with the statutory required MIG as a minimum, local authorities have the discretion to set the MIG at a higher rate. Shropshire Council has currently set the MIG at £194.50 per week for a single person and £148.50 per week for a member of a couple. The Council's MIG for working age people (receiving local authority-arranged care and support other than in a care home), is set at the statutory level, so does not form part of these proposals.

So, at the moment people of pensionable age in Shropshire have a minimum income which is higher than other people in the Country; they are able to keep more of their income than the Government's set rate.

### What are the new proposals?

It is proposed that the Council reduces its current level of MIG for people of pensionable age to bring the figure in line with the one set by the Department of Health. This proposal would mean that everyone in the county who pays towards their care has the Minimum Income Guarantee set by the Department of Health which we believe is fairer.

Shropshire Council has proposed two options for retaining or reducing the current level of MIG. These 2 options will be consulted upon.

**Option 1 - Keep the Minimum Income Guarantee at the level it is now in Shropshire and increase the amount people pay towards their care in line with benefits increases.**

Option 1 is what the Council have done for the last two years. It means that the Council take a part of the pension increase people receive but that they would still be left with a weekly amount which is higher than other people of working age who pay towards their care.

A single older person getting pension credit would have £7.17 more a week, and the amount they pay towards care would increase by £6.39, leaving them with 76p extra per week.

A couple would get £4.43 additional pension and the amount they pay for care would be £4.01 extra, leaving them with 42p more per week.

So under option 1 people would not see the benefit of pension increases because they will pay more for care and support.

Option 1 would allow Shropshire Council around an extra £250,000 each year to help towards providing care and support to those who need it most.

**Option 2 - Change the level of the Minimum Income Guarantee to the level set by the Government. This will mean people receiving care will have to pay a little more towards that care.**

People affected by the changes would keep less of their money because more will go towards care.

A single person will have £4.74 a week less.

A couple will have £3.35 a week less.

This option will mean people will have less income than option 1 but it would mean Shropshire Council will have an extra £467,000 each year to help towards providing care and support to those who need it most.

The Minimum Income Guarantee for people of working age is already set at the Government minimum level. Option 2 would mean people of pensionable age are treated in the same way as people of working age.

Shropshire Council will also ask if anyone has another option they can suggest or any ideas to help Shropshire Council make its decision.

Any changes we make will be subject to a review after 3 years.

### **Does Shropshire Council have a preferred option?**

Shropshire Council prefers option 2. The Council likes option 2 because it is in line with the national level, treats all people the same (whether working age or not), and raises more income to put back into paying for Council services. But we want to see what others think and whether there is another option.

### **Why did you raise MIG in 2016 only to plan to reduce it now?**

Our budget is constantly changing due to many factors, such as growing demand, inflation and changes to government funding to name just a few. What was agreed back in 2016 was based on the financial status of the Council and its future financial forecast at that time. The Council has to ensure that it can continue to deliver care and support to as many people possible. If this proposal is accepted, all the extra money raised will be put back into providing services.

### **Who will this affect?**

Anyone of pensionable age, receiving care at home or in the community, charged for their care. All charges to individuals are based on a financial assessment to ensure that they can afford to contribute to their care. If a person's income is below the MIG, they are not be charged for their care. This financial assessment process protects the people who are most financially vulnerable.

### **Who will not be affected?**

The proposed changes will not impact on:

- People supported in a care home
- People of working age
- People with income levels below the Minimum Income Guarantee (not charged for care)

### **Won't these options affect our most vulnerable people?**

We understand the challenges and impact these proposals can have on our most vulnerable service users. It has not been an easy decision to put forward these proposals.

We must stress that we remain committed to supporting our most vulnerable people. All charges to individuals are based on a financial assessment to ensure that they can afford to contribute to their care. This financial assessment process both protects the people who are most financially vulnerable and ensure that the Council is able to meet its obligation to meet the care and support needs of as many people as possible. We will ensure that everyone is assessed according to their individual circumstances.

### **Do we have a say in these proposals?**

Our priority is to contact those who would be directly affected by the proposed changes. All those affected by the above proposals will be contacted as part of the formal consultation. The views of individuals affected by the proposals will be very carefully considered as part of the consultation process before any final recommendations are made.

We want to find out which option people prefer. We will ask anyone with an interest in this consultation to share their views, this may include carers, groups and organisations supporting people who may be affected or providing care and support in Shropshire.

### **How can I respond to the consultation?**

The Council wants to get your views about these proposals. We have developed a survey for individuals and carers and a separate survey for organisation and groups. If you have received this information sheet by letter you can use the freepost envelope provided to return your survey.

If you do not have a letter, you can find out, or share your views in the following ways:

**Website:** <https://www.shropshire.gov.uk/get-involved/>

**Email:** [tellus@shropshire.gov.uk](mailto:tellus@shropshire.gov.uk)

**Phone:** 0345 678 9078

**Write** (no stamp needed): Freepost RSXA-YGES-CXCE, Tellus, Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6BR

### **When does the consultation close?**

Please complete a consultation survey either online or in writing and return to Shropshire Council by **Wednesday 11<sup>th</sup> July 2018**.

### **What will happen next?**

The results of the consultation will be reported to Shropshire Council's Cabinet. Cabinet will make a decision on the changes to be implemented. The decision will be published on the Council's website here: <http://shropshire.gov.uk/committee-services/uuCoverPage.aspx>