

LONDON BOROUGH OF HARROW



Providing choice for your social care services

Personalised Adult Social Care
Charging and Assessment of Resources Policy
2016-17

Version	Policy	Date	Notes
V1.	Fairer Contributions Policy	2013	Original version
V2.	Charging and Assessment of Resources Policy	2015	Updated in line with The Care Act 2014

Policy Versions

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1. Introduction

- 1.1 This document sets out how we will assess the financial contribution (if any) residents will need to make towards the cost of their care needs. The policy has been updated in line with the Care Act 2014 Regulations and Guidance¹, published by the Department of Health, as made Law in May 2014 to be enacted April 2015.
- 1.2 The Care Act 2014 places 'Personal Budgets' into law for the first time, making them the norm for people with care and support needs. It also puts personalisation at the heart of social care. A personal budget is a statement of the amount of money needed to meet eligible social care needs. Personal Budgets are a key part of the Governments aspirations for a person-centred care and support system. The personal budget is a mechanism that, in conjunction with the care and support plan, or support plan, enables the adult and their advocate (if they have one) to exercise greater choice and take control over how their care and support needs are met.
- 1.3 The allocated personal budget will be recorded in your care and support plan, or support plan. The indicative amount should be shared with you, and anyone else involved, at the start of care and support planning, with the final amount of the personal budget confirmed through this process. There are three ways in which your 'personal budget' can be deployed:
1. As a direct payment (Managed through MyCep)
 2. As a managed account held by a third party (Often referred to as an 'Individual Service Fund')
 3. You can choose for the personal budget allocation to remain with us to arrange care and support on your behalf, and in line with your wishes.
- 1.4 We will carry out a financial assessment, which is a means-tested process, to determine your ability to make a contribution towards the cost of your care. The financial assessment will be carried out in accordance with the Care Act 2014 Regulations and Guidance under Charging and Financial Assessment² and this Policy.
- 1.5 Following a financial assessment and identification of the services required to meet assessed eligible needs, we will work out how much will be allocated to your personal budget using a Resource Allocation System (RAS). A care and support plan will then be prepared setting out how you want your needs to be met using your allocated personal budget. A moderation process is in place to ensure the personal budget is applicable to individual needs.
- 1.6 Some people may prefer to use a mixed package of care and support within their total personal budget. For example, a direct payment to the person for some of their needs, with the remainder of the personal budget used to meet needs via local authority or third-party

¹ Sections 14, 17 and 69-70 of the Care Act 2014 Guidance (Charging and Financial Assessment)

² Sections 14, 17 and 69-70 of the Care Act 2014 Guidance (Charging and Financial Assessment)

provision. It is important that the arrangements can be subsequently adjusted if the person wishes this.

2. Statutory Framework

- 2.1 On 14 May 2014, The Care Bill received Royal Assent and passed into law to become known as the Care Act 2014. The Care Act represents the biggest change to Adult Social Care in over 60 years and reforms the law relating to the care and support of adults and their carers.
- 2.2 The Care Act provides a single legal framework for charging for care and support under sections 14 (Power of local authorities to charge) and 17 (Assessment of financial resources). Prior to The Care Act, councils were able to charge for arranging to meet care and support needs following a cabinet decision in 2012.
- 2.3 Guidance is contained in the Care and Support Statutory Guidance issued under the Care Act 2014, which replaces the previous fairer charging framework. The Care and Support (Charging and assessment of Resources) Regulations 2014; sets out the power of the local authority to charge for care and support. The Care Act 2014 came into force from 1 April 2015, and is intended to make charging fairer and clearer to understand. The overarching principle, which has remained since the 'Fairer Charging Framework' is that, people should only be required to pay what they can afford.
- 2.4 This Charging and Assessment of Resources Policy is written in line with the Care Act Regulations and Guidance published by the Department of Health, and has been updated accordingly and is designed to refresh the 'Fairer Contributions Policy', which was originally approved by Cabinet in October 2012.

3. The Principles of Our Charging and Assessment of Resources Policy

- 3.1. The principles of the Charging and Assessment of Resources Policy are to make sure that we treat all service users fairly, in accordance with the appropriate legislation. The Care Act 2014 guidance says, “The new framework is intended to make charging fairer and more clearly understood by everyone”³. If you have eligible care and support needs you will receive an individual personal budget for your social care based upon your assessed needs. You will be expected to contribute to your budget according to your individual circumstances and ability to pay.
- 3.2. Our Charging and Assessment of Resources Policy is based on the following principles⁴:
- **Fairness:** the Policy will be applied consistently to everyone regardless of how you are getting your services, so that everyone is treated fairly and equitably.
 - **Ability to pay:** you will know how and why you are contributing to the services you choose to receive to meet your needs. You will be asked to contribute towards the cost of your social care based on your individual circumstances and ability to pay.
 - **Reasonableness:** ensuring you are not charged more than it is reasonably practicable for you to pay.
 - **Transparency:** you will understand how your contributions (if any) have been calculated and what any contributions are likely to be at an early stage of planning your care.
 - **Sustainability:** Supporting Local Authorities in the long term.
 - **Employment, education or training:** encourage and enable you if you wish to stay in or take up employment, education or training or plan for the future costs of meeting your needs to do so.
 - **Promote wellbeing and choice:** support the vision of personalisation, independence, choice and control and promote social inclusion.
 - **Consistency:** be comprehensive, to reduce variation in the way you are assessed and charged.
 - **Person-centred:** reflect the variety of care and caring journeys and the variety of options available to meet your needs.
 - **Equality:** apply charging rules equally, so if you have similar needs and services to someone else, you are treated the same, and to minimise anomalies between different care settings.
 - **Information & Advice:** ensure there is sufficient information & advice available in

³ The Care Act 2014 Statutory Guidance Para 8.2

⁴ Sections 14, 17 and 69-70 of the Care Act 2014 Guidance (Charging and Financial Assessment)

suitable formats for your needs in line with the Equality Act 2010.

- **Compliance with Statutory duties:-** the policy is updated in line with the Care Act 2014 regulations published by the Department of Health.

4. Care and Support

- 4.1 Personal Budgets and a Charging and Assessment of Resources Policy is a way of working that gives you and your carers more choice, control and flexibility over how you plan and manage your own care and support.
- 4.2 This approach is based on using a Resource Allocation System so that you know how much money is likely to be available to plan your support at an early stage. It puts you at the centre of planning how you want your own support to work and makes it possible to be creative in finding ways to gain support using a personal budget to fund it.
- 4.3 Assessed needs will be included within your individual personal budget, which will fall under the Charging and Assessment of Resources Policy.
- 4.4 There are some services that will not fall under the Resource Allocation System or Charging and Assessment of Resources Policy, and these include:
- Meals on Wheels: these will continue to be provided at a flat rate charge that will be invoiced separately and charges uplifted annually as part of the budget process.
 - Re-ablement Services: this will be non-chargeable for the first six weeks. If you require ongoing support after six weeks, you may need to contribute towards the cost. You will be required to carry out a financial assessment that will determine if and how much you will pay for your on-going support.
 - Community Equipment: aids and minor adaptations. Aids must be provided free of charge whether provided to meet or prevent/delay needs. A minor adaptation is one costing £1000 or less.

Charging for care and support in a care home

- 4.5 If we are meeting needs by arranging a care home, we are responsible for contracting with the provider. We must ensure you have a genuine choice of which home you would like to reside in, but make sure that at least one option is available and affordable within your personal budget.
- 4.6 Once a financial assessment has been undertaken, we will support you to identify options of how best to pay any charges. This may include offering you a deferred payment agreement (Please refer to the Deferred Payment Policy).
- 4.7 If you decide to rent out your property whilst in a care home, so that you don't have to take out a deferred payment agreement, this can give you extra income to pay for your fees, but there are a few things you need to bear in mind before you do this:
- We have to agree that you can rent your property. Sometimes we may offer to place tenants from our housing list into your empty property and pay rent to you.

- Rental income might push you over the limits for Local Authority help or affect other benefits.
 - You have responsibilities as a landlord that you may not be able to meet while in care. You may need to use a letting agent or get a family member or friend to manage the property for you.
 - The property may not have tenants all the time or care home costs may rise faster than the amount of rent you can charge. You may not always have enough rental income to cover your fees or other costs.
- 4.8 If the rental income covers all or more than your care home fees, you could choose to rent out your property instead of taking a deferred payment agreement. However, you would have to make sure you would have enough income to cover costs and be sure that the property would be properly managed.
- 4.9 If you are thinking of renting out your home, it's a good idea to get some independent financial advice and speak to a letting agent to find out what the rental market is like in your area before you make a decision
- 4.10 If you are a short term or temporary resident in a care home, we might choose to charge you based on our charging polices outside of a care home (see below).
- 4.11 If you are in a care home, you will contribute most of your income, excluding your earnings, towards the cost of your care and support. However, we will leave you with a specified amount of your income so that you have money to spend on personal items such as clothes and other items that are not part of your care. This is known as the personal expenses allowance (PEA). The amount specified in relation to a resident or temporary resident with accommodation in a care home is £24.90 each week for 2015/16⁵. The PEA is not a benefit, but is the amount of your own income that you must be left with after charges have been deducted.
- 4.12 If you have no income, we will not be responsible for providing you with one, but we may support you to access any relevant state benefits or independent advocacy services. The purpose of having a PEA is so you can spend your money as you wish, but it must not be used to cover any aspect of your care and support that has been contracted for by us. There might be some cases where it is not appropriate for us to leave you with a PEA after charges. For example:
- If you have a dependent child (whether they are living with you or not) we will consider your child's needs when determining how much income you should be left with.

⁵ Updated annually and communicated by Local Authority Circular

- If you are paying half your occupational or personal pension or retirement annuity to a spouse or civil partner who is not living in the same care home, we must disregard this money.
- If you are temporarily in a care home and are a member of a couple (married or unmarried) we should disregard any income support or pension credit awarded to pay for home commitments and should consider your needs at home in setting the PEA.
- If your property has been disregarded, we should consider whether the PEA is sufficient to enable you to meet any resultant costs.
- If you have moved to LA support and have a deferred payment agreement (DPA) in place, we must ensure that you retain sufficient resources to maintain and insure your property in line with the disposable income allowance. See Deferred Payment Policy for more details.

Charging for Care and Support in other settings including your own home⁶

- 4.13 These charging arrangements cover any setting for meeting care and support needs outside of a care home, e.g. supported living, shared lives arrangements etc.
- 4.14 As you will need to pay for your daily living costs such as rent, food and utilities, we must ensure that you have enough money to meet these costs. After charging, you must be left with the minimum income guaranteed⁷, agreed annually by the Government (set out below), equivalent to Income Support plus a buffer of 25%.
- If you are responsible for a child in the same household, the minimum income guaranteed per week is £83.65 for each child
 - If you are a single person and aged 18 or older but less than 25, the amount is £72.40
 - If you are a single person and aged 25 or older but less than pension credit age, the amount is £91.40
 - If you are a single person and have attained pension credit age, the amount is £189.00
 - If you are a lone parent aged 18 or over, the amount is £91.40
 - If you are a member of a couple and one or both of you are aged 18 or over, the amount is £71.80
 - If you are a member of a couple and one or both of you have attained pension credit age, the amount is £144.30

⁶ These figures are updated on an annual basis in line with national changes

⁷ Updated annually and communicated by Local Authority Circular.

- If you are a single person who is in receipt of, or we consider would, if in receipt of income support, be in receipt of disability premium, the amount of the applicable premium is £40.35
 - If you are a single person who is in receipt of, or we consider would, if in receipt of income support, be in receipt of enhanced disability premium, the amount of the applicable premium is £19.70
 - If you are a member of a couple and one of you is in receipt of, or we would consider would, if in receipt of income support, be in receipt of disability premium, the amount of the applicable premium is £28.75
 - If you are a member of a couple and one of you is in receipt of, or we would consider would, if in receipt of income support, be in receipt of enhanced disability premium, the amount of the applicable premium is £14.15
- 4.15 If you are in receipt of, or we would consider would, if in receipt of income support be in receipt of, carer premium, the amount of the applicable premium is £43.25
- 4.16 If you are receiving benefits to help you to meet your disability needs that don't meet the eligibility criteria for our care and support , the charging arrangements will ensure that you keep enough money to cover the cost of meeting your disability related costs.
- 4.17 Additionally the financial assessment of your capital must exclude the value of your property which you occupy as your main or only home. Beyond this, the rules on what capital must be disregarded are the same for all types of care and support.

The process for assessing social care needs and contributions

- 4.18 The process for determining your individual care and support needs and how much you should contribute towards the cost of your care and support will follow six main steps:-

- Step 1:** **Care and support needs assessment**
Supported self-assessment process to determine your individual care and support needs or signposting to alternative forms of support if not eligible.
- Step 2:** **Indicative Personal Budget**
Using our Resource Allocation System (RAS) to calculate the cost required to support your individual care and support needs.
- Step 3:** **Financial Assessment**
Financial Assessment, to see if an individual is able to make a contribution towards the cost of their care and support plan.
- Step 4:** **Care and Support Plan**
Decide upon a direct payment, which allows you to choose the provider(s) of your social care needs, or opt for a managed service whereby we will arrange your social care needs for you. My Community e-Purse provides you

with choice and control that enables you to select the provider(s) of your social care needs, albeit without the administrative burden that comes with managing a direct payment.

Step 5: **Collection of Contributions**
How we will collect contributions towards the cost of your care and support needs.

Step 6: **Appeals and review of contributions**
A process for appealing against the level of assessed financial contribution towards care and support needs. An annual review to reflect any increases in state benefits and allowances.

Step 1 - Care Needs Assessment

- 4.19 If you have care and support needs and find it difficult to look after yourself, we may be able to advise you or provide you with help. First we will complete a needs assessment with you to determine your individual care and support needs. Once this has been completed, we will work out with you if you are eligible for care and support, using the eligibility criteria set out in the Care and Support Regulations 2014. If you are eligible for care and support, we will use a RAS to work out your unmet needs and the RAS will convert the number of points into a financial value that represents the assessed total cost of your care needs.
- 4.20 We may offer Re-ablement support, based on an assessment of your social care needs. Re-ablement is short term, preventative and intensive support offered to people with disabilities and those who are frail and recovering an illness or injury. The purpose of Re-ablement is to keep people safe and independent at home, by supporting them to relearn skills and regain confidence lost due to deterioration in their health.
- 4.21 If you require longer-term support after a period of Re-ablement, we will discuss with you the ways in which your needs can be met, in a way that best suits you. We aim to put people who need care and support services in control of their lives and of the support they receive. We will work with you to identify the needs you may have, and if you are eligible for help from care and support services.
- 4.22 The Eligibility threshold for adults with care and support needs is set out in the Care and Support (Eligibility Criteria) Regulations 2014. The threshold is based on identifying how a person's needs affect their ability to achieve relevant outcomes, and how this impacts on their wellbeing.
- 4.23 In considering whether an adult with care and support needs has eligible needs, we must consider whether:
- The adults needs arise from or are related to a physical or mental impairment or illness.
 - As a result of the adults needs the adult is unable to achieve two or more of the specified outcomes (described below).

- As a consequence of being unable to achieve these outcomes there is, or there is likely to be, significant impact on the adult's wellbeing.
- 4.24 An adult's needs are only eligible where they meet **all three** of these conditions.
- 4.25 The eligibility regulations below set out a range of outcomes. We must consider whether the adult is unable to achieve **two or more** of these outcomes when making the eligibility determination:
- A. Managing and maintaining nutrition
 - B. Maintaining personal hygiene
 - C. Managing toilet needs
 - D. Being appropriately clothed
 - E. Maintaining a habitable home environment
 - F. Being able to make use of the home safely
 - G. Developing and maintaining family or other personal relationships
 - H. Accessing and engaging in work, training, education or volunteering
 - I. Making use of necessary facilities or services in the local community including public transport and recreational facilities or services
 - J. Carrying out any caring responsibilities the adult has for a child
- 4.26 The aim of the eligibility criteria is to help us make fair and consistent decisions about the level of support needed, and whether we should pay for care and support.
- 4.27 If you are eligible for care and support, you will be assessed using a Resource Allocation System which is designed to determine a person's unmet needs. In the assessment you will decide the outcomes you would like to achieve, how you would like to achieve them and what kind of support best fits your way of life.
- 4.28 This process will be managed through a supported self-assessment questionnaire. Within each question there are a number of options you can choose from, ranging from not requiring any assistance to requiring full assistance.
- 4.29 Each option has a weighting (number of points) against it that is designed to establish the outcomes for an individual.
- 4.30 The Resource Allocation System converts the number of points into a monetary value that represents the assessed total cost of your care needs.

Step 2 - Indicative Personal Budget

- 4.31 Once your overall individual care needs have been assessed using the Resource Allocation System, the resulting monetary value is allocated as an “indicative Personal Budget”.
- 4.32 This budget is a provisional amount allocated at an early stage to allow you to develop your individual “Care and Support Plan”. You can develop your Care and Support Plan on your own or with the help of your family, friends, social worker or others.
- 4.33 The ‘Care Place’ website can assist you with selecting services to meet your Care and Support needs by enabling you to create your own individual plan. The website provides a range of services that are available in the community that can help improve your quality of life.

www.careplace.org.uk

- 4.34 Once the service(s), as chosen by you, have been added to your Care and Support Plan, we will then review it. Upon approval, you will be assigned the approved “Personal Budget”. The Personal Budget is then expected to be used to pay for the service(s) you selected in your approved Care and Support Plan.

Step 3 - Financial Assessment

- 4.35 Under the Charging and Assessment of Resources Policy, you will go through a financial assessment to determine the amount, if any; you can afford to contribute towards the cost of your Social Care needs. This is a standard process carried out by all Local Authorities in accordance with the provisions of The Care and Support (Charging and Assessment of Resources) regulations 2014.
- 4.36 To ensure the financial contribution you pay for your Care and Support is fair, we will ask you for details of your income and capital. This is a means tested process to determine your ability to pay. Providing this information may help to reduce your assessed financial contribution.
- 4.37 When undertaking a financial assessment, we will look across all of your assets – both capital and income and we will decide which is capital and which is income, as it cannot be both. We will assess your assets in accordance with the Care Act Regulations and Guidance. If any of your assets are held jointly, for example in a joint bank account, the assessment can only take into account the share belonging you. It is assumed that your share is 50 per cent, unless shown otherwise.
- 4.38 When choosing to charge, we must not charge more than the cost that it incurs in meeting your assessed needs. We cannot recover any administration fee relating to arranging Care and Support. The only exceptions are, if you have eligible needs and have assets above the upper capital limit (currently £23,250) and have asked us to arrange your care and support on your behalf. In a case like this, we may apply an administration fee to cover its costs. However, this must not be higher than the cost we have incurred in arranging Care and Support. This

approach must also apply if we have involved other organisations to deliver its duties in any way.

- 4.39 The financial assessment will ensure that when you contribute towards your care and support you must still be left with a certain amount of money for yourself after the local authority has charged you.
- 4.40 In some circumstances, we may not need to carry out a full financial assessment, but a light touch approach, as referred to in the Care Act 2014⁸.
- 4.41 Some examples of the main circumstances in which we may consider carrying out a light-touch financial assessment are:
- If you have significant financial resources and do not wish to undergo a full financial assessment for personal reasons and you wish to access our support in meeting your needs.
 - Circumstances where carrying out a financial assessment would be disproportionate.
 - When you are in receipt of benefits, which demonstrate that you would not be able to contribute towards your Care and Support costs. This might include income from Jobseeker's Allowance.
- 4.42 Ways in which we may be satisfied that you are able to afford any charges due might include evidence that you have:
- Property clearly worth more than the upper capital limit, where you are the sole owner or it is clear what your share is;
 - Savings clearly worth more than the upper capital limit;
 - Sufficient income left following the charge due.
- 4.43 If you do not agree to the charges that you have been assessed as being able to afford to pay under this route, a full financial assessment may be needed.
- 4.44 When deciding whether or not to undertake a light-touch financial assessment, we should consider the level of the charge we propose to make, as well as the evidence or other certification the person is able to provide. We must also inform you when a light-touch financial assessment has taken place and make it clear that you have the right to request a full financial assessment should you wish, as well as making sure you have access to sufficient information and advice.
- 4.45 If you do not provide the financial information required to determine your assessed contribution within two weeks without reasonable cause, you will be required to pay the full cost of your care. Please therefore inform us immediately of any difficulties you have in

⁸ The Care Act 2014 Guidance – Charging and Financial Assessment Para 8.22.

providing this information, as it may impact on the contribution you make for the services being provided.

The type of income counted in the financial assessment

- 4.46 We will need to have details of your income and savings from all sources such as:
- Attendance Allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance
 - Bereavement Allowance
 - Disability Living Allowance (Care Component)
 - Employment and Support Allowance or the benefits this replaces such as Severe
 - Disablement Allowance and Incapacity Benefit
 - Income Support
 - Industrial Injuries Disablement Benefit or equivalent benefits
 - Jobseekers Allowance
 - Maternity Allowance
 - Pension Credit
 - Personal Independence Payment (Daily Living component)
 - State Pension
 - Universal Credit

The type of income disregarded in the financial assessment

- 4.47 There are certain types of income that we will disregard for the purposes of the financial assessment as defined in the Regulations which include:
- Armed Forces Independent Payments and Mobility Supplement
 - Child Support Maintenance Payments and Child Benefit
 - Child Tax Credit
 - Council Tax Reduction Schemes where this involves a payment to the person
 - DLA (Mobility Component) and Mobility Supplement
 - Christmas Bonus
 - Dependency increases paid with certain benefits
 - Discretionary Trust
 - Gallantry Awards
 - Guardian's Allowance
 - Guaranteed Income Payments made to Veterans under the Armed Forces
 - Income frozen abroad
 - Income in kind
 - Pensioners Christmas payments
 - Personal Independence Payment (Mobility Component) and Mobility Supplement
 - Personal injury trust, including those administered by a Court
 - Resettlement benefit
 - Savings credit disregard
 - Social Fund payments (including winter fuel payments)
 - War widows and widowers special payments
 - Any payments received as a holder of the Victoria Cross, George Cross or equivalent
 - Any grants or loans paid for the purposes of education; and
 - Payments made in relation to training for employment
 - Any payment from the:
 - I. Macfarlane Trust

- II. Macfarlane (Special payments) Trust
- III. Macfarlane (Special payment) (No 2) Trust
- IV. Caxton Foundation
- V. The Fund (payments to non-haemophiliacs infected with HIV)
- VI. Eileen Trust
- VII. MFET Limited
- VIII. Independence Living Fund (2006)
- IX. Skipton Fund
- X. London Bombings Relief Charitable Fund

The type of savings counted as capital in the financial assessment

- 4.48 Capital can mean many different things; in general it refers to financial resources available for use and tends to be from sources that are considered more durable than money in the sense that they can generate a return.

The following list gives examples of capital. This list is intended as a guide and is not exhaustive:

- A. Buildings
- B. Land
- C. National Savings Certificates and Ulster Savings Certificates
- D. Premium Bonds
- E. Stocks and shares
- F. Capital held by the Court of Protection or a Deputy appointed by that Court
- G. Any savings held in:
 - I. Building society accounts
 - II. Bank current accounts, deposit accounts or special investment accounts. This includes savings held in the National Savings Bank, Girobank and Trustee Savings Bank
 - III. SAYE schemes
 - IV. Unit Trusts
 - V. Co-operatives share accounts
 - VI. Cash
- H. Trust funds
 - I. Capital held on your behalf

- 4.49 For 2015/16 the value of your home where you normally reside is **not** used when calculating the contribution towards the cost of your care.

Capital threshold levels

- 4.50 The capital limits for 2015/16 are:
- A. Upper capital limit: £23,250
 - B. Lower capital limit: £14,250

- 4.51 If you have capital and savings worth more than £23,250 you will need to pay the full cost of the care services received.
- 4.52 Where you have capital and savings that fall between £14,250 and £23,250 we will add £1 per week to your assessable income for every £250 extra capital you have between the two amounts. This is called “Tariff Income”.
- 4.53 We will disregard capital and savings held that are below £14,250.

Deprivation of Capital

- 4.54 When undertaking or reviewing a financial assessment, we may identify circumstances that suggest you have deliberately deprived yourself of assets. In cases like this, we may either charge you as if you still possess the asset or, if the asset has been transferred to someone else, we may seek to recover the loss of charges from that person. As a first step, we should seek to charge you as if the deprivation has not occurred. This means assuming you still own the asset and treating it as “Notional Income” or “Notional Capital”. However, we cannot recover more than you gained from the transfer. We will treat issues like this with sensitivity and care.
- 4.55 Deprivation will not be automatically assumed, as there may be valid reasons as to why you no longer have an asset and we will ensure it is fully explored before taking action(s).

Allowable living expenses

- 4.56 When calculating the contribution you will need to make towards the cost of your care we will take into account your essential living expenses and disability related expenditure:-
- Housing Rent or mortgage (not covered by housing benefit)
 - Council Tax (not covered by Council Tax benefit)

Disability related expenses

- 4.57 Where disability-related benefits are taken into account, we should make an assessment and allow you to keep enough benefit to pay for necessary disability-related expenditure to meet any needs, which are not being met by us.
- 4.58 When assessing disability-related expenditure, we should include the following; though this list is not intended to be exhaustive and any reasonable additional costs directly related to your disability will be included:
- A. Payment for any community alarm system
 - B. Costs of any privately arranged care services required, including respite care
 - C. Costs of any specialist items needed to meet your disability needs, for example, day or night care (which is not arranged by us), specialist washing powers or laundry, additional costs for bedding, internet access, any heating costs or metered costs of water, above

average levels for the area and personal assistance costs, including any household or other necessary costs arising for you etc.

- 4.59 We will ask you to provide us with bills and receipts to prove how much you have spent on your additional disability related expenditure. The expenditure will then be included as your weekly costs within the means tested financial assessment.

Basic Living Allowance (what you are allowed to keep as a general living expense)

- 4.60 From the information you provide us with, we will take off the amount that you would be entitled too for the cost of basic living, as set out in the Care Act 2014 Regulations. This is called Income Support for people up to the age of 59 and Pension Credit for people over the age of 60.
- 4.61 You are allowed to keep your Income Support or Pension Credit plus 25%. This is called your ‘**Basic Living Allowance**’. The Basic Living Allowance is for your day to day living expenses such as, the cost of food, utility bills for water, electric gas, telephone, heating, cooking, clothing etc.
- 4.62 The Basic Living Allowance amounts for the financial year 2015/16 are shown as follows:-

Figure 1.1⁹

Age Band	Income Support	25% Buffer	Basic Allowance
Over 60 years	£151.20	£37.80	£189.00
25 – 59 years	£73.10	£18.28	£91.38
18 – 24 years	£57.90	£14.48	£72.38

Treatment of couples

- 4.63 If you are a couple, the person who needs the service from us must provide details of their income and capital in order to apply for a reduced charge. If you choose to provide us with details of only your income, we will work out the contribution using living allowances for a single person, and will allow for half of any joint household expenses.
- 4.64 We may request information on capital and income held by a partner or family member if we believe you could have legal claim over assets or income not in your name.

Calculation of your contribution

- 4.65 We will work out your contribution towards the cost of your care and support by:-
- By determining the weekly amount of your total income, which includes capital treated as income under Regulation 16 (Capital treated as income) and notional income under Regulation 17 (Notional Income)¹⁰

⁹ Figures to be updated on an annual basis in line with national change

- By adding to that amount your weekly 'tariff income' from capital calculated in accordance with Regulation 25 of the Care Act 2014.
- We will take away any income we have disregarded
- We will take away your Basic Living Allowance + 25%
- We will take away any disability-related spending

4.66 The resulting figure will be the maximum amount that we would ask you to contribute towards the cost of your care and support.

Residents who will not be required to contribute towards the cost of their care and support

4.67 There are certain exceptions whereby you will be exempt from making a contribution to the cost of your Care and Support:-

- If you are being supported under Section 117 of the Mental Health Act, you will not need to pay a contribution for the services identified in your Section 117 Care and Support plan.
- If you suffer from Creutzfeldt Jacob Disease (CJD)

Step 4 - Care and Support Plan

4.68 Once your care needs have been assessed and your care & support Plan has been drafted, you will be offered a selection of ways to receive your Personal Budget. Personal contributions towards the cost of the care package will be calculated through the financial assessment process.

Step 5 - Collection of Contributions

4.69 Your assessed financial contribution is the most we will collect from you towards the cost of your Adult Social Care.

Cash PB

4.70 Where you are in receipt of your Personal Budget, the Council will deduct the amount of your assessed financial contribution and pay to you any balance left over to meet your own care needs.

4.71 Cash PB and direct payments will be subject to monitoring to ensure that funds are being spent on meeting your social care needs as set out within your care & support Plan. The Council will either request any unspent (or uncommitted) payments not spent to be repaid, or deduct the amount from any future payments.

¹⁰ The Care and Support (Charging and Assessment of Resources Regulations 2014)

Managed Service

- 4.72 Where you are in receipt of council commissioned services (managed service) the council will arrange to recover from you your assessed financial contribution. This may be less than the cost of your care package, with the Council funding the difference to support the cost of your overall care needs.
- 4.73 An invoice for the contribution towards the cost of your care will be sent to you every four weeks in arrears. The invoice will set out the period covered and the amount you need to pay.

Mixed Services

- 4.74 If you decide to have a mixture of both a cash personal budget and managed service from the Council, we will first offset from the cash PB and then the managed service.

Methods of Payment

- 4.75 Where services are paid for by invoice, the Council's preferred method of payment will be by direct debit directly from your bank account. A direct debit form will be sent to you if you are required to pay towards the cost of your care services. You can also pay for your services: -
- By post (cheque made payable to London Borough of Harrow)
 - At a bank or post office
 - By using our automated payment service in the Civic Centre
 - Through our website payment service
 - By debit card or credit card over the telephone through "Access Harrow"
- 4.76 Any individual failing to pay or refusing to pay their contribution will be subject to the Council's overall policy on debt recovery. Each case will be reviewed on its own merit with regard to the individual's financial circumstances.

Step 6 - Review Of Contributions & Appeals

Annual Review

- 4.77 We will review your contribution each year in line with increases in state benefits and advise you in writing of any changes to be made in April each year. Appeals will go to independent Panel i.e. Senior Managers. They are independent because they've not been involved in the case and do not have direct line management responsibilities for any of the staff involved in the case.

You must advise us immediately about any changes in your financial circumstances, as this will impact on your contribution. Failure to do so will result in increased charges being backdated from the date the circumstances changed.

Review and Appeal

4.78 If you disagree with the contribution that we are asking you to pay, or that your personal circumstances are not properly reflected in the financial assessment, then you may ask us to review your contribution.

First Stage -Review

4.79 In the first instance you will need to write to us to explain what you think is wrong and we will review your circumstances and contribution again. We may ask you to provide additional information and evidence including receipts to support the review. We will also send you a review pack which sets out how the financial review will be completed.

4.80 A member of the financial assessment team will check your financial assessment to make sure that there were no mistakes in the calculation and that all relevant income has been included and relevant spending ignored. We will then write to you with our findings and decision.

Second Stage -Appeal

4.81 If you are not satisfied with the financial assessment team decision then you can appeal for a second stage review by an independent panel. The independent panel will consist of two Senior Managers who will look at your individual circumstances. You may again be asked to provide further information to support your appeal request if necessary.

4.82 The panel can decide to:-

- Uphold the original assessed contribution
- Reduce the amount of contribution
- Waive part or the whole of the contribution for a set period of time

4.83 The panel will make a final decision on the amount of contribution you will be required to make towards the cost of the care provided to you and you will be notified of this in writing.

5. Implementation

- 5.1. The Charging and Assessment of Resources Policy updates in line with statutory changes, the original Fairer Contributions Policy.
- 5.2. From the 1st April 2015, we will start to apply the Charging and Assessment of Resources Policy for Adult Social Care in Residential and Non-Residential Services.
- 5.3. If you are new to Adult Social Care and through your financial assessment, it is determined that you have the ability to make a contribution towards your care, the contribution will be paid from the date that your care and support plan is agreed and implemented.

6. Confidentiality & Privacy

- 6.1. The information that you provide to us will be kept by the Financial Assessment Team who will assess how much you are able to contribute towards the cost of your care needs.
- 6.2. We are required to make sure that we use public money properly, so for this purpose only we may use the information you provide for the detection and prevention of fraud. We may also share the information you give us with other public bodies that look after public money for the same purpose.

7. Useful Contacts

7.1 For further information about the Charging and Assessment of Resources Policy, you can contact the financial assessment team helpline on: -

0208 736 6802

DWP Benefit Helpline Numbers

The Benefits Enquiry Line – Disability Living Allowance	0345 712 3456
The Benefits Enquiry Line – Attendance Allowance	0345 605 6055
The Benefits Enquiry Line – Personal Independence Payments	0345 850 3322
Pension Credit	0800 99 1234
Carers Allowance Unit	0345 608 4321
Citizen Advice Bureau	0208 427 9477

Appendix 1 - Case example of how we may assess contributions (over 60) – Community Based Care

Sarah is an 85 year old woman living on her own who receives a basic state pension, private pension and pension credit. Through the Resource allocation System, the Council has assessed Sarah’s care needs to cost £ 75 per week.

Income each week	£
State Retirement Pension	£102.15
Private Pension	£9.60
Pension Credit (Guaranteed Credit)	£39.45
Total Assessed Income (A)	£151.20

Allowance and Living Expenses each week	£
Basic Living Allowance (+25% buffer)	£189.00
Total Assessed Allowances (B)	£189.00

Total Assessed Contribution (A-B)	-£37.80 (£0.00)
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In this example Sarah’s financial contribution towards her care needs is NIL as her weekly allowance and living expenses are more than her weekly income. Sarah will not pay anything towards her assessed care needs. The Council will pay the full cost of Sarah’s care needs. This amount will be deducted from any cash PB or invoice.

Appendix 2 - Case example of how we may assess contributions (25-59) – Community Based Care

John is a 36 year old man living at home with his family. He receives Income Support and Disability Living Allowance (care component). Through the Resource Allocation System, the Council has assessed John's care needs to cost £ 92.50 per week.

Income each week	£
Income Support (Personal Allowance + Disability Premium)	£105.35
Disability Living Allowance (Care component)	£55.10 (£82.30 - £27.20 as higher rate disregarded and standard rate applied)
Total Assessed Income (A)	£160.45

Allowances and Living Expenses each week	£
Basic Living Allowance (+25% buffer)	£131.69
Disability related expenditure	£2.60
Total Assessed Allowance (B)	£134.29

Total Assessed Contribution (A-B)	£26.16
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In this example John has been financially assessed to have the ability to pay £26.16 per week towards the cost of his care needs of £92.50 per week. The Council will make up the difference of £66.34 per week towards the total cost of his care (£92.50 - £26.16). This amount will be deducted from any cash PB or invoice.

Appendix 3 - Case example of how we may assess contributions (18-24) – Community Based Care

Kanta is a 22 year old woman living at home with her family. Kanta receives Incapacity Benefit and Disability Living Allowance (both care and mobility components). Through the Resource Allocation System, the Council has assessed Kanta’s care needs to cost £122.25 per week.

Income each week	£
Income Support	£105.90
Disability Living Allowance (Care Component)	£55.10 (£82.30 - £27.20 as higher rate disregarded and standard rate applied)
Disability Living Allowance (Mobility Component)	£0.00 (Mobility component is disregarded)
Total Assessed Income(A)	£161.00

Allowances and Living Expenses each week	£
Basic Living Allowance	£132.38
Disability related expenses	£18.50
Total Assessed Income (B)	£150.88

Total Assessed Contribution (A-B)	£10.12
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In this example Kanta has been financially assessed to have the ability to pay £10.12 per week towards the cost of her care needs of £122.25 per week. The Council will make up the difference of £112.13 per week to support the total cost of her care (£122.25 - £10.12). This amount will be deducted from any cash PB or invoice.

means tested

Income Support & income-based JSA

Personal allowances

Single – under 25	57.90
– 25+	73.10
Lone parent – under 18	57.90
– 18+	73.10
Couple – both under 18	57.90 / 87.50
– one under 18	57.90 / 73.10 / 114.85
– both aged 18+	114.85
Dependent children	66.90

Premiums

Carer	34.60
Disability – single	32.25
– couple	45.95
Disabled child	60.06
Enhanced disability – single person/lone parent	15.75
– couple	22.60
– child	24.43
Family	17.45
Pensioner – single (JSA only)	78.10
– couple	116.00
Severe disability – per qualifying person	61.85

Employment and Support Allowance

Basic allowance ^(a) – single/lone parent	73.10
– couple	73.10 / 114.85
Work-related activity component	29.05
Support component	36.20

Carer, enhanced disability, pensioner^(b) & severe disability premiums paid at same rate as Income Support/JSA

Pension Credit

Minimum guarantee

Single	151.20
Couple	230.85

Additional amounts

Severe disability (per qualifying person)	61.85
Carer	34.60

Savings Credit

Threshold – single	126.50
– couple	201.80
Maximum – single	14.82
– couple	17.43

Universal Credit^(c)

Standard allowances

Single – under 25	251.77
– 25+	317.82
Couple – both under 25	395.20
– one or both aged 25+	498.89

Child elements

Only/eldest child	277.08
Other children	231.67

Disabled child elements

Lower rate	126.11
Higher rate	367.92

Limited capability elements

For work	126.11
For work and work-related activity	315.60

Carer element

	150.39
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Childcare costs elements (maximum)

1 child	532.29
2+ children	912.50

Housing Benefit^(d)

Personal Allowances

Single person/lone parent – aged 65+	166.05
Couple – both under 18	87.50
– one under 18	114.85
– one or both aged 65+	248.30

Premiums

Family – lone parent rate	22.20
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Working Tax Credit^(e)

Basic element	1,960.00
Couple/lone parent	2,010.00
30 hours element	810.00
Disability element	2,970.00
Severe disability element	1,275.00
Childcare costs (70% of up to)	
1 child (weekly rate)	175.00
2+ children (weekly rate)	300.00

Child Tax Credit^(e)

Family element	545.00
Child element	2,780.00
Disabled child	3,140.00
Severely disabled child	1,275.00

non means tested

Attendance Allowance

Lower rate	55.10
Higher rate	82.30

Bereavement Benefits

Bereavement Allowance	
aged 45–54	33.77–104.67
standard rate	112.55
Widowed Parent's Allowance	112.55
child dependant	11.35 ^(f)

Carer's Allowance

	62.10
Adult dependant	36.55
Child dependant	11.35 ^(f)

Child Benefit

Only/eldest child	20.70
Other children	13.70

Disability Living Allowance

Care component		
	lower rate	21.80
	middle rate	55.10
	higher rate	82.30
Mobility component		
	lower rate	21.80
	higher rate	57.45

Employment and Support Allowance

Basic allowance ^(a)	73.10
Work-related activity component	29.05
Support component	36.20

Guardian's Allowance

	16.55
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Incapacity Benefit

Long term	105.35	
age addition		
	under 35	11.15
	aged 35–44	6.20
adult dependant	61.20	
child dependant	11.35 ^(f)	

Industrial Injuries Disablement Benefit

Standard rate	33.60–168.00
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Jobseeker's Allowance

Under 25	57.90
25+	73.10

Maternity Allowance

Standard rate	139.58
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Personal Independence Payment

Daily living component		
	standard rate	55.10
	enhanced rate	82.30
Mobility component		
	standard rate	21.80
	enhanced rate	57.45

Retirement Pension

Cat A	115.95
Cat B late spouse's or civil partner's NI	115.95
Cat B spouse's or civil partner's NI	69.50
Cat D non contributory, aged 80 or over	69.50
Age addition (aged 80 or over)	0.25
Adult dependant (with Cat A)	65.70
Child dependant (with Cat A and B)	11.35 ^(f)

Severe Disablement Allowance

	74.65	
Age addition		
	aged under 40	11.15
	aged 40–49	6.20
	aged 50–59	6.20
Adult dependant	36.75	
Child dependant	11.35 ^(f)	

Statutory Adoption, Maternity, Paternity and Shared Parental Pay

	139.58
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Statutory Sick Pay

	88.45
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(a) Paid at a reduced rate to certain claimants during 13 week assessment phase.

(b) Reduced where claimant entitled to ESA component.

(c) Monthly amounts. Universal Credit benefit cap applied at £2,167 for couples and lone parents; and £1,517 for single people.

(d) Where different to Income Support, income-based JSA, ESA or Pension Credit. Housing Benefit cap applied at £500/week for couples and lone parents; and £350/week for single people.

(e) Annual amounts. First threshold £6,420 (£16,105 if not entitled to WTC).

(f) Reduced for an eldest/only child where CB is payable.