PSS Shared Lives Guidance

**Payment Model for Long Term Shared Lives Carers**

**Introduction**

Shared Lives Plus carried out a survey of Shared Lives payments and benefits across the UK between May and September 2005. The report based on this survey called Adult Placement Costs presents baseline information about current practices.

The survey showed that a very wide range of payment systems and structures were in use.

* Some differences stemmed from the view the local authority took of Shared Lives arrangements. Those that saw Shared Lives as a form of residential care tended to try and apply the payment system used for residential care to Shared Lives arrangements. These payment systems were often inappropriate to Shared Lives.
* Other differences arose as a result of the funding stream used to fund the placement. Shared Lives payments in the main were funded totally, or in part, through community care budgets, particularly in England. Systems for assessing need varied widely and resulting payments were not consistent.
* Banding criteria typically determined the level of Shared Lives fees paid through community care budgets. The rationales on which banding criteria were based varied widely. Client groups, level of support needs, and hours of care provided, formed the basis of a range of banding arrangements with varying degrees of complexity. This gave rise to a diverse range of payments across different schemes in all types of care.
* There was a lack of consensus over which items (if any) should attract additional payments to carer(s), particularly travel and equipment costs. Some schemes lacked any policy guidance so that additional payments were awarded on a seemingly arbitrary basis.

The purpose of the report was to provide base line information from which we could identify and establish good practice. Following the publication of the report, Shared Lives Plus established a working group of Shared Lives carers and schemes, whose remit was to produce good practice guidance about the structure and level of Shared Lives fees. The working group recognised that a transparent, equitable and fair payment system is vital to the recruitment and retention of Shared Lives carers. Equally people using Shared Lives services must be confident that they will retain a level of disposable income that enables them to be as independent as possible, to pursue interests and participate in community life. The wide variation in payment systems and charging policies lead to clear inequities and the preponderance of payment and charging systems based on a residential care model are damaging to Shared Lives.

Fair remuneration and fair charging policies are both therefore important for the continuing success and growth of Shared Lives. The payment model described below is designed to ensure that Shared Lives carers who provide long term accommodation and support and care are fairly and appropriately remunerated. It is based on a series of underpinning principles that are linked to those underpinning Shared Lives. This linkage is intended to ensure that the payment model is appropriate to Shared Lives and will not inadvertently distort the way in which Shared Lives arrangements are seen and provided. Shared Lives Plus is separately producing guidance on charging in Shared Lives that address some of the current inequities in Shared Lives charging policies.

**DEFINITIONS**

**Monetary Payment**

The amount of money that the Shared Lives carer(s) receives each week for accommodation, board and support.

**Total Payment**

The money paid to the Shared Lives carer(s) each week together with other benefits (such as paid respite care)

**Long Term Care**

Long term care is defined as ‘care that is intended to be permanent and lasts longer than 26 weeks’.

*Note: This definition is in line with the definitions used for tax and regulatory purposes. Specifically:*

* *Income Support regulations make a distinction between ‘temporary’ and ‘permanent’ care which is linked to the intention for the placement. The Shared Lives carer(s) payment for temporary care is disregarded for the purpose of most means tested benefits.*
* *Similarly the Ordinary Residence rules make a distinction between placements that are intended to be permanent and placements that are temporary. Originating authorities retain financial responsibility for temporary placements.* Ordinary residence rules will change when the Care Act is introduced in April 2015.
* *Through Qualifying care relief Her Majesty’s Revenue and Customs (HMRC) disregards the first £10000 of all Shared Lives carers income per household[[1]](#footnote-1) plus £250 for each week or part of a week of care/support provided to each person supported. HMRC have a pre-recorded webinar which explains how Qualifying care relief works in practice available at* <https://www.youtube.com/watch?v=IP7jcNGRbqE>

**UNDERPINNING PRINCIPLES**

1. Shared Lives arrangements offer people an opportunity to be supported within an ordinary household or family. Supporting someone within your own home and sharing your family life with them is very different from working in or managing a residential care home. Shared Lives carers do not work shifts or have regular time off. They do not employ staff to provide care to the person placed with them and have responsibility for them 24 hours a day and 7 days a week. They have to balance the needs and wishes of everybody in the household and maintain their own personal life while having 24/7 responsibility for the person placed with them.
2. **As a community based model of care and support it is not appropriate to use a residential payment model for Shared Lives carer(s)[[2]](#footnote-2). People living in Shared Lives arrangements are not classed as living in residential accommodation and CRAG[[3]](#footnote-3) (Charging for Residential Accommodation Guide) should not be used to calculate the payment to the Shared Lives carer.**
3. The Shared Lives carer payment model should be easy to understand, transparent and fair.
* The monetary payment is only part of the total payment package. The total payment will also include a range of non financial benefits. The payment model should therefore set out both the monetary payment and the other benefits that the Shared Lives carer(s) will receive.
* The monetary payment will come from a number of different sources (most usually Housing Benefit for the rent of the room, a contribution from the person placed towards their board and a payment from the local authority or personal budget for support provided by the Shared Lives carer). **The payment model should guarantee a total payment linked to the requirements made of the Shared Lives carer(s) and regardless of any changes in the different funding sources.** Thus (given the requirements made of the Shared Lives carer(s) remain the same) if one source of funding is reduced the placing authority is responsible for ensuring that the Shared Lives carer(s) continues to receive their agreed total payment. Equally if one source of funding (e.g. Housing Benefit) is increased the total payment to the Shared Lives carer(s) will remain the same as it is linked to the requirements made of the Shared Lives carer(s) and not the funding stream.

*Where the person has a Personal Budget*

*Where the Shared Lives carer(s) is providing support to someone with a personal budget,the individual will normally pay for the cost of their board from their benefits and their support from their personal budget. Payment for support must be made directly to the Shared Lives scheme. The level and method of payment will be agreed and set out in financial agreement between the person,the Shared Lives carer(s) and the Shared Lives scheme. Where the cost of accommodation is met through Housing Benefit there will need to be a separate agreement with the placing authority that any shortfall caused by a decrease in the Housing Benefit payment will be met by the placing authority.*

* There should be a review of the total payment package in the light of any change in the level of need of the person or the requirements made of the Shared Lives carer(s). Reviews should be held at least annually or more frequently if the needs of the person are changing rapidly.

*Where the person has a Personal Budget*

*A change in the level of need of the person will be reflected in the amount of money in the personal budget. Where the money is increased the person is in a position to choose whether it should be spent in purchasing extra support from the Shared Lives carer(s) or from elsewhere. The decision should be made in consultation with the Shared Lives carer(s) as it will impact both upon the Shared Lives carer(s) and on the household.*

* There should be an annual uplift of the monetary payment to the Shared Lives carer(s) which should be linked to an accepted annual inflation indicator such as the Retail Price Index (RPI) or Consumer Price Index (CPI).

*Where the person has a Personal Budget*

*This annual uplift will normally be reflected in the level of the charge for rent, board and support. The financial agreement between the individual and the Shared Lives carer(s) should contain provision for an annual uplift, the level to be linked to the annual rate of inflation.*

* Where the support payment is subject to charging, the local authority or exceptionally the Shared Lives scheme will have responsibility for collecting the charge. This should not be the responsibility of the Shared Lives carer(s).
1. Successful long term Shared Lives arrangements involve **regular breaks** for both the Shared Lives carer(s) and the person in the Shared Lives arrangement and a **range of purposeful day time, occupational and leisure activities for the person outside the family home** and involving people other than the Shared Lives carer(s). The monetary payment to the Shared Lives carer(s) should only be part of the funding package for the person using or living in a Shared Lives arrangement.

The total funding package will also include:

1. **Funded day time and leisure activities outside the family home**
2. The Shared Lives carer(s) monetary payment will cover the cost of accommodation, board and morning, evening and weekend support.
3. Day time activities Monday – Friday should be tailored to the requirements of the individual and funded (and ideally provided) separately.

For people of working age: Funding should be sufficient to allow the person to be involved in purposeful activity outside their home for 6 hours each day.

For retired people: Funding should be sufficient to allow the person to be involved in a range of activities inside and outside the home.

*Where the person has a Personal Budget*

*Where the person has a personal budget, funding for day time activities will normally be included in their budget. The individual is then in a position to decide, with support where needed, how this money is best spent.*

1. **Transport**

Shared Lives carers should be able to receive a contribution from the individual towards the cost of petrol where they are using their car for journeys specifically for the individual. The reason for and level of the contribution must be agreed at the Shared Lives Arrangement Agreement meeting or at the Shared Lives arrangement review.

Where one individual has purchased a vehicle through the Motability Scheme, this vehicle should only be used for journeys made for the benefit of that person.

1. **4-6 weeks funded short break** for the Shared Lives carer(s)
2. Local authorities/schemes should directly fund the cost of the short break at no cost to the Shared Lives carer(s).
3. Local authorities/schemes should avoid funding the cost of the short break through an extra payment to the Shared Lives carer(s) because of adverse tax and employment implications.
4. The Shared Lives carer(s) should continue to receive accommodation and support payments (but not payments for board) while the individual is having their break.
5. Suitable short break provision should be identified with each person at a placement arrangement meeting. The suitability of this short break provision should be reviewed at the Shared Lives placement review meeting. The scheme should ensure that appropriate short break provision is identified for each person in a long term arrangement.
6. Short breaks should be able to be provided flexibly in response to family or other emergencies with pro-rata payments for short periods e.g. an evening or afternoon.
7. **Introductory Periods**

Shared Lives carer(s) should receive a pro rata payment for planned introductory visits after the match between the person and the Shared Lives carer(s) has been provisionally agreed.

1. **Payment following the ending of a Shared Lives arrangement**

Planned Endings

Where the individual gives notice that they wish to end the arrangement:

1. The Shared Lives carer(s) should normally receive full monetary payment for the notice period (normally 28 days).
2. Where there is a gap between the ending of one arrangement and the beginning of the next the local authority may wish to consider paying a retainer fee to cover ongoing expenses in order to avoid losing a valuable and cost effective resource.

Where the Shared Lives carer(s) gives notice that they wish to end the arrangement:

1. The Shared Lives carer(s) will receive full monetary payment for the notice period (normally 28 days) except where at the Shared Lives carer(s) request the arrangement ends before the end of the notice period the monetary payment to the Shared Lives carer(s) will end with the ending of the arrangement.

Unplanned endings

1. Except where an arrangement has ended because of a proven allegation of abuse against the Shared Lives carer(s), the Shared Lives carer(s) should receive full monetary payment for the notice period (normally 28 days).
2. Where someone has died in a Shared Lives arrangement: The Shared Lives carer(s) should receive full monetary payment for 28 days after the death of the person.[[4]](#footnote-4)
3. **Absences**

Absence of the person living in a Shared Lives arrangement because of a hospital stay

For the first 4 weeks: Shared Lives carer(s) should continue to be paid in full (recognising that Shared Lives carer(s) will continue to be involved in supporting the person in hospital).

From 4 weeks: The Shared Lives carer(s) should continue to be paid for accommodation and support but not for board. Where accommodation is funded through housing benefit local authorities will need to consider making an ex gratia payment to cover the loss of income from housing benefit. This arrangement should be reviewed every four weeks until the person returns home or the arrangement ends.

Absences because of a holiday taken by the person living in the Shared Lives arrangement in addition to their agreed short break

The Shared Lives carer(s) should continue to receive accommodation and support payments while the individual is having their break. The individual will not continue to pay for board as that money will go towards the cost of meals during their break.

Absence because of a temporary suspension of the arrangement following an allegation against the Shared Lives carer(s)

The Shared Lives carer(s) will continue to be paid in full during the period of suspension of the arrangement [in line with the Scheme or local authority policy on suspension].

Absence of the individual because of the illness or hospitalisation of the Shared Lives carer(s)

For the first 4 weeks: Shared Lives carer(s) should continue to be paid in full.

After four weeks: Where the Shared Lives arrangement is to continue: The payment will be reduced. The placing authority will continue to pay a retainer which takes into account the continuing costs of retaining a place for the individual in the home of the Shared Lives carer(s).

Where the Shared Lives arrangement is not to continue: The Shared Lives carer(s) should receive payment in full for a further 28 days in lieu of notice.

1. **Training**

Shared Lives schemes should support Shared Lives carer to attend training courses by covering the costs of the course and the Shared Lives carer(s)’s travel costs. Where a course is held at a time when the Shared Lives carer(s) has caring responsibilities, the scheme should cover any additional costs incurred by the Shared Lives carer(s) for alternative care arrangements necessary in order to attend the course.

1. **Public Liability Insurance**

All Shared Lives carers must have the relevant public liability insurance

1. **Shared Lives Plus Membership**

Shared Lives Plus Shared Lives carers membership provides:

Full membership includes all of the benefits below. Basic membership includes all benefits with the exception of the Public Liability Insurance. Shared Lives carer contact with Shared Lives Plus is confidential and not shared with schemes unless requested by the Shared Lives carer. Our membership offer to Shared Lives carers includes:

* A confidential Shared Lives carer support and advice line
* A member’s only advice line hosted by South Liverpool Citizen’s Advice Bureau giving information about benefits and housing
* Full Shared Lives Plus members’ Public Liability insurance
* Legal helpline and expenses cover
* An online forum where Shared Lives carers can connect and share their knowledge
* Discounted conference fees
* Shared Lives carer breaks and funding for local/regional events
* Support and guidance to develop and maintain Independent Shared Lives carer groups

**The Shared Lives carer payment model**

The model should include three areas of payment:

1. A care and support payment which is paid from the local authority, health, a personal budget, or someone self-funding their care/support.

* Any care and support payment should **not** be linked (even notionally) to ‘hours worked’. This approach is inappropriate to Shared Lives arrangements and can distort working practice.
* The level of any care and support payment should be transparently linked to the assessment of the requirements and needs of the individual which in turn should inform the scheme matching process and underpin the Service User Plan.
* The additional payments/services should be reviewed after 3 months and then against the changing requirements of the arrangement.

The scheme should use the information provided in the care management assessment or the self-assessment questionnaire as the basis of its own decision on banding levels. Most schemes will want to supplement the information given in these assessments.

1. A payment to the Shared Lives carer for the accommodation provided. The rent for the room which the person living in the Shared Lives arrangement occupies is usually paid for by housing benefit, or if the person living in Shared Lives is ineligible they will need to pay this themselves.

Differing HB payments should not be allowed to affect the level of this basic payment

The basic fee level should be linked to evidenced household costs (mirroring the approach used by Fostering Network)

1. A payment to the Shared Lives carer towards the cost of daily living e.g. food and utilities. The board and lodgings payment is made by the person living in the Shared Lives arrangement to the Shared Lives carer, and figure of what they will contribute is agreed when the arrangement is set up and included in the Arrangement Agreement
1. Known as Qualifying Care relief for adult placement carers <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323599/hs236.pdf> [↑](#footnote-ref-1)
2. Housing benefit circular from DWP detailing Shared Lives arrangements exemption from being classed as residential care <http://www.espconsultancy.com/product_flyers/Circulars_2005/A20-2005.pdf> [↑](#footnote-ref-2)
3. CRAG charging <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301250/CRAG_34_April_2014.pdf> [↑](#footnote-ref-3)
4. It is acknowledged that housing benefit payments will stop immediately following the death of the person and that local authorities do not have the power to fund accommodation costs in unregistered settings. In that circumstance, the local authority should consider making an ex gratia payment that covers the loss of income from housing benefit for the 28 days. [↑](#footnote-ref-4)