



## 10E: Financial Assessment and Charging for non-residential care and support

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The non-residential care and support services you receive while you are living at home or in supported accommodation (supported living, extra care housing, shared lives, or planned short stays in a care home) are not free<sup>1</sup>.

However, you may be entitled to financial support from the Council to help towards your eligible care and support costs. How much help you get with costs depends on the outcome of your financial assessment.

You won't have to pay for non-residential care and support if:

- you are eligible for 'After-care' support service provided under section 117 of the Mental Health Act 1983 or
- your care and support services are fully funded for by the NHS through Continuing Healthcare



*You should read this section in conjunction with [Information that applies to all financial assessments](#)*

### If you have savings and investments over the Upper Capital Limit

You must pay the full cost of your care and support. However:

- You are still entitled to a free social care assessment to identify your care and support needs and information and help with support planning.
- You also have the right to ask us to arrange and manage your care and support services for you. If you do this we will allocate and manage a [Personal Budget](#) for you and charge you the full cost of your Personal Budget plus [Arrangement Fees](#) to pay towards our administration costs of arranging and monitoring your care and support.
- We recommend that you seek [independent financial information and advice](#) about financing your care and support services now and in the future



*For information about current capital limits see [Appendix A – Capital Limits Schedule](#). For our arrangement fees see [Appendix Q – Self-funder Administration Charges](#)*

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<sup>1</sup> If your care is an "Intermediate Care Service" (such as 'reablement') it may be provided free for a short period – see [Care and Support Services provided free of charge](#).

## If your savings and investments are below the Upper Capital Limit

We will offer you a full financial assessment to work out your Assessed Maximum Weekly Contribution to your [Personal Budget](#) for non-residential care and support (or your immediate care package - if you came to us in crisis and we put short-term care in place to keep you safe until your situation is more stable) .

Your Assessed Maximum Weekly Contribution is the **most** we could ask you to pay each week towards your non-residential care and support services.

You may not need to pay as much as this:

- If your Assessed Maximum Weekly Contribution is more than the weekly cost of your care and support (your agreed weekly Personal Budget) your actual charge will be the full cost of your care and support.
- If your Assessed Maximum Weekly Contribution is less than the weekly cost of your care and support (your agreed weekly Personal Budget) your actual charge will be your Assessed Maximum Weekly Contribution. The Council will pay the rest
- If your Assessed Maximum Weekly Contribution is nil (zero or less than the Council's minimum assessed contribution<sup>2</sup>) you won't be charged anything towards the cost of your non-residential care and support.

### Personal Budget

Your Personal Budget is the amount we think it will cost to pay for services to meet the unmet eligible care and support needs identified by your social care assessment.

## Rules for financial assessments for non-residential care and support

National rules set out

- which sources of income we must disregard (ignore) in a financial assessment
- what capital (such as savings and investments) we must disregard
- minimum amounts we must allow in a financial assessment for everyday living costs ('Minimum Income Guarantee')



See [Information that applies to all financial assessments](#) for how we collect information for a financial assessment.

## How we work out your Assessed Maximum Weekly Contribution:

The calculation is:

Your **Regarded Weekly Income** + a **Tariff Income on Savings**

Less:

Your **Housing Expenses** + **Minimum Income Guarantee** + **Any Allowable Expenses** + Your [Disability Related Expenses](#)

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<sup>2</sup> See [Appendix B: Financial Assessment Allowances Schedule](#)

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## = Assessed Maximum Weekly Contribution

See [Appendix F. For example care charges calculations](#)

### If you live with a partner

You must identify:

- your own income, capital and expenses PLUS
- Any income received, capital held and/or expenses incurred by either you or your partner on behalf of you both.

We will assume that joint income, capital and expenses are shared equally unless you provide evidence to show otherwise.

Income that is treated as received jointly for couples living together includes:

- Pension Guarantee Credit
- Income Support
- Income-related Employment Support Allowance
- Income-based Job Seekers Allowance
- Universal Credit

We assume that benefits and credits are shared equally between you and your partner, regardless of which one of you receives the payment.

### Regarded Weekly Income

We count the income you receive (converted to a weekly amount) excluding any earnings from current paid work. (see also '[If you live with a partner](#)' if this applies to you)

If you are or were entitled to income that you have chosen not to receive, your regarded weekly income may include notional income (at the same amount as you would have been entitled to receive)

The table below shows which sources of income are:

- Included - **I**
- Disregarded - **D** or
- Partially disregarded – **PD**

And if this is a:

- National rule (set by Government) – **N** or
- local discretion (policy set by Council) - **L**

| Source of Income                  | How FA treats | Local (L)<br>National (N) |
|-----------------------------------|---------------|---------------------------|
| Armed Forces Independence Payment | D             | N                         |
| Attendance Allowance              | I             | L                         |
| Boarders                          | I             | L                         |

| Source of Income  | How FA treats       | Local (L)<br>National (N) |
|---|---------------------|---------------------------|
| Care plan bond income   | I                   | L                         |
| Charitable Income <sup>3</sup>  | D/PD                | L                         |
| Child Benefit   | D                   | N                         |
| Child Tax Credit  | D                   | N                         |
| Constant Attendance Allowance   | I                   | L                         |
| Court Order payments or settlements (including certain compensation and personal injury payments)   | I                   | L                         |
| Disability Living Allowance (care component)  | I                   | L                         |
| Disability Living Allowance (mobility component)  | D                   | N                         |
| Earnings from paid work   | D                   | N                         |
| Employment and Support Allowance  | I                   | L                         |
| Equity Release Scheme income  | I                   | L                         |
| Exceptionally Severe Disablement Allowance  | I                   | L                         |
| Guaranteed Income Payments (paid under Armed Forces Compensation Scheme)  | D                   | N                         |
| Housing Benefit   | I                   | L                         |
| Incapacity Benefit  | I                   | L                         |
| Income Support  | I                   | L                         |
| Industrial Injuries benefits  | I                   | L                         |
| Interest from capital (such as Savings/Investments )  | D or I <sup>4</sup> | N                         |
| Job Seeker's Allowance  | I                   | L                         |
| Lodgers and self-supporting children living at home   | I                   | L                         |
| Maintenance payments specifically relating to a child   | D                   | N                         |
| Nationalist Social Persecution payments   | D                   | N                         |
| Occupational/Personal Pensions<br><i>(this may include a notional income from a pension fund where a lower amount is being drawn or pension income has been deferred)</i> | I                   | L                         |
| Pension Credit - Savings Credit   | D                   | N                         |

<sup>3</sup> Charitable income may be partially disregarded or fully disregarded in line with Schedule 1 of the Care and Support (Charging and Assessment of Resources) Regulations.

<sup>4</sup> Interest received on capital is usually disregarded. However if the capital asset is disregarded in the financial assessment then interest received on that capital is included. The Care and Support Statutory Guidance (Annex A and Annex B) has further details and examples.

| Source of Income                                    | How FA treats | Local (L) National (N) |
|---|---------------|------------------------|
| Pension Credit - Guarantee Credit                   | I             | L                      |
| Personal Independence Payment (Daily Living)        | I             | L                      |
| Personal Independence Payment (Mobility)            | D             | N                      |
| Severe Disablement Allowance                        | I             | L                      |
| Social Fund Payments                                | D             | N                      |
| State Pensions                                      | I             | L                      |
| Statutory Sick/Adoption/ Maternity Pay or Allowance | D             | N                      |
| Sub tenants   | I             | L                      |
| Income from Trade Unions and Friendly Societies     | I             | L                      |
| Trust fund income <sup>5</sup>                      | I/D           | L                      |
| Universal Credit                                    | I             | L                      |
| War Pensions paid to veterans                       | D             | N                      |
| Winter fuel and cold weather payments               | D             | N                      |
| Working Tax Credit                                  | D             | N                      |

Any other income not listed in the table above will be considered in the assessment in line with the Care and Support (Assessment of Resources) Regulations, along with any tariff income from savings/capital.

### **Tariff income on savings/investments that are not disregarded**

This is a weekly amount calculated from savings and investments between the upper and lower capital limits – see [Appendix A – Capital Limits Schedule](#) for details.

### **Housing Expenses**

We make an allowance to ensure you can cover your housing costs before you are asked to make a contribution towards the cost of your care and support.

#### **If you share a household with other adults**

We will divide your allowed housing costs equally between all adults in the household - unless you provide information showing we should consider a different way of sharing these costs.

Depending on your tenure and circumstances we make allowances for:

- Rent (net of Housing Benefit). If you are eligible for full Housing Benefit but your benefit is reduced by a deduction for a 'non-dependent' we won't make an allowance for non-dependent deduction amounts.

<sup>5</sup> Treatment of trust fund income depends on the situation and are detailed in the Care and Support (Assessment of Resources) Regulations

- Mortgage<sup>6</sup> (net of assistance through benefits such as Income Support, Pension Credit, Employment and Support Allowance, Universal Credit)
- Council Tax (net of Council Tax Support). If you are eligible for full Council Tax Support but this is reduced by deduction for a 'non-dependent' we won't make an allowance for the non-dependent deduction amounts.
- Essential service charges and ground rent (net of funding through benefits)

### **Other Allowable Expenses**

Where applicable, we may make an allowance for:

- Court ordered payments (e.g. child maintenance)
- Expenses for a registered education/ training course at a University/ College including tuition, study materials (e.g. text books) and tools for apprenticeships (we require receipts). Costs are apportioned across the year. You must retain receipts of educational expenses.

### **Minimum Income Guarantee (MIG) for Basic Living Costs**

The Minimum Income Guarantee is an allowance in your financial assessment to cover your basic day-to-day living expenses. MIG varies depending on your age and other circumstances at the time of your financial assessment.

We are allowed to set our own MIG levels as long as they are at least equal to the national Minimum Income Guarantee levels – See [Appendix B – Financial Assessment Allowances Schedule for our current MIG rates.](#)

### **Affordability Check: if your partner is on a low income**

If you live with a partner who is on a low income<sup>7</sup>, you and your partner can ask us to carry out an affordability check of your joint situation to ensure the level of MIG in your financial assessment protects your joint financial resources from falling below the Department for Work and Pensions (DWP) minimum levels. See [Appendix L: Affordability Checker for Couples](#)

We won't carry out an affordability check if your Assessed Maximum Weekly Contribution is nil.

### **Disability-Related Expenditure (DRE)**

#### **Standard DRE allowance**

If you receive Attendance Allowance or Personal Independence Payment or Disability Living Allowance (DLA) we make a standard allowance in your financial assessment for the additional expenses you incur because of your disability.

The amount of the standard allowance is shown in [Appendix B – Financial Assessment Allowances Schedule](#)

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<sup>6</sup> This includes endowment/ISA policy payments to repay mortgage up to 5% above Base Rate

<sup>7</sup> 'Low income' relates to income (including tariff income from savings) below Department for Work and Pensions minimum allowance/personal allowance levels for benefits.

## Full DRE Assessment

If you receive Attendance Allowance or Personal Independence Payment or DLA you can ask us to carry out a more detailed DRE Assessment by [completing our online DRE questionnaire](#) or calling the FAB Team on 0118 937 3724

We will consider DRE when:

- the extra cost is needed to meet your specific need due to a medical condition or disability, as identified in your social care assessment; **AND**
- the cost is reasonable and can be verified (we may ask for receipts/bills); **AND**
- There isn't suitable lower cost (or free) alternative item or service that could be used - if there is, we will only consider the lower amount as DRE.

See [Disability Related Expenditure – guide amounts](#) for our list of recognised DRE items (based on Statutory Guidance on DRE) with our indications of reasonable maximum or standard allowances.

We will usually consider the actual amount you spend up to the maximum amount indicated for each item or service in the DRE guide. We will consider exceptions to the DRE guide amounts where there is evidence of exceptional circumstances and good reason for higher cost amounts incurred. Decisions on exceptional DRE cost allowances will be considered by an adult care senior manager.

### We won't make an allowance for:

- General items or services required for daily living which would be used by the general population;
- Any item or service met by a payment from a Grant (e.g. Disability Facilities Grant) or where another funding source has been provided;
- The difference between the actual cost and the lower cost alternative where we consider it was reasonable for a lower cost alternative;
- Structural or landscaping work (e.g. tree surgery, path laying or re-laying) in gardens or to buildings unless;
  - ♦ Disabled Facilities Grant contributions apply in respect of the works carried out
  - ♦ Works required to assist with the prevention of falls, such as the installation of hand rails, repairs to footpaths; or
  - ♦ the modifications to the garden or building are essential to enable use of a scooter or wheelchair that you need to use, or to provide secure storage for a scooter and the facility is used as such. In this case, the amount will be calculated as if the modifications were equipment with a suitable life span applied.

### Where an expenditure item combines more than one element

We will only consider the cost of elements that meet your specific needs due to your disability or medical condition.

For example, for hairdressing expenses we will consider the cost of hair washing if you are unable to do this task yourself, but we won't consider charge for hair cutting as this is a service used by the general population and is not a disability related expense.

## **If you share a household with other adults**

If the additional disability-related expense item relates to a service that supports the household as a whole (for example, if you pay for a cleaner) we will only consider your share of the cost - on the basis that the cost is shared equally between the number of adults in the household - unless you provide information to show that we should consider a different basis for you.

## **Verification of expenses**

The [DRE Guide](#) details the evidence you must provide to support your DRE assessment . For most items you will be expected to keep receipts or bills for services such as utilities (e.g. water meter, gas, electricity).

If you can't produce evidence we will use our discretion to determine the reasonableness of your claim.

## **Special equipment items and maintenance**

The DRE Guide includes allowances for special equipment items (such as a wheelchair, stair lift, powered bed) if you have incurred an expense to make the purchase. We will make an allowance based on the life span of the equipment and either the price you paid or the cost of a suitable lower priced alternative.

We can also make allowances for maintenance fees for special equipment if you pay these fees yourself.