London Borough of Waltham Forest

Report Title	Fairer Contributions Policy: Proposal for changes to Minimum Income Guarantee uplift
Meeting / Date	Cabinet, 7 October 2025
Cabinet portfolio	Councillor Louise Mitchell, Portfolio Lead Member for Adults and Health
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Wards affected	All
Public access	Open
Appendices	Appendix 1: Public consultation analysis report Appendix 2: Equalities Impact Assessment Appendix 3: Health and Wellbeing Matrix Appendix 4: Consultation background documents Appendix 5: Easy Read consultation document and questionnaire.

Summary

1.1 On 6 May 2025 Cabinet agreed to consult on the proposal to review the Fairer Contributions Policy; in particular the removal of the 25% discretionary uplift applied to the national Minimum Income Guarantee for adults receiving non-residential care. This report represents the outcomes from the 12-week public consultation and alternative proposals received. The report seeks Cabinet agreement to proceed with the proposed reduction and removal of the 25% discretionary support provided above the Minimum Income Guarantee and sets out the rationale for this recommendation.

1.2 The report sets out how the Council will support residents that currently receive the 25% discretionary uplift and will set out how the Council will support those disproportionately affected to transition to the reduced level of support. It also sets out timeframes, should the council decide to implement a reduced level of support.

2. **Recommendations**

2.1 Cabinet is recommended to:

2.1.1 Consider the responses to the public consultation and alternative proposals put forward by residents, as outlined in Appendix 1 and Section 4.1 & 6 of this report.

2.1.2 Note mitigating measures to support residents through any transition set out in Section 3.5 of this report.

2.1.3 Note the recommendation from Health and Adult Social Care Scrutiny Committee set out in paragraph 6.10.

2.1.4 Agree to proceed with the proposed phased reduction and removal of the discretionary uplift applied to the Minimum Income Guarantee as follows:

- 2025/26: An initial reduction from 25% to 10%, in November 2025
- 2026/27: A further reduction from 10% to 0% in November 2026

2.1.5 Delegate Authority to the Strategic Director Adult Services and Quality Assurance to make the necessary changes to the Fairer Contributions policy reflecting these changes.

3. Proposals

3.1 Waltham Forest currently applies a 25% discretionary uplift to the nationally set Minimum Income Guarantee (MIG), providing additional financial support to residents receiving non-residential adult social care. While this policy has offered enhanced protection, benchmarking (based on 29 London authorities and 50 nationwide) shows that the Council is now one of only three London boroughs and one of only five councils nationwide maintaining this level of uplift.

3.2 On 6 May 2025, a Cabinet paper outlined that in response to significant financial pressures facing the Council, a review was undertaken to assess whether the current level of discretionary support through the Minimum Income Guarantee uplift remains sustainable, equitable, and aligned with the Council's broader financial strategy. This review formed part of the Council's broader financial recovery and transformation programme, aimed at ensuring resources are targeted where they are most needed and policies remain equitable and sustainable.

3.3 Following this review, the Council consulted on a proposal to explore the potential of a phased reduction of the discretionary uplift from 25% to 0% over the next two financial years. The consultation sought to understand stakeholders' views on the proposal, the potential impact on residents and invited alternative proposals. The consultation responses have informed the development of options and mitigations, ensuring resident feedback is reflected in the final proposals.

3.4 Evidence from other local authorities and financial modelling suggests that a reduction could generate income to support core services, while aligning Waltham Forest with regional norms. A reduction of the uplift from 25% to 10% could generate potential additional income of between £1 million and up to £2.0 million in a full year. If the proposal is agreed for further reduction from 10% to 0%, this may generate a further £750,000 to £1.7 million in a full year. This income presents an opportunity to be reinvested into adult social care services to manage increasing demand. In the context of an existing overspend, these savings would play a critical role in supporting the council's broader budget strategy and ensuring adult social care operates within its allocated budget while continuing to meet statutory responsibilities.

3.4.1 **Financial Impact**

3.4.2 The proposed changes will not affect residents whose financial circumstances exempt them from contributing to care costs. This includes individuals receiving fully funded healthcare or those supported under Section 117 aftercare. A small number of people who currently do not contribute, based on their most recent financial assessment, may be impacted by this change. However, they can request an updated financial assessment if needed. Individuals whose care and support are funded through Continuing Healthcare or Section 117 aftercare will remain unaffected. Additionally, income that is currently disregarded, such as the mobility component of PIP or DLA, and earnings from employment that are excluded from financial assessments, will not be impacted by this change. Residents with savings or assets above the statutory upper capital limit (£23,250 in 2025/26) are already required to self-fund, while those below the minimum capital limit (£14,250 in 2025/26) are not expected to contribute from their savings.

3.4.3 The financial impact on individual residents will vary depending on income, care package, and current contribution levels. Table 1 illustrates the potential financial impacts based on data from 2,791 current service users:

- 48% (1345) are unlikely to see a change to their current contributions
- 41% (1145) may see an increase to their contributions.
- 11% (300) could begin contributing for the first time.

Table 1: Impact of 10% MIG Uplift on Service Users by age group as of September 2025

Total clients in each group		**% of the group**			*** Average increase**
		No change	**Increased contributions**	**First time contributions**	
Young Adult (18-24)	167	66%	31%	2%	£21 per week £91 per month £1092 per year
Working Aged Adult (25-64)	1206	46%	45%	9%	£24 per week £104 per month £1248 per year
Older Adult 65+	1418	48%	39%	13%	£35 per week £152 per month £1820 per year
Total	**2791**	48%	41%	11%	

*The average increase is dependent on individual financial circumstances and may be lower for some residents based on their assessed ability to contribute.

3.4.4 While the number of residents affected is relatively small, the financial impact is substantial. The proposed changes could generate significant income, as outlined in section 3.4.

3.4.5 Should Cabinet make the decision to reduce the level of discretionary uplift to the Minimum Income Guarantee a package of mitigations is proposed to ensure that those most affected receive appropriate support. These measures make use of existing Council services and support pathways already established to assist residents experiencing financial difficulty and have been shaped in recognition of the potential impact on residents as identified in the revised equalities impact assessment at Appendix 2 and Section 7.3.

3.5 **Mitigating Measures**

3.5.1 The proposed mitigations are directly informed by the consultation findings outlined in section 6.5.4. Residents were asked to identify the types of support they would find most helpful if the proposed reduction to 10% uplift were implemented. The most highly rated options included: clear accessible communication; reviews of personal financial circumstances; benefit advice; support from social workers; and access to a hardship or relief fund.

3.5.2 **Inclusive communication and community based engagement**

To ensure residents understand the changes and know how to access available support, the Council will deliver accessible communication, including Easy Read formats and engagement with community groups. This will help ensure information is inclusive and reaches those who may face barriers to accessing services.

In addition, residents will be signposted to Opportunity Max, which offers tailored advice on benefits, financial support, and employment opportunities. Weekly Community Drop in sessions across the borough will also provide informal face to face support with form filling, accessing online services, and navigating available resources.

3.5.3 **Targeted financial support and outreach**

Policy in Practice's 2024 report, Missing Out, estimated that £23 billion in benefits and social support went unclaimed across the UK, affecting more than 7 million households[1]. This includes more than £5bn unclaimed benefits that are locally administered, including £3.4bn unclaimed council tax support. To help residents maximise their income and reduce financial vulnerability, the Council will implement a targeted outreach approach using the LIFT platform. This data driven tool enables the Council to proactively identify individuals most at risk of financial hardship and offer tailored support.

Through this initiative, the Council will:

- Identify residents who may be missing out on eligible benefits or entitlements. This may include:
    - Universal Credit
    - Personal Independence Payment
    - Pension Credit
    - Attendance Allowance
    - Carer’s Allowance
- Encourage and support benefit claims, helping residents access financial support to which they are entitled to.
- Inform residents of alternative support options, including local hardship schemes, Opportunity Max, community resources, and advice services.
- Where appropriate, refer residents to social workers for additional support.
- Explore flexible payment arrangements to help residents manage care contributions in line with their financial circumstances.

This targeted approach ensures that support reaches those who need it most, helping to reduce the risk of financial hardship and maintain stability for those affected.

[1] *Source: Policy in Practice (2024). Missing Out Report (2024) https://policyinpractice.co.uk/publication/missing-out-2024/*

3.5.4 **Access to financial support:** In response to the consultation findings, the Council will utilise the existing Local Welfare Assistance (LWA) Scheme to support residents who may experience financial difficulty as a result of the proposed changes. To meet potential increased demand Adult Social Care will contribute an additional £150,000 to the existing LWA scheme, which will be used throughout the 2 year transition period as the discretionary uplift is reduced and removed.

3.5.5 By topping up the existing LWA scheme and signposting residents to the fund, access to financial support is simplified for residents who may be in financial hardship due to the MIG or other factors.

3.5.6 In accordance with the existing LWA policy, the LWA scheme provides discretionary payments to support residents who are experiencing exceptional financial difficulty. This may include those impacted by increased care contributions following the reduction of the MIG uplift.

- To be eligible applicants must meet the following criteria:
    - Be aged 16 or over

    - Resident in Waltham Forest,
    - Have recourse to public funds,
    - Have no access to savings that could reasonably be used to meet their need,
    - Be experiencing severe financial hardship that poses a risk to their health and safety
- The scheme provides support for essential needs such as
    - Food
    - Utilities
    - Household goods e.g. Furniture and white goods.
- All applications will be financially assessed to determine their eligibility.

3.6 **Implementation Timeframes**

Should Cabinet make the decision to approve the proposal, the following timeframes are proposed as outlined in the Table 2 below:

Our intention is to write to residents as soon as possible after Cabinet take their decision.

Table 2: Proposed implementation plan

Period	Activity
From 14 October 2025	Financial assessments and communications for new contribution levels based on 10% uplift. Signposting to support and ongoing transitional support and monitoring.
From 3 November 2025	Changes to contributions applied
From 29 December 2025	Billing process reflecting new contributions begins
From January 2026	Residents receive new bills. Payments due within 14 days. Payment options and support included.
From March 2026	Financial assessments and communications for annual benefits uplift.
From April 2026	Annual changes to contributions applied
From October 2026	Financial assessments and communications regarding new contribution levels based on 0% uplift. Signposting to support.
From November 2026	New charges reflecting 0% uplift applied

4. Options & Alternatives Considered

4.1 Of the 2574 individuals invited to participate in the consultation, we received 109 responses representing a response rate of 4%. Of those, 78 respondents were receiving non-residential community care and support arranged by Waltham Forest and 45 respondents were carers for someone who received care and support. Some individuals fell into both categories. 45 respondents were contributing towards the cost of their care.

To encourage greater participation significant efforts were made through multiple engagement methods, including direct outreach, targeted communications, and accessible formats. Further detail on the engagement approach is provided in Appendix 1.

4.2 As part of the consultation residents were asked to consider a range of alternative options to the proposed reduction and removal of the MIG uplift (Reduced from 25% to 10% and the 0% the following year) The response to these are summarised in Table 3.

Table 3: Consultation Feedback on Proposed Alternatives

Alternative options	Consultation response
No Change: maintain the current 25% uplift	53% in favour
Retain and uplift lower than 25% but at least 5%	21% supported this approach
Reduce from 25% to 5% and then to 0%	6% supported this approach
Remove uplift in a single step	6% supported this approach
Other alternatives	10% comments suggested the council should seek savings from elsewhere and maintain the current uplift
No alternatives should be considered	7%

4.3 We acknowledge that 53% of respondents were in preference of retaining the current uplift. Mitigating measures are detailed in Section 3.5 in line with the support measures outlined in the consultation feedback 6.5.4.

4.4 The recommended option is to proceed with the phased reduction to the discretionary uplift from 25% to 10% in November 2025 and a further reduction to 0% in November 2026, which balances the need for a sustainable approach that adopts a more gradual transition for residents.

5. **Council Strategic Priorities (and other National or Local Policies or Strategies)**

5.1 Mission Waltham Forest is committed to ensuring the Council operates on a firm financial footing, securing long term sustainability while continuing to support residents effectively.

5.2 By aligning with national policy and Mission Waltham Forest's goals, the Council aims to balance financial resilience with inclusive and equitable service delivery.

5.3 Waltham Forest is currently one of three local authorities applying a 25% discretionary uplift, with most others applying a lower uplift or none at all. The recommended approach brings the Council more in line with regional practices while maintaining a fair and equitable system for residents.

5.4 The Council acknowledges the Government's ongoing review of local authority funding mechanisms and awaits the outcome of the fairer funding settlement. While the current proposal aims to improve fairness and regional alignment, future national reforms may impact the Council's financial position and approach.

6. **Consultation**

6.1 A 12 week public consultation was carried out between 22 May 2025 to 13 August 2025 inviting feedback on the proposal to reduce or remove the discretionary uplift to the Minimum Income Guarantee (MIG). The consultation was promoted via the Council's website, social media, and through direct engagement with service users, carers, voluntary sector partners and provider markets. Respondents were asked to comment on the proposed changes, share their views on the potential impact, and suggest alternative approaches.

6.2 To ensure the consultation on proposed reduction and removal of discretionary uplift to the Minimum Income Guarantee was accessible and inclusive, a range of engagement activities were undertaken

- Public Perspectives were commissioned to host and manage the consultation platform and conduct the final analysis.
- Direct mail sent to over 2,500 service users and their representatives, outlining the proposals and available support. This included contact details for the Financial Assessment Team, CAB, Age UK and details of in person community drop ins.
- Service Users who wanted to complete a paper copy of the consultation were able to make these requests via email or telephone.

- Consultation documents were provided in Easy Read and other accessible formats, such as large print and translated versions (available upon request).
- Frequently asked questions and an Easy Read version of the document was published online to improve accessibility
- An online survey was available with hard copies available upon request
- A dedicated email address was set up for residents to send queries and request for accessible formats.

6.3 A detailed analysis of the consultation findings is set out in Appendix 1.

6.3.1 We received 109 responses to the consultation. Of those, 78 respondents were receiving non-residential community care and support arranged by Waltham Forest and 45 respondents were carers for someone who received care and support. Some individuals fell into both categories. 45 respondents were contributing towards the cost of their care.

6.4 The consultation sought views on the proposed options to reduce the discretionary uplift, identify appropriate mitigation measures to support those affected and the perceived impact of the proposed changes.

6.5 **Headline findings:**

6.5.1 **Level of agreement with the proposal (Figure1):**

- 61% strongly disagreed, with a further 8% tending to disagree.
- 11% respondents agreed or tended to agree with the proposal
- 13% neither agreed or disagreed, and 6% were unsure

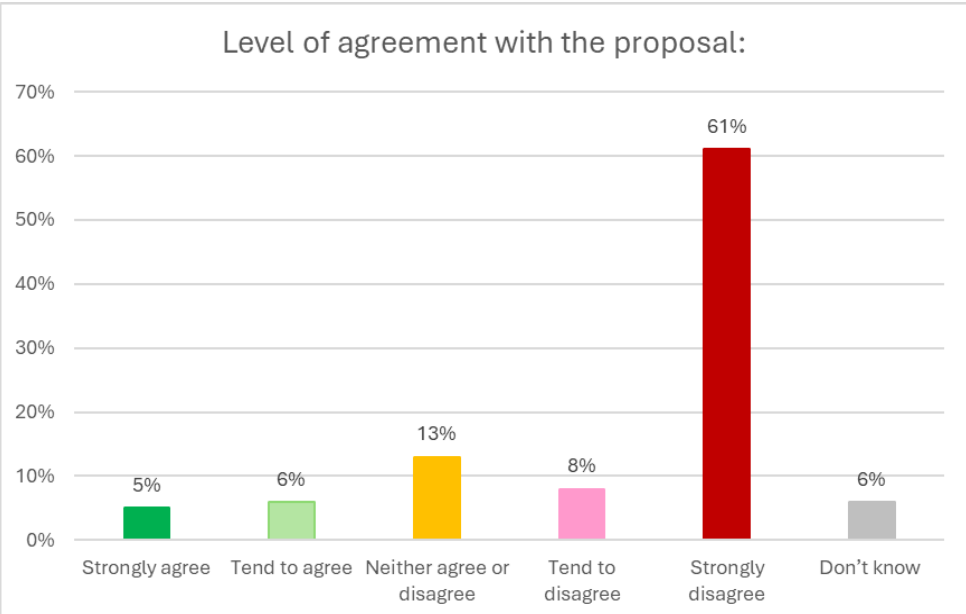

Figure 1: Level of agreement with the proposal

6.5.2 **Potential impact of the proposal (Figure 2):**

- 65% of respondents anticipated a negative impact
- 6% felt the impact would be positive
- 15% reported a neutral impact, and 9% were unsure.

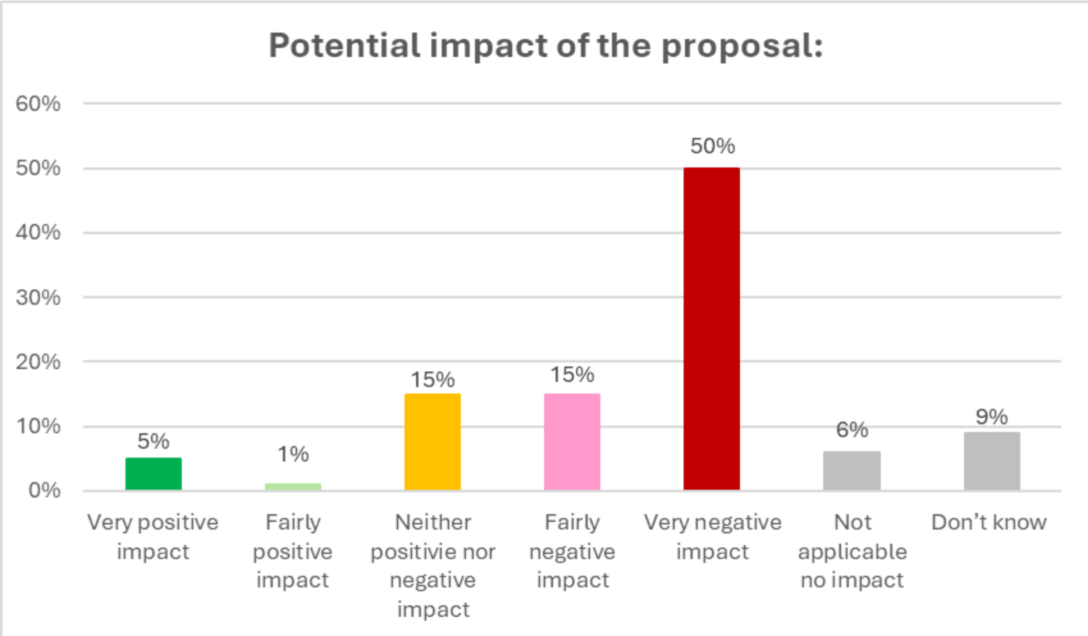

Figure 2: Potential Impact of proposal

6.5.3 **Alternative approaches suggested:**

- 53% preferred no change, maintaining the current 25% uplift.
- 27% reported retaining a lower uplift (e.g. 5-10%)
- 6% supported removing the uplift immediately without a phased approach.
- 10% suggested the council should seek savings from elsewhere and maintain the current uplift
- 7% felt no alternative should be considered.

Note: Respondents were invited to select all relevant answers so the total will not add up to 100%

6.5.4 **Support measures requested:**

Respondents identified several forms of support that should be considered if the proposal is implemented:

- 52% requested a review of individual financial circumstances.
- 52% supported access to a hardship fund.

- 47% wanted discussions with a social worker to explore additional support.
- Other suggestions included assistance with benefits (37%), financial advice (31%), flexible payment plans (33%), and information about community resources (30%).

Note: Respondents were invited to select all relevant answers so the total will not add up to 100%

These suggestions directly informed the proposed mitigation measures outlined in section 3.5

6.6 **Themes from open text comments**

In the open text comments, those who felt the proposal would have a negative impact highlighted financial pressures and concerns about affordability, as well as potential implications for their health and wellbeing and access to care services. (see Appendix 1 for full comments).

Some respondents expressed support for the proposal, recognising the need for financial sustainability or fairness in the system. These comments tended to reflect a broader understanding of the pressures on public services.

6.7 It is important to clarify that all contributions remain means tested, based on an individual's ability to pay ensuring affordability is maintained. Care packages will not be reduced as a result of this change.

6.8 Should the proposal go ahead, mitigating measures will be available for those who may be significantly affected by the changes. These include inclusive communication, community-based engagement, targeted financial support and outreach and an additional £150,000 allocated to the Local Welfare Assistance Scheme. Full details of these measures are outlined in section 3.5.

6.9 The original Equalities Impact Assessment (EQIA) identified that younger individuals under 25, older adults (65+), and disabled residents, particularly those with learning disabilities or mental health conditions, may be disproportionately affected by a reduction to the MIG discretionary uplift due to lower average incomes. The consultation confirmed these concerns and provided additional insights into the wider challenges residents face, including low income, unemployment, and poor health. These issues often overlap with protected characteristics such as age, disability, and ethnicity. The findings have informed the development of mitigation measures, as set out in section 7.3.4.

6.10 A report was taken to Health and Adult Social Scrutiny Committee on 25th September 2025 informing them of the outcomes of the public consultation. The committee requested that, should Cabinet take the recommended decision, that a report is presented to the Scrutiny Committee nine months after implementation which includes information on the financial impact on the service, and the impact of the removal of the subsidy on service users. The Committee also recommended that the service provide in that report evidence of the efforts made to reach out to service users to signpost them to agencies who can support them as part of mitigating the effects of any MIG changes.

7. **Implications**

7.1 Finance, Value for Money and Risk

7.1.1 The Council is facing increasing budget pressures across a range of services with in-year service pressures of £31.412 million as per month 3 budget monitor and a current budget gap of £15.331 million for the 3-year period 2026/27 to 2028/29. The future funding position beyond 2025/26 is currently unknown but is dependent upon the outcome of the reforms to local government funding. The Council uses its reserves to manage financial risks and support the delivery of savings, but earmarked reserves were at £47.537 million on 1st April 2025.

7.1.2 The proposed changes aim to ensure the Council is on a firm financial footing, supporting long-term sustainability and addressing financial pressures in adult social care. By reducing the MIG uplift, the Council will reduce its budgetary strain and align with national trends, ensuring that limited resources are allocated more effectively to meet growing demand.

7.1.3 Based on the current available data on service users, revising the MIG + 25% to 10% in the Fairer Contribution Policy, could generate potential additional income of between £1 million and up to £2.0 million in a full year. If the proposal is agreed for further reduction from 10% to 0%, this may generate a further £750,000 to £1.7 million in a full year.

7.1.4 There are several variables that can impact the estimated figures and continued revised modelling will be required as the policy changes take shape, and in implementation if the proposal is agreed.

7.1.5 Currently, the 25% uplift in discretionary support represents around £34 to £58 per week for a service user. This amount is applied above the MIG, and is excluded from the means tested financial assessment, so that in addition to the MIG a resident is left with additional weekly income towards their basic living expenses. The proposal would remove this discretionary support, to the service user and the impact of this is contained within the modelling to increase the overall potential income for the council.

7.1.6 Adult Social Care are proposing to set aside £150,000 to add to the existing Local Welfare Assistance (LWA) Scheme to support residents who may experience financial difficulty. This will need to be funded from the estimated additional income arising from the removal of the MIG.

7.2 Legal

7.2.1 Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives Local Authorities discretionary powers to charge adults in receipt of non-residential services. Statutory guidance which the authority must follow sets out a broad framework to help councils ensure that their charging policies are designed to be fair and to operate consistently with their overall social care objective.

7.2.2 Local authorities have a legal duty to arrange care and support for those with eligible needs, and a power to meet both eligible and non-eligible needs. In all cases, a local authority has the discretion to choose whether to charge under Section 14 of the Care Act 2014 following a person's needs assessment. Where it decides to charge, it must follow the Care and Support (Charging and Assessment of Resources) Regulations 2014 and have regard to Statutory Guidance issued pursuant to Section 78 The Care Act 2014 (which the Local Authority is obliged to act in accordance with). Section 8 of the Guidance is applicable to this decision.

7.2.3 The Care Act Guidance specifies that when introducing a significant change in policy or practice that may affect service users, there is a need to consult. Any proposed changes to the Fairer Contributions policy and MIG uplift, is a significant proposed change and requires careful consideration, consultation and stakeholder engagement.

7.2.4 The Equality Impact Analysis at Appendix 2, details the negative impact on protected groups which cannot be fully mitigated. Members must be satisfied that the negative impacts identified that cannot be fully mitigated are justified and a proportionate means of achieving the outcomes sought.

7.2.5 The consultations have taken place at the formative stage, provided information on the proposal being consulted upon and reasons for that proposal, has provided adequate time for consideration of the proposals and response. Cabinet Members must consciously take into account any consultation responses and options proposed before taking its decision. Consultation responses are not binding on decision makers but must be taken into account.

7.3 Equalities and Diversity

7.3.1 A thorough Equalities Impact Assessment (EQIA) has been undertaken to assess and understand any disproportionate impact that the phased reduction and removal of the discretionary uplift to the MIG may have on residents with any protected characteristics; the Equalities Impact Assessment is set out in Appendix 2. This impact assessment draws upon the initial assessment conducted ahead of Cabinet's decision in May and reflects relevant data and feedback from the consultation to ensure a thorough assessment of possible effects.

7.3.2 The Equalities Impact Assessment highlights potential impacts and outlines possible mitigating measures aimed to minimise negative impacts where possible. The EQIA suggests that a reduction to the discretionary uplift could likely have a proportionate impact on across the protected characteristics of age, disability, and sex. Older adults and younger adults with disabilities are disproportionately represented among service users and are more likely to experience financial vulnerability. Women particularly older women may also be disproportionately affected due to lower incomes and caregiving responsibilities.

7.3.3 Individuals with moderate incomes, complex financial circumstances, or those living in areas of socio economic deprivation may still experience financial strain. The EQIA also considers intersectional impacts, including compounded disadvantage faced by care leaver, migrants and structurally disadvantaged groups.

7.3.4 Where adverse impacts that have been identified, the Council will implement appropriate mitigating actions to support affected groups including:

- Income maximisation support to help residents access benefits and financial resources.
- Inclusive communication and community based engagement, including Easy Read formats and engagement with community groups to ensure residents understand the changes and know how to access support
- Targeted financial support and proactive outreach to support those most at risk.
- Access to financial support through the Local Welfare Assistance Scheme, offering discretionary, non-repayable grants to residents experiencing exceptional financial difficulty as a result of the changes.

7.3.5 The Council must ensure compliance with the Public Sector Equality Duty (PSED), under s.149 Equality Act 2010 which may and does in these circumstances required consultation since there are protected groups who are adversely affected, to ensure that those taking any subsequent decision have sufficient information to enable them to discharge the duty to have due regard to the need to advance equality of opportunity and eliminate unlawful discrimination.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 Following the conclusion of the public consultation, the Council has updated its Health and Wellbeing Impact Matrix (Appendix 3) to assess the potential effects of the proposed changes to the Minimum Income Guarantee (MIG) uplift, aligned with the Marmot Principles. The matrix highlights areas of potential adverse impact, particularly for vulnerable groups, and sets out the final mitigation measures.

These include:

- Income maximisation support to help residents access benefits and financial resources.
- Inclusive communication and community based engagement, including Easy Read formats and engagement with community groups to ensure residents understand the changes and know how to access support
- Targeted financial support and proactive outreach to support those most at risk.
- Access to financial support through the Local Welfare Assistance Scheme, offering discretionary support to residents experiencing exceptional financial difficulty as a result of the changes.

7.5 Council Infrastructure

7.5.1 None

Background Information (as defined by Local Government (Access to Information) Act 1985)

None