

National Assembly For Wales

Report by the Health and Social Services Committee on the The National Assistance (assessment of Resources and sums for Personal Requirements) (Amendment) (Wales) Regulations 2007

1. The Committee had identified these regulations for scrutiny and they were submitted to the Committee for the meeting on 1 March 2007. They were handled in accordance with the protocol for dealing with secondary legislation agreed by the Committee on 11 June 2003, whereby Members notify in advance any queries or amendments they wish to make to the Regulations.

2. Two amendments were proposed.

Helen Mary Jones AM:

i. In section 4: the figure '£50,000' shall replace the figure '£22,000'.

ii. In section 5: the figure '£50,000' shall replace the figure '£22,000'.

3. Two points of clarification were raised.

Jenny Randerson AM:

i. The increase in upper capital limit to £22,000 is 2.3% which is lower than the 2.7% inflation rate and 3.3% increase in average earnings in Wales. Why is the 2.3% figure as low as it is?

ii. With regard to the financial implications – what formula is used to allocate funding to Local Authorities to cover the costs of increasing capital limits?

In introducing her amendments, Helen Mary Jones said that the principle behind the limit was to safeguard some savings for people to pass on as an inheritance. Initially the figure had been based on 50 per cent of the average house price in Wales, but house prices had risen at a higher rate than the up-rating of the capital limits. If it were not possible to increase the limit immediately, she sought agreement in principle to moving further towards a more equitable level.

In response to this and the points of clarification, the Minister explained that the limits were rounded to the nearest £250, thus the actual percentage increase was 2.3per cent not 2.7per cent. The National Assistance Act 1948 required local authorities to charge appropriately for residential care. The National Assembly had a commitment to provide funding in revenue support grant to enable local authorities to meet their share of costs. It was estimated

that raising the upper limit to £50,000 would cost between £10 and £15 million a year.

The Committee voted on each of the proposed amendments. The result of both votes was:

For the motion: one

Against: three

Abstentions: two

The amendments failed.

Rhodri Glyn Thomas AM
Chair
March 2007