

Examples of How the Proposed Change of £20 to £10 Affects Financial Assessments

The financial assessment is more complex than the examples show. However the examples illustrate how the reduction from £20 to £10 of Disability Related Expenditure may affect the contribution or not.

Even though the examples are simplified they are anonymised versions of real assessments.

Case Study one

John

John has income of £105.35 per week from benefits. He pays £20 per week towards his rent and spends £5 each week on disability related expenditure

What happens now:

The government says that John needs £105.35 to live on, based on his age and circumstances. The Council allows him to keep more than this amount by adding on a 25% buffer ($£105.35 + 25\% = £131.69$). The Council will also allow him to keep an extra £20 to cover his rent. The Council also allows £20 to cover his disability related expenditure (even though he only has costs of £5). The total amount of income that the Council would allow is therefore $£131.69 + £20 \text{ rent} + £20 \text{ DRE} = £171.69$.

Because John's income of £105.35 is lower than the amount allowable by the Council, John does not have to make a contribution to his services.

If the changes were made how this would affect John:

The amount of income that John would be allowed to keep would be $£131.69 + £20 \text{ rent} + £10 \text{ DRE} = £161.69$.

Because John's income of £105.35 is lower than the amount allowable by the Council, John still does not have to make a contribution to his services.

John is not affected by the proposals. He continues to pay no charge for his services.

Case Study Two

Amy

Amy has income of £242.50 per week that we include for assessment purposes. This includes income from her state pension, occupational pension and attendance allowance. She pays £3.46 each week towards her rent and spends £8.50 per week on disability related expenditure. She receives services which cost the Council £178 per week.

What happens now:

The government says that Amy needs £151.20 to live on, based on her age and circumstances. The Council allows her to keep more than this amount by adding on a 25% buffer ($£151.20 + 25\% = £189$). The Council will also allow her to keep an extra £3.46 to cover her rent. The Council also allows £20 to cover her disability related expenditure (even though she only has costs of £8.50). The total amount of income that the Council would allow is therefore $£189 + £3.46 \text{ rent} + £20 \text{ DRE} = £212.46$.

Because Amy's income of £242.50 is more than the £212.46, Amy has to pay the difference as a charge for the service she receives. The charge is equal to $£242.50 \text{ minus } £212.46 = £30.04$ per week.

How the proposed change would affect this:

The amount of income that Amy would be allowed to keep would be $£189 + £3.46 \text{ rent} + £10 \text{ DRE} = £202.46$.

Amy's charge following the proposals would be equal to her income of £242.50 minus $£202.46 = £40.04$.

Amy's charge would rise by £10 per week under the proposals.