

Policy Circular

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Owner: Corporate Affairs

Subject: Available Income

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1.0 Background

The ILF Conditions of Grant Agreement (COGA) sets out the basis upon which candidates are expected to make a contribution towards their care and support costs.

Paragraph 6 of the 2011 COGA explains how the contribution is to be calculated and that the contribution will operate by way of a reduction in the value of the gross ILF award.

The COGA preserves the protection given to certain Group 1 (former Extension Fund) candidates indefinitely.

Trustees can no longer take exceptional decisions in specific cases on the grounds of financial hardship. However where a decision has been taken previously to disregard available income it will be honoured for the agreed period.

Independent Living Fund

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The Independent Living Fund is an Executive Non-Departmental Public Body of the Department for Work and Pensions

2.0 Policy

A candidate (with the exception of Group 1 protected candidates) is usually expected to contribute the aggregate of:

1. $\frac{1}{2}$ higher rate DLA Care Component or $\frac{1}{2}$ Attendance Allowance
2. where the candidate is in receipt of Constant Attendance Allowance $\frac{1}{2}$ CAA received or $\frac{1}{2}$ DLA whichever is the lesser amount
3. any Severe Disability Premium paid with Income Support or Income-related Employment and Support Allowance or any additional amount for severe disability paid with Pension Credit
4. the full amount of any Special Transitional Additions received
5. if the candidate is not in receipt of Income Support, Income Based Jobseekers Allowance, Income-related Employment and Support Allowance or Pension Guarantee Credit the difference between their weekly resources and their weekly needs (calculated in accordance with the provisions of paragraphs 7.4 and 7.5(a) and (b) respectively of the COGA). This is the ILF notional assessment calculation. **See Guidance at Appendix 1**

Group 1 protected candidates are not expected to contribute 1 and 2 above but will contribute any additional income. Where the rate of DLA is revised this does not change the protected status as long as the user remains eligible for funding.

From the aggregate sum that this calculation produces, the amount of any charge paid against a local authority contribution of Qualifying Support and Services, will be deducted. If that produces a nil result then the user contribution is nil. No other charges paid by a candidate to a local authority or other organisation may be deducted.

Where an award is revised on or after 20 August 2010 no account can be taken of increases to local authority charges– see Changes to Local Authority Charges Policy for full details.

Where previously the Trustees have agreed to a reduced contribution of available income or waived this contribution in entirety that decision will stand for the agreed term or where this was for an unspecified period will remain in place indefinitely unless the user's financial circumstances change. The Trustees may review any decision where the candidate's financial circumstances change.

The ILF contribution is based on an assessment of the care and support required by the users. The total cost of this is then calculated and payments are made to the user after deducting their available income.

3.0 Procedural considerations

Available Income will always be deducted in full from the weekly cost of care or the weekly cost of a retainer. Examples:

- If someone is paid on receipt of invoice rather than automatically, the Available Income will be deducted from the invoice total.
- Where a retainer is paid for part of the usual care plan i.e. for the PA element but not the agency element, the full Available Income must be deducted from the gross retainer amount.
- If a User requires a replacement award for a limited or ongoing period available income should always be deducted. This includes reduced awards that may be put in place at the outset of a package.

Reviews and overpayments

When calculating any overpayment or unspent funding amount we will take into consideration the net amount that the ILF has actually overpaid. No overpayment will be raised on the users contribution and the ILF will not monitor if this is used towards Qualifying Support and Services.

The procedure for calculating Available Income can be found at appendix 1.

4.0 Source

Trustees' Meeting 10 October 2007

Conditions of Grant Agreement 2011

Trustees' Meeting 19 September 2012

5.0 History Date Reviewed

19 February 2008

3 April 2008

30 September 2008

23 January 2009

15 April 2009

19 April 2010

23 August 2010

17 March 2011

11 August 2012

Appendix 1

Notional Assessment Guide – October 07

Introduction

The Conditions of Grant Agreement (COGA) that is effective from August 2011 requires the ILF to calculate capital, income and applicable amounts in accordance with the relevant sections of the Social Security Act 1992 and relevant Regulations – except where the COGA allows special treatment e.g. earnings. This means that we have to calculate income and capital as would be done for someone accessing Income Support, apart from where the COGA allows us to do otherwise.

SECTION A – Allowances and Premiums (IS/JSA Rates)

1. **Personal Allowances:** Select according to client/partner's/child benefit recipient's age.
2. **Group Premium:** Select according to client's status. Please note that where the income of the child benefit recipient (parent or guardian) is being assessed, disability premiums are only applicable where the parent/guardian is disabled.
3. **Standard Minimum Guarantee:** Select according to status if client or partner is aged 60 or over
4. **Carer Premium:** allow if Carers Allowance is received by user's partner (or if there is an underlying entitlement but CA is not being paid because of benefit rules)
5. **Dependants:** Child, Family and Disabled Child Premiums **no longer included** in Section A in line with IS practice and in parallel with this change Child Tax Credit and Child Benefit are no longer treated as income (see Section D below).

SECTION B - Allowable Costs:

Rent: Allow for this after deduction of any housing benefit.

Mortgage: 1st mortgage only: Allow all aspects of repayment (interest, endowment, etc). If 2nd property exists it may count as capital. Minute to EO for decision - **see Mortgage Payments policy**

Mortgage protection plan: Allow cost of mortgage protection payments, however if policy activated our treatment of mortgage payments will be affected – **see Mortgage Payments policy**

Weekly water rates

Weekly Council Tax The Funds will take the full amount of the client and their partner's council tax, net of any benefit, into account within the notional assessment.

*In Scotland and Northern Ireland Water and Council taxes are combined.

Weekly Loan Interest: Disability related home improvement/ adaptation loans only. **see Loan Interest policy**

Weekly School Meals: Applies to children 5 –16 years old; up to 18 if in full time education. **see School Meals Allowance policy**

Weekly child maintenance payments: all child maintenance payments – CSA, court order and voluntary – are allowable.

Board and lodging payments by the user. See board and lodging policy.

SECTION C – Applicable Amount = A + B

SECTION D - Income

Income type: Income (excluding earnings and payments in lieu of earnings made under an Income Protection Insurance Policy), benefits, New Deal payments, pensions e.g. retirement and occupational pensions, Incapacity Benefit

Paid to: Client and / or partner. Where the user is a young person and Child Benefit is in payment the means of the person receiving the Child Benefit (normally parents) are assessed

Income from people living in the client's home. Refer to the DMG for guidance. Guidance may also be sought from the policy team if necessary.

Disregards: Please see table at Appendix 1 for details of incomes that can be disregarded in full or in part

NOTE additional new disregards from 1/10/07

- Student Loans (Administered by the Student Loans Company Limited. SLC administers government funded student loans. Confirmation that the loan is administered by SLC should be obtained and noted on file)
- Student grants or bursaries
- Any form of child maintenance

Treatment of capital: Tariff of £1.00 for each £250.00 between £14,250.00 and £23,250.00

Net weekly D = Income after/subject to appropriate disregards.

Assessed available income = Total net weekly **D**–applicable amount **C**

If the resulting amount is positive this amount is to be treated as available towards the cost of care (QSS). Transfer the figure to the Assessment / change of circumstance sheet as EIOR.

POINTS TO CONSIDER:

Client's Age: Where the user is a young person and child benefit is in payment the means of the person receiving the Child benefit (normally parents) are assessed

APPENDIX 2 - INCOME DISREGARDS

DISREGARDED UNDER COGA PARA 7.4	DISREGARD
Earnings	FULL
Payments in lieu of earnings under an Income Protection Insurance Policy	
Statutory Sick, Maternity, Adoption, Paternity Pay	
Working Tax Credit	
Pension Savings Credit	
Constant Attendance Allowance, Exceptionally Severe Disablement Allowance, Severe Disablement Occupational allowance (paid with War or Industrial Disablement Pensions)	
War pensioners mobility supplement	
Student Loans (if administered by the Student Loan Company Ltd.)	
Student grants or bursaries	
Child Maintenance	
DISREGARDED UNDER INCOME SUPPORT (GEN) REGS SCHEDULE 9	
Child benefit	FULL
Child tax credit	
Education Maintenance Allowance	
Macfarlane Trust, Eileen Trust, Social Fund	
Regular charitable and voluntary payments	
Income from personal injury trust funds or PI lump sums held in Court	
Widowed parent's allowance	£10
Widowed mother's allowance	
War disablement pension (basic) (See above for components disregarded in full)	
War widow / widower's pension	
Socialist persecution payments	
Guarantee income payment	
Board and lodging / income from subletting	See DMG

IMPORTANT NOTE:

The disregards listed above for the COGA is a full list.

The list of disregards under Schedule 9 is not a complete list but consists of those that staff at ILF are most likely to come across. Income not listed above should normally be taken fully into account. Any queries as to whether an income not listed above may qualify for a full or partial disregard should be referred to the Policy Development Team.