



Department
of Health

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

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

February 2017

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Contents

Contents.....	4
1. Background to the consultation.....	5
The consultation	5
The responses.....	5
Changes made to the allocations	5
2. Allocation Options.....	6
Next steps	6
Annex A: List of consultation respondents	8
Local authorities/Councils (26 respondents).....	8
Individual responses (1 respondent)	8
Annex B: Description of the method and data used to calculate the final allocations.....	9
Indicators used in the existing Adult Social Care Relative Needs Formula	9
Annex C: Table of revised allocations	11

1. Background to the consultation

The consultation

- 1.1. On 4th November 2016, the Department published a consultation paper entitled 'Allocating 2017-18 funding to disregard war pensions in social care financial assessments'. The consultation finished on 21st November 2016.
- 1.2. There are two schemes which make payments to armed forces veterans who have been injured during their service. Currently the two schemes are treated differently by local authorities when making a financial assessment to determine what a person can afford to contribute to the costs of their care and support. 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 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.
- 1.3. The consultation therefore asked for authorities' views on how the £14million cost of the disregard should be allocated between local authorities in 2017/18.
- 1.4. There were three allocation options. Option 1 divides the funding to LAs using the Relative Needs Formula (RNF), Option 2 divides the funding to LAs using the number of war pensioners, and Option 3 uses the RNF to weight the number of war pensioners and then divides to LAs based on this.
- 1.5. Respondents were asked which option they prefer, why they prefer this option and also for comments and alternative suggestions.

The responses

- 1.6. We received 27 responses in total. These break down into 26 local authority responses and 1 individual response. Although this represents only 17% of local authorities, there was at least one response from each region, ranging from 1 in the North West and 2 in London (4% and 6% of local authorities in those areas respectively) to 3 in the East Midlands and 4 in the North East (representing 33% of local authorities in those areas). Responses were also received from all council types apart from Outer London.

Changes made to the allocations

- 1.7. The following changes have been made to the allocations published in the consultation document:
 - We have updated the data on the number of war pensioners in each local authority from 2015 to 2016. It therefore more closely reflects the 2017/18 period of allocation.

2. Allocation Options

2.1. The consultation presented three different allocation options for the war pensions disregard. Option 1 divides the funding to LAs using the Relative Needs Formula (RNF), Option 2 divides the funding to LAs using the number of war pensioners, and Option 3 uses the RNF to weight the number of war pensioners by social care need and then divides to LAs based on this. The consultation asked respondents the reason for their choice alongside any comments or alternative suggestions for allocating the funding.

2.2. Question WPS1: Do you prefer Option 1 (the standard RNF), Option 2 (using war pensioner numbers), or Option 3 (using war pensioner numbers and the RNF)? (Please specify one of the following: Prefer Option 1, Prefer Option 2, Prefer Option 3, or No Preference)

2.3. A clear majority preferred Option 3. This was followed by Option 2, then Option 1. One respondent expressed no preference.

2.4. Question WPS2: Why do you prefer the option selected above? Do you have any comments about the options or alternative suggestions for allocating the funding?

2.5. The most common comments and suggestions related to Option 3. Five respondents regarded it as the fairest option, and seven respondents argued that it was the most reasonable option because it incorporated both war pensioner numbers and social care need. Both of these are relevant to the disregard. However, other responses (one mention each) argued that the method was too complex, that the RNF is flawed or that it does not specifically relate to war pensioners.

2.6. The second most preferred option was Option 2. Two respondents argued that it was simple and effective, and another three argued that it was most likely to reflect the actual costs or demand incurred by the LA. However, one respondent argued that it was too complex and another argued that using war pensioner numbers makes too many assumptions about social care needs.

2.7. The least preferred option was Option 1 (allocate using the Adult Social Care Relative Needs Formula). Three respondents argued that it is the most consistent option (given that RNF was chosen for the smaller Guaranteed Income Payments for Veterans (GIPS) disregard), two argued that RNF is the best way to understand variation in social care need, and two argued that it is the simplest option. However, one council argued that the RNF is flawed and two argued that it does not reflect actual demand (arising from the local authority's number of war pensioners) or the needs of war pensioners.

Next steps

2.8. We have chosen to adopt Option 3 (war pensioner numbers weighted by the Relative Needs Formula). We chose this option because it gets as close as possible (given the available data) to the number of people receiving a war pension who have also met the adult social care eligibility criteria, by incorporating separate data on the distribution of these two relevant characteristics. Option 3 was also supported by the majority of respondents to the consultation.

2.9. We have applied updated data on war pensioner numbers in order to calculate the revised allocations using Option 3. The new data relates to 2016 (rather than the 2015 data used in the consultation) so more closely reflects the allocation period of 2017/18.

A full description of the final method (including the revised data definitions) is presented in Annex B and the final allocations are presented in Annex C.

Annex A: List of consultation respondents

Local authorities/Councils (26 respondents)

Bath & North East Somerset Council
Blackpool Council
Derbyshire County Council
Doncaster MBC
Gateshead Council
Hampshire County Council
Hartlepool Borough Council
Herefordshire Council
Hertfordshire County Council
Hull City Council
Islington Council
Kent County Council
Leicester City Council
Lincolnshire County Council
London Borough of Tower Hamlets
Medway Council
North Yorkshire County Council
North East Lincolnshire Council
Peterborough City Council
Royal Borough of Windsor and Maidenhead
Solihull Metropolitan Borough Council
South Gloucestershire Council
Stockton on Tees Borough Council
Sunderland City Council
Thurrock Council
Wiltshire Council

Individual responses (1 respondent)

Annex B: Description of the method and data used to calculate the final allocations

A social care needs multiplier for each local authority is identified by using the Adult Social Care Relative Needs Formula (RNF) as reported in the 2013/14 Local Government Finance Settlement¹. (The formula's component indicators are summarised below.) The multiplier is estimated by first identifying the total 18+ population used within the RNF calculation. This total 18+ population is then 'allocated' using the RNF formula, and each local authority's resulting allocation is divided by its 18+ population as used within the RNF calculation. This gives a social care need weight for each local authority. This multiplier is then converted by dividing by the minimum weight value across all local authorities.

Data on the number of war pensioners in each local authority district is available from the Ministry of Defence². This 2016 data is more up to date than the 2015 data used in the consultation. City of London and Brent have no reported number; for City of London we conservatively assume that all war pension scheme recipients are war disablement pensioners, and for Brent we assume that their number of war disablement pensioners has not changed since 2015. Districts can be aggregated into counties using data from the ONS Geography Portal³, giving the list of 152 local authorities with Adult Social Care responsibilities.

The number of war pensioners in each local authority is then multiplied by this weight to give an estimate of the distribution of war pensioners with social care needs.

Dividing each local authority's weighted estimate by the sum for all local authorities gives each local authority's allocation share.

This fraction is then multiplied by £14million to give an allocation based on war pensioner numbers that is weighted by the RNF.

Indicators used in the existing Adult Social Care Relative Needs Formula

List of need indicators used in the older people RNF:

- Projected household and supported residents aged 65 and over
- Household and supported residents aged 65 or over
- Household and supported residents aged 90 or over

1

<http://webarchive.nationalarchives.gov.uk/20120920021513/http://www.local.communities.gov.uk/finance/0809/swg/yareport.pdf> as modified in

<http://webarchive.nationalarchives.gov.uk/20120920065926/http://www.local.communities.gov.uk/finance/0607/swg/0508/swg-05-82.pdf>

² <https://www.gov.uk/government/statistics/location-of-armed-forces-pension-and-compensation-recipients-2016>

³ <http://geoportal.statistics.gov.uk/>

Annex B: Description of the method and data used to calculate the final allocations

- Proportion of older people living in one person households
- Proportion of older people in rented accommodation
- Proportion of older people on income support / income based jobseeker's allowance / guarantee element of pension credit
- Proportion of older people receiving attendance allowance
- Area cost adjustment
- Sparsity adjustment for people aged 65 and over
- Low income adjustment

List of need indicators used in the younger adults RNF:

- Projected population aged 18 to 64
- Proportion of households with no family
- Proportion of residents in routine / semi routine occupations
- Proportion of residents who have never worked / long term unemployed
- Proportion of people aged 18 to 64 receiving disability living allowance
- Area cost adjustment

Annex C: Table of revised allocations

LA name	War pensioner numbers (2016)	RNF weight	Option 3 - War pensioners and RNF (Final, uses updated data)	Option 3 - War pensioners and RNF (Consultation)
Barking and Dagenham	62	2.03	£12,300	£13,263
Barnet	109	1.59	£16,976	£17,105
Barnsley	489	2.08	£99,447	£100,030
Bath & North East Somerset	189	1.57	£29,034	£28,609
Bedford	141	1.54	£21,264	£21,605
Bexley	147	1.58	£22,745	£23,645
Birmingham	562	2.14	£117,387	£121,689
Blackburn with Darwen	158	2.17	£33,613	£34,541
Blackpool	424	2.50	£103,849	£108,774
Bolton	313	2.01	£61,458	£62,823
Bournemouth	352	1.79	£61,541	£60,947
Bracknell Forest	133	1.25	£16,284	£16,371
Bradford	421	1.82	£75,115	£76,682
Brent	30	1.71	£5,005	£4,781
Brighton & Hove	197	1.69	£32,563	£33,941
Bristol	319	1.80	£56,227	£55,552
Bromley	200	1.49	£29,246	£31,424
Buckinghamshire	474	1.31	£60,929	£61,383
Bury	206	1.76	£35,386	£35,273
Calderdale	199	1.78	£34,565	£34,837
Cambridgeshire	923	1.44	£129,647	£127,444
Camden	60	2.09	£12,258	£12,682
Central Bedfordshire	235	1.31	£30,148	£30,019
Cheshire East	432	1.52	£64,093	£65,889
Cheshire West and Chester	633	1.72	£106,794	£107,958
City of London	4	1.92	£749	£896
Cornwall	1917	1.99	£372,881	£362,260
Coventry	251	1.89	£46,343	£50,256
Croydon	154	1.56	£23,472	£24,746
Cumbria	942	1.93	£177,511	£172,776
Darlington	337	1.88	£61,894	£60,517
Derby	291	1.82	£51,684	£50,889
Derbyshire	1044	1.82	£185,836	£183,607
Devon	2650	1.82	£472,618	£464,161
Doncaster	749	1.97	£144,282	£144,423
Dorset	1456	1.78	£253,980	£255,732
Dudley	196	1.96	£37,648	£38,525
Durham	1444	2.10	£297,046	£292,739

Annex C: Table of revised allocations

LA name	War pensioner numbers (2016)	RNF weight	Option 3 - War pensioners and RNF (Final, uses updated data)	Option 3 - War pensioners and RNF (Consultation)
Ealing	73	1.64	£11,719	£11,499
East Riding of Yorkshire	832	1.64	£133,627	£131,919
East Sussex	802	1.90	£148,663	£154,023
Enfield	87	1.67	£14,192	£14,801
Essex	1550	1.64	£248,746	£254,431
Gateshead	527	2.19	£113,032	£112,666
Gloucestershire	1129	1.63	£180,252	£176,881
Greenwich	123	2.11	£25,388	£26,613
Hackney	38	2.25	£8,356	£8,400
Halton	345	2.04	£68,723	£68,489
Hammersmith and Fulham	87	1.91	£16,257	£15,169
Hampshire	3929	1.40	£539,468	£532,412
Haringey	43	1.74	£7,325	£8,135
Harrow	55	1.58	£8,486	£8,841
Hartlepool	283	2.15	£59,629	£60,371
Havering	132	1.64	£21,161	£22,200
Herefordshire	580	1.82	£103,473	£102,232
Hertfordshire	764	1.46	£109,036	£109,726
Hillingdon	137	1.48	£19,822	£21,419
Hounslow	76	1.51	£11,256	£12,024
Isle of Wight Council	337	2.12	£69,739	£69,175
Isles of Scilly	6	2.07	£1,216	£968
Islington	44	2.24	£9,634	£9,410
Kensington and Chelsea	112	2.06	£22,617	£24,108
Kent	2314	1.65	£372,882	£380,139
Kingston upon Hull	437	2.21	£94,548	£92,987
Kingston upon Thames	78	1.33	£10,159	£10,573
Kirklees	413	1.76	£70,989	£69,770
Knowsley	433	2.66	£112,452	£116,577
Lambeth	86	1.87	£15,742	£15,734
Lancashire	2308	1.84	£414,779	£411,936
Leeds	663	1.67	£108,158	£111,401
Leicester	187	1.93	£35,330	£34,285
Leicestershire	791	1.42	£109,722	£112,609
Lewisham	87	1.92	£16,352	£17,054
Lincolnshire	2325	1.79	£406,510	£394,927
Liverpool	1243	2.45	£297,519	£300,612
Luton	102	1.57	£15,638	£16,107
Manchester	301	2.08	£61,094	£63,971
Medway	418	1.49	£60,953	£61,975
Merton	115	1.40	£15,801	£15,747
Middlesbrough	283	2.18	£60,407	£63,197

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

LA name	War pensioner numbers (2016)	RNF weight	Option 3 - War pensioners and RNF (Final, uses updated data)	Option 3 - War pensioners and RNF (Consultation)
Milton Keynes	202	1.46	£28,913	£29,391
Newcastle upon Tyne	631	2.02	£124,755	£124,626
Newham	60	1.91	£11,236	£12,520
Norfolk	1592	1.84	£287,137	£285,089
North East Lincolnshire	265	1.94	£50,271	£48,013
North Lincolnshire	371	1.77	£64,355	£63,783
North Somerset	382	1.75	£65,259	£67,711
North Tyneside	629	1.97	£121,285	£124,307
North Yorkshire	1449	1.56	£221,383	£215,231
Northamptonshire	980	1.54	£147,526	£146,649
Northumberland	939	1.85	£169,999	£168,586
Nottingham	280	1.94	£53,026	£50,643
Nottinghamshire	1431	1.73	£242,737	£237,340
Oldham	264	2.06	£53,100	£54,749
Oxfordshire	898	1.37	£120,000	£116,778
Peterborough	267	1.71	£44,748	£45,619
Plymouth	1975	1.92	£370,238	£359,871
Poole	412	1.65	£66,317	£66,874
Portsmouth	540	1.67	£87,993	£85,596
Reading	109	1.44	£15,383	£15,501
Redbridge	81	1.59	£12,574	£13,344
Redcar and Cleveland	379	2.08	£77,208	£77,825
Richmond upon Thames	97	1.36	£12,937	£13,375
Rochdale	258	2.13	£53,829	£51,809
Rotherham	333	2.06	£67,121	£68,340
Rutland	109	1.41	£15,053	£14,509
Salford	272	2.17	£57,737	£58,792
Sandwell	157	2.41	£37,058	£38,324
Sefton	755	2.17	£159,969	£163,912
Sheffield	445	1.89	£82,089	£81,925
Shropshire	687	1.75	£117,817	£114,654
Slough	52	1.50	£7,651	£7,729
Solihull	172	1.65	£27,755	£29,282
Somerset	1583	1.82	£282,095	£275,719
South Gloucestershire	332	1.37	£44,550	£43,574
South Tyneside	594	2.37	£137,848	£142,959
Southampton	235	1.77	£40,673	£40,499
Southend-on-Sea	168	1.86	£30,624	£32,208
Southwark	69	2.00	£13,485	£13,999
St Helens	350	2.14	£73,252	£71,960
Staffordshire	1092	1.61	£172,057	£171,550
Stockport	248	1.78	£43,084	£43,140

Annex C: Table of revised allocations

LA name	War pensioner numbers (2016)	RNF weight	Option 3 - War pensioners and RNF (Final, uses updated data)	Option 3 - War pensioners and RNF (Consultation)
Stockton-on-Tees	427	1.73	£72,307	£71,969
Stoke-on-Trent	306	2.11	£63,229	£64,138
Suffolk	1157	1.73	£196,265	£196,034
Sunderland	1119	2.19	£240,173	£247,012
Surrey	1196	1.38	£161,014	£170,367
Sutton	90	1.51	£13,283	£13,391
Swindon	444	1.43	£61,889	£59,908
Tameside	250	2.07	£50,673	£50,332
Telford and the Wrekin	438	1.85	£79,403	£77,913
Thurrock	98	1.65	£15,775	£16,143
Torbay	397	2.43	£94,424	£93,135
Tower Hamlets	49	2.13	£10,231	£9,970
Trafford	197	1.66	£32,019	£33,375
Wakefield	540	1.96	£103,529	£103,455
Walsall	196	2.15	£41,176	£42,135
Waltham Forest	51	1.67	£8,343	£8,593
Wandsworth	103	1.56	£15,756	£15,340
Warrington	324	1.58	£50,222	£48,854
Warwickshire	657	1.58	£101,552	£101,123
West Berkshire	188	1.29	£23,733	£22,907
West Sussex	1085	1.58	£167,470	£180,584
Westminster	64	2.12	£13,254	£13,845
Wigan	512	1.96	£97,973	£96,861
Wiltshire	2183	1.52	£323,914	£312,480
Windsor and Maidenhead	171	1.30	£21,744	£20,646
Wirral	814	2.22	£177,152	£181,872
Wokingham	161	1.00	£15,748	£16,816
Wolverhampton	196	2.19	£42,014	£41,969
Worcestershire	729	1.63	£116,499	£115,234
York	388	1.38	£52,439	£50,987
Total	80192		£14,000,000	£14,000,000