

A Guide to Charges for Adults Receiving Residential Care Services

2019/20

Gateshead Council's Adult Social Care Services aims to provide assistance and support to any Gateshead resident with care and support needs who is eligible for support following a Needs Assessment under the Care Act 2014, Care and Support (Eligibility Criteria) Regulations 2014.

Some services are free including assessment and advice. Other services attract charges and one of these services is residential care.

This booklet outlines the types of residential care available and the charges associated with them.

When Adult Social Care arranges the care for an individual in a registered care home, the authority is under a general duty to charge that individual.

Under what authority does Gateshead Council charge for residential care?

The Care Act 2014 provides a legal framework for charging for care and support. Gateshead Council has decided to exercise its s.14 Care Act 2014 power to charge for care and support following a person's needs assessment and has implemented a charging policy. Where a Local Authority decides to charge for care and support, s.17 Care Act 2014 requires that the charge must be calculated in accordance with the Care and Support (Charging and Assessment of Resources) Regulations 2014

Client Contribution Financial Assessment

The only people exempt from some charges in residential and nursing home care are those who have been discharged directly from hospital under Section 117 'after care Services' of the 1984 Mental Health Act, after being formally detained under Section 3 or 37 of that Act.

Continuing Health Care (NHS)

NHS continuing healthcare is the name given to a package of care that is arranged and funded solely by the NHS for individuals who are not in hospital but have complex ongoing healthcare needs. If you are awaiting a CHC assessment, you will still need to pay your contribution to the care home, until the decision is made.

For further information regarding continuing healthcare assessments please contact your allocated social worker

All other residents will have to pay a contribution towards the cost of their care.

This leaflet explains in more detail how the Council will work out the amount you need to pay towards your care.

Collecting Financial Information

If it is decided, following a care assessment, that you are in need of residential or nursing care and you require financial assistance towards the cost of your care, you will need to undergo an assessment of your finances. You will be contacted by a *financial assessment officer* who will arrange to obtain your financial information. If you prefer, we can contact your financial representative, spouse, family member, friend or a person of your choice to do this.

The *financial assessment officer* will gather information about your financial circumstances and you (or your financial representative) will be asked to complete and sign a financial assessment form.

The financial assessment form asks for full details of your income and capital and you will be asked to provide evidence and documents to confirm the information you have provided.

Examples of the types of documents you will need to provide are:

- Occupational/works pension
- Bank, building society, post office savings account passbooks
- Current and previous bank statements
- Details of other assets and capital

Declaration of Information

When asked to provide financial information you must give full and accurate information. It is an offence to give false information or to withhold information with the intention of avoiding or reducing a liability to pay for services that you would otherwise have to pay for. Gateshead Council may prosecute any person found to have withheld information or who has given false information. Failure to disclose and provide the required financial information may result in the funding assistance being withdrawn and you being required to pay the full cost of your accommodation direct to the care home.

When calculating your contribution to the cost of residential or nursing care the following will be looked at: your

INCOME, CAPITAL, ASSETS and taking into account any **ALLOWANCES** you may be entitled to.

Income

Income includes all money you receive on a regular basis or a payment you receive which relates to a particular length of time.

This includes:

- Pensions – state retirement, works pensions and private/occupational pensions.
- Pension Credit

- Employment and Support Allowance
- Any other regular income - annuities, rent from a property, trust fund payments, etc.
- A 'tariff income' will be calculated on savings and capital you have.*

Only your own income and capital can be assessed in determining how much you will pay. However, sometimes information about your spouse's income and capital are necessary to establish your entitlement.

The financial assessment officer will treat your income in one of three different ways

1. Income that is fully taken into account, this includes (but not exclusively)

- Attendance allowance
- Personal Independence Payment (Care Element)
- Disability living allowance (care component)
- Most DWP (department of works and pensions) benefits (e.g. pension credit) retirement pension, universal credit, occupational/works pensions
- Personal pensions annuity income
- Income from insurance policies
- Income from rent

2. Income that is partly disregarded

- War disablement pension
- War widows pension
- Income from charitable and voluntary payments

3. Income that is fully disregarded

- Disability living allowance (mobility component)
- Personal Independence Payment (Mobility Element)
- Christmas bonus
- War disablement pension (mobility component)
- Crisis loan payments
- War widows special payments
- Winter fuel payment

Your income will be converted to weekly amounts to calculate the total amount for assessment purposes.

Capital

Capital refers to assets such as savings, stocks and shares and any property you may have. This includes:

- Savings held in bank accounts (deposit accounts and current accounts)
- Building society accounts and post office accounts
- The market value of other investments, stocks and shares, premium bonds or other assets you have.

**** The Department for Work and Pensions' (DWP) rules about the treatment of savings and capital to establish entitlement to benefit is different from adult social care charging*

*rules. The DWP will only allow income support to individuals or couples who have less than £16,000 in capital if they are under 60****

***Tariff Income**

The first £14,250 of any savings and capital is not counted. A 'tariff income' will be calculated on the remaining balance if **your capital assets total between £14,250 and £23,250** at £1 per week for each part of £250.00.

Example: Capital held of £16,190.43 minus £14,250.00 = £1,940.43/250 = £7.76, which means the tariff income charge will be £8 per week.

If you have savings over £23,250

If your savings or other capital is over £23,250 you will pay your own care home fees. This is called '**self-funding**' and you may be required to enter into a private contract with the care home. You will not be entitled to any help from the Council to pay your fees. You will still be entitled to receive the care needs assessment and social work advice and support even if you are a self-funding resident.

If you are self-funding a placement out of borough, when your capital reduces you must contact the council of the borough the care home is in.

When your savings or other capital are about to fall below £23,250 you should contact the Council to apply for future help towards your care home fees. You should do this before your capital falls to that level. You must also tell your care home provider that you are approaching the Council for assistance with funding so they can look to amend your contract with them.

Allowances

Everyone residing in residential care is allowed to keep a minimum personal allowance each week, the current rate is £24.90 and this amount is decided each year by the Department of Health. If you are not looking after your own finances, your financial representative should ensure that you receive this allowance.

Property

The financial assessment will include the value of your house, but only after the first twelve weeks from the date of permanent admission.

Property or land, which you own, cannot be disregarded. Its capital value or your interest in the property if it is jointly owned will also be included as a capital asset.

The exemptions to property disregards are as follows:

Annex B: Treatment of Capital - Care and Support Statutory Guidance - Section 34.

Where the resident no longer occupies a dwelling as their main or only home, its value should still be disregarded where it is occupied in whole or in part by

- The resident's partner, former partner or civil partner (except where they are estranged)
- A lone parent who is the claimant's estranged or divorced partner
- A relative of the resident or member of the resident's family who:

- is aged 60 or over, or
- is a child of the resident aged under 16, or
- is incapacitated

Will I have to sell my property to pay for my care?

Not necessarily. You will be given an opportunity to agree to sign a deferred payment agreement. This allows you to defer payment of your care home fees for the lifetime of your care. This means the Council will subsidise your care home fees and in order to recover the monies due, we will place a legal charge on your property. The money we pay for your care will then be legally recovered when the agreement is terminated.

A leaflet on the Deferred Payment Agreement is attached, interest will be charged on the amount owed to the Council and you may wish to seek further advice about this.

If you choose not to join the Deferred Payment Agreement the value of your property will be taken into account in your assessment which will mean that your capital will be in excess of the upper capital limit and you will be liable to pay the full cost of your care.

Deprivation of Capital or Property

If you have disposed of an asset or capital, e.g. given it away, with an intention and motivation to reduce or avoid the cost of your care and support, the Council is legally able to assume you still have the asset or capital. We can assess the amount you have to pay as if you still had the asset or capital. Each circumstance is looked at individually and there is no time limit on the disposal of assets or capital.

Benefits

Effects on benefits following admission to care

If you have been receiving attendance allowance, disability living allowance, Personal Independence Payment (Care component) this will cease four weeks after your admission to care if you are receiving financial assistance from the Council.

If you have been in hospital immediately prior to your admission to care your attendance allowance, personal independence payment or disability living allowance (care component) will cease four weeks after the date of your admission to hospital.

If you are paying the full cost of your care you will still be entitled to attendance allowance or disability living allowance (care component).

Further information about your benefits can be obtained from your local Department for Work and Pensions.

It is **your responsibility** to inform the department of work and pensions, of any changes to your circumstances.

Short Term Residential Accommodation

Where the local authority has arranged short term residential care, up to a maximum of eight consecutive weeks, a standard charge will apply.

The current charge for 2019/20 is £117.00 per week, and increases every April.

If your stay extends beyond eight weeks then the standard charge will no longer apply. You will undergo a financial assessment to determine how much you should pay from week nine.

Short term residential care could include, respite care for planned periods, short stays or promoting independence placements.

The local authority also provides short-term assessment beds in nursing homes and again you will pay a set weekly charge of £117.00 for a maximum of eight consecutive weeks after which time you will be financially assessed.

Independent Sector

Independent sector residential or nursing care homes

Charges in independent sector care homes may vary and the amount that you will pay will depend upon your financial circumstances.

If you decide to make your own arrangements to go into a care home and have not been assessed for your care needs by the Council, then the Council cannot guarantee to contribute towards the cost at a later date if the cost is above the usual contracted rate.

If you have not been assessed but may require financial assistance in the near future you should seek advice from Adult Social Care Services before finalising any arrangements with the care home. Please contact Adult Social Care Direct on 0191 4337033

Third Party Top-Up

If you choose to enter a care home where the weekly charge is greater than the Council's contracted rate there must be a third party who is willing and able to pay the difference to the care home each week. This is called a 'third party top up'.

You are not allowed to pay your own top-up unless you enter a deferred payment agreement.

Payment of Top-Ups is not a responsibility of the Council

All charges are subject to annual review.

Financial Contribution

How we calculate the Client Contribution Financial Assessment

All your weekly income will be added together, including any tariff income. The relevant weekly allowances will be deducted. The remaining figures are the amount that you are assessed to contribute.

You will be sent a letter advising of your charges including a breakdown of how the charge is calculated.

Your client contribution is reviewed every year; however you can request a re-assessment of your charges at any time if you think your circumstances have changed.

Example calculation:

Mr Barlow is aged 86 and lives in a privately run residential care home

Income	per Week
Retirement Pension	£126.04
Occupational Pension	£205.20
(a)Total	£331.24
Capital	
Barclays (savings account)	£15,763.73
Barclays (current account)	£426.70
Total	£16,190.43
(b) Tariff Income (Total less £14,250, divided by £250)	£8.00
Allowance	per Week
Personal Allowance	£24.90
Savings Credit Disregard	£5.75
(c)Total	£30.65
Care Home weekly costs (example only)	£570.00
Client Contribution (a + b – c)	£308.59
Council Contribution	£261.41

Paying for your Care and Support

How can you pay these charges?

You will receive confirmation of the amount you will be expected to contribute, we will also inform your care home of this.

The Council will pay its contribution directly to the care home every 4 weeks. You will receive an invoice from the care home for your contribution amount. Information on how to make payment will be detailed on the invoice you receive.

If you have a property, you can agree to enter into a deferred payment agreement and the debt accrued and associated costs will be recovered when the agreement terminates.

Or if you do not wish to enter into a deferred payment agreement you must pay the full care fees directly to the care home.

Please note if you enter a deferred payment agreement the debt accrued is subject to interest and admin costs. The current rate of interest is 1.15%.

If you have signed a deferred payment agreement, we will send you 6 monthly statements of accounts which will be for information only and the debt plus associated costs will be recovered from the proceeds of sale when available.

Note – you must still pay your weekly contribution from your income in the usual way.

We have a duty to collect all monies due to the Council. Non-payment or refusal to pay may be prosecuted as an offence of Fraud.

Contact Information

Financial Assessment Team

E-mail FinancialAssessments@gateshead.gov.uk

Telephone 0191 433 2430
0191 433 2470
0191 433 2440

Other Useful Numbers

DWP
(State Pension & Pension Credit) 0800 731 0469

Attendance Allowance 0800 731 0122

DLA enquiries 0800 121 4600

PIP enquiries 0800 121 4433

Universal Credit 0800 328 5644

<https://www.universal-credit.service.gov.uk/>

