

# Charging for adult social care services



Advice on charging and financial assessments

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If you have been assessed as needing care and support, you will have to pay the cost of your care, unless you qualify for financial help.

Unlike national health services, national rules mean that adult social care and support services are not free. Most people will need to pay something towards the cost of their care.

We appreciate this time can be difficult for those involved. This guidance will help to explain charges for the help and support you are receiving.

## Your assessment

The amount you will pay depends upon your financial situation.

You will be asked to complete an assessment form. This will give us details of your savings, investments, income, and expenditure. Our visiting financial assessment officer (VFAO) can assist you to complete this form if required. You may have someone there to support you at the time if you wish, this could be a family member, friend, or legal representative.

You will only need to pay what you have been assessed as able to afford. This will be worked out using the government's set figures.

If you choose not to complete a financial assessment you will then be expected to pay for the full cost of any care and support, you receive.

Our staff are happy to answer any questions and explain our charging policy.

## Capital limit

If you have more than £23,250 in savings and investments, **or**, you do not wish to disclose your finances, you will have to pay the full cost of the services you receive. We will not ask for information on your ability to pay, but you may still choose to tell us your financial details for a benefit check.

As a self-funder, you can arrange and pay for your own care directly with the care providers. However, if you wish, we can help you find suitable care and arrange payments on your behalf, you will then be invoiced monthly, for the total cost of any care and support you receive. This service is optional but will incur a £300 set up fee to cover sourcing and setting up your care and support services, and a weekly administration fee of £15, which will be added to your monthly invoice. This service is only available for non-residential care and support (support received while you remain in your own home, or the community).

You can re-apply for financial help when your capital falls below £23,250. To give the FACTeam time to complete your financial assessment, please re-contact adult social care when your capital gets to around £30,000. Please be aware that you cannot give money or assets away to reduce it to this level.

## Completing your assessment

We will assess you based on income, expenditure, and savings. Any savings held in your name and half of any joint savings will be considered.

If you own or have a beneficial interest or share in a property, the value of your main property will not be included in your financial assessment for:

- non-residential services;
- temporary residential care.

If you own or have a beneficial interest or share in any other property this will be included in your financial assessment.

National charging regulations say that you will be charged for savings between £14,250 and £23,250 This is known as tariff income.

This is calculated at the rate of £1 per week for every £250 over £14,250. The outcome of this calculation will be added to your income.

If we think you have given money away to reduce both your capital and the charge, your contribution will be calculated as if you had not given any money away.

We will not include certain benefits as shown below:

- Disability living allowance (DLA) – mobility component only.
- Personal independence payment (PIP) – mobility component only.
- Child benefit.
- Child tax credits.
- Wages or earnings.
- War disablement pension.

All other income is included.

## Information required

### Income

- Benefit rates. For example, pensions, pension credit, income support, ESA, universal credit.
- Information about your private or occupational pension.
- Information about your annuity income.
- Any other income.

### Savings

- Building society books and post office accounts.
- Current bank statements.
- ISAs.
- Details of stocks and shares.
- Any other financial investments that you may have.

## **Expenditure**

- Rent.
- Council tax.
- Mortgage details.
- Any extra costs related to your disability, called disability related expenditure (DRE). This is required for non-residential assessments only.
- Housing costs. For example, water, energy, and insurance.

## **Benefit check**

Some people do not claim all the benefits they are entitled to. We are committed to helping people claim what they are entitled to and will complete a full benefit check for you.

The increase in benefit amount could affect your financial assessment.

We will review all financial assessments annually.

## **Charges for non-residential services including direct payment personal budgets**

The services included in the non-residential assessments are:

- home care;
- direct payment personal budget or pre-paid card;
- day care;
- Lifeline alarm;
- Telecare.

The calculation will be carried out as follows:

Add all income together.

Take away the appropriate allowances and disregards. The amount left over will be the maximum weekly charge for services.

**Income – allowances and disregards = maximum weekly charge**

When the assessment is complete, we can tell you how much you need to pay.

The amount you pay will be:

- your maximum weekly charge; or
- the actual cost of your services.

Whichever amount of money is the least.

If you have been assessed as needing more than one carer, you will be charged for both carers' time. The amount you pay will not be more than your financially assessed maximum weekly charge.

## **Notifying you of your contribution**

For non-residential assessments, you will not be charged until you have been informed of your contribution.

You will be informed verbally by a VFAO. A letter will also be sent along with a copy of the assessment showing how your contribution has been calculated.

## **Special circumstances – disability related expenditure (DRE)**

We may consider extra allowances if you have higher expenses as a direct result of your disability. We will need evidence of any increased expenditure.

Types of expenses considered are:

- privately paid for cleaners;
- excessive fuel and heating costs;
- disability related equipment.

This list is not exhaustive and individual circumstances will be considered.

These are subject to maximum weekly allowances as detailed in our DRE guidelines.

There will be no allowances made for the following items:

- Loans including hire purchase and catalogue debt.
- Any other debts including credit card repayments.
- Normal fuel bills.
- Pets.

Any DRE requests for extra allowances must be evidenced by receipts. We will need a GPs letter and it should also be noted in your care plan (where applicable) before we can consider this cost in your financial assessment.

## **Charges for residential or nursing home stays**

You must pay for your accommodation in full unless you can show that you don't have enough money to pay the whole amount. We will ask you to give us information about your finances so we can complete the financial assessment.

The contribution towards the cost of your residential or nursing care will depend on your personal circumstances.

## **Claims for pension credit or universal credit**

When you go into a residential or nursing home you will still be able to receive pension credit, Employment Support Allowance, or universal credit if you already get it. The amount you receive may change.

If you are not getting pension credit or universal credit, you may be entitled to claim it. The VFAO will give you advice about this.

This extra money from pension credit or universal credit must be included as part of your contributions.



Unless you have been assessed to pay the full cost of your care, payment of attendance allowance, disability living allowance or PIP care component must stop if you stay in a residential or nursing home longer than 28 days. It also includes any days spent in hospital before going into the home.

You must tell the relevant benefit agency that you are staying at a residential or nursing home.

- **AA** –Tel: 0800 731 0122
- **DLA** –Tel: 0800 121 4600
- **PIP** –Tel: 0800 121 4433

## Working out your contribution

We work out how much you should pay by adding together all your income and taking away your various allowances. That figure will be the charge for your accommodation.

Residential care is charged for by the day and you will be advised of your contribution in writing. This charge will be effective from the date of your admission. Your contribution will be backdated to the date of admission once it has been calculated.

### **Income**

- State benefits.
- Occupational or private pension. If you have a spouse who is not living in a residential or nursing home, 50 per cent of it will be disregarded.
- Rental income.
- Any other form of regular income.
- Tariff income on capital.

## **Allowances for housing expenses**

- Rent or mortgage payments.
- Council tax, whilst temporary.
- Water charges.
- Buildings and contents insurance.
- Standing daily charge for gas and electric.

## **Allowance for personal expenses**

You will have a personal allowance (fixed by the government). This is currently £30.15 per week and is reviewed every April.

## **Third party top-up payments**

We agree to pay a standard price to residential and nursing homes for their care. Some homes will want to charge more than this price.

There are government rules about who can pay this difference in price, the top-up payment. A third party, for example, a relative, friend or charity, can pay this difference in price for you. You are not allowed to pay the difference yourself.

Top-up payments are to be paid in **addition** to the assessed contribution you are required to pay yourself.

Your social worker must be made aware of a third-party top-up payment at the time of your placement. They will be able to discuss this with you and the third party who is agreeing to make these payments on your behalf.

## Selling my property

If you are a temporary resident in residential or nursing care, the value of your property will not be included in your financial assessment. If you have more than one property, the value of any additional properties will be included in your financial assessment. It is likely that you will need to self-fund the cost of any services you receive.

If you have been agreed as a permanent resident in residential or nursing care, the value of your property will be considered 12 weeks after this date. If the value of your property, plus any other savings you have, is more than £23,250 you will have to meet the full cost of your fees.

If you don't have enough income or other savings and assets, apart from your property, you may have to sell your home to pay the fees. In these circumstances you may be eligible to apply for the deferred payment scheme. The VFAO will discuss this with you when required.

More information about the scheme can be found in the deferred payment scheme information guidance.

If we have funded your placement because you were unable to access your funds, we will recover money paid on your behalf from your assets.

## Exceptions

The value of your property may be disregarded if it is occupied by your spouse or someone who is:

- aged 60 or over;
- aged under 18 and is a child whom you are liable to maintain;
- incapacitated. Incapacitated usually means that the person is receiving disability related benefits.

We can also decide to disregard the value a property if a third party continued to live on those premises. For example, where it is the sole residence of someone who has given up their home to care for you.

Any disregarded properties will be reviewed every six months. We reserve the right to amend our decision of the disregarding of a property at any time.

If the ownership of the property is complicated, for example, if you jointly own the property with someone who doesn't fit into any of the categories mentioned so far, you must ask for advice from the VFAO.

We will not apply disregards to any additional properties. These will be considered in your financial assessment.

## Rented property

If you are in rented accommodation and someone else still lives there, any allowance made will stop once it is decided that you are living permanently in the residential care or nursing home.

If you lived there by yourself, we will continue to allow for the outgoings on your property for four weeks. This covers:

- rent;
- council tax;
- insurance.

After this four-week period, no further allowances will be made for the property. It is important you give notice and clear your property as soon as you know you have been made a permanent resident.

## Reviews

Your finances will be reviewed annually. It is important that you tell us about any changes in your circumstances as soon as possible. We can then revise your financial assessment if necessary.

## Collecting your contribution

We will send you an invoice for your contributions at the end of each month.

Payments can be made by direct debit, paid online or by telephone. The easiest option is by direct debit. If you want to pay this way, please call customer accounts on 01983 823931 and they can arrange to set one up for you.

Collection days:

- Non-residential direct debit collection date – 7th. For example, 7 January, 7 February and so on.
- Residential direct debit collection date – 20th. For example, 20 January, 20 February and so on.

If you do not pay the assessed amount towards your services, we will contact you to discuss. We will always try to arrange an agreement with you so that you can pay the amount outstanding.

If you continue to miss payments, we will refer the matter to our debt recovery team. They will begin our standard debt recovery procedure. This will result in enforcement action before the county court. Interest and court fees will be added to the debt being accrued.

If you are in residential or nursing care and are admitted to hospital you will still have to pay your contribution, during your hospital stay. This will apply for as long as they keep the room available for you.

## If you are dissatisfied

If you feel that your assessed charge is unreasonable, you have the right to ask for it to be looked at again. The details of your assessment will first be checked by the financial assessment and charging team manager.

If you feel the decision is still unreasonable, this will be dealt with through our complaint's procedure.

# Confidentiality

Everyone working with you has a legal duty to keep your information confidential. We only share it with other agencies when necessary to provide you with the appropriate services or to enable us to carry out statutory duties.

There may be exceptional cases where the law or public interest will override your right to confidentiality.

# Further information, help and advice

We do not endorse or recommend any financial services. We recommend you seek independent financial advice. You are responsible for ensuring your financial adviser is experienced and qualified.

Further independent financial advice, such as:

- paying for your care;
- deferred payment scheme;
- court of protection procedure;
- lasting power of attorney procedure.

Help can be found at:

## **Money Helper**

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

Information on paying for care.

## **The Society of Later Life Advisers**

[societyoflaterlifeadvisers.co.uk](http://societyoflaterlifeadvisers.co.uk)

Advice on how to make financial plans for care in retirement years.

## **Isle Help**

[www.islehelp.me](http://www.islehelp.me)

Free, impartial, independent advice to anyone requiring help and support.

## **NHS Choices**

[www.nhs.uk/conditions/social-care-and-support-guide](http://www.nhs.uk/conditions/social-care-and-support-guide)

A comprehensive guide to choosing and arranging care and support

## **Which – Elderly Care**

[www.which.co.uk/money/pensions-and-retirement/financing-later-life-care](http://www.which.co.uk/money/pensions-and-retirement/financing-later-life-care)

Information on the funding options you can explore for care homes and home care

## **Court of Protection**

[www.find-court-tribunal.service.gov.uk/courts/court-of-protection](http://www.find-court-tribunal.service.gov.uk/courts/court-of-protection)

Advice for people who have capacity issues

## **Department of Work and Pensions**

[www.gov.uk/government/organisations/department-for-work-pensions](http://www.gov.uk/government/organisations/department-for-work-pensions)

Advice on appointeeship. This is the authority needed to manage the benefits of someone who is mentally incapable of doing so themselves.

## **Contacting us**

You can contact the financial assessment and charging team by emailing [fac.team@iow.gov.uk](mailto:fac.team@iow.gov.uk) or call 01983 823479.

If you have difficulty understanding this document, please contact us on 01983 823340 and we will do our best to help you.