Sheffield City Council consultation

**Adult Social Care Minimum Income Guarantee**

**Consultation dates**

20.01.21 – 16.02.21

[funding.team@sheffield.gov.uk](mailto:funding.team@sheffield.gov.uk)

0114 273 4725

**Why we are consulting**

**Background - the Minimum Income Guarantee**

People pay a financial contribution towards the cost of any care and support they receive if they can afford to. The council works out how much people can afford to pay from their disposable income. We ensure people who live at home have enough income to cover their cost of accommodation, cost of living and disability-related expenditure.

We currently use the statutory Minimum Income Guarantee (MIG) to work out an individual’s cost of living allowance. The MIG is different for each person and depends upon things like their age and what type and rate of benefit they may receive. Under the statutory MIG, the cost of living allowance is significantly higher for older people.

For people who live in a care home or similar setting, a Personal Expenses Allowance is used instead of the MIG. However, our proposals only apply to the Minimum Income Guarantee for people living at home. They do not affect people who live in a care home or similar setting.

**We need a fairer cost of living allowance**

The statutory MIG is intended to cover cost of living expenses, however the Government has not changed the MIG rates since 2016. This means that the financial contribution towards the cost of care and support has, for some people, continued to increase while the statutory MIG has remained the same.

Local authorities are able to set local cost of living allowances. This consultation sets out our proposal to introduce a cost of living allowance in Sheffield that helps to ensure a fairer level of protected income for people.

**Consultation**

**Introduction**

|  |  |
| --- | --- |
| What is your name? |  |

|  |  |
| --- | --- |
| What are your email address (if relevant)? |  |

|  |  |
| --- | --- |
| What is organisation  (if relevant)? |  |

**Options for a fairer cost of living allowance**

We have looked at different ways that the cost of living allowance could be increased. These options are summarised below, including our preferred option.

Option 1 - Uplift the cost of living allowance based upon people’s ages

* Younger adults (aged 25 and under) receive a lower cost of living allowance under the statutory MIG than most other working age adults. This option would help us make this fairer by introducing allowances at different age bands (i.e. providing bigger increases to people with the lowest benefit premiums).
* However, we feel the option would only help a relatively small number of people and most people would not see any positive change.

Option 2 - Uplift the cost of living allowance based on increases to benefits

* This option would have the advantage of linking cost of living allowance increases directly to increases in benefit rates: as benefit rates go up, so would the amount of the individual’s protected income.
* However, the most positive impact would be seen by people whose benefits increase the most. People with less income and whose benefits do not increase as much would see least positive change.

Option 3 - Keep the MIG as it is but introduce discretionary payments

* Under this option, we would redistribute income from financial contributions so that it was available for people who see least positive impact from the statutory MIG.
* However, we are concerned that the administration of this option would mean that there is a risk of low take-up and allocation of the payments.

Option 4 - Introduce a maximum income level instead of uplifting the cost of living allowance

* This option would mean we would only take into account a percentage of an individual’s disposable income (not the full amount of their disposable income).
* However, it would mean that people with higher income would see the most positive impact and people with the lowest incomes would see the least.

**Option 5 - Uplift the cost of living allowance as a flat rate increase to everyone**

* **This is our preferred option.** Everyone would get the same increase. It would financially benefit the most people.
* This option would mean that people with the lowest income would see the highest proportionate positive financial impact.
* We feel this would be the fairest option for uplifting the cost of living allowance.

We also have considered an additional option of uplifting the cost of living allowance both for people living at home and for people in care homes and similar settings:

* This option recognizes that, similar to the MIG, the Government has not increased the statutory Personal Expenses Allowance (PEA) since 2016.
* The PEA is intended to be the minimum income that care home residents need for personal expenses. Although ‘personal expenses’ are not defined, they have been considered to include things like stationery, toiletries, treats, small gifts and other minor items.
* We know that the statutory PEA rate remaining fixed will have some effect on people. However, we feel that the focus of the proposal should be to support people living at home and facing real cost of living increases as part of their household expenses and budgeting. We believe this would have the fairest overall benefit to the most people.
* We will take into account any consultation feedback relating to the PEA, as with other options and comments raised.

**Our preferred option for a fairer cost of living allowance**

After considering each option in turn, our preferred option is to uplift the cost of living allowance as a flat rate increase to everyone. The consultation is seeking your views on this option but also other options and comments you may have.

**Questions**

From what you know and understand about the cost of living allowance, we would welcome your responses to these questions:

**1 (a) Do you agree that uplifting the cost of living allowance as a flat rate increase to everyone would help to increase fairness in the way the cost of living allowance is applied?**

* Yes completely agree
* Yes mostly agree
* No mostly disagree
* No completely disagree

**1 (b) Do you have any comments about this option you would like to make?**

**2 (a) Do you believe there is a fairer or better option, or options, for applying the cost of living allowance?**

* Yes
* No

**2 (b) If yes, please tell us about this option or options here:**

**3 Do you have any other comments you would like to make?**

**How to respond to this consultation**

* By email at [funding.team@sheffield.gov.uk](mailto:funding.team@sheffield.gov.uk)
* Request a call-back by phone on 0114 273 4725
* By post to: Financial Assessment Team

Corporate Mail Facility

Sheffield City Council

1 Moorfoot

Sheffield

S1 4PL

Please also complete the final page of the consultation that follows which asks for Equalities Information.

**Equalities information**

Answers in this section will help us check that the consultation reaches a representative range of people across Sheffield.

**What is your ethnicity?**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Asian or Asian British** | | **Black or Black British** | | **Mixed / multiple heritage** | | **White** | | **Other ethnic group** | |
|  | Bangladeshi |  | Caribbean |  | White & Asian |  | English/Welsh/ Scottish/British/ Northern Irish |  | Yemeni |
|  | Chinese |  | Somali |  | White & Black African |  | Irish |  | Other Arab |
|  | Indian |  | African other |  | White & Black Caribbean |  | Gypsy / Irish traveller |  | Other ethnic group |
|  | Pakistani |  | Other black background |  | Other mixed background |  | Roma |  |  |
|  | Other |  |  |  |  |  | Other white background |  |  |

**Are you an unpaid carer for a family member or someone else?**

|  |  |
| --- | --- |
|  | Yes - for a child or young person with a disability or a long-term health condition |
|  | Yes - for an adult with a disability or a long-term health condition |
|  | Yes - for an elderly relative or friend |
|  | No - none of these |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **What is your religion or belief?** | |  | | **Please tell us your postcode area (S1, S3, S9, etc.)** | | |
|  | Buddhist | |  |  | |  |
|  | Christian | |  |
|  | Hindu | |  | |  |
|  | Jewish | |  | |  |
|  | Muslim | | **Do you have a disability or a** | | |
|  | Sikh | | **long-term health condition?** | | |
|  | Other | |  | Yes |  |
|  | None | |  | No |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **What is your age range?** | | |  | |
|  | 24 and under |  |
|  | 25-34 |  |  |  |
|  | 35-44 |  | **What is your sex?** | |
|  | 45-54 |  |  | Female |
|  | 55-64 |  |  | Male |
|  | 65-74 |  |  |  |
|  | 75-84 |  |  |  |
|  | 85 and over |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **What is your gender identity?** | |  | **What is your sexual orientation?** | |
|  | Female |  |  | Bi |
|  | Male |  |  | Gay / lesbian |
|  | Non-binary |  |  | Heterosexual / straight |
|  | Other (please describe): |  |  | Other |
|  |  |  |  |  |
|  |  |  |  |  |