POLICY NOTE

THE NATIONAL ASSISTANCE (ASSESSMENT OF RESOURCES) AMENDMENT (SCOTLAND) REGULATIONS 2020

SSI 2020/54

The above instrument was made in exercise of the powers conferred by section 22(5) of the National Assistance Act 1948. The instrument is subject to negative procedure and will come into force on 6 April 2020.

Purpose of the instrument.

To increase the value of capital limits in line with the Consumer Price Index (CPI) currently forecast at 1.7%.

To increase the value of savings credit disregard in line with average earnings which is currently forecast at 3.6%.

Policy Objectives

Capital Limits

The background is that under section 22 of the National Assistance Act 1948 ("the 1948 Act") as applied by section 87(3) and (4) of the Social Work (Scotland) Act 1968, local authorities are required to charge residents in residential accommodation an appropriate contribution towards the cost of their residential accommodation (excluding any entitlement to free nursing and personal care under the Community Care and Health (Scotland) Act 2002 and associated regulations).

Section 22(5) of the 1948 Act provides that, in assessing a resident's ability to pay, the local authority shall apply regulations made by the Secretary of State. The applicable regulations are the National Assistance (Assessment of Resources) Regulations 1992 ("the 1992 Regulations"). By virtue of section 53(1) of the Scotland Act 1998, the functions of making and amending the 1992 Regulations as regards Scotland are devolved to the Scottish Ministers.

Within the financial assessment for residential care, anyone with capital worth £28,500 or more, including property, must meet his or her remaining accommodation costs (over and above any entitlement to free personal care and nursing care) in full. Where the capital falls between £18,000 and £28,500 the local authority must assist the resident in meeting the cost of the accommodation. Capital of £18,000 or less is not taken into account in assessing a contribution.

Increasing capital limits by inflation (when inflation is positive) would maintain the equilibrium and it would be expected that the same proportion of care home residents would be seen in each of the three capital bands. It is therefore recommended that, given the CPI is 1.7%, the capital limits of the lower capital limit will increase from £17,500 to £18,000 and the upper limit will increase from £28,000 to £28,500.

Savings Credit Disregard

The 1992 Regulations set out a number of different types of income that are to be disregarded when a local authority assesses a resident's income for the purpose of charging. Since the introduction of the State Pension Credit Act 2002 this has included a sum where a resident is in receipt of savings credit. These regulations increase the maximum weekly savings credit disregard from £6.50 to £6.75 for single resident and from £9.70 to £10.05 for couples. These increases are in line with the increase in average earnings (3.6%).

Consultation

To comply with the requirements of section 22(4) of the National Assistance Act 1948, the Cabinet Secretary for Health and Sport and COSLA have both been consulted and both agreed to this increase.

Impact Assessments

There have been no impact issues. The following action is being taken as a result of the inflation shown by the CPI and average earnings indicators.

Financial Effects

The Cabinet Secretary for Health and Sport confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Directorate for Community Health and Social Care
Scottish Gevernment
February 2020