



Department
of Health

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

November 2016

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<p>Contact details: scallocations@dh.gsi.gov.uk Social Care Allocations Consultation Area 313 Richmond House 79 Whitehall London SW1A 2NS</p>

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1. Introduction

- 1.1. The government recognises the profound contribution of veterans and is committed to improving the livelihoods of those injured during their service. This includes ensuring we continue to meet the health commitments set out in the Armed Forces Covenant.
- 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.
- 1.3. 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.
- 1.4. This technical consultation seeks 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.

Responses

You can respond to this consultation online, by email or by post. We recommend the online system which is quick and easy to use. Please use the email address below if you have any queries.

Respond online: <https://consultations.dh.gov.uk/social-care-analysis/war-pensions-allocation>

Respond by email: scallocations@dh.gsi.gov.uk

Respond by post:

Social Care Allocations Consultation

Area 313

Richmond House

79 Whitehall

London SW1A 2NS

Deadline for responses

This consultation opened on Friday 4th November and will close at 23.59 on Monday 21st November. This will enable us to announce the result alongside the Local Government Finance Settlement.

2. Background

- 2.1. Armed forces veterans who have been injured on active service receive payments under one of two schemes. The War Pensions Scheme (WPS) applies to veterans injured before 6 April 2005 and the Armed Forces Compensation Scheme (AFCS) applies to those injured on or after that date. Under the schemes there can be two main types of benefits – a lump sum personal injury compensation payment, and an ongoing payment paid weekly or monthly.
- 2.2. In England, where a local authority arranges care and support for a person, it has the power to charge for doing so and will carry out a financial assessment to determine what the person can afford to pay. The maximum that can be charged is determined in accordance with the Care and Support (Charging and Assessment of Resources) Regulations 2014.
- 2.3. Currently there is a difference in the way ongoing payments made under the two schemes for veterans are treated in the financial assessment for care and support charging.
- 2.4. Since 29 October 2012 the regular Guaranteed Income Payments (GIP) paid under the AFCS 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.
- 2.5. The Government has decided to introduce a disregard for WPS payments in the financial assessment of what a person can afford to pay for care and support arranged by English local authorities. This was announced in the 2016 Budget Statement and the intention is to implement this disregard from April 2017.
- 2.6. The charging regulations will be amended to introduce the disregard, which will apply to all payments made under the WPS with the exception of Constant Attendance Allowance. This will continue to be taken into account as this is specifically paid to cover the cost of care.
- 2.7. 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.
- 2.8. This consultation seeks 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.¹

¹ The £14million cost of disregarding the WPS was calculated by projecting war pensioner numbers and estimating their social care need

3. Option 1 - Relative Needs Formula (RNF)

- 3.1. This option would use the Adult Social Care Relative Needs Formula (RNF) to allocate the £14million to local authorities. This approach was chosen to allocate funding for disregarding GIPs from the Armed Forces Compensation Scheme following a 2012 consultation.²
- 3.2. The RNF reflects how the main components of social care eligibility vary across the country - level of impairment, level of income/wealth and extent of informal care - and also adjusts for differences in area costs and population sparsity.
- 3.3. The RNF is currently frozen at the distribution used for the 2013/14 Local Government Finance Settlement. The formula components and data definitions are set out online³ and are summarised in ANNEX B. Further information on how the formulae were estimated can be found in the Older People (age 65+)⁴ and Younger Adults (age 18-64)⁵ research reports.
- 3.4. The advantages of this approach are its simplicity and consistency with previous allocations.
- 3.5. The disadvantage of this approach is that War Pensioners are distributed across regions in quite a different way from the RNF and the RNF's underlying populations. For example, there are proportionately more War Pensioners in the North East and the South West, and proportionately fewer in London. The table below illustrates this.

² <https://www.gov.uk/government/publications/response-on-funding-allocations-for-independent-mental-health-services-and-the-treatment-of-armed-forces-compensation-in-charging-for-social-care>

³

<http://webarchive.nationalarchives.gov.uk/20140505104649/http://www.local.communities.gov.uk/finance/1314/settle.htm> . The data definitions (datadefs1s.pdf) are most relevant.

⁴ http://www.pssru.ac.uk/pdf/dp2265_3.pdf

⁵

<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>

	Number of War Pensioners ⁶	Percentage of WPS recipients	Percentage of RNF population ⁷	Percentage of RNF allocation
North East	8,000	9.5%	4.9%	5.8%
North West	12,630	15.0%	13.2%	14.9%
Yorkshire and the Humber	8,315	9.9%	9.9%	10.2%
East Midlands	7,660	9.1%	8.6%	8.4%
West Midlands	6,535	7.8%	10.4%	11.2%
East of England	7,360	8.8%	11.0%	10.2%
London	3,040	3.6%	15.5%	15.5%
South East	14,235	17.0%	16.2%	14.0%
South West	16,150	19.2%	10.1%	10.1%

3.6. Illustrative allocations are found in ANNEX A.

⁶ War pensioner numbers by region come from <https://www.gov.uk/government/statistics/location-of-armed-forces-pension-and-compensation-recipients> , Table 3, Column I (titled 'Disablement Pension').

⁷ This has been derived from the sum of the PROJ65PLHHSR and PROJ18TO64 variables used in the RNF calculation.

4. Option 2 - War pensioner numbers

- 4.1. Option 2 uses the number of war pensioners in each local authority to allocate the £14million funding. The number of war pensioners in each local authority is multiplied by the Area Cost Adjustment and Sparsity Adjustment from the RNF, in order to capture differences in wages and prices between LAs, and differences in cost arising from population sparsity.
- 4.2. The resulting local authority numbers are divided by their total and then multiplied by £14million to give the final allocation.
- 4.3. The advantages of this option are that it is simple and is based on the number of war pensioners in each local authority.
- 4.4. The disadvantage of this option is that it assumes all war pensioners have equal social care need, but this may vary between local authorities. For example, war pensioners may have higher income/wealth in some areas than others, or may be more likely to have informal care support. These factors affect eligibility for adult social care.
- 4.5. Illustrative allocations are found in ANNEX A.

5. Option 3 - War pensioner numbers weighted by the RNF

- 5.1. Under this option war pensioner numbers are weighted using the RNF and then the £14million is divided based on this weighted number. It is therefore based on war pensioner numbers but also adjusts for the distribution of social care needs based on the RNF.
- 5.2. A social care needs multiplier for each local authority is estimated by calculating the total 18+ population used within the RNF calculation. This population number is then allocated by the RNF⁸, and each local authority's allocation is divided by its 18+ population as used within the RNF calculation. This multiplier is converted to a weight by dividing by the minimum multiplier value.
- 5.3. 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.
- 5.4. Dividing each local authority's weighted estimate by the sum for all local authorities gives each local authority's allocation share.
- 5.5. This fraction is then multiplied by £14million to give an allocation based on war pensioner numbers that is weighted by the RNF.
- 5.6. The advantage of this approach is that it better accounts for where war pensioners live and also takes into account social care needs based on the RNF.
- 5.7. The disadvantage of this approach is that it assumes that per capita variation in war pensioner eligibility for social care is the same as the per capita variation in the general population's likelihood of being eligible. We do not have data on how the social care needs of war pensioners vary between local authorities; we know the distribution of war pensioners and of social care need, but not the two together.
- 5.8. Illustrative allocations are found in ANNEX A.

⁸ This makes most sense for illustration but the calculation actually gives the same allocations results for any positive allocation quantum.

6. Consultation questions

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)

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?

Please see the introduction of this document for instructions on how to respond to the consultation. We recommend the online option at <https://consultations.dh.gov.uk/social-care-analysis/war-pensions-allocation> which is quick and easy to use.

ANNEX A: Illustrative allocations

Below are illustrative calculations of allocations based on all three options. Option 1 uses the RNF formula to allocate the £14million to each local authority, Option 2 uses war pensioner numbers to calculate allocations, and Option 3 uses war pensioner numbers weighted with the RNF to allocate between local authorities.

LA name	War pensioner numbers	RNF weight	Option 1 - RNF	Option 2 - War pensioners	Option 3 - War pensioners and RNF
Barking and Dagenham	70	2.03	£53,262	£12,192	£13,263
Barnet	115	1.59	£84,437	£20,751	£17,105
Barnsley	515	2.08	£72,240	£84,136	£100,030
Bath & North East Somerset	195	1.57	£42,569	£32,980	£28,609
Bedford	150	1.54	£36,214	£25,600	£21,605
Bexley	160	1.58	£54,155	£27,866	£23,645
Birmingham	610	2.14	£326,684	£100,064	£121,689
Blackburn with Darwen	170	2.17	£44,591	£27,732	£34,541
Blackpool	465	2.50	£52,715	£75,658	£108,774
Bolton	335	2.01	£81,089	£55,309	£62,823
Bournemouth	365	1.79	£51,562	£59,387	£60,947
Bracknell Forest	140	1.25	£21,107	£25,104	£16,371
Bradford	450	1.82	£134,004	£73,459	£76,682

ANNEX A: Illustrative allocations

Brent	30	1.71	£78,344	£5,411	£4,781
Brighton & Hove	215	1.69	£71,672	£35,160	£33,941
Bristol	330	1.80	£118,321	£55,545	£55,552
Bromley	225	1.49	£69,443	£39,225	£31,424
Buckinghamshire	500	1.31	£97,494	£88,131	£61,383
Bury	215	1.76	£47,641	£35,468	£35,273
Calderdale	210	1.78	£53,703	£34,363	£34,837
Cambridgeshire	950	1.44	£135,570	£162,438	£127,444
Camden	65	2.09	£75,003	£12,661	£12,682
Central Bedfordshire	245	1.31	£50,515	£41,908	£30,019
Cheshire East	465	1.52	£84,621	£77,140	£65,889
Cheshire West and Chester	670	1.72	£85,588	£110,983	£107,958
City of London	5	1.92	£2,846	£1,125	£896
Cornwall	1,950	1.99	£162,947	£323,334	£362,260
Coventry	285	1.89	£90,479	£46,751	£50,256
Croydon	170	1.56	£81,745	£29,604	£24,746
Cumbria	960	1.93	£146,255	£160,351	£172,776
Darlington	345	1.88	£29,235	£56,459	£60,517

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Derby	300	1.82	£67,000	£48,811	£50,889
Derbyshire	1,080	1.82	£211,593	£177,759	£183,607
Devon	2,725	1.82	£208,573	£453,922	£464,161
Doncaster	785	1.97	£88,076	£128,592	£144,423
Dorset	1,535	1.78	£112,886	£253,673	£255,732
Dudley	210	1.96	£91,095	£34,441	£38,525
Durham	1,490	2.10	£164,639	£245,242	£292,739
Ealing	75	1.64	£82,691	£13,528	£11,499
East Riding of Yorkshire	860	1.64	£84,348	£142,710	£131,919
East Sussex	870	1.90	£150,830	£143,270	£154,023
Enfield	95	1.67	£75,754	£16,555	£14,801
Essex	1,660	1.64	£345,304	£278,681	£254,431
Gateshead	550	2.19	£66,108	£89,622	£112,666
Gloucestershire	1,160	1.63	£147,582	£194,269	£176,881
Greenwich	135	2.11	£77,599	£26,299	£26,613
Hackney	40	2.25	£81,959	£7,792	£8,400
Halton	360	2.04	£37,283	£59,231	£68,489
Hammersmith and	85	1.91	£53,572	£16,557	£15,169

ANNEX A: Illustrative allocations

Fulham					
Hampshire	4,060	1.40	£277,346	£688,994	£532,412
Haringey	50	1.74	£66,978	£8,707	£8,135
Harrow	60	1.58	£56,573	£10,822	£8,841
Hartlepool	300	2.15	£29,232	£48,992	£60,371
Havering	145	1.64	£58,665	£25,278	£22,200
Herefordshire	600	1.82	£51,369	£100,922	£102,232
Hertfordshire	805	1.46	£241,174	£140,336	£109,726
Hillingdon	155	1.48	£60,731	£27,978	£21,419
Hounslow	85	1.51	£58,295	£15,338	£12,024
Isle of Wight Council	350	2.12	£44,708	£59,320	£69,175
Isles of Scilly	5	2.07	£739	£1,263	£968
Islington	45	2.24	£75,010	£8,766	£9,410
Kensington and Chelsea	125	2.06	£50,564	£24,349	£24,108
Kent	2,470	1.65	£359,592	£408,944	£380,139
Kingston upon Hull	450	2.21	£84,755	£73,232	£92,987
Kingston upon Thames	85	1.33	£33,435	£15,336	£10,573
Kirklees	425	1.76	£108,493	£69,461	£69,770

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Knowsley	470	2.66	£56,995	£76,777	£116,577
Lambeth	90	1.87	£88,020	£17,531	£15,734
Lancashire	2,400	1.84	£321,892	£393,459	£411,936
Leeds	715	1.67	£193,126	£116,648	£111,401
Leicester	190	1.93	£91,801	£30,920	£34,285
Leicestershire	850	1.42	£140,831	£139,945	£112,609
Lewisham	95	1.92	£79,793	£18,505	£17,054
Lincolnshire	2,365	1.79	£196,464	£394,801	£394,927
Liverpool	1,315	2.45	£172,498	£214,534	£300,612
Luton	110	1.57	£45,974	£18,560	£16,107
Manchester	330	2.08	£155,520	£54,385	£63,971
Medway	445	1.49	£58,209	£72,722	£61,975
Merton	120	1.40	£43,628	£21,645	£15,747
Middlesbrough	310	2.18	£44,213	£50,484	£63,197
Milton Keynes	215	1.46	£52,971	£37,661	£29,391
Newcastle upon Tyne	660	2.02	£87,548	£107,471	£124,626
Newham	70	1.91	£85,657	£12,192	£12,520
Norfolk	1,655	1.84	£243,756	£274,392	£285,089

ANNEX A: Illustrative allocations

North East Lincolnshire	265	1.94	£45,483	£43,272	£48,013
North Lincolnshire	385	1.77	£44,387	£63,788	£63,783
North Somerset	415	1.75	£53,897	£70,327	£67,711
North Tyneside	675	1.97	£60,146	£109,869	£124,307
North Yorkshire	1,475	1.56	£141,377	£247,549	£215,231
Northamptonshire	1,020	1.54	£158,498	£169,695	£146,649
Northumberland	975	1.85	£88,751	£162,412	£168,586
Nottingham	280	1.94	£90,418	£45,858	£50,643
Nottinghamshire	1,465	1.73	£205,746	£242,263	£237,340
Oldham	285	2.06	£65,471	£47,021	£54,749
Oxfordshire	915	1.37	£133,674	£159,231	£116,778
Peterborough	285	1.71	£46,297	£48,106	£45,619
Plymouth	2,010	1.92	£74,906	£327,069	£359,871
Poole	435	1.65	£37,190	£70,798	£66,874
Portsmouth	550	1.67	£51,941	£92,467	£85,596
Reading	115	1.44	£33,221	£20,244	£15,501
Redbridge	90	1.59	£65,099	£15,676	£13,344
Redcar and Cleveland	400	2.08	£42,013	£65,453	£77,825

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Richmond upon Thames	105	1.36	£38,549	£18,943	£13,375
Rochdale	260	2.13	£64,654	£42,943	£51,809
Rotherham	355	2.06	£78,475	£58,020	£68,340
Rutland	110	1.41	£7,917	£18,515	£14,509
Salford	290	2.17	£76,864	£47,822	£58,792
Sandwell	170	2.41	£107,796	£27,878	£38,324
Sefton	810	2.17	£88,952	£132,239	£163,912
Sheffield	465	1.89	£157,807	£75,748	£81,925
Shropshire	700	1.75	£81,306	£117,219	£114,654
Slough	55	1.50	£30,068	£9,819	£7,729
Solihull	190	1.65	£50,771	£31,233	£29,282
Somerset	1,620	1.82	£145,691	£268,589	£275,719
South Gloucestershire	340	1.37	£54,544	£57,669	£43,574
South Tyneside	645	2.37	£53,390	£104,965	£142,959
Southampton	245	1.77	£64,714	£41,190	£40,499
Southend-on-Sea	185	1.86	£48,067	£30,350	£32,208
Southwark	75	2.00	£91,621	£14,609	£13,999
St Helens	360	2.14	£56,167	£58,843	£71,960

ANNEX A: Illustrative allocations

Staffordshire	1,140	1.61	£206,615	£187,486	£171,550
Stockport	260	1.78	£74,854	£42,866	£43,140
Stockton-on-Tees	445	1.73	£49,306	£72,693	£71,969
Stoke-on-Trent	325	2.11	£77,694	£52,879	£64,138
Suffolk	1,210	1.73	£190,248	£200,279	£196,034
Sunderland	1,205	2.19	£91,454	£196,255	£247,012
Surrey	1,325	1.38	£233,021	£237,782	£170,367
Sutton	95	1.51	£43,008	£17,144	£13,391
Swindon	450	1.43	£44,873	£74,723	£59,908
Tameside	260	2.07	£67,319	£42,888	£50,332
Telford and the Wrekin	450	1.85	£45,167	£73,700	£77,913
Thurrock	105	1.65	£38,162	£18,056	£16,143
Torbay	410	2.43	£48,334	£66,742	£93,135
Tower Hamlets	50	2.13	£85,456	£9,740	£9,970
Trafford	215	1.66	£55,166	£35,461	£33,375
Wakefield	565	1.96	£96,184	£92,397	£103,455
Walsall	210	2.15	£83,523	£34,445	£42,135
Waltham Forest	55	1.67	£63,507	£9,578	£8,593

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Wandsworth	105	1.56	£75,685	£20,453	£15,340
Warrington	330	1.58	£48,051	£54,409	£48,854
Warwickshire	685	1.58	£130,351	£114,719	£101,123
West Berkshire	190	1.29	£29,219	£34,088	£22,907
West Sussex	1,225	1.58	£192,701	£203,378	£180,584
Westminster	70	2.12	£77,184	£13,638	£13,845
Wigan	530	1.96	£92,880	£87,451	£96,861
Wiltshire	2,205	1.52	£106,345	£373,436	£312,480
Windsor and Maidenhead	170	1.30	£27,793	£30,484	£20,646
Wirral	875	2.22	£105,022	£142,808	£181,872
Wokingham	180	1.00	£23,426	£31,905	£16,816
Wolverhampton	205	2.19	£80,295	£33,618	£41,969
Worcestershire	755	1.63	£139,103	£124,279	£115,234
York	395	1.38	£42,688	£64,609	£50,987
Total	83,925		£14,000,000	£14,000,000	£14,000,000

ANNEX B: Indicators used in 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
- 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