PSS Shared Lives Guidance

**Calculating the Basic Payment Level for Shared Lives Carers**

**Introduction**

The **basic** payment is the payment made to reimburse the Shared Lives carer(s) for the cost of including a vulnerable person as a member of their household.

Shared Lives carers are also asked to provide **additional support and services** linked to the person’s service user plan or personal plan and will receive an **additional payment** for those services. The level of this additional payment will directly reflect the additional requirements made of the Shared Lives carer(s). The Shared Lives Plus profiling tool provides a method of calculating the level of the additional payment that is transparently linked to the additional requirements of the Shared Lives carer(s).

The **total payment** to the Shared Lives carer(s) is made up of:

* A basic fee for the care and support which is paid from the local authority, health, a personal budget, or someone self-funding
* A board and lodgings contribution from the person living in a Shared Lives arrangement towards the cost of heating, lighting and food in the household
* Room rent which is usually paid for by housing benefit, or if the person living in Shared Lives is ineligible they will need to pay this themselves
* Any additional payment linked to the requirements of the individual supported by the Shared Lives carer(s)

**Calculating the Basic Fee Level**

The following guidance is based on the model used in fostering which has been in use for many decades. The principle underpinning the model is that no foster carer(s) should subsidise the state to ensure that fostered children get the essentials of modern life. The purpose of this document is equally to ensure that people living in a Shared Lives arrangement are able to enjoy the same standard of living as any one else.

The model uses information in the Household Expenditure Survey to set the basic payment level. This survey is published by the Government’s Office for National Statistics and looks at the spending patterns of approximately 7000 households and calculates an expenditure figure for an average family. The most recent survey was carried out by the in 2012 and found that the average household expenditure was £489.00 per week[[1]](#footnote-1).

The McClements Equivalence Scale[[2]](#footnote-2) is then used to work out the cost of additional people living in the household. The cost of one additional adult in the household was calculated to be 36% of average household expenditure (in 2012 = £176.04).

Because the Household Expenditure Survey isn’t done every year, the figures are increased using the Retail Price Index Inflation figure for each subsequent year.

This figure reflects normal household expenditure and does not cover the extra costs that are incurred in supporting someone with a disability or additional care needs. It takes no account of any geographical weighting.

* Geographic weighting: Research evidence suggests that expenditure is only significantly higher in London where a 17.5% upward adjustment has been recommended. This will be kept under review as the cost of living in other parts of the country is rapidly catching up with London.
* Including a looked after child as part of your family: Research undertaken by Nina Oldfield at the University of York suggests that the cost of a foster child without a disability is around 38% higher than the cost of a same age child that is not looked after by the local authority. This provides a guide to the extra cost of including a vulnerable adult as a household member.
* Supporting someone with a disability or additional care needs: There are some additional costs that are associated with some kinds of care needs or disability eg: extra laundry costs associated with incontinence; extra wear and tear on clothes associated with wheelchair use; extra heating costs associated with someone with poor temperature control. These extra costs are taken into account in calculating the additional payment linked to the requirements of the individual.

1. Office for National Statistics <http://www.ons.gov.uk/ons/rel/family-spending/family-spending/2013-edition/index.html> [↑](#footnote-ref-1)
2. Office for National Statistics <http://www.ons.gov.uk/ons/rel/elmr/economic-and-labour-market-review/no--1--january-2010/using-the-oecd-equivalence-scale-in-taxes-and-benefits-analysis.pdf> [↑](#footnote-ref-2)