

# Dudley Metropolitan Borough Council

## People Directorate

### Policy for charging in respect of Non Residential Care and Support including Personal Budgets

#### 1. Introduction

- 1.1 This policy outlines the principles and procedures used when assessing a customer's contribution towards the cost of their care and support in a non residential setting, including that received by way of a personal budget.
- 1.2 The Care Act 2014 (section 14) - <http://www.legislation.gov.uk/ukpga/2014/23/contents> - gives Councils a discretionary power to charge adult recipients of non residential services such amounts as they consider reasonable.
- 1.3 Having decided to charge, Dudley's policy draws on the Act, the Care and Support (Charging and Assessment of Resources) regulations 2014 - <http://www.legislation.gov.uk/uksi/2014/2672/made> - and the Care and Support Statutory Guidance 2014 - <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>
- 1.4 This policy applies to all financial assessments for non residential care and support services with effect from 1<sup>st</sup> April 2019.

#### 2. Care and Support covered by the Policy

- 2.1 All non residential community care and support, including that received as part of a personal budget, is covered.  
The following customers are exempt:
  - (a) Those receiving chargeable care and support under Section 117 of the Mental Health Act;
  - (b) Those receiving Intermediate Care for up to 6 weeks (see Section 11);
  - (c) Those with CJD (Creutzfeldt Jacob Disease);
  - (d) Those who, at the time of their social care assessment, have been diagnosed with a terminal illness and are both eligible for and in receipt of NHS funded care agreed and provided by the NHS (Clinical Commissioning Group).
- 2.2 Exemption does not apply to those services which are not costed within the social care support plan.

2.3 Exempt customers can still receive benefits advice.

### **3. Customer's Contribution**

3.1 The customer's contribution is based on a financial assessment of their ability to pay.

3.2 Where a financial assessment is required, the maximum contribution under this policy will be the full cost of the care and support provided, and the minimum will be nil.

3.3 Contributions below 50p per week will not be collected.

### **4. Financial Assessment**

4.1 A financial assessment will be undertaken for all customers who receive non residential care and support services, or a personal budget.

4.2 If a customer does not wish, or refuses, to disclose financial information they will be treated as a self funder. In this case they will be offered information & advice concerning arranging & paying for their social care and support independently. If, however, as a self funder they ask the local authority to arrange & manage their care and support, and payments, an administrative fee of £286.50 per annum will be charged, to be paid in addition to the full cost of their care and support, as detailed on their Support Plan.

4.3 If a customer makes an incorrect disclosure of their financial circumstances, the council reserves the right to backdate any increase which may arise from a reassessment and, if considered to be a fraudulent disclosure or non-disclosure, to instigate legal proceedings.

4.4 Following an initial social care assessment, a financial assessment will be carried out by a specialist welfare benefits officer, and the maximum contribution will be initially confirmed to the customer verbally. This will be followed by written confirmation.

4.5 A financial review will be carried out annually to reassess the contribution due and any changes to benefit entitlements.

4.6 Changes to the customer's care and support may increase or reduce their contribution.

4.7 Customers must notify the welfare benefits officer of any changes in income, capital assets and personal circumstances as soon as they occur. A revised financial assessment may be undertaken to re-calculate the contribution payable.

- 4.8 If further benefits are awarded as a result of a welfare benefits check (see 5 below), a re-assessment will be carried out. If the contribution alters, the new amount will be applied from the effective date of award.
- 4.9 Where a customer's capital is assessed to be above the upper capital limit, as defined in the Act, they will be treated as a selffunder – see 4.2 above. In this case, they will be required to pay the full cost of their care and support, as detailed on their Support Plan, plus an administrative fee of £286.50 per annum.

## **5. Welfare Benefits**

- 5.1 All customers will be offered a welfare benefits check and, where appropriate, will be assisted to complete any claims for benefits to which they appear to be entitled.

## **6. Date of Commencement of Contribution**

- 6.1 The contribution will be applied from the Monday of the week that the chargeable care and support commences.

## **7. Calculating the Contribution**

- 7.1 The contribution will be based on the following calculation:

Total Income (see section 8)  
**Less**  
Allowances/Disregards (see section 10)  
  
**Equals**  
Assessable Income

No contribution will exceed the amount of the care and support provided, including that received as part of a personal budget.

## **8. Income and Capital taken into account in the assessment**

- 8.1 Only the income & capital of the customer will be taken into account in the assessment.
- 8.2 The following income *is* taken into account:
- All state benefits with the exception of the mobility element of DLA/PIP, War Pensioners Mobility Supplement, War Disablement Pension, War Widows Pension, Vaccine Damage Payments, Child Benefit, Working

Tax Credit, Child Tax Credit, Mortgage Interest from Income Support/Pension Credit/JobSeeker's Allowance/Employment & Support Allowance/Universal Credit; Savings Credit

- All occupational pension income;
- Tariff income from capital and savings above the lower capital limit as defined in the Act;
- Net rental income;
- Other income not specified in 8.3 below.

8.3 The following income/capital is *not* taken into account:

- The value of the home in which the customer lives;
- Earned income from current employment;
- Savings Interest from savings and investments.

8.4 The value of property not deemed the customer's main residence (for example, if they own two properties), will generally be counted as capital. However, it may be disregarded in certain circumstances as defined in the Act - <http://www.legislation.gov.uk/ukxi/2014/2672/made> (Schedule 2). See also 8.6 below

8.5 Where a customer is moving to extra care housing or supporting living and owns other property which they don't live in, the value of that property will be disregarded for the first 12 weeks of an assessment. After that time the property will be considered as a capital asset for the purposes of the financial assessment. A deferred payment agreement may be considered in this situation – <http://www.dudley.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=294390>

8.6 In all other cases of a second or subsequent property ownership, where a customer is *not* moving into extra care housing or supported living, the value of that property will be disregarded for the first 12 weeks of an assessment. After that time the property will be considered as a capital asset for the purposes of the financial assessment. Where the customer's contribution towards the cost of their care and support increases due to the inclusion of this asset within the financial assessment, invoicing and collection of the increased element may be withheld, if required, until the property is sold, or for 6 months from the date of the change of address, whichever is sooner. The customer would need to sign a legally binding agreement to re-pay any accrued contribution. If the customer refuses to sign such an agreement they will be invoiced for the full contribution due.

8.7 If the customer has capital above the upper capital limit, as defined in the Act, their contribution will be assessed as the actual cost of their care and support, as detailed in their support plan.

8.8 If the customer is a member of a couple, a joint financial assessment may be completed if this will result in a lower contribution. Both

partners must agree to the joint assessment & all financial details must be disclosed.

## **9. Deprivation of assets**

- 9.1 When carrying out a financial assessment circumstances may be identified that suggest a customer may have deliberately deprived themselves of assets, in order to reduce the level of their contribution towards the cost of care and support.
- 9.2 Deprivation of assets means where a customer has *intentionally* deprived or decreased their overall assets - capital or income - in order to either reduce their assessed contribution towards their care and support, or to gain funding support earlier than they otherwise would require it.
- 9.3 It is up to the customer to prove to the local authority that they no longer have the asset. If they are not able to, the local authority will assess them as if they still had the asset.
- 9.4 Therefore, in some circumstances a customer may be treated as possessing a capital asset even where they do not actually possess it. This is called notional capital.
- 9.5 Notional capital may be capital which:
- (a) would be available to the customer if they applied for it;
  - (b) is paid to a third party in respect of the customer;
  - (c) the customer has deprived themselves of in order to reduce the amount of contribution they have to pay for their care and support.
- 9.6 Likewise, it is also possible for a customer to deliberately deprive themselves of income. For example, they could give away or sell the right to an income from an occupational pension. This is called notional income.
- 9.7 Notional income may also include income that would be available on application but has not been applied for, or income that is due but has not been received.
- 9.8 Investigations into identification of possible deprivation will be carried out in accordance with Annex E of the Guidance - <https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

## **10. Allowances/Disregards**

- 10.1 The following allowances/disregards will be made within the calculation of a contribution:

- An allowance equivalent to Employment & Support Allowance /Pension Credit plus 25%;
- An allowance in respect of certain housing costs – rent (net of Housing Benefit), mortgage interest in relation to loans taken out to purchase, repair or improve the home a customer lives in, Council Tax (net of Council Tax Reduction), service charges, or nondependent charges (in accordance with current Housing Benefit/Council Tax Reduction allowances, where these charges are applied to the householder with whom the customer lives)
- An allowance in respect of Disability Related Expenditure

#### 10.2 Disability Related Expenditure (DRE)

The Disability Discrimination Act (DDA) defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.

This policy acknowledges that a person with a disability may incur regular additional living expenses as a result of their disability. To help the customer with these extra outgoings a standard allowance will be given against any disability related benefits used for income assessment purposes.

Alternatively, a customer can request a full DRE assessment. This will involve identifying all the necessary expenditure incurred as a result of their disability, and customers will be required to provide supporting evidence of these expenses.

- 10.3 Having deducted these allowances, the remainder becomes the assessable income. This is the amount that will be taken into account when calculating the customer's contribution towards the cost of their care and support, or personal budget.

### 11. Intermediate Care

- 11.1 Intermediate Care is a range of integrated services to promote faster recovery from illness, prevent unnecessary acute hospital admission and premature admission to long-term residential care, support timely discharge from hospital, and maximise independent living.
- 11.2 Any support that meets the Intermediate Care criteria will be provided free for up to 6 weeks. If this support is provided for longer than 6 weeks it may be chargeable from the 7<sup>th</sup> week. If the period of Intermediate Care is less than 6 weeks, then the chargeable period will commence when the Intermediate Care ceases.

## **12. Billing and Payment Methods**

- 12.1 At the time of the welfare benefits officer's assessment the customer will be offered a choice of how they wish to pay. The options and payment methods are as follows:

Direct Debit: an invoice is issued every four weeks in arrears for the weekly contribution. This is for information purposes only and the amount is then automatically taken from the bank account.

Four weekly invoice – via Email where possible: an invoice is issued every four weeks in arrears. This can be paid in person at, or by telephone to, Dudley Council Plus, at any Post Office, all shops displaying Paypoint/Payzone signs (cash only), or via the Internet at [www.dudley.gov.uk](http://www.dudley.gov.uk)

**Note:** Initial invoices may be issued in advance in order to align a case to our four weekly invoice runs.

Care Card: **Please note this method is no longer available for new customers**

## **13. Charging Periods**

- 13.1 The charging period is a week, running from Monday to Sunday.
- 13.2 The contribution is payable for each charging period, providing the customer has received support to the value of their assessed contribution. If in any charging period the customer receives support that is lower in value than their assessed contribution, then their contribution will be adjusted to correspond to the actual support received.

## **14. Non Payment of Assessed Contribution**

- 14.1 If for any reason a customer is unable to pay their assessed contribution, they should contact the Directorate as soon as possible so that we can try to help if we can.
- 14.2 If arrears build up beyond a four week period, the local authority will consider the full range of legal options to recover the debt under Section 69 & 70 of the Act - <http://www.legislation.gov.uk/ukpga/2014/23/contents>
- 14.3 If a customer refuses to pay their contribution, whilst their care and support will not be withdrawn, the debt will be pursued as in 14.2 above.

**15. Complaints**

- 15.1 Customers who are unhappy with the level of their contribution should be directed to the Directorate's complaints policy – [www.dudley.gov.uk/resident/care-health/dudley-social-services/do-you-want-to-get-involved/complaints-compliments-comments/](http://www.dudley.gov.uk/resident/care-health/dudley-social-services/do-you-want-to-get-involved/complaints-compliments-comments/)

**16. Information for customers**

An information leaflet explaining this policy will be provided to all new customers, & is available online -

[www.dudley.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=269217](http://www.dudley.gov.uk/EasySiteWeb/GatewayLink.aspx?allId=269217)