

APPENDIX 2

Response to the Consultation on allocating 2017-18 funding to disregard war pensions in social care financial assessments

Policy Context

1. In the 2016 Budget, the government announced that a change would be made to the care and support charging arrangements in England to treat the schemes, under which payments to armed forces veterans who have been injured during service, more consistently. This will be done by requiring regular payments made to veterans under the War Pensions Scheme (WPS) to be disregarded (i.e. not taken into account) when local authorities conduct the financial assessment. This will come at a cost to local authorities through reduced income from charging.
2. As disregarding WPS payments would be a New Burden on local authorities, the Government has agreed to cover the cost to local authorities for the remainder of this Spending Review.

Background

3. On 4 November the Department of Health opened a consultation seeking local authorities' views on the formula by which the £14m funding to cover these costs in 2017-18 should be allocated to individual local authorities. The £14m was calculated by projecting war pensioner numbers and estimating their social care need.
4. Since 29 October 2012 the regular Guaranteed Income Payments (GIP) paid under the Armed Forces Compensation Scheme (applying to veterans injured on or after 6 April 2005) have been disregarded in the financial assessment of what people can afford to pay. By contrast, only the first £10 per week of ongoing payments under the WPS is disregarded (applying to veterans injured before 6 April 2005).
5. There are currently 550 war pensioners in Gateshead that may have current or future social care needs.
6. The consultation proposes three options for the distribution of the funding:
 - Option 1 – Relative Needs Formula (RNF)
 - Option 2 – War Pensioner Numbers
 - Option 3 – War Pensioner Numbers weighted by RNF
7. The RNF reflects how the main components of social care eligibility vary across the country. Whilst this would generate a simplistic and consistent approach to previous funding allocations it does not take account of the actual distribution of War Pensioners. Under this option the Council would receive £66, 108.

8. The use of the actual number of War Pensioners adjusted by the Area cost adjustment and sparsity adjustment from the RNF would provide a more direct link to the actual proportions of War pensioners in each geographic area. This does however assume war pensioners have equal social care needs across the country. Under this option the Council would receive £89,622.
9. This option is based on actual war pensioner numbers but also adjusts for the distribution of social care needs based on the RNF. The advantage of this approach is that it better accounts for where war pensioners live and takes into account relative social care needs in that area. This does assume a link between the general social care need of the population and that of war pensioners but this is not underpinned by any robust data. Under this option the Council would receive £112,666.

Consultation

10. The Cabinet Members for Adult Social Care has been consulted on this proposal.

Alternative Options

11. An alternative option would be not to respond to the consultation and therefore not influence the way in which the funding to disregard war pensions in social care financial assessments is allocated.

Implications of Recommended Option

12. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications of the outcome of the consultation are outlined in this report
- b) **Human Resource Implications** – there are no direct HR implications arising from this report
- c) **Property Implications**- there are no property implications arising from this report.

13. **Risk Management Implications** – There is a risk that the Council is under resourced to meet the cost of disregarding war pensions in the social care financial assessment process.

14. **Equality and Diversity Implications** – There are no equality and diversity implications arising directly from this proposal.

15. **Crime and Disorder Implications** – There are no Crime and Disorder implications arising directly from this proposal.

16. **Health Implications** – There are no health implications for the Council arising directly from this proposal

17. **Sustainability Implications** – There are no sustainability implications arising directly from this proposal.
18. **Human Rights Implications** – There are no Human Rights implications arising directly from this proposal.
19. **Area and Ward Implications** –There are no specific Area or Ward implications.