

## POLICY NOTE

### THE NATIONAL ASSISTANCE (ASSESSMENT OF RESOURCES) AMENDMENT (SCOTLAND) REGULATIONS 2021

SSI 2021/77

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 2021.

#### **Purpose of the instrument**

**To increase the value of savings credit disregard in line with average earnings which is currently forecast at 1.9%.**

**To increase the upper capital limit from £28,500 to £28,750 in line with CPI forecast at 0.5%.**

#### **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.

The National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2020 amended the capital limits so that 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. It has been determined that this lower limit will remain in place for the financial year 2021/22 and this remains in place despite the partial revocation of the National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2020.

Annual increases to capital limits are increased in line with the Consumer Price Index (CPI), currently estimated to be 0.5%, and rounded to the closest £250. In line with this, the

National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2021 increases the upper capital limit from £28,500 to £28,750 from 6 April 2021 and maintains the lower capital limit at £18,000.

### *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 £6.75 to £6.90 for single resident and from £10.05 to £10.25 for couples from 6 April 2021. These increases are in line with the increase in average earnings (1.9%).

### **Consultation**

Prior to bringing these Regulations forward, the Cabinet Secretary for Health and Sport and COSLA have been consulted and have both agreed to this increase.

### **Impact Assessments**

There have been no impact issues. The following action is being taken as a result of the increase in average earnings and CPI 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.

Scottish Government  
Mental Health and Social Care Directorate  
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