

# Adult Social Care Services



**Reading**  
Borough Council  
Working better with you



## Care and Support Charging and Financial Assessment Framework

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## Contents

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<b>Contents .....</b>	<b>2</b>
<b>1: Summary .....</b>	<b>5</b>
<b>2: Legal Context.....</b>	<b>5</b>
The Care Act 2014 – Charging and Financial Assessment.....	5
Future social care reform .....	6
<b>3: Principles of this Framework.....</b>	<b>6</b>
The development and review of this Charging and Financial Assessment Framework....	6
National Principles of Charging and Financial Assessment .....	7
<b>4: Care and Support Services provided free of charge .....</b>	<b>7</b>
<b>5: Chargeable Care and Support Services .....</b>	<b>8</b>
Permanent care home accommodation.....	8
Short Term / Respite stay(s) in care home accommodation (up to 28 nights per year)...	8
Temporary stay(s) in care home accommodation (including respite/short stays exceeding 28 nights during a year). .....	9
Non-residential Care and Support.....	9
Notice periods for cancelling non-residential services.....	10
<b>6: Administration Fees and Interest Charges for arranging Care and Support .....</b>	<b>10</b>
Arrangement Fees for non-residential care and support services .....	10
Interest and Administration Charges for Deferred Payment Agreements.....	11
Interest and Administration Charges for Interim Funding .....	12
<b>7: Mental Capacity to Manage Finances .....</b>	<b>13</b>
Individuals who lack capacity to manage their finances .....	13
Where can I get information or advice on becoming a financial representative?.....	15
<b>8: Care and Support Financial Assessment Policy .....</b>	<b>16</b>
Information that applies to all financial assessments .....	16
How to Pay your Charges for Care and Support.....	22
Financial Assessment and Charging for Care Home Accommodation.....	26
Short Term and Respite Stays - of up to 28 Nights during a Year.....	32
Temporary Stay in a Care Home and/or Short Stays that exceed 28 nights during a year. ....	33
Financial Assessment and Charging for Non-residential Care and Support.....	34
Full DRE Assessment .....	41

<b>9: Deferred Payment Agreements Policy</b> .....	<b>44</b>
Introduction .....	44
The Deferred Payment Agreement Application Process .....	52
DPAs for People Lacking Mental Capacity.....	56
Conditions Placed on Deferred Payment Agreements .....	57
Interest & Administration Charges.....	57
Six-monthly Statements of Deferred Payments.....	58
Settlement of the Deferred Debt.....	59
Deferred Payment Agreements in settings other than a Care Home. ....	59
Default Provisions .....	60
Appealing our decision about a Deferred Payment Agreement.....	61
<b>10: Interim Funding Policy</b> .....	<b>62</b>
Introduction .....	62
Who this Policy applies to .....	62
Background .....	63
Eligibility Criteria.....	63
Financial Information and Advice for representatives.....	64
The Application Process.....	64
Conditions Placed on Interim Funding.....	67
Interest and Administration Charges .....	68
Six-monthly Statements .....	68
Making an Application for a Deferred Payment Agreement (DPA).....	69
Default Provisions .....	69
Appealing our decision about an Interim Funding Arrangement.....	69
<b>11: Choice of Accommodation and Additional Payments Policy</b> .....	<b>70</b>
Introduction .....	70
Who this Policy applies to .....	70
Having a choice.....	71
Support to make an informed choice.....	71
Preferred accommodation .....	72
Refusing to arrange a preferred accommodation choice.....	73
Providing interim accommodation or support .....	73
Accommodation located outside of Reading Borough Council's area .....	74
The Cost of Accommodation .....	75

Choosing more expensive accommodation.....	75
Paying for more expensive accommodation.....	76
Paying for accommodation.....	77
<b>12: Equality Impact Assessment .....</b>	<b>79</b>
<b>13. Reviewing the Charging and Financial Assessment Framework .....</b>	<b>79</b>
<b>Appendix A: Charges For Deferred Payments Agreements Interim Funding Arrangements and Self-funder Arrangements 2018-2019 .....</b>	<b>80</b>
Set-up Fees for Deferred Payment Agreements (DPAs).....	80
Annual Administration Fees for DPAs & Interim Funding Arrangements.....	81
Annual interest rates for DPAs & Interim Funding Arrangements .....	81
Non-Residential Care and Support: Fees for arranging care and support on behalf of self funders: .....	81
<b>Appendix B: Capital Limits Schedule 2018-19 .....</b>	<b>82</b>
<b>Appendix C: Financial Assessment Allowances Schedule 2018-19.....</b>	<b>83</b>
<b>Appendix D: Disability Related Expenditure - guide 2018/9.....</b>	<b>84</b>
<b>Appendix E: Third Party Top Up Agreement .....</b>	<b>89</b>
<b>Appendix F: Sample Deferred Payment Agreement – .....</b>	<b>91</b>
<b>Appendix G: Example Care Charges Calculations .....</b>	<b>92</b>
<b>Appendix H: Assessed Contribution Waiver Request.....</b>	<b>95</b>
<b>Appendix I: Financial Assessment Appeal Request Form.....</b>	<b>96</b>
<b>Appendix J: Example of information needed for your financial assessment.....</b>	<b>97</b>
Details of ALL your income .....	97
Details of ALL your Savings and Investments (Capital Assets).....	98
Details of your Expenses.....	100
<b>Appendix K: Deferred Payment Agreement / Interim Funding Appeal Request Form .....</b>	<b>102</b>
<b>Appendix L: Affordability Checker for Couples (Non-residential Financial Assessments) .....</b>	<b>103</b>

## 1: Summary

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Care and Support is not a free service like the NHS. While some types of care and support are free, many services are subject to a charge – based on what an individual can afford. Councils are required to carry out a financial assessment to work out what an individual can afford.

Contributions collected from individuals are reinvested in care and support services.

This Framework sets out the Council's policies for charging for care and support and follows the Care and Support Regulations and Statutory Guidance issued by the Government under the Care Act 2014.

If you would like this information in large print, braille, easy-read or in another language, please contact the Reading Adult Contact Team – the contact details are on the Council Web Site.

## 2: Legal Context

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### The Care Act 2014 – Charging and Financial Assessment

Section 14 of the Care Act 2014 gives councils the power to charge adults for care and support. This applies where adults are being provided with care and support to meet needs identified under Section 18, Section 19 or Section 20 of the Care Act 2014. These needs are sometimes referred to as 'identified needs' or 'eligible needs'.

Councils must follow the regulations and guidance issued under the Care Act 2014. For example, in developing policies on charging and financial assessment, Councils must take note of the following documents:

- 'The Care and Support (Charging and Assessment of Resources) Regulations 2014', which set out:
  - ♦ the power to charge for certain types of care and support;
  - ♦ the duty under section 17 of the Care Act to carry out a financial assessment if a council's policy is to charge for care and support;
  - ♦ rules on the treatment and calculation of income and capital within a financial assessment (including notional income and notional capital where a person has deliberately deprived themselves of an asset);
  - ♦ rules on minimum allowances to be given within a financial assessment;
  - ♦ the power to charge costs of putting arrangements into place in specific situations
- 'The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014' which set out the rules on the provision of an individual's preferred accommodation.
- 'The Care and Support (Deferred Payment) Regulations 2014' which set out the rules on when a council must enter into a Deferred Payment Agreement with an individual, and when a council is permitted to enter into a Deferred Payment

Agreement with an individual, for deferring part of their ongoing care and support costs. The Regulations also set out a council's power to charge interest and administration costs of running the Deferred Payment Scheme.

- 'Care and Support Statutory Guidance'<sup>1</sup>, issued by the Department of Health giving detailed guidance to councils on all aspects of the Care Act 2014, including 'Charging and Financial Assessment' (Chapter 8, and Chapter 9 'Deferred Payments') and associated Annexes to the Guidance, for example:
  - *Annex A: 'Choice of Accommodation and Additional Payments'*
  - *Annex B: 'Treatment of Capital'*
  - *Annex C: 'Treatment of Income'*
  - *Annex D: 'Recovery of Debts'*
  - *Annex E: 'Deprivation of Assets'*
  - *Annex F: 'Temporary and short term residents in Care Homes'*

The Care Act 2014 replaced many previous Acts, Regulations and Guidance for adult social services, including those that related to charging and financial assessment for care and support. Chapter 23 of the 'Care and Support Statutory Guidance' gives information about the transition from the old legislation to the new legislation under the Care Act 2014, including situations where previous arrangements continue – for example: Deferred Payment Agreements that were put in place on or before 31st March 2015.

## Future social care reform

Although the Care Act 2014 introduced a cap on care costs to limit how much people would pay toward their care and support needs over their lifetime Government have since announced proposals<sup>2</sup> to make long-term social care reforms to publish for public consultation in Summer 2018 and will not take forward the cap on care costs set out in the Care Act<sup>3</sup>.

## 3: Principles of this Framework

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### The development and review of this Charging and Financial Assessment Framework

In 2014 the Council developed a Charging and Financial Assessment Framework as part of implementing The Care Act in Reading.

During 2016, alongside many other reviews to maximise income to the Council to fund services, the Council reviewed this Charging and Financial Assessment Framework to propose some changes to maximise the contributions from individuals towards the cost of the care and support services funded by the Council.

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<sup>1</sup> [www.gov.uk/guidance/care-and-support-statutory-guidance](http://www.gov.uk/guidance/care-and-support-statutory-guidance)

<sup>2</sup> In November 2017 the Government announced proposals to reform social care and support. In December 2017 the Parliamentary Under-Secretary of State for Health announced that the Government would not be taking forward the cap on care costs set out by the previous Government. You can view that announcement here: <https://hansard.parliament.uk/Commons/2017-12-07/debates/F7AD5D1D-C8D6-411D-BF42-B432955B2A8E/SocialCare>

The Council sought views on the proposed changes during a 90-day community consultation which ran from December 2016 to March 2017. You can view the 'Adult Social Care Charging and Financial Assessment Review Consultation Report' on the Council's website: [www.reading.gov.uk/ascchargingreview](http://www.reading.gov.uk/ascchargingreview)

This Charging and Financial Assessment Framework was approved by the Adult Social Care, Children's Services and Education Committee on 20 March 2017 for implementation from April 2017 and will be reviewed annually. See section [13. Reviewing this Charging and Financial Assessment Framework](#)

## National Principles of Charging and Financial Assessment

This Charging and Financial Assessment Framework has been developed to meet national principles to:

- ensure that people are not charged more than it is reasonably practicable for them to pay for care and support;
- be comprehensive - to reduce variation in the way people are assessed and charged;
- be clear and transparent - so people know what they will be charged;
- promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control;
- support carers to look after their own health and wellbeing and to care effectively and safely;
- be person-focused - reflecting the variety of care and caring journeys and the variety of options available to meet their needs;
- apply the charging rules consistently - so those with similar needs or services are treated the same and minimise anomalies between different care settings;
- encourage and enable those who wish to stay in or take up employment, education or training, or plan for the future costs of meeting their needs to do so; and
- be sustainable for the Council in the long-term.

## 4: Care and Support Services provided free of charge

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Assessments of need and care planning are always provided free of charge, and Councils are not permitted to charge for any service or part of service which the National Health Service (NHS) is under a duty to provide - this includes Continuing Healthcare and the NHS contribution to Registered Nursing Care.

All councils must provide the following care and support services **free of charge**:

- **Intermediate Care - including reablement** - which offers a short period<sup>4</sup> of intensive therapies and support from health and social care professionals to help people promote or regain their independence
- **community equipment and minor adaptations**<sup>5</sup> - small items of equipment or gadgets or small modifications designed to help you stay active and carry out everyday tasks without help from others

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<sup>4</sup> Intermediate Care Services are only provided for a short period of time – which may continue up to 6 weeks without charge.

- care and support provided to people with **Creutzfeldt-Jacob Disease**
- **After-care services/support** provided under section 117 of the Mental Health Act 1983

The Council has also chosen to provide the following services **free of charge**:

- **Carer services** provided directly to carers to meet carers identified needs<sup>6</sup>
- **Preventative' services**<sup>7</sup> provided directly by the Council to prevent or delay care needs becoming more serious (for example training to self-manage a health condition, or stress-management training for carers)

## 5: Chargeable Care and Support Services

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Charges for the following services are based on an assessment of your financial situation - for details see section [8: Care And Support Financial Assessment Policy](#)

### Permanent care home accommodation

If you have capital above the Upper Capital Limit<sup>8</sup> we will assess you as being able to pay the full charge for your care home accommodation. If your capital is mostly due to a property asset, there are rules around whether this counts within your capital assets.

If your capital is below the Upper Capital Limit, we will carry out a financial assessment to work out your Assessed Weekly Charge for care home accommodation.

See [Financial Assessment And Charging For Care Home Accommodation](#)

### Short Term / Respite stay(s) in care home accommodation (up to 28 nights per year)

If you have capital above the Upper Capital Limit<sup>9</sup> we will assess that you are able to pay the full cost of your Short Term/ Respite stay in care home accommodation. See section [6: Administration Fees and interest charges for arranging care and support](#)

If your capital is below the Upper Capital Limit, we will carry out a financial assessment using Financial Assessment and Charging rules for [Non Residential Care and Support](#) to see how much, if anything, you need to pay.

If your short term / respite stays exceeds 28 nights during a year we will re-assess your contribution to care home accommodation from 29th night using the Financial Assessment and Charging rules for Temporary Stays (see below).

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<sup>5</sup> A minor adaptation is one costing £1,000 or less

<sup>6</sup> These are support services provided under *Section 20 of The Care Act 2014*

<sup>7</sup> These are services provided under *Section 2 of The Care Act 2014*. The Care and Support (Preventing Needs for Care and Support) Regulations 2014 give further information.

<sup>8</sup> See [Appendix B – Capital Limits Schedule](#) for the current Upper Capital Limit

<sup>9</sup> See [Appendix B – Capital Limits Schedule](#) for the current Upper Capital Limit

## Temporary stay(s) in care home accommodation (including respite/short stays exceeding 28 nights during a year).

If you have capital **above** the Upper Capital Limit<sup>10</sup> we will assess that you are able to pay the full cost of your temporary stay in care home accommodation. See also [6: Administration Fees and Interest Charges for arranging care and support](#)

If your capital is **below** the Upper Capital Limit we will carry out a financial assessment to work out your Assessed Weekly Charge for your temporary accommodation using the national rules for temporary residents. See [Temporary Stays in care homes](#)

## Non-residential Care and Support

'Non-residential care and support' means the care and support services you need to help you stay living safely in your own home and involved in community activities.

Depending on your financial situation you may be asked to contribute towards your non-residential care and support.

If you have capital above the Upper Capital Limit<sup>11</sup> we will assess that you are able to pay the full cost of your care and support services that you need to help you stay living safely in your own home and involved in community activities.

If your capital is below the Upper Capital Limit we will carry out a financial assessment to work out your Assessed Maximum Weekly Contribution for non-residential care and support services. See [Financial Assessment and Charging For Non-Residential Care and Support](#)

- If your Assessed Maximum Weekly Contribution is nil (zero), you will NOT need to pay towards your non-residential care and support services.
- If your Assessed Maximum Weekly Contribution is more than zero, you will either pay:
  - ♦ your Assessed Maximum Weekly Contribution, **OR**
  - ♦ the full cost of your care and support if this is less than your 'Assessed Maximum Weekly Contribution'.

Examples of non-residential care and support arranged through the Council could include:

- care and support provided to you in your home, including home care and/or a personal assistant;
- care and support provided to you to help you go out in the community;
- care and support provided to you through day activities such as attending a day centre;
- care and support provided in Supported Living accommodation, including in Shared Lives schemes;
- care and support provided to you in extra care housing;

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<sup>10</sup> See [Appendix B – Capital Limits Schedule](#) for the current Upper Capital Limit, For general information about Capital Limits see [Capital Limits](#)

<sup>11</sup> See [Appendix B – Capital Limits Schedule](#) for the current Upper Capital Limit

- assistive technology services (for example, telecare monitoring services - such as for pendant alarms, environmental sensors and health monitors)
- short term stays in a care home (for example, for respite) of up to 28 nights
- Direct Payments<sup>12</sup> paid to you to arrange any of the services above

If your social care assessment shows that you have ongoing eligible care and support needs you will be allocated a 'Personal Budget' so you can choose the care and support services you need. When working out your actual weekly charge, your 'Assessed Maximum Contribution' is compared to the average weekly cost over the year for your Personal Budget.

## Notice periods for cancelling non-residential services

Where applicable, your Assessed Maximum Contribution will be applied to the contract agreements between the Council and the provider(s) of your service(s). These contracts set out the circumstances under which providers can claim payment for services not provided to you. You can check the cancellation process and notice periods required with your social care worker when you are planning your care and support.

## 6: Administration Fees and Interest Charges for arranging Care and Support

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### Arrangement Fees for non-residential care and support services

If you have capital above the Upper Capital Limit, or you have refused a full financial assessment you will be liable for the full cost of your non-residential care and support services.

If you ask us to set up, arrange and manage your care and support services we will ask you to agree, in writing, to pay the full cost of your care and support plus the following arrangement fees:

#### A Set-Up Arrangement Fee

This may include a proportion of the cost of:

- Identifying appropriate providers of care and support
- Negotiating rates and times for care to be delivered with individual providers
- Putting contracts into place for the care and support service
- Setting up methods of payment for you to pay these care costs – for example Direct Debit

#### An Annual Arrangement Fee

This is to cover a proportion of the costs of:

- Paying your care and support providers
- Dealing with any queries relating to your services

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<sup>12</sup> Direct Payments are where the Council pays you money that you need to pay for your care and support so that you can arrange your own services and pay the provider directly.

- Monitoring your service to ensure service providers are providing the support agreed.
- Invoicing you for the cost of your care and our administration fees and collecting this money from you

We review our arrangement fees every year and these will never be more than the costs we incur - see [Appendix A – Schedule of Fees and Charges](#) for details.

## **Interest and Administration Charges for Deferred Payment Agreements**

If you apply for and accept an offer of a Deferred Payment Agreement with the Council we will charge you:

### **A Set-Up Fee to put the Deferred Payment Agreement in place**

This may include a proportion of, or all of, the following costs:

- the costs incurred in drawing up the legal agreement (the Deferred Payment Agreement itself) including the cost of people's time;
- legal costs and Land Registry fees of securing a charge against the financial asset that is offered as security within the Deferred Payment Agreement (usually a legal charge on a property);
- asset valuation fee;
- other administration costs (such as postage, printing, photocopying, overheads, and the cost of peoples' time in relation to putting the arrangements into place.

### **An Annual Administration Fee for your Deferred Payments**

This is to cover a proportion of the following costs:

- arranging the contract and payments to your care provider;
- monitoring the level of your deferred payments and sending you a regular statement;
- monitoring the requirements of the Deferred Payment Agreement to ensure the terms and conditions are being followed

### **Other Administration Fees from time to time during the term of your Deferred Payment Agreement**

If we need to carry out additional tasks relating to your Deferred Payment Agreement - we will tell you what is needed and estimate the extra cost that would be re-charged to you after the task is carried out.

For example - the cost of periodically re-valuing your financial asset that is being used as security against your deferred payments.

### **Interest on Deferred Payments**

From the start date of your Deferred Payment Agreement we charge:

- interest on your accommodation costs deferred under your Deferred Payment Agreement

- interest on your set-up fees, annual fees and other administration fees (unless you have requested to pay those charges separately when they are incurred instead of deferring them – provided that this is stated in your Deferred Payment Agreement)

The interest charged is compounded – this means that interest is charged on the interest that has already been added to your deferred payment.

Compound interest is charged on the balance of your deferred payment until the deferred payment is repaid and your Deferred Payment Agreement ended.

Details of deferred payment administration fees and interest charges are set out in [Appendix A – Schedule of Fees and Charges](#).

The interest rate is set for six-month periods running from 1 January – 30 June and 1 July – 31 December each year. The interest rate may change from one period to the next in line with Government borrowing rates<sup>13</sup>. We will give you notice of those changes as required by the Care and Support statutory guidance.

We review our set-up fees and annual fees every year. These will never be more than the costs we incur.

## Interest and Administration Charges for Interim Funding

If you are applying to become a legal representative of someone needing to defer the full care home costs and the Council has agreed an Interim Funding arrangement with you, we will charge:

### An Annual Administration Fee

This is to cover a proportion of the following costs:

- arranging the contract and payments to the care provider;
- monitoring the level of the accruing accommodation costs and sending you a regular statement.

When you obtain legal authority to arrange a longer-term financial arrangement for the person you act for – the annual administration fee would be replaced by Deferred Payment Agreement fees if you enter into a Deferred Payment Agreement with the Council.

### Interest on Interim Funding

From the start date of the Interim Funding arrangement we charge:

- interest on the accruing accommodation costs at the same rate as for Deferred Payment Agreements
- interest on the administration fee (where this is accrued) at the same rate as for Deferred Payment Agreements

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<sup>13</sup> The interest rate tracks the market gilts rate specified in the most recently published report by the Office of Budget Responsibility (OBR) plus a 0.15% default component.

The interest charged is compounded – this means that interest is charged on the interest that has already been added to the balance of accrued accommodation costs (and administration costs where these apply).

Details of administration fees and interest charges for Interim Funding arrangements are set out in [Appendix A – Schedule of Fees and Charges](#).

## 7: Mental Capacity to Manage Finances

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The Mental Capacity Act 2005<sup>14</sup> sets out people’s rights and what happens when a person has lost the capacity to manage or make decisions about their finances. It also sets out how you can plan ahead to appoint someone, while you have capacity, to make decisions for you in the future if you lose capacity.

### Individuals who lack capacity to manage their finances

#### **If you act for someone as an attorney or deputy:**

If you are legally-appointed to act for someone we are arranging ongoing care and support for, who lacks mental capacity to manage their finances, you must provide us with:

- evidence of your legal authority to act as the financial representative for that person – such as a copy of :
  - ♦ a registered Lasting Power of Attorney; or
  - ♦ a registered Enduring Power of Attorney; or
  - ♦ a Court document appointing you deputy
- any financial information required to carry out a financial assessment for the person needing care and support

We will then:

- send you any correspondence addressed to the person you represent
- require you to sign any financial documents or contracts on behalf of the person you represent
- require you to settle any invoices for care charges raised in the name of the person you represent

#### **If you intend to act for a person with care and support needs who lacks mental capacity to manage their finances:**

You should ask the Department for Work and Pensions (DWP) to appoint you to deal with the state benefits for that person (an ‘appointee for benefits’).

An ‘appointee for benefits’ has authority to deal with state benefits only for that person and may not have access to other financial income or assets records belonging to that

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<sup>14</sup> For further information see [www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant](http://www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant)

person. Where state benefits are the only source of income, and there are no other financial assets (such as savings, investments, property) it will usually be possible for a financial assessment to be completed.

If the person who lacks mental capacity has other assets (such as private income, savings, investments, property) a suitable representative will need to make an application to the Court of Protection to become a deputy to be able to deal with that person's financial and property affairs.

- This representative could be a family member or friend or solicitor. If no suitable representative can be identified, the Council will make the application to the Court of Protection to become deputy.
- If you have applied to the Court of Protection, or you intend to apply to the Court of Protection to become a deputy, you should apply to the Department for Work and Pensions to manage the person's state benefits - we can give you information about this.
- If we arrange care and support for a person who lacks capacity to manage their finances we will ask you to tell us what steps you are taking to become legally appointed. We ask you to confirm this in writing to confirm your intent to become the legally-appointed financial representative.

#### **While your application is in process:**

- We will give you information about any potential charges for the care and support services arranged, the date these charges may start from and explain how we carry out financial assessments. If we have, or you are able to provide sufficient information about the persons financial situation we will complete a provisional financial assessment
- If we can complete a financial assessment we will send you invoices for any assessed non-residential care and support charges but allow for payment to be delayed until you receive legal authority to access the necessary accounts.
- If we can complete a financial assessment we may send you invoices for assessed care charges but allow for payment to be delayed until you receive legal authority to access the necessary accounts.
- If we can't complete a financial assessment for non-residential care and support we will defer the financial assessment until you have been appointed as the legal financial representative and you can provide the financial information we need. We will backdate any assessed charges to the date we tried to carry out a financial assessment.
- If the person you are acting for is moving to a care home, we may work out an interim charge based on their state benefits and send you invoices for that amount. Once you have legal authority to access the person's financial information we will complete the financial assessment. We will backdate the assessment to the date services started and make any adjustments at that time.

- If the person that you are applying to represent is moving to a care home and has capital resources above the Upper Capital Limit<sup>15</sup>, and/or property capital that is not disregarded, please read the [Interim Funding Policy](#) within this Framework.

## Where can I get information or advice on becoming a financial representative?

See:

- Make decisions on behalf of someone [www.gov.uk/make-decisions-for-someone](http://www.gov.uk/make-decisions-for-someone)
- The Mental Capacity Act 2005 [www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant](http://www.gov.uk/government/publications/making-decisions-who-decides-when-you-cant)
- setting up and registering Lasting Power of Attorneys [www.gov.uk/lasting-power-attorney-duties](http://www.gov.uk/lasting-power-attorney-duties)
- registering existing Enduring Power of Attorneys [www.gov.uk/enduring-power-attorney-duties](http://www.gov.uk/enduring-power-attorney-duties)
- applying to the Court of Protection to become a deputy [www.gov.uk/become-deputy](http://www.gov.uk/become-deputy)
- Being appointed by the Department for Work and Pensions to manage state pension and benefits [www.gov.uk/become-appointee-for-someone-claiming-benefits](http://www.gov.uk/become-appointee-for-someone-claiming-benefits)

You can also find information on this on the NHS website [www.nhs.uk](http://www.nhs.uk) - on the Guide to Care and Support pages.

You can ring the Reading Adult Contact Team to ask for sources of information and advice on becoming a financial representative. Please see the Council's website for contact details [www.reading.gov.uk](http://www.reading.gov.uk)

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<sup>15</sup> See [Appendix B – Capital Limits Schedule](#) for the current Upper Capital Limit. For general information about Capital Limits see [Capital Limits](#)

## 8: Care and Support Financial Assessment Policy

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This Financial Assessment Policy sets out the national and local rules that we use to work out how much an individual can afford to pay for care and support services arranged through the Council. It has been drawn up in accordance with 'The Care and Support (Assessment of Resources) Regulations 2014' and the 'Care and Support Statutory Guidance' which are issued under section 17 of the Care Act 2014.

### Information that applies to all financial assessments

#### What is a Financial Assessment for Care and Support?

A financial assessment is a way of looking at your financial situation to decide how much you can afford to pay towards your care and support. We won't ask you to pay more than this amount.

If you have capital assets above a certain limit (called the 'upper capital limit'), you are expected to pay the full cost of your care and support.

If your capital assets are less than the upper capital limit, we will ask you to tell us:

- how much money you have coming in (your income)
- how much money you have in savings, investments, property, land (your capital assets)

We then work out how much you need to keep to cover your expenses, and if you need to pay anything from your capital assets. We don't include earnings from paid work.

We use this information to calculate your 'Assessed Maximum Weekly Contribution'. This is the most you would be asked to pay towards your care and support. If your care and support costs less than your 'Assessed Maximum Weekly Contribution', you pay the lower amount.

If your income, savings or expenses change we will review your financial assessment. Your 'Assessed Maximum Weekly Contribution' will change when your financial situation changes (for example, if your income, savings or expenses change). We will review your financial assessment in line with your changes in circumstances.

If the service you receive is an 'After-care' support service provided under Section 117 of the Mental Health Act 1983, you won't need a financial assessment as that is provided free.

If your care and support service is fully paid for by the NHS (Continuing Healthcare), you won't need a financial assessment as that care and support is provided free.

#### Capital Limits

The government sets upper and lower limits on capital as a way for councils to consider when a person can afford to pay towards their care and support out of their capital resources. [Appendix B – Capital Limits Schedule](#) shows the current upper and lower capital limits. The limits are reviewed by the government each year.

## What is capital?

Capital resources are assets such as money in a bank or building society account, investments, stocks and shares, buildings, land, and so on. Some capital resources are disregarded (ignored) within the financial assessment, and the detail of this is set out in the Care Act Regulations and guidance<sup>16</sup>. If your total capital is less than the lower capital limit you won't need to use your capital resources to pay towards care and support - any assessed charges will be worked out from your income only.

If you have a partner, and you hold a capital asset in joint names with your partner, you will usually be treated as having an equal share of that capital asset.

### If you have capital above the upper capital limit

If your capital resources are above the upper capital limit you will be treated as being able to afford the full cost of your care and support. We can support you to arrange your own care.

If you don't live in a care home, you have the right to ask the Council to arrange your care and support for you: We will charge you the full cost of your care and support plus [Arrangement Fees](#) to cover some of our administration costs.

### If you have capital assets below the upper limit, but more than the lower limit

If the value of your capital resources is lower than the upper capital limit we will complete a full financial assessment with you to work out what you can afford to pay towards your care and support. If the value of your capital is between the upper and lower capital limits your financial assessment may include a contribution from your capital resources. This is known as 'tariff income'. [Appendix B – Capital Limits Schedule](#) shows how tariff income is worked out.

### If your capital assets are below the lower limit

If the value of your capital resources is below the lower capital limit we will disregard (ignore) it in your financial assessment. Your financial assessment will be based on how much you can afford to pay from your income.

### Notional Capital

If you deprive yourself of your capital assets in order to reduce or avoid charges for care and support we can complete your financial assessment as if you still have those assets. The value of those capital assets is called 'notional capital' in your financial assessment. See [Deprivation of Assets](#) for more information.

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<sup>16</sup> The Care and Support (Charging and Assessment of Resources) Regulations 2014: Part 3(12), Part 5, Schedule 2; Care and Support Statutory Guidance: Charging and Financial Assessment, Annex B- Treatment of Capital

## How is a Financial Assessment carried out?

1. If your care and support assessment shows that you need an ongoing care and support service, your Adult Social Care worker will contact our Financial Assessments and Benefits Team (FAB Team) to ask for a financial assessment to be carried out with you (or your financial representative if you have one – such as a Lasting Power of Attorney).



2. A worker from our FAB Team will usually contact you by phone to ask you about your financial situation. See [Example of information needed for your financial assessment](#)

3. The FAB Team worker will use the Council's Charging and Financial Assessment Framework policies and the national Care and Support (Assessment of Resources) regulations and guidance to work out a maximum amount that you could afford to pay towards your care and support. If you can provide all your financial information over the phone we will be able to tell you your maximum amount (if anything) and send you the information for you to check and sign.

If we can't contact you by phone, we may send you a form to fill in details of your financial situation which you can send back to us by post or through our secure web form.

If you can't complete a financial assessment over the phone, and you don't have a financial representative to complete a financial assessment with us, a member of our FAB Team may arrange to complete the financial assessment with you at your home.



4. We will check that you are receiving the benefits and credits you are entitled to and discuss how best to support you with applications or changes. We will also tell you about other useful sources of financial information and advice and help you to access these.



5. We will talk to you about any further information you need to provide and agree when.

6. If you are moving permanently to a care home and you have property capital that will be counted within your financial assessment we will ask you to provide detailed information about the property and explain the possible funding arrangements, including the Council's Deferred Payment Agreements. We can help you to access independent financial information and advice. You should always seek independent financial advice before making decisions about how to use your capital assets to fund your Care Home costs.



7. We will send you a letter with the outcome of your financial assessment and how to pay your charges (if any). If you disagree with the outcome, you may appeal. See [Appeals, Exceptional Circumstances and Waivers](#)

## 'Light Touch' Financial Assessments

There are some situations where we will not need to carry out a full financial assessment of your ability to pay for care and support. Instead we will complete a 'Light Touch' financial assessment and contact you to confirm this with you. You can still ask us to carry out a full financial assessment for you if you wish.

### Examples of when we may carry out a 'light touch' financial assessment:

- **Your capital assets are above the upper capital limit** - If you know that your capital assets are above the upper capital limit you will not need a full financial assessment. We will contact you to confirm that you are assessed to pay the full cost of your care and support. We can still give you welfare benefits advice and arrange to support you to apply for any new entitlements you may have. If you ask us to arrange your care and support services for you, see Arrangement Fees if you pay full cost of care and support services arranged by the Council (other than permanent care in a care home)
- **You have declined to provide information about your financial situation** – If you don't wish to provide information about your financial situation you don't have to. We will contact you to confirm that you are assessed to pay the full cost of your care and support. We can still give you welfare benefits advice and arrange to support you to apply for any new entitlements you may have. If you ask us to arrange your care and support services for you, see Arrangement Fees if you pay full cost of care and support services arranged by the Council (other than permanent care in a care home)
- **You have given the Council your full financial information recently for another purpose**, from which we can complete your care and support financial assessment – in some situations we may be able to use information you have submitted recently to support a claim<sup>17</sup> for Housing Benefit claim and/or Council Tax Support, on which to complete a Light Touch financial assessment. In many cases we may still need to contact you to ask you about expenses you have that won't have been needed for a Housing Benefit or Council Tax Support Claim. We will still give you welfare benefits advice and arrange to support you to apply for any new entitlements you may have.

If your financial assessment is a 'Light Touch' financial assessment, we will write to you to confirm:

- what you have been assessed to pay towards your care and support (if anything) and the basis for the financial assessment
- that you can ask us to complete a full financial assessment for you at any time
- where you can seek further financial information and advice

### Start Date of Charges

If your financial assessment shows that you are required to pay for your care and support, you will be charged from the start of your care and support service(s).

See also [Financial Assessment Reviews](#)

### Welfare Benefit Entitlements

As part of the financial assessment, our Financial Assessments and Benefits Team (FAB Team) will offer you a full benefits check, benefits advice and support to apply for welfare benefits and credits that we have identified that you may be entitled to claim.

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<sup>17</sup> In accordance with *The Social Security (Information-sharing in relation to Welfare services etc.) Regulations 2012*, made using powers under sections 130 and 131 of the *Welfare Reform Act 2012*.

## **What happens if I'm entitled to new welfare benefits?**

The FAB Team worker will discuss with you how best to support you with any new welfare benefit entitlement claims – such as an online claim on the Internet, by phone to an application number, or in some situations we can arrange for someone to visit you at home to help you apply (such as an officer from the Department for Work and Pensions or a FAB Team worker).

## **What happens if I already receive welfare benefits?**

We will check if there are any other welfare benefits that you may be entitled to. If your entitlement to a benefit you already get changes (for example, if you are moving permanently to a care home) we will give you information about the benefit departments to contact and support you in this if you need help.

## **What happens to my financial assessment if I'm entitled to new benefits?**

If a new benefit or credit entitlement would change your financial assessment, the FAB Team worker completing your financial assessment will tell you (and put in writing) what your estimated new Assessed Maximum Weekly Contribution (if any) would be if your welfare benefit income changed as a result. When your welfare benefit application has been processed and if you receive more income as a result, a FAB Team worker will write to you to confirm your new financial assessment outcome and the date it applies from. If there is an increase to your weekly charge, this will be backdated to the start date of your care and support service, or the start date of your new benefit income amount, whichever is the later date.

## **What happens if I choose not to apply for new benefits that I'm entitled to?**

If you decide not to apply for a welfare benefit entitlement, and we are satisfied that the benefit income would have been available to you if you had made an application for that benefit when we advised you of the entitlement, we will consider the benefit income as 'notional income' within your financial assessment and write to you with your new Assessed Maximum Weekly Contribution (if any) based on your financial circumstances including the notional income.

## **Accessing Independent Financial Information and Advice**

We will help you to access independent financial information and advice that is relevant to your circumstances at the time. This may be through giving you information about local or national organisations you can contact to find relevant financial information and advice services, or by putting you in touch with an independent organisation who can give you free relevant information and advice on care and support and introduce you to a specialist organisation or Independent Financial Adviser who is accredited with the Society of Later Life Advisors to provide independent regulated<sup>18</sup> financial advice on care funding options. Certain types of independent financial advice may be chargeable, and the adviser will always make you aware of any charges before you access that advice.

You can find more information on accessing Independent Financial Information and Advice on our website: [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges)

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<sup>18</sup> Regulated by the Financial Conduct Authority (FCA)

## Deprivation of Assets

Deprivation of assets is where someone deliberately reduces their overall assets in order to reduce the amount that they are charged towards their care and support.

If we have evidence that you have deliberately given away or disposed of some or all of your savings or other capital asset, or income, in order to reduce the amount you are assessed to pay for your care and support, we will complete your financial assessment as if you still have those assets or income. The asset(s) or income would show on your financial assessment as 'notional capital' or 'notional income'.

If asset(s) or income have been transferred to a third party in order to reduce care and support charges, the Council has legal powers<sup>19</sup> to recover care and support charges from that third party where those charges relate to the value of the transferred asset.

There is information about Deprivation of Assets in the Care and Support Statutory Guidance Annex E: 'Deprivation of Assets'

## Use of Financial Information

The information we collect and keep about you for financial assessment and welfare benefit entitlements is confidential and can only be seen by authorised staff. We will only share this information with other relevant people and agencies in accordance with the Data Protection Act 1998. For further information about how we process your information, see the Financial Assessments and Benefits Team 'Fair Processing Notice (FAB)' on the Council's website [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges) which explains how we use your information, when and how your information may be shared, and how it is stored. The Data Protection Act also gives you the right to see information that the Council keeps about you, at any stage.

## Delays to the Financial Assessment Process

If you (or your financial representative) unreasonably delay completing the financial assessment with us we will apply a Light Touch Financial Assessment as if you have declined a financial assessment and you will be assessed to pay the full cost of your care and support, backdated to the start of the service. If you then provide information for a full financial assessment, which results in a lower charge than this, consideration will be given to refunding the difference - depending on the circumstances of the case and the reasons for the delay. The Head of Adult Care holds discretion in this matter.

'Unreasonable delay' will be determined on an individual basis, however as a general rule we would expect you (or your representative) to be available to complete a financial assessment within 2 weeks of contact from our Financial Assessments and Benefits Team. If you are (or your representative is) completing your financial situation on a paper form that we have sent to you, we expect you (or your financial representative) to return this form fully completed to us within two weeks.

If we ask you to provide further information to support or complete your financial assessment, we would usually expect you to provide this within two weeks of the date it was requested.

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<sup>19</sup> Section 70 of the Care Act 2014

If we consider that you have unreasonably delayed your financial assessment, we may notify you after 28 days that you will be charged the full cost of your care and support. If you provide all the information to complete your financial assessment within the following 28 days, any reduction in charge may be reimbursed or credited against future care and support charges.

## How to Pay your Charges for Care and Support

### If the Council arranges the care and support for you:

We will send you an invoice for your care and support charges every four weeks. Your first invoice may cover a period of more than four weeks – to cover the period from the start of your service.

- **Direct Debit:** The easiest way to pay is by Direct Debit. You can complete a Direct Debit Mandate on the Council's website at [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges) or you can contact the Financial Assessments and Benefits Team (FAB Team) to ask for a Direct Debit Mandate. Note that we will continue to send you invoices for your care and support charges - to confirm the amount of the care and support charge during that period.
- **Other methods of payment:** we also accept payment by cash, cheque, credit and debit cards, paypoint payment cards, post office payments, internet banking and telephone payments. These methods listed on the back of our invoice.

### If you arrange your own services through a Direct Payment (non-residential care and support only)

You must regularly pay your assessed charge into your Direct Payment bank account. The amount of your assessed charge will be calculated and deducted from the Direct Payment amount you receive from the Council. If your Direct Payment starts before your financial assessment has been finalised, a future Direct Payment may have more than four weeks assessed charge deducted from it.

## Financial Assessment Reviews

You can ask our Financial Assessments and Benefits Team (FAB Team) at any time to review your financial assessment.

We will periodically review your financial assessment – usually annually – either when your care and support assessment is completed or when pensions, benefits and allowances change in April.

Your financial assessment review may be completed automatically when pensions, benefits and allowances change, or a member of our FAB Team may contact you to carry out a full review of your financial situation. These reviews ensure that changing financial circumstances are considered when assessing charges for care and support - so you are only asked to pay what you can reasonably afford. If your financial assessment review changes what you pay, we will confirm the changes in writing.

## Appeals, Exceptional Circumstances and Waivers

We want to make sure that any charges you are asked to pay are fair and reasonable. Sometimes people using care and support services may experience exceptional circumstances which the Council should consider on an individual basis. Exceptional circumstances can be considered through two different ways, which are:

- Appeals
- Charge Waivers

You can also access the statutory complaints procedure at any time that you have an issue with financial assessment or charging.

### **If you disagree with your financial assessment outcome or Deferred Payments / Interim Funding decision outcome**

If you disagree with your financial assessment outcome or a Deferred Payment decision or Interim Funding decision you should contact our Financial Assessments and Benefits Team (FAB Team) in the first instance to try and resolve any issues as soon as possible. We will go through the information with you to check that the assessment or decisions have considered all your relevant information in line with the Charging and Financial Assessment rules. We will discuss with you which part of the assessment or decision you disagree with, and note any exceptional expenditure (financial assessment) or circumstances (deferred payments/interim funding) that you feel need to be considered.

**Lodging an Appeal Request:** If you are still dissatisfied with the outcome after discussion with us, we will explain to you how you can lodge an Appeal and if you wish, we will support you to submit an Appeal Request Form (see [FINANCIAL ASSESSMENT APPEAL REQUEST FORM](#) or [DEFERRED PAYMENT AGREEMENT / INTERIM FUNDING - APPEAL REQUEST FORM](#)). We will suggest what further information and evidence you may wish to provide to support your Appeal. The process for the appeal is shown in Box 1 below.

**Box 1. Summary of the *Financial Assessment and Deferred Payment / Interim Funding APPEALS PROCESS***

Financial Assessment Appeals process

**Stage 1 - Review.** The financial assessment calculation is reviewed by the Financial Assessments and Benefits (FAB) Team Leader to ensure it is correct and accurate and to ensure that the Council's policies and national regulations and guidance have been applied appropriately, taking into account any new information supplied with the Appeal Request. The FAB Team Leader will contact you with the outcome of this Stage 1 Review and confirm this in writing to you.

If you are dissatisfied with the outcome of Stage 1 Review proceed to Stage 2.

**Stage 2 – Senior Manager Review.** A Senior Manager will analyse the decision reached at Stage 1 along with any new information provided. The Senior Manager will write to you with the outcome of this Stage 2 Review.

If you are dissatisfied with the outcome of your review, you can make a complaint.

Statutory complaints

**Adult Social Care and Health Complaints procedure** – contact our Customer Relations Manager to make a complaint. They will look into your complaint and draw up an action plan and timescale with you to deal with your concerns. See [www.reading.gov.uk/complaints](http://www.reading.gov.uk/complaints)

If you are still dissatisfied you can refer your complaint to the Local Government Ombudsman

**If you can't afford to pay your assessed weekly charge**

If you feel you can't afford to pay your assessed charge (and your financial assessment calculation is correct under the financial assessment rules) you should speak to your Social Care Worker in the first instance. If you have exceptional circumstances your Social Care Worker may consider a Charge Waiver Request.

**Charge Waiver Request:** This is a request to the Head of Adult Care (or other relevant Head of Service) to set aside a part of (or all of) your assessed charge for a period of time. Councils are only permitted to agree to charge waivers in exceptional circumstances, where to raise a charge would have a significant detrimental impact on you or others. If your Social Care Worker considers that a waiver request is appropriate to your circumstances they will refer the request through their line manager for the appropriate Head of Service to consider. If the Head of Service agrees to the Charge Waiver Request, your assessed charge (or part of your assessed charge) will be suspended (waived). This waiver may be agreed for a specified period of time, or it may

be agreed as an ongoing waiver subject to annual review as part of the social care annual review of needs for care and support.

Examples of situations where we may consider a waiver might include (this is not an exhaustive list):

- Where someone is experiencing trauma (e.g. bereavement of a close relative or family breakdown and where financial or other circumstances are temporarily unstable);
- Where someone is in severe financial difficulty and to incur a further debt would have a detrimental impact on them;
- Where someone is at risk of self-harm or neglect e.g. through drug or alcohol abuse or mental health problems.

The Head of Adult Care must approve waivers up to £1000. Waivers over this amount require the joint approval of both the Head of Adult Social Care and a Senior Finance Business Partner. See [Assessed Contribution Waivers Request](#)

## Complaints

We welcome feedback and we have dedicated officers to manage complaints. If you are dissatisfied with the way that you have been treated during the financial assessment process, or with a financial assessment/charging issue please let us know.

Most complaints can be sorted out by discussing the problem. We'll do our best to sort out the problem and deal with your concerns - taking into account your needs and wishes as well as those of other people involved.

If a solution is agreed, a record will be kept to make sure that nothing was missed. If the problem cannot be solved immediately an action plan will be drawn up with you. We will look into your complaint quickly and thoroughly and give you a detailed response once we have finished.

If you aren't satisfied with the response you receive please contact the Customer Relations Manager.

If you are still not satisfied with our response you have the right to take your concerns to the Local Government Ombudsman. You can find more information about how to complain about Adult Social Care Services on the website:

[www.reading.gov.uk/complaints](http://www.reading.gov.uk/complaints)

## Debt Recovery

If you are unable to pay your invoices for your care and support charges when they are due, either in full or in part, you must tell us as soon as you can so that we can discuss with you any issues you have and find a solution.

In exceptional cases, if the reason you are unable to pay the charges in full directly relates to the value of a capital asset which is not immediately accessible without significant loss<sup>20</sup> to the capital value of your asset, we may agree for part of the charges to accrue until your capital asset is available without significant loss to the asset value.

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<sup>20</sup> "Significant loss" would be where more than 10% of the capital value would be lost through making these funds available immediately.

Any agreement to allow part of the charges to accrue would usually be for up to a maximum of six months.

If your care and support invoices remain unpaid and we have not established a good reason why you (or your financial representative) are unable to pay your care and support invoices, we will start debt recovery action to recover the debt from you (or your financial representative), in line with the Council's Debt Recovery Procedures and the Care and Support Statutory Guidance<sup>21</sup>.

If your care and support invoices remain unpaid despite our reasonable attempts to recover the debt, we will consider making an application to the County Court to issue a claim to seek to enforce the recovery of the debt from you (or your financial representative). You could also be liable to repay the legal costs and interest charges on the debt at a rate set by the County Courts.

## Financial Assessment and Charging for Care Home Accommodation

### Permanent admission to a care home

If you have care and support needs identified that can only be met in a care home, you will need to pay towards your accommodation fees in the care home.

- If your capital assets (such as savings and investments) are above the Upper Capital Limit, you will need to pay the full cost of your care home fees – usually directly to the care home.
- If your capital assets are below the Upper Capital Limit, we will carry out a financial assessment with you to work out how much you can afford to pay towards your care home fees. This is called an 'Assessed Weekly Charge'.
- If you own a property, or a part of a property, or have a beneficial interest in a property, there are rules around whether this is counted within your Capital assets or disregarded. See If you own your property below.
- If your care home placement is partially funded through NHS funding for Registered Nursing Care, you will not need to pay towards those NHS Registered Nursing Care costs.

### Exceptions to being charged

- If your care home placement is an 'After-care' support service provided under section 117 of the Mental Health Act 1983, you will not need to have a financial assessment as you will be exempt from charges.
- If your care home placement is fully paid for by the NHS through Continuing Healthcare, you will not need a financial assessment as that care and support is provided free by the NHS.

### If you are responsible for the full cost of care home fees because your savings and investments are above the Upper Capital Limit

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<sup>21</sup> Care and Support Statutory Guidance – Annex D: Recovery of Debts

If your identified needs indicate that you need to live permanently in a care home and your savings/investments (excluding your former home) are well above the Upper Capital Limit, we will arrange advice and support to help you choose a suitable care home that will meet your needs.

Some important things to consider when choosing a suitable care home are:

- find out from the care home what would happen if your savings/investments fell to the upper capital limit – for example – would that care home accept local authority payment rates or would they ask you to nominate someone to pay a Third Party Top Up? (This is an additional payment to make up any shortfall, paid by someone other than you). If you don't have anyone willing and able to pay a Third Party Top Up, and it is possible that your savings/investments may reduce over time to the upper capital limit, you should choose a care home that will accept local authority rates. There is more information about this in the 'Choice of Accommodation and Additional Payments Policy' within this Framework.
- You would be responsible for paying the full care home fees directly to the provider of the care home accommodation. If you are eligible for an NHS contribution towards Registered Nursing Care (in a nursing home), your care home will reduce the level of your fees by the amount of funding they receive from the NHS.
- While you are responsible for paying the full costs of your care home fees (excluding any fees that the NHS covers), you are likely to be entitled to receive Attendance Allowance (if you are aged 65 or over) or Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component). These benefit payments will help go towards meeting your care home fees. More information on these benefits can be found on the [www.gov.uk](http://www.gov.uk) website.
- It is important to seek independent financial information and advice so that you can make informed decisions about how to manage your financial resources. We can help you to access independent financial information and advice – see Accessing Independent Financial Information and Advice in this framework.
- If, over time, your savings/investments reduce to approach the Upper Capital Limit, you should contact the local authority where you live to request a care assessment and ask for help with your care home costs. The local authority will also review your care and support needs at that time to make sure that the care home still meets your identified needs.

### **Working out your Assessed Weekly Charge for your care home**

If your capital resources are below the Upper Capital Limit, and you don't own any property capital, we will carry out a full financial assessment of your income and capital assets to work out your 'assessed weekly charge' for your care home accommodation. We use national rules to do this called 'Care and Support (Assessment of Resources) Regulations 2014' which are issued under section 17 of the Care Act 2014.

If you have chosen to move to a care home that is more expensive than the care homes that we have identified to meet your needs, you will need to identify a person who is willing and able to make top-up payments – to make up the shortfall. This is called a Third Party Top-Up. There is more information about choosing more expensive

accommodation and Third Party Top Ups in the section [CHOICE OF ACCOMMODATION AND ADDITIONAL PAYMENTS POLICY](#)

## How we work out your Assessed Weekly Charge

The calculation of your Assessed Weekly Charge for your care home is shown as:

- Regarded weekly Income + 'tariff income' on savings/investments
  - Personal Expenses Allowance
  - Savings Disregard (where this applies)
  - Allowable expenses (where these apply)
- 

= Assessed Weekly Charge

**Regarded Weekly Income:** is the amount of income you receive that is included in your financial assessment. Your income is converted to a weekly figure in the financial assessment. We use the national rules set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance: Annex C: Treatment of Income when working out how much of your income should be regarded in your financial assessment for permanent care home accommodation.

**Tariff Income on savings/investments :** is a weekly amount calculated from capital assets (such as savings and investments) that are not disregarded. The weekly amount is added to your regarded income in your financial assessment. The way in which 'tariff income is calculated is shown in [Appendix B – Capital Limits Schedule](#)

We use the national rules set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance: Annex B: Treatment of Capital when working out how much of your capital (such as savings and investments), should be regarded in your financial assessment for permanent care home accommodation.

**Personal Expenses Allowance :** Your financial assessment will always make sure you are left with an amount for you to use for your day-to-day personal expenses in the care home. There is a standard amount for this Personal Expenses Allowance set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 which is reviewed each year by the Government. The current standard rate is shown in [Appendix C – Financial Assessment Allowances Schedule](#)

**Savings Disregard:** If you are aged 65 or over, and you have more than a basic pension income, or savings, you may be given an additional allowance called a 'Savings Disregard' allowance. This is calculated using the national rules set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014. The current maximum Savings Disregard allowance is shown in [Appendix C – Financial Assessment Allowances Schedule](#)

## Other specified allowances

The rules allow councils discretion to increase the Personal Expenses Allowance where it would not be appropriate to leave a person with only the standard Personal Expenses Allowance. For example – a person with a dependent child.

In certain situations, allowances for continuing home commitments (for example, where committed costs on previous accommodation need to be paid for a period of time)

If you enter into a Deferred Payment Agreement with us, your Personal Expenses Allowance will be replaced by a 'disposable income allowance'. There is more about this in the Council's [Deferred Payment Agreements Policy](#).

### **Changes to benefits when you move to a care home**

Often a permanent move to a care home will mean a change in some benefit payments to you. It is best to contact the office that pays you the benefit as soon as possible - to tell them that you have moved to a care home, and the date.

When we complete a financial assessment with you, we will tell you if there are any changes to benefit entitlements and give you information about how to notify your change of address. Where new claims have been made, we will tell you how the award of a new welfare benefit might affect your assessment outcome.

### **If you own your property**

If you own your home, or have a beneficial interest in your home, from which you have left to move to a care home, you will need to check whether your property capital will be disregarded.

The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance set out the circumstances in which property capital is always disregarded.

For example:

- if your spouse or partner still lives in the property – your property capital would be disregarded (ignored) in the financial assessment for as long as your spouse/partner continues to live there.
- If you have a relative aged over 60, or a disabled relative who still lives in the property, the property would also be disregarded for as long as that relative, or relatives, were living there.

The Regulations state who counts as a 'relative' and the Statutory Guidance gives more information about these disregards.

The Regulations also give councils discretion to disregard property in other situations. See 'Discretionary Disregard of Property' below.

In any case, your property capital is disregarded for up to the first 12 weeks of moving permanently to a care home.

You are still required to pay your assessed weekly charge during those 12 weeks, but your assessed weekly charge is based on your financial situation (excluding your property capital). See '12-week Property Disregard' below.

It is important that you seek independent financial information and advice so that you have good information when considering options for your future funding.

If your property is not disregarded under the Regulations you may wish to apply for a Deferred Payment Agreement with the Council – see [DEFERRED PAYMENT AGREEMENTS POLICY](#) for further information on this.

## **12-Week Property Disregard**

The purpose of the 12-week property disregard is to provide breathing space to allow a long-term decision about the property to be made.

The 12-week property disregard applies if:

- you move into a care home for the first time, and, as a result of the ownership of your own home, are responsible for the full cost of the care home fees; or
- you moved into a care home on a temporary basis initially but have now become a permanent resident in the care home; or
- You are already living in a care home, and your property was previously disregarded in your financial assessment under a 'statutory disregard' (where national Regulations state it is disregarded) or under a 'discretionary disregard' (where the Council agreed to disregard it), but, due to a change of circumstances those disregards are no longer relevant and the value of the property means you would be responsible for the full cost of your care home fees. A change of circumstances could be, for example, a partner or relative living in the property goes into a care home themselves, or moves house, or dies.

The 12-week property disregard only applies to your sole or main residence prior to moving to a care home. It does not apply to any other property or land you own.

If you have savings and investments above the upper capital limit at the start of your placement in a care home, and you own a property, you have the opportunity to make decisions about what to do with your property during the period you are able to fund yourself - unless this is less than 12 weeks. In this event you will be entitled to the remaining period of the 12-week property disregard from the start of your placement.

## **Your Financial Contribution during the Property Disregard period**

We will carry out a financial assessment with you to work out your Assessed Weekly Charge for your care home during the period of the property disregard.

This financial assessment will be based on your financial situation excluding the value of your main property. This will take account of your income and any savings or assets above the lower capital limit and leave you with a personal expenses allowance.

The Assessed Weekly Charge is due for payment at the time we raise an invoice to you. See [How to Pay your Charges for Care and Support](#)

## **If you receive Attendance Allowance or Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component):**

If you receive one of these benefits listed above, these benefits continue to be paid to you by the Department of Work and Pensions for only the first four weeks after being in a care environment. A care environment includes hospital and care homes. After those first four weeks, these benefits are not payable to you while a council provides funding towards your care home costs.

At the end of your property disregard period, you become responsible for the full cost of your care home placement, and your entitlement to have Attendance Allowance or Disability Living Allowance (Care Component) or Personal Independence Payment (Daily Living Component) restarts.

### **Discretionary Disregard of Property**

The Care Act 2014 sets out a number of situations where the property you lived in and own, or have a beneficial interest in, must be disregarded. However there may be other circumstances where we consider it appropriate to disregard your interest in the property, even though we are not required by the national Regulations to do this. This is a discretionary disregard.

We have to balance the use of this discretion with the need to ensure that residents with assets are not maintained at public expense.

If you ask us to consider a discretionary disregard because your property is being occupied by a third party, we will consider:

- the reason for the occupation of the property by the third party
- the timing of the move into the property by the third party

In making a decision on whether to agree a discretionary disregard of your property we will consider our financial resources, and the following factors:

- What is the nature and closeness of the relationship between you and the person remaining in the property?
- Has the person cared for you and for how long? If so, what is the level and nature of the care provided by the person? Has any care been provided by others? If so what is the relationship to you and what is the level and nature of that care?
- How long has the person lived in the property?
- Where did the person reside (live as their main or usual place of residence) before moving in to the property and what has happened to their former accommodation and any proceeds of sale?
- What was the main reason for the person to move into your home? Were there any other factors affecting the decision to move into your home?
- What is the age, employment status and financial circumstances of the person?
- When did you first have identified care needs?
- When was care home accommodation first considered as an option for you?
- Has that person made any financial contributions towards your property? If so what were they? For instance has he/she contributed to the mortgage, home improvements, household maintenance? Was there a tenancy? What is the level of any contribution, over what period and is there any documentary evidence?

The weight placed against each factor in considering the request will depend on the individual circumstances and actions taken:

### **How do I ask the Council to consider a request for a Discretionary Property Disregard?**

You can ask your Social Care Worker or our FAB Team.

We will gather relevant information from you about your property and details of who lives there now. We will gather any other information relevant to your request and will talk to you about any other information that is needed from you.

Once all relevant information has been gathered it will be referred to the Council's Head of Adult Care (or other relevant Head of Service) for a decision.

All the facts of the case will be considered, and a decision made on the merits of the case, whether to agree to a disregard of the property. In cases of difficulty the Head of Service will seek advice from the Council's legal advisers. We will keep you updated of the progress of your request.

If your request for a discretionary property disregard is turned down, we will tell you the reasons. The FAB Team will put these reasons in writing to you and will tell you how to request a review of the decision if you disagree with the outcome.

### **Appealing a discretionary property disregard decision**

If you disagree with the decision you have the right to request a review of the decision by making an Appeal. The review on Appeal will be carried out by a different Head of Service to the one who made the decision.

If you wish to appeal you should submit any additional evidence with your appeal – see [Appeals, Exceptional Circumstances and Waivers](#) for further information.

### **Short Term and Respite Stays - of up to 28 Nights during a Year**

If your identified needs show that you need a short stay in care home accommodation (for example, to receive respite care), you will be allocated a Personal Budget for non-residential care and support. You may need to pay something towards your Personal Budget depending on your financial circumstances. We carry out a financial assessment under our Financial Assessment and Charging rules for Non-residential Care and Support to see how much, if anything, you need to pay.

If you choose a care home for your short stay that costs more than the Council would usually pay to meet your needs, see our [Choice of Accommodation and Additional Payments Policy](#)

For information about what a financial assessment is, please see [What is a Financial Assessment for Care and Support?](#)

If we have already carried out a financial assessment for your Personal Budget for ongoing non-residential care and support: your 'Assessed Maximum Weekly Contribution' will apply to your respite stay. Your weekly charge for your Personal Budget will be the average weekly charge over the year to incorporate the cost of respite care. You won't be charged more than your 'Assessed Maximum Weekly Contribution'. You can see examples at [Appendix G. Example Care Charges Calculations](#). If your short stays/respite stays exceed more than 28 nights during a year, your contribution for your accommodation from 29th night onwards will be recalculated under the care home rules for temporary stays (see [Temporary Stays](#).)

If your savings and investments are above the upper capital limit: you will need to pay the full cost of your accommodation (see [Capital Limits](#)). We will give you advice and support to arrange this with a care home provider of your choice, or if you wish, you may ask us to make these arrangements on your behalf. If you ask us to make the arrangements on your behalf we will charge you the full cost of your accommodation plus arrangement fees (to cover some of the administration costs of arranging and monitoring your care and support). See [Arrangement Fees](#)

**If your total savings and investments are below the upper capital limit and you've not yet had a financial assessment for non-residential care and support:** we will carry out a full financial assessment with you to work out how much (if anything) you can afford to pay for non-residential care and support. Your financial assessment will show your 'Assessed Maximum Weekly Contribution'.

- If your 'Assessed Maximum Weekly Contribution' is zero, you will NOT need to pay towards your non-residential care and support services.
- If your 'Assessed Maximum Weekly Contribution' is more than zero, you will either pay:
  - ♦ your 'Assessed Maximum Weekly Contribution', **OR**
  - ♦ the full cost of your care and support if this is less than your 'Assessed Maximum Weekly Contribution'.

When working out your actual weekly charge, your 'Assessed Maximum Contribution' is compared to the average weekly cost of your Personal Budget over a year.

If your short stays/respite stays exceed more than 28 nights during a year, your contribution for your accommodation from 29th night onwards will be recalculated under the care home rules for temporary stays (see [Temporary Stays](#) below)

### **Temporary Stay in a Care Home and/or Short Stays that exceed 28 nights during a year.**

If your identified care and support needs are to be met through a temporary stay in a care home, or if your short stays in a care home during a year (e.g. for respite) total more than 28 nights, we will carry out a financial assessment under the national rules on charging for care home accommodation for temporary residents.

A stay in a care home is deemed 'temporary' if you intend to return to your home after your stay in the care home and your social care assessment indicates that your future care needs could be met in the community.

We will contact you to complete a full financial assessment under the national temporary-stay rules for care and support in a care home. If your savings and investments are above the Upper Capital Limit you will need to pay the full cost of your care home fees.

The financial assessment under the temporary stay rules for care and support in a care home are similar to the rules for those who move to a care home permanently, except that:

- If you own your own home, the value of your property capital is always disregarded if your stay in a care home is temporary.

- If you need to pay bills on your home to maintain your property (for example: standard charges for utility bills), there will be an expense allowance given in your financial assessment towards this.

If you choose a care home for your temporary stay that costs more than the Council would usually pay to meet your needs, see our [Choice of Accommodation and Additional Payments Policy](#)

## Financial Assessment and Charging for Non-residential Care and Support

If you have care and support needs while living at home or living in supported accommodation in the community (including short stays in care homes for respite care), you may need to pay something towards your care and support.

### If your savings and investments are above the upper capital limit

If your capital assets are above the Upper Capital Limit, you will need to pay the full cost of your care and support (see [Capital Limits](#)). We will help you to arrange this with a care provider of your choice, or if you wish, you may ask us to make these arrangements on your behalf. If you ask us to make the arrangements on your behalf we will charge you the full cost of your care and support plus arrangement fees (to cover some of the administration costs of arranging and monitoring your care and support). See [Arrangement Fees](#)

### If your total savings and investments are less than the upper capital limit

If the value of your capital assets are less than the upper capital limit, we will carry out a financial assessment with you to work out how much (if anything) you can afford to pay towards your care and support. Your financial assessment will show you your 'Assessed Maximum Weekly Contribution'. If you are on a low income, your 'Assessed Maximum Weekly Contribution' may be zero and you won't have to pay anything towards your care and support.

For information about what a financial assessment is, please see [What is a Financial Assessment for Care and Support?](#)

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

The Council works out your 'Assessed Maximum Weekly Contribution' for care and support from the calculation shown in the box below:

Regarded weekly Income + 'tariff income' on savings
- Housing expenses
- 'Minimum Income Guarantee' for basic living costs
- Allowable expense commitments
- Disability related expenses
_____
= Assessed Maximum Weekly Contribution

- **Regarded weekly income** is the amount of income you receive<sup>22</sup> that is included in your financial assessment. (Any earned income you receive is disregarded). Your income is converted to a weekly figure in the financial assessment. See [Calculation of Income](#) for further information.
- **Tariff income on savings** is a weekly amount calculated from capital assets that are not disregarded. The amount calculated is added to your regarded weekly income in your financial assessment. See [Calculation of Savings, Investments and Capital Assets](#) for further information
- **Housing Expenses** –see [Housing Expenses](#) for what housing costs are allowed for in your financial assessment
- **Minimum Income Guarantee** – this is an allowance given in the assessment to cover basic living costs. See [‘Minimum Income Guarantee’ \(MIG\) for Basic Living Costs](#) for further information on how this is worked out
- **Allowable expense commitments** – sometimes an allowance can be made for certain expenses that you have to make – see [Allowable Expense Commitments](#)
- **Disability-related expenses** – we may make allowances in your financial assessment for expenses that you have in relation to a medical condition or disability. See [Disability Related Expenditure \(DRE\)](#)

### If you live with a partner:

You will need to identify:

- your own income
- your own capital
- your own expenses
- AND any income, capital and expenses that both you and your partner are entitled to or incur jointly (this could be income received, and/or capital held and/or expenses incurred by either you or your partner, on behalf of you both jointly). We are required as a starting point to assume that joint income and capital are owned in equal shares. However, it is open to an individual to produce evidence on which we may conclude that the shares are unequal.

Examples of income that are treated as received jointly for couples include:

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

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<sup>22</sup> This may include notional income if you are entitled to income that you have chosen not to receive. For example, if you have a pension fund that you have chosen to draw a lower amount than you are entitled to, your regarded weekly income will include the full amount of income you were or are entitled to draw from an annuity product.

We assume that the payment of benefits and credits such as these are shared equally between both members of the couple, regardless of who the payments are made to.

The Minimum Income Guarantee (MIG) allowance that is used in the financial assessment where that individual is part of a couple will be that shown in the Care and Support (Charging and Assessment of Resources) Regulations relating to an adult who is part of a couple. However if the partner of the individual is on a low income, the couple may request an 'affordability check' to ensure that the Minimum Income Guarantee allowance is sufficient to maintain the couples' joint financial resources above Department for Work and Pensions minimum benefit levels.

### **Calculation of Income – non-residential financial assessment**

In the financial assessment process, people's sources of income are included (I), disregarded (D) or partially disregarded (PD), depending on how the income is generated. The Government provides mandatory guidance on which sources of income councils must disregard in the financial assessment, and gives councils discretion on how it treats other sources. The table below illustrates how each source of income is treated in the Council's non-residential financial assessment, and indicates where national rules apply (N) or where the Council has made a discretionary local (L) decision about how income is treated. Any earned income you receive is disregarded (ignored) in the financial assessment for your care and support.



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
Pension Credit*		
▪ Pension Savings Credit	D	N
▪ Pension Guarantee Credit	I	L
<p><b>Key</b></p> <p><b>D</b>= Disregarded      <b>PD</b>= Partially Disregarded      <b>I</b>= Included in assessment  <b>N</b>= National guidance – mandatory      <b>L</b>= Local discretion for decision</p>		
<b>Source of Income (continued)</b>	<b>How FA treats</b>	<b>Discretion level</b>
Pensions		
▪ State Pensions	I	L
▪ Occupational Pensions* Personal Pensions*	I	L
▪ Income from Trade Unions and Friendly Societies	I	L
▪ War Pensions paid to veterans	D	N
* this may include a notional <sup>25</sup> income from a pension fund where a lower amount is being drawn, or where a pension income has been deferred	I	L
	I	L
Severe Disablement Allowance	I	L
Social Fund Payments	D	N
Statutory Sick Pay, Statutory Adoption Pay and Statutory Maternity Pay or Allowance	D	N
Sub tenants	I	L
Trust fund income <sup>26</sup>	I/D	L

from that capital is usually included. The Care and Support Statutory Guidance (Annex A and Annex B) has further details and examples.

<sup>25</sup> Notional income is an amount of money that is counted in the financial assessment where the individual could access (or could have accessed) that money as income if they chose to, but have chosen not to.

<sup>26</sup> Treatment of trust fund income depends on the situation and are detailed in the Care and Support (Assessment of Resources) Regulations

Universal Credit*	I	L
Winter fuel and cold weather payments	D	N
Working Tax Credit	D	N
<b>Key</b>		
<b>D</b> = Disregarded	<b>PD</b> = Partially Disregarded	<b>I</b> = Included in assessment
<b>N</b> = National guidance – mandatory		<b>L</b> = Local discretion for decision

\*Income from means-tested benefits paid to one member of a couple are considered as shared equally between both members of the couple:- 50% of a couple's income-related Employment and Support Allowance; Income Support; Job-Seekers Allowance; Pension Credit; and Universal Credit is considered within the financial assessment for the member of the couple who receives the care and support.

All 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 capital (such as savings and investments) is a weekly amount calculated from capital assets that are not disregarded. The weekly amount is added to your regarded income in your financial assessment. The way in which 'tariff income' is calculated is shown in [Appendix B – Capital Limits Schedule](#)

## Calculation of Savings, Investments and Capital Assets

We use the same upper and lower capital limits as set by the Government for financial assessments in Care Homes – see [Appendix B – Capital Limits Schedule](#). We use the national rules set out in The Care and Support (Charging and Assessment of Resources) Regulations 2014 and The Care and Support Statutory Guidance: Annex B: Treatment of Capital when working out how much of your capital (such as savings and investments), should be regarded in your financial assessment for non-residential care and support, and which items of capital should be disregarded.

## Housing Expenses

We make an allowance in the non-residential financial assessment for your housing costs. This ensures that you can allocate a portion of your income to cover 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, the amount of the housing cost item that is allowed for in your financial assessment will be on the basis that the costs are shared evenly by the number of adults in the household - unless we have information to show that a different way of sharing costs should be considered.

Allowances are made depending on your housing tenure and circumstances, including:

- Rent (net of Housing Benefits). If you are entitled to receive full Housing Benefit but have your benefit reduced by a 'non-dependent deduction', your financial assessment will not show an allowance for the non-dependent deduction amount.

- Mortgage<sup>27</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 entitled to receive full Council Tax Support but have your support reduced by a 'non-dependent deduction', your financial assessment will not show an allowance for the non-dependent deduction amount.
- Essential service charges and ground rent net of funding through benefits

### **Allowable Expense Commitments**

An allowance for the following expense commitments may also be made in your financial assessment, if they apply to you:

- Payments under a court order (e.g. child maintenance)
- Educational expenses (these are costs associated with a registered education or training course at a University or College). Costs are apportioned across the year, and a weekly allowance is calculated. Allowable expenses include tuition and study materials (e.g. text books) and may include tools required for an apprenticeship, if you have had to pay for them. You should retain receipts of educational expenses as proof.

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

This is a level of income that national rules state you must be left with before any charge may be made for non-residential care and support services. This Minimum Income Guarantee is to ensure that you are left with money to cover your day-to-day basic living expenses. The level of Minimum Income Guarantee varies depending on your age and other circumstances at the time of your financial assessment. Councils may set their own levels for Basic Living Costs so long as they are at least equal to the Minimum Income Guarantee levels set by the Government. The Minimum Income Guarantee (MIG) levels set by the Council for the current year to cover basic living costs are shown in [Appendix C – Financial Assessment Allowances Schedule](#) .

### **Affordability-check for couples – adjusting the local Minimum Income Guarantee level.**

If you live with a partner who is on a low income<sup>28</sup>, you and your partner can request that we carry out an affordability check of your joint situation to ensure your level of Minimum Income Guarantee for basic living costs maintains your joint financial resources above Department for Work and Pension minimum levels. Where necessary (as indicated by the affordability check), we will increase the level of your Minimum Income Guarantee to a level that ensures your joint financial situation is protected at minimum Department for Work and Pension benefit levels. (This affordability check would not need to be carried out if your Assessed Maximum Weekly Contribution is nil.) The calculation of the Affordability Check is shown at [Appendix L: Affordability Checker](#)

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<sup>27</sup> This includes endowment/ISA policy payments to repay mortgage up to 5% above Base Rate

<sup>28</sup> 'Low income' relates to income (including tariff income from savings) below Department for Work and Pensions minimum allowance/personal allowance levels for benefits.

## Disability-Related Expenditure(DRE)

This is an allowance that is made in your financial assessment for additional expenses due to disability or medical condition if you receive Attendance Allowance or Personal Independence Payment or Disability Living Allowance.

### Standard DRE Allowance

We will apply a standard allowance for disability-related expenditure in your financial assessment (provided you receive one of the disability benefits listed above) unless you request a full assessment of your disability-related expenses. The amount of the standard allowance is shown in [Appendix C – Financial Assessment Allowances Schedule](#)

### Full DRE Assessment

If you prefer (and provided you receive one of the disability benefits listed above), we will carry out a detailed assessment of your disability-related expenses instead of applying a standard DRE allowance.

DRE will be considered when:

- The extra cost is needed to meet your specific need due to a medical condition or disability, as identified in your care and support assessment of needs; **AND**
- The cost is reasonable and can be verified (we may ask you for receipts); **AND**
- It is not reasonable for a lower cost or free alternative item or service to be used. If a lower cost alternative item could have been used, the expense considered will be

The Council has developed a guide list of recognised DRE items (based around the items listed within the Statutory Guidance on DRE), with associated indications of reasonable costs. This is shown at [Appendix D - Disability Related Expenditure Guide](#) and is used to assist in working out DRE allowances in your financial assessment. Some of the items have maximum amounts, some have standard amounts. If you have one or more Disability-Related Expenses shown within the DRE guide amounts, your expense allowed in your financial assessment will usually be the actual amount you spend up to the maximum amount indicated for each item or service in the DRE guide. We will also consider situations where there are exceptions to the DRE guide and a higher allowance is considered.

### Exclusions

A DRE allowance will NOT be made for the following expenditure:

- 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 a particular item of expenditure combines more than one item or service but elements of which are to meet your specific need due to disability or medical condition, we will consider only those parts of the expense that are meeting specific need for disability or medical condition. For example, if you paid a hair dresser, the hair washing costs will be considered if you could not do this task yourself, however, hair cutting costs would not be allowed, as this is a service used by the general population and is not a disability related expense.

Sharing costs – If you share a household with other adults, and the additional disability-related expense item relates to a service that supports the household as a whole (for example, payments to a cleaner), the amount of that expense item that is allowed for in your financial assessment will be on the basis that the costs are shared evenly by the number of adults in the household - unless we have information to show that a different way of sharing costs should be considered.

### **Verification of expenses**

The DRE Guide (see [Appendix D: Disability Related Expenditure – guide amounts](#) ) indicates what form of evidence you should keep to support your claims for allowances for different disability-related items or services. For most items, you will be expected to keep receipts as proof of purchase, or bills for services such as utilities (e.g. water meter, gas, electricity).

If you are unable to produce receipts for items of DRE you wish to claim as an allowance in your financial assessment, we will use our discretion to determine the reasonableness of the expenditure.

### **Special equipment items and maintenance**

The DRE Guide (see [Appendix D: Disability Related Expenditure – guide amounts](#) ) includes allowances for special equipment items (such as a wheelchair, stair lift, powered bed) if you have incurred an expense to make the purchase. Special equipment items will be allowed where they meet your specific need due to a disability or condition. The amount allowed in the financial assessment will be based on the life span of the equipment and either the purchase price you paid or a lower cost alternative if that was reasonable to meet your identified needs.

Where special equipment items require maintenance, and you pay for this maintenance yourself, we will make an allowance for these maintenance costs in your assessment.

## Assessed Maximum Weekly Contribution

Your Assessed Maximum Weekly Contribution is the amount of money left over in your financial assessment after your expenses and allowances have been taken into account. This amount of money will be considered when we work out what your care and support charges should be. You will not be asked to pay more than your 'Assessed Maximum Weekly Contribution' for your non-residential care and support.

- If your Assessed Maximum Weekly Contribution is nil (zero or less than the Council's minimum amount), you will receive your non-residential care and support service free of charge. This minimum amount is shown in [Appendix C – Financial Assessment Allowances Schedule](#)
- If your Assessed Maximum Weekly Contribution is more than the cost of your agreed care and support, you will pay the full cost of your care and support.
- If your Assessed Maximum Weekly Contribution is less than the cost of your service, you will pay only your Assessed Maximum Weekly Contribution.

Reminder: If you live with a partner who is on a low income<sup>29</sup> and your Assessed Maximum Weekly Contribution is not nil, you and your partner can request that we carry out an affordability check of your joint situation to ensure that the level of Minimum Income Guarantee for basic living costs is sufficient. See [Affordability-check for couples](#).

Examples of how we calculate charges for non-residential services are shown in [Appendix G. Example Care Charges Calculations](#)

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<sup>29</sup> 'Low income' relates to income (including tariff income from savings) below Department for Work and Pensions minimum allowance/personal allowance levels for benefits.

## 9: Deferred Payment Agreements Policy

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### Introduction

Deferred Payment Agreements are a way of making sure you are not forced to sell your home during your lifetime to pay for care, and to give you more flexibility about your care-funding options.

The 'Care and Support (Deferred Payment) Regulations 2014' set out the situations in which Councils must offer a Deferred Payment Agreement and where Councils may offer a Deferred Payment Agreement. These Regulations are set in accordance with the Care Act 2014 Sections 34 and 35.

There are different ways in which people can use their income and capital assets (such as property) to fund long term care, and you should always seek independent financial advice before making any decisions about entering into a Deferred Payment Agreement or when considering other care funding options. There is further information about [Accessing Independent Financial Information and Advice](#) in this document.

This policy details the Council's Deferred Payment Agreement scheme and forms part of the Council's local 'Care and Support Charging and Financial Assessment Framework', which includes the Council's [Care and Support Financial Assessment Policy](#) and [Choice of Accommodation and Additional Payments Policy](#). This Deferred Payment Agreements Policy should be read in conjunction with the other policies within the framework.

### Who this Policy applies to

This policy is for adults who are considering entering into a Deferred Payment Agreement with the Council.

A Deferred Payment Agreement is generally only available to people who:

- Have identified needs assessed as being best met in a care home – on a permanent basis; and
- Have been assessed to pay the full fees of care home accommodation because of property they own that takes their capital assets above the Upper Capital Limit.

In exceptional circumstances a Deferred Payment Agreement may be made available for someone in supported accommodation (that is: Supported Living, Extra Care Housing, a Shared Lives setting).

This policy does not apply to you if you entered into a Deferred Payment Agreement with the Council on or before 31st March 2015, and the Deferred Payment Agreement has been secured by way of a legal charge against your property. In these cases the conditions of your Deferred Payment Agreement will continue under the conditions of your existing Deferred Payment Agreement and the new scheme detailed here will not apply to you.

This policy does not apply to you if you own your own home AND have savings or other assets above the Upper Capital Limit. In this case you are considered to be able to fund your own placement without the need to involve the Council for funding (the Council can still provide you with assessment, information and advice).

If your savings are only marginally above the Upper Capital Limit you should contact the Council's Financial Assessments and Benefits Team (FAB Team) for further advice about applying for a Deferred Payment Agreement.

## Background

A Deferred Payment Agreement (DPA) is an agreement between you and the Council, where the full payments for your care fees are 'deferred' (put off to a later date) and paid in the meantime by the Council - provided that you can offer the Council a form of financial security (such as a legal charge against your property). The money you owe to the Council for your care fees is then repaid to the Council when your home is sold, or from your estate, or by a third party at the end of the Agreement.

If your financial assessment shows that you can afford to pay a contribution from your income and other capital assets while you are on a DPA, you will be required to pay your assessed contribution throughout the DPA. This will lower the level of the deferred fees to be repaid at the end of the DPA. A financial assessment of your contribution will be carried out under the Council's [Care and Support Financial Assessment Policy](#).

If you accept an offer of a DPA with the Council you will be charged administration fees towards the costs of setting up and monitoring the DPA. You will also be charged interest on the fees that you defer from the start of your DPA.

## Eligibility Criteria

You are eligible to apply for a Deferred Payment Agreement if all three points below apply to you:

- your care assessment shows that your identified needs are best met in a care home; AND
- the value of your home (i.e. in savings and other non-housing assets); AND
- your home is not disregarded (other than during a 12-week property disregard period). For example it is not occupied by your spouse or a dependent relative (as defined in Regulations<sup>30</sup>)

If your application meets all the conditions for a 'mandatory' Deferred Payment Agreement, your application will be accepted and you will be offered a Deferred Payment Agreement with the Council. The conditions for a mandatory DPA are listed below:

- your care assessment shows that your identified needs are best met in a care home (on a permanent basis); AND
- you own your home and have a legal and beneficial interest in that home, which is not disregarded in your financial assessment (other than during a 12-week property disregard period); AND
- The value of your property capital is sufficient, together with your other income and assets, to be required to pay the full cost of your care home fees; AND
- the total of your other capital assets (not counting your own home) are below the Upper Capital Limit<sup>31</sup>; AND

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<sup>30</sup> Care and Support (Assessment of Resources) 2014

<sup>31</sup> See [Appendix B – Capital Limits Schedule](#) for the Upper Capital limit.

- the Council can secure the deferred payment through a First Legal Charge against your property, AND
- the Council considers that you have appropriate property insurance arrangements in place, AND
- You have capacity to enter into a Deferred Payment Agreement, or you have a legally-appointed representative to enter into a Deferred Payment Agreement on your behalf

If your application doesn't meet all the criteria for a mandatory Deferred Payment Agreement the Council may offer you a 'discretionary' Deferred Payment Agreement (DPA)- provided you meet ALL of the following conditions:

- your care assessment shows that your identified needs are best met in a care home on a permanent basis, or, in exceptional cases, in rented supported accommodation<sup>32</sup>; AND
- you own your home and have a legal or a beneficial interest in that home, which is not disregarded in your financial assessment (other than during a 12-week property disregard period), AND
- the value of your property capital is sufficient, together with your other income and assets, to be required to pay the full cost of your care home fees (or, if you have a mortgage, the outstanding amount leaves sufficient value together with your other income and assets to be required to pay the full cost of your care home fees); AND
- the total of your other capital assets (not counting your own home) are below the Upper Capital Limit<sup>33</sup>, or, they are only slightly over the Upper Capital Limit, AND
- you can offer the Council adequate financial security for the deferred payment which can be legally secured, AND
- the Council considers that you have enough equity in your property to enter into a Deferred Payment Agreement.
- the Council considers that you have appropriate property insurance arrangements in place, AND
- You have capacity to enter into a Deferred Payment Agreement, or you have a legally-appointed representative to enter into a Deferred Payment Agreement on your behalf

The Council has discretion over whether your DPA can apply to any additional care fees (top-ups) arising through your choice of accommodation. See [First-Party Top-Ups](#) for more information about this.

Although not generally available, this policy can, in exceptional circumstances be made available for someone in supported accommodation, or an extra care housing scheme or a Shared Lives schemes.

## Specific Property Issues

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<sup>32</sup> See [Deferred Payment Agreements in other circumstances](#).

<sup>33</sup> See [Appendix B – Capital Limits Schedule](#) for the Upper Capital limit.

**Jointly-owned Property:** If your DPA is to be secured by way of a legal charge and the property is jointly owned then all registered owners must confirm in writing their agreement to registration of the legal charge against the property, and that they will not object to the sale of the property when the time comes to settle the debt.

This written agreement from the joint owners must be obtained prior to the Council considering your DPA application. All joint owners will be required to enter into the legal charge document.

**Shared Ownership and Tenants in Common:** A DPA can only be approved if all co-owners and/or landlord agree to the legal charge. Proof of the percentage owned by you and its potential value will also be needed. The maximum legal charge amount would be your share in the total value.

**Equity Release:** Where part of the value of your property has been realised by way of equity release, proof of your residual equity in the property will be needed together with written consent of any third party/parties where applicable.

**Leasehold Property:** If your property is leasehold property you can apply for a DPA, however sometimes restrictions are placed on the title (registered at the Land Registry) and the agreement of the head landlord/ultimate freehold owner is needed to arrange the placing of the Legal Charge. In these cases it is your responsibility to arrange for any consent needed and to meet any costs involved. In the event that the consent is not forthcoming then the Council cannot accept the property as security.

### **Land Registry entries and Unregistered Properties**

A DPA can only be secured by way of a legal charge against your property if the property is registered with the Land Registry. Unless an alternative, acceptable form of security is being provided, then a DPA cannot be offered if:

- the property is unregistered; or
- the property is registered but one or more registered party is unable to give a legal agreement because they have died intestate (that is without a valid will); or
- the property is registered but one or more registered party is unable to give a legal agreement because they no longer have mental capacity; or
- the property is a mobile home where it is the land that is registered and not the mobile home;
- the property is leasehold and restrictions in the lease prevent the Council from registering a legal charge with the Land Registry

If one of these applies to your property and you wish to use your property as security for a DPA you must arrange for your property to be registered at the Land Registry and to meet the costs of registration. You can find more information about the Land Registry on the website: [www.gov.uk/registering-land-or-property-with-land-registry](http://www.gov.uk/registering-land-or-property-with-land-registry)

### **Financial Information and Advice and Legal Advice relating to a Deferred Payment Agreement (DPA)**

If you are considering moving to a care home to meet your identified care and support needs, the Council will ensure that you are made aware of the DPA scheme, with an

overview of the advantages and disadvantages of the DPA and the associated administration costs and interest charges.

The Council will provide you with information (in general terms) about:

- types of financial security for a DPA (such as a legal charge against property, or alternative types of security) and any conditions likely to be attached to each type of security;
- the maximum amount that can be deferred (the Equity Limit) and what happens once the Equity Limit is reached;
- how interest and administration costs are charged
- what happens when the DPA terminates, options for repayment and what happens if you don't repay the amount due

Details can be found in the factsheets "Meeting Your Care Home Costs" and "Deferred Payment Agreements" which the Council will provide to you, and are available on the Council's website: [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges)

The Council will help you to access independent financial information and advice.

This may be by:

- putting you in touch with an independent organisation or charity who can give relevant information and advice; and/or
- helping you find a specialist organisation or Independent Financial Adviser for independent regulated financial advice on care funding options.

Some of this information and advice will be free to access and the Council or the independent organisation(s) will make you aware of any charges for accessing certain types of independent financial advice.

You should always seek independent financial and legal advice before making any decisions about whether a Deferred Payment Agreement is the best option for you.

The Council can provide you with a Model Deferred Payment Agreement to look at with your legal adviser. We would advise you to seek financial and legal advice as soon as possible so that you have all the information to decide on the most suitable funding arrangements for you, so that you can start making any necessary applications /arrangements to have them in place before you are liable to pay the full cost of your accommodation. There is further information about finding independent financial advice and legal advice on the Council's website [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges)

## Equity Limit

The 'Equity Limit' is the term used to describe the maximum amount which you can borrow under a Deferred Payment Agreement (DPA).

This maximum amount is calculated by taking the value of the property and reduce it by 2 amounts: 10% of the valuation; and a fixed amount equivalent to the Lower Capital Limit (shown in [Appendix B – Capital Limits Schedule](#) )

Example – the property is valued at £200,000  
Less 10%                      - £20,000

Less fixed amount	- £14,250 (Lower Capital Limit)
Equity Limit	= £165,750

If subsequent revaluations produce a different value to the initial property valuation, in the case in the example £200,000, then the new figure will be used to calculate a new equity limit.

Example – the property is re-valued at £220,000

Less 10%	- £22,000
Less fixed amount	- £14,250 (Lower Capital Limit)
Equity Limit	£183,750

## Providing Adequate Financial Security

If you are wishing to enter into a Deferred Payment Agreement (DPA) with the Council, you will need to provide an adequate form of security for the period of your DPA.

The Council will normally expect the DPA to be secured by a legal charge against your property. However in certain circumstances other forms of security can be considered.

## Legal Charge

A legal charge is a legal document held by the Land Registry which is registered against a property when someone other than the registered owner of the property wants to have it legally acknowledged that they have a financial interest in the property.

A legal charge in favour of the Council would need to be repaid on completion of the sale of your property, or on your death, so that the Council can arrange removal of the legal charge with Land Registry.

A first legal charge means that the Council has first priority. If a property already has a mortgage secured against it as a first charge, a legal charge registered by the Council would be a second charge. This means that the mortgage lender's legal charge has priority over the Council's legal charge.

A legal charge can only be registered with Land Registry if:

- all the property owners consent to the charge; and
- the property is registered with Land Registry; and
- there are no leasehold restrictions, or, if there are, that the head landlord/ultimate freehold owner agrees to the legal charge; and
- all third parties (such as mortgagees) have given consent to the charge

See [Specific Property Issues](#) for more information about these situations.

There is more information about legal charges on the Land Registry pages of the [www.gov.uk](http://www.gov.uk) website

## Solicitor's Undertaking

A solicitor's 'undertaking' is a legally binding agreement. The Council may accept a solicitor's 'undertaking' letter as security against your deferred payments where your solicitor undertakes (commits) to pay the Council the full amount of your Deferred Payments Agreement, usually from the proceeds of the sale of your property. This may

be relevant if you have already instructed your solicitor in the sale of your property at the time you apply to the Council for a DPA.

### **Alternative Types of Financial Security**

It would not normally be Council policy to accept any other form of financial security besides a legal charge or a solicitor's 'undertaking' letter. However in exceptional circumstances it may be possible to consider one of the alternatives listed below.

It must be noted that such alternatives may incur additional administrative costs due to the need to have specialist legal and financial advice to complete the arrangements and ensure the Council's financial position is fully protected. Any such extra costs will need to be met by you even if your application is subsequently turned down

- **A third party guarantor:** this is where a third party (for example, a family member) agrees to pay the charges due. This will require a binding agreement to be signed by the third party subject to the third party having and offering an appropriate form of security.
- **A valuable possession or possessions** (sometimes referred to as 'chattels'). For this to be acceptable to the Council, proof of the value of your possession(s) that you are offering as security will be needed in addition to a binding form of agreement that in the event of failure to settle the deferred payments due, this/these item(s) become the property of Reading Borough Council. The Council would need to see evidence that the item used as security is adequately insured.

The Council has full discretion in individual cases to refuse a Deferred Payments Agreement application if it is not satisfied that adequate security is in place.

### **Assessed Contribution & Flexible Disposable Income Allowance**

During the course of the Deferred Payment Agreement you will be assessed to make a financial contribution based on your income and savings and assets other than your property. You are required to pay your assessed contribution on an on-going basis and should not add to the level of the deferred debt. (See [Default Provisions](#) about the effect of non-payment.)

For information about how your income and savings are calculated in your financial assessment, see [FINANCIAL ASSESSMENT AND CHARGING FOR CARE HOME ACCOMMODATION](#) .

In calculating your assessed contribution during your Deferred Payment Agreement the regulations<sup>34</sup> allow you to keep a weekly 'disposable income allowance' – up to a set maximum amount. This disposable income allowance is more than, and in place of, the 'personal expenses allowance' so that you have enough money for your personal expenses and to maintain and insure your property.

The current rate of disposable income allowance is shown at [Appendix C – Financial Assessment Allowances Schedule](#)

You can choose to keep the maximum disposable income allowance or to keep a lower amount - as you wish. In deciding whether to keep your full disposable income allowance,

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<sup>34</sup> Care and Support (Deferred Payment) Regulations 2014

you should consider the potential effect on the level of your deferred debt as well as the flexibility you have.

For example – if you keep the maximum disposable income allowance then your deferred payment will be larger and you will pay more in interest. However by keeping the maximum disposable income allowance you have most flexibility in how you spend that allowance. For example, if you found that you hadn't needed to spend as much of the allowance as you had first thought, you could pay a lump sum off your deferred debt.

You should seek independent financial advice before making decisions about entering a Deferred Payment Agreement.

## **Renting Out Your Property**

If you wish to rent out your property while on a Deferred Payment Agreement (DPA) you should seek independent financial and legal advice. This is a decision for you to make, however we can support you to access independent information and advice – see [Financial Information and Advice relating to a Deferred Payment Agreement \(DPA\)](#) .

If you are applying for a DPA and are proposing a letting arrangement, you must let us know so that the proposed letting arrangement can be agreed. This information will be collected by the Financial Assessments and Benefits Team (FAB Team) and submitted to the relevant Head of Service along with the DPA application.

If your property is already let, you should seek legal advice before proceeding with a DPA to confirm the length of tenancy and termination clauses. We can support you to access independent information and advice.

We will include your net rental income as part of your assessed weekly contribution to your care and support. Your net rental income will be the amount after agent's fees, any liability to taxation and reasonable maintenance expenses.

You must make sure your property insurance is appropriate to a letting arrangement.

There is advice for landlords on the Council's website: [www.reading.gov.uk](http://www.reading.gov.uk)

## The Deferred Payment Agreement Application Process

If you wish to apply for a Deferred Payment Agreement, you will need to do this in good time to allow for your application to be considered and legal arrangements to be in place before you need the funding (for example, to be in place before the end of your 12-week property disregard period).

### 1: Information given to you about Deferred Payment Agreements (DPA)

If your identified needs show that a care home placement is appropriate to meet your needs, we will:

- check with you whether you own your home and establish whether your property will be disregarded in your financial assessment;
- carry out appropriate checks, including previous financial assessments and a Land Registry search;
- tell you if we think you are eligible for a 12-week property disregard and Deferred Payment Agreement as soon as a placement in a care home is identified as appropriate. This is likely in most cases to be before the care home placement starts.
- give you information about our Deferred Payment Agreement scheme and help you to access independent financial and legal advice;
- carry out a financial assessment of your situation (your income, savings, details and value of your property capital, outgoings relating to your property)
- invite you to apply for a DPA, giving a date by which you should return the completed application. This date should be no later than five weeks from the date your placement started in the care home;
- make clear to you that if your proposed security is a legal charge against your property, a DPA will only be agreed if the Council gets agreement from the owner(s) to a Legal Charge being placed;
- tell you if we need to arrange a formal valuation of your property and tell you that may arrange your own valuation if you wish to do so. If these valuations differ substantially then we will discuss the valuations with you to mutually agree a valuation. The cost we incur in carrying out the valuation will be reflected in the administration costs charged to you in the set up fees.

### 2: Submit your Deferred Payment Application - Within five Weeks

A DPA application form must be completed, signed by you<sup>35</sup> and returned to us within five weeks of admission to a care home on a permanent basis.

- Any period in respite care does not count towards this five-week period.
- This time limit is not affected if you place yourself privately in a care home and then subsequently receive Council approval for funding, for example because there is

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<sup>35</sup> Or your appointed representative - see also [MENTAL CAPACITY TO MANAGE FINANCES](#) for more information about this.

general agreement with your family that a care home placement is needed and you move there because there is a vacancy in your preferred home.

- If you had been in a care home on a self-funding basis (because of the level of your income or capital) and you now wish to apply for Council funding and a DPA, you should submit an application for a DPA as soon as possible and no later than five weeks after the need to apply for DPA has been identified either by us or you.
- If you are already in a care home and become eligible to apply for a DPA in other circumstances you should submit an application for a DPA as soon as possible and no later than five weeks after the need to apply for DPA has been identified either by us or you. For example - this could be where your property had previously been subject to a statutory disregard but that disregard has now ended.

If you are offering an alternative form of security to a legal charge, you must state this on your application and provide details of your proposed security. See [Providing Adequate Financial Security](#) about alternative types of security.

### 3. Considering your Application and Making a Decision - Within 10 days

We will check your DPA application form and follow up on any queries that may arise, including ensuring a property valuation has been obtained. We will need to have all information related to your DPA application, including what your intentions are for the property and the equity available. If you have given us all the relevant information we will consider all the information and make a decision.

If your application doesn't meet the criteria for a mandatory Deferred Payment Agreement we will carry out an assessment of whether your DPA is sustainable.

This assessment will address, among other things, the likely period of the DPA, the equity available, the level of any top-up and the period of time you would be able to defer the weekly costs. A top-up would be needed if you chose a care home whose fees are greater than the amount we would expect to pay to meet your identified needs (See the [Choice of Accommodation and Additional Payments Policy](#)). The factors which will be considered when assessing sustainability are:

- the likely period you will want the DPA;
- the equity available;
- the sustainability of any contribution from savings;
- the flexibility to meet future care needs;
- the amount of any top-up payment for preferred accommodation;
- the period of time you would be able to defer your costs for;

If you are offering a form of security other than a legal charge against your property, we may seek specialist legal and financial advice.

One of our senior managers will review all the information and decide whether to accept your Deferred Payment Application.

**Specialist legal and financial advice:** If we have had to seek specialist legal and/or financial advice on your application (for example, because you are offering security other than a legal charge against your property) this may delay our decision on your application. We will tell you if this is relevant to you and give you an estimate of the

additional costs of this specialist advice beforehand - as these additional specialist advice costs will be recharged to you.

We will decide whether the application meets the criteria set out in this DPA policy.

If your application is accepted we will write to you to confirm our decision. We aim to do this within a week of receiving your application unless specialist financial or legal advice is required. This is our formal offer of a Deferred Payment Agreement to you. Our letter will also state:

- any conditions attached to the DPA, (for example, insurance requirements of the property).
- estimated administration charges and interest rate that will be applied to the deferred debt
- when and how often we will send you statements of your deferred debt
- any benefits you may be entitled to claim when you make your own care funding arrangements and how to do this
- your assessed weekly contribution which you need to pay on an on-going basis
- the agreed level of your weekly disposable income allowance
- the invoicing arrangements and how to pay your ongoing weekly assessed contribution
- that failure to maintain your assessed weekly contribution could result in the Deferred Payment Agreement being terminated
- the weekly amount that is agreed to be deferred under the DPA and any other costs agreed to be deferred under the DPA
- where the agreed security is a legal charge, and there are joint owners of the property, they must all consent to the placing of a legal charge against the property and, that if any of the joint owners do anything to prevent the legal charge being placed this will result in the offer of the DPA being withdrawn and the Council will immediately notify your care provider that it is ceasing to be involved in the placement.

Our letter constitutes an offer of a DPA to you and will state the date from which the DPA is proposed to start. It will be produced in duplicate, one copy to be signed by you and to be returned as your acceptance of the DPA offer. The other copy is to be retained by you.

If your DPA application is refused we will tell you the reason/s and we will write to you to confirm this decision. You can appeal this decision if you wish - see [Appealing the Council's decision about a DPA](#) .

Our letter will explain:

- the reason(s) for refusing your application
- the start date for when you need to make your own care funding arrangements (usually the end of your 12-week property disregard period).
- any benefits you may be entitled to claim when you make your own care funding arrangements and how to do this
- how to appeal our decision about your DPA application

- how to make a complaint
- that we will tell your care accommodation provider the date the Council will stop funding your care
- if there are administration costs that you need to pay, how much these are.

Where a DPA application is refused, any administration charges will usually be waived. However this will be considered on a case by case basis and if there is evidence that the application was pursued unreasonably (for example if you insisted on pursuing an application despite our advice about your eligibility), or you belatedly responded to our requests for information needed in order to establish your eligibility, or otherwise put us to excessive trouble, then the charges will be made.

#### **4: Accepting a Deferred Payment Offer from the Council - Within 10 Days**

If we have sent you an offer letter of a Deferred Payment Agreement, we will send you two copies of that letter. If you wish to accept the DPA offer you must return a signed copy of our letter within 10 days.

#### **5: Prepare the Deferred Payment Agreement and financial security documents – within 14 days**

If you've accepted our offer of a DPA we will draw up a Deferred Payment Agreement and documents relating to your identified security (usually a legal charge document relating to your property). These are legally-binding agreements and we would usually send these directly to your legal adviser so that you can take advice from your legal adviser before you sign and return the Deferred Payment Agreement and documents (see [Financial Information and Advice relating to a Deferred Payment Agreement \(DPA\)](#))

You will need to read the Agreement, sign the documents and the DPA and return the Agreement and the documents relating to your security. .

If other people need to give their consent as well as you (for example, if your property is jointly-owned, or leasehold), you will need to obtain ALL those necessary signatures on the documents<sup>36</sup>. We will tell you if this applies to you.

#### **6: Return the signed Deferred Payment Agreement and documents within 14 days**

You must return the signed Deferred Payment Agreement and relevant signed legal documents (including signatures from other parties where needed) within 14 days.

If you don't return the signed Agreement and signed document(s) relating to your security we will not be able to proceed with your DPA and you will need to make your own care funding arrangements. We will contact your care accommodation provider and tell them the date that the Council will stop funding your care. You will be charged the administration costs we incur.

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<sup>36</sup> If you are acting on behalf of the applicant as their legally-appointed representative and you are also a joint owner of the property being used as security, you will need to give permission both in your own right as a joint owner, and as the representative of applicant as a joint owner on legal charge documents relating to the property.

(If the reason for not signing is because of lacking mental capacity, see [DPAs for People Lacking Mental Capacity](#))

## 7: Your Deferred Payment Agreement starts

At the start of the DPA we will open up an account to record the following:

- The valuation of your property and the date of this valuation.
- Your agreed weekly deferred amount
- Administration costs and interest charges to be applied.
- The date of the first statement, which will be within six months of the start of your DPA and every 6 months thereafter. These will be produced to match the review of interest rates by the Government (1 January and 1 July each year).

We will revalue your property when debt deferred reaches 50% of the value of the security, and periodically thereafter. Any cost of revaluation will be re-charged to you through Administration charges.

## DPAs for People Lacking Mental Capacity

If a person lacks the mental capacity to give informed consent to a legally binding agreement, it means they are not themselves capable of entering into a DPA. If someone else has been legally-appointed to act for them, that person can apply for a DPA on their behalf. To enter into a DPA on behalf of someone else, that person must be one of the following:

- a deputy appointed by the Court of Protection
- the holder of a registered Enduring Power of Attorney
- the holder of a registered Lasting Power of Attorney (which must include authority to manage the person's property and financial affairs).

The named 'applicant' on the DPA will be the person they act for, but the person acting for them will complete and sign the DPA on their behalf.

If there is no-one legally appointed to act, and the person lacks mental capacity to confer a Lasting Power of Attorney, attempts should be made to identify someone who is willing and able to apply to the Court of Protection to become a deputy for that person, to manage their property and financial affairs. This could be a relative, a friend, a solicitor, or where there is no-one else suitable, the Council.

The person applying to the Court of Protection must state their intent to enter into a Deferred Payment Agreement with the Council. Once the Court of Protection makes a 'First General Order' appointing the deputy, the deputy can enter into a DPA with the Council on behalf of the person. As the deputy application process takes time, the Council has an [INTERIM FUNDING POLICY](#) to deal with the period until a deputy has been appointed by the Court and can enter into a DPA with the Council.

See also general information about [MENTAL CAPACITY TO MANAGE FINANCES](#) .

## Conditions Placed on Deferred Payment Agreements

We can't agree to a Deferred Payment Agreement if no suitable security is available or you wish to defer a larger amount than (in our assessment as set in [The DPA Application Process](#) ) you can provide security for.

We will require prompt settlement of your assessed contribution during the lifetime of your DPA. (See [Default Provisions](#) which deals with the Council's position in the event these contributions are not settled promptly.)

We will require your property to be properly maintained and insured. We may require evidence of your property insurance at any time, including evidence that your insurer has been informed if your property is unoccupied for any period. If maintaining your property means that some of your savings are reasonably required to be used to bring the property up to a suitable standard of maintenance, we will not withhold its agreement to this use of capital unless there is evidence the level of cost is deemed unreasonable.

When an application for DPA is received we may arrange a formal valuation of the property or the share of it owned by you. You can, if you choose, arrange your own valuation. (See [The Application Process](#) above on how to proceed if these valuations differ.)

We will arranged for a re-valuation when the amount deferred reaches 50% of the value of the security to ensure the level of deferred debt stays within the equity available. Any change in the value will be recorded and the potential impact on the DPA calculated and communicated to you. The cost of this re-valuation will be charged to you as an administration cost.

your level of capital. The following are examples but are not a comprehensive list:

- If you inherit a sum of money.
- If structural problems are discovered at your property, e.g. subsidence.
- Should a close family member move into or out of your property.

When your deferred debt reaches 70% of the value of the security there will be a review of the cost of your care and a discussion with you about:

- when you might be eligible for means-tested support
- implications on any top-up payments if they are currently included in your care costs (through your preferred accommodation choice)
- potential changes to your welfare benefit entitlements.

## Interest & Administration Charges

Interest will be added to the amount you defer from the start of your Deferred Payment Agreement, at the maximum rate of interest set in the Care and Support (Deferred Payment) Regulations 2014<sup>37</sup> by the Department of Health. The Department of Health

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<sup>37</sup> This maximum rate is set in the Regulations as the weighted average interest rate on conventional gilts plus 0.15%. The rate is reviewed every six months (after the Office of Budget Responsibility publishes its report on gilts).

reviews this rate every six months effective from 1 January and 1 July in each year. If the amount you defer includes your administration fees, interest will be applied to those also. Interest is charged at compound rates. This means that interest is added to the total debt including previous interest charges. Compounding will take place daily.

In the event that the equity limit is reached (see [EquityLimit](#) above) interest will continue to be added to the deferred debt until the total outstanding is settled.

Interest will continue to be charged after you die and/or after the service ends until the total outstanding is settled.

Administration fees are divided into fixed costs and variable costs. Variable costs are charged in line with the amount of work involved in the individual agreement. Administration fees will be charged when a Deferred Payment Agreement is set up and during the lifetime of your Deferred Payment Agreement – including an annual administration charge. The schedule of Administration fees is shown at [Appendix A – Schedule of Fees and Charges](#) and will be subject to annual review to take account of inflation.

We add your administration fees will be added to the amount deferred unless you request for these to be invoiced to you separately for immediate payment. You would need to request this when you apply for your Deferred Payment Agreement. Note that unless you pay the administration costs immediately these will be added to your deferred debt and you will be charged interest on the administration costs at the same rate as that applied to your deferred payment.

## Six-monthly Statements of Deferred Payments

The Deferred Payment Agreement starts to run from the date notified in your DPA Offer letter (see [The DPA Application Process](#) above).

Statements will be produced as at 1 July and 1 January each year. These statements will be completed within six weeks of these dates. We will send you two copies of the statement.

The statements will show:

- The original property valuation.
- The equity available or maximum amount which can be borrowed under DPA.
- Any revised property valuation
- The revised equity available resulting from this change in the property value.
- The total cost of care for the six months to the statement date, split between assessed contribution and deferred debt.
- Payments received in settlement of the assessed contribution.
- The amount of any interest charges and administration costs added to the debt.
- The total deferred debt outstanding including these interest and administration costs.
- Balance of equity still available (after deducting the amount of total deferred debt).
- Approximate period this equity is expected to last.

You will be expected to check this statement and sign and return one copy to acknowledge that the statement is, to the best of your knowledge, correct and retain one copy. If a signed copy is not returned within four weeks we will write to state that, as no correction has been notified, the statement will be recorded as correct.

You may request a statement at other times and we will provide such a statement within four working weeks of receipt of such request.

## **Settlement of the Deferred Debt**

If you have placed the property for sale on admission to long-term care, or you have chosen to sell at a subsequent date, the accrued debt will be due for repayment upon the sale of your property. We will calculate the accrued debt and, on receipt of the outstanding monies, we will apply to the Land Registry to remove the legal charge against your property.

In this event your DPA will be terminated and you may become responsible for paying the full costs to your care home ('self-funding') - depending on the balance of funds available after clearing the deferred payments.

If your property has not been sold at the date of your death we will contact your executor, if known, no less than two weeks after your death and no more than four weeks after. If the executor is not known and if you had previously identified a third party to help us reclaim the amount deferred, we will contact that third party within the same timescale. If neither is known then the person who was acting as your representative will be contacted. We will advise the person responsible that settlement should be made within 90 days of the date of death or a report provided on progress made and a likely date for settlement.

When making contact we will notify the amount outstanding and how this is made up and whether any further charges may accrue, for example further interest.

Should the executor or administrator of your estate decide to settle the debt without, or before, selling your property, we will accept such settlement and apply to the Land Registry to remove the legal charge or release any alternative security provided.

## **Deferred Payment Agreements in settings other than a Care Home.**

Although it is not our general policy to allow DPA for situations other than admission to a care home, consideration can be given in exceptional circumstances to applications from people in rented supported accommodation, extra care housing schemes or Shared Lives schemes. In these cases your assessed financial contribution is dealt with in Part 3 of this Charging and Financial Assessment Framework, which deals with non-residential care and support.

Generally we would expect that people moving from their property to rented supported accommodation (such as extra care housing schemes, Supported Living, Shared Lives Schemes) would either: have financial options available to them to pay their extra care housing costs (rent and care costs) from their property – such as letting their property, and using the rental income to pay the rent and care costs at their supported accommodation, or selling their property and claiming Housing Benefit towards their rent

while the property is on the market; or that the Council considers it appropriate to disregard the property value (for example, a discretionary property disregard)

However we are prepared to consider extending DPA to rented supported accommodation settings in exceptional circumstances. This is likely to result in the need for us to seek specialist legal advice on a case by case basis and the costs of this legal advice will be recharged to the individual. We would contact you before this with an estimate of the costs. Exceptional circumstances could include, for example, where you have a good reason why you are unable to sell or let your property at the current time and you have no entitlement to Housing Benefit, and your income, savings and investments do not cover the costs of your supported accommodation.

To apply for a Deferred Payment Agreement for rented support accommodation you should first contact our FAB Team to explain what the exceptional circumstances are in your particular case.

## Default Provisions

The Deferred Payment Agreement is a contract between us (the Council) and you (the Applicant).

- We will agree to pay the full cost of your placement to your care provider and you will either agree to allow a Legal Charge to be placed (and agreement by the other property owners in the case of jointly-owned property), or provide sufficient acceptable security. This security ensures that the Council can recover its outlay on your behalf for the period that your savings and assets, net of the level of deferred contribution, are greater than the upper capital limit.
- **Assessed contributions during your DPA period:** you agree to pay your assessed contribution in a timely way. We will send you regular invoices for this purpose.  
Failure to pay your assessed contribution for three months may lead to the Council refusing to continue deferring your ongoing care home payments. We will look at each case on its own facts and will not apply this clause if there are genuine reasons for non-payment, e.g. difficulty in accessing bank accounts, and will agree an alternative timescale. We will give 30 days' notice of intention to apply this clause explaining how your care needs should be paid for from that date.
- **Reaching your equity limit:** We will also give 30 days' notice of the date that you are likely to reach the equity limit. In this case we will contact your care home and attempt to negotiate a rate that we would usually expect to pay to meet your needs, and will reassess your financial contribution due.
- Should your property for which the DPA was arranged become occupied by a relative for whom a statutory disregard may apply, we will establish the reasons behind this change and decide whether it is appropriate to allow the property to be disregarded. If a disregard is agreed we will write to confirm the end date of the deferred payment, confirming the Deferred Debt outstanding, and that interest will continue to accrue until the debt is settled.
- **Insuring and Maintaining your property:** In the event that we judge that your property is not being properly maintained and/or insured, we will consider whether

to refuse to defer future payments for your care. In this event we will give 30 days' notice and explain how your care needs should be paid for from that date. During this 30-day period you may appeal if you believe we have acted unfairly. Your appeal should either demonstrate why the insurance or state of maintenance are in fact satisfactory or what steps are being taken to remedy the failing(s). Your Deferred Payment Agreement will contain further information about the provisions in these situations.

## **Appealing our decision about a Deferred Payment Agreement**

If you disagree with our decision about your DPA application you have the right to request a review of the decision. The review will be carried out by a different Senior Manager in the same way as a financial assessment review.

If you wish to appeal you should contact the FAB Team with details of your appeal, or fill in an Appeal Form and submit any additional evidence with your appeal and send this to the FAB Team. The Appeal will be carried out through the same process as the financial assessment appeals. A Deferred Payment/Interim Funding appeal form is within this appendix of this Framework.

[Appeals, Exceptional Circumstances and Waivers](#)

[DEFERRED PAYMENT AGREEMENT / INTERIM FUNDING - APPEAL REQUEST FORM](#)

## 10: Interim Funding Policy

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### Introduction

An Interim Funding arrangement is where the Council agrees to pay the cost of care home accommodation to your care provider on your behalf for a short (interim) period of time until a longer term funding arrangement is in place.

There will be occasions when a person entering a care home, who would be financially-assessed as able to meet the full care home fees, is unable to pay those full costs immediately, and is not eligible for a Deferred Payment Agreement (for example, because they lack mental capacity to enter into a legal agreement and they don't have a financial representative who can access their financial assets).

This policy details the Council's approach to providing a balance between the Council's duty of care in these situations while seeking to protect the Council's resources from financial risk, where there are no acceptable forms of financial security.

This policy is designed as a short-term substitute for other funding arrangements – (for example - once a legal representative has been appointed to deal with a person's financial affairs). It is not intended to take the place of a longer-term funding arrangement (such as a Deferred Payment Agreement or a private payment arrangement with a care home).

### Who this Policy applies to

This policy primarily relates to adults who lack mental capacity to manage their financial and property affairs and who:

- do not yet have a legally-appointed representative to deal with their financial affairs; AND
- have capital assets above the upper capital limit (which may or may not include a property); AND
- have needs identified as being best met in a care home on a permanent basis; AND
- do not have access to any other short term arrangements<sup>38</sup> to cover their care home fees

There may be occasions where the Council will consider offering Interim Funding for other short-term situations where it has not been possible to enter into a Deferred Payment Agreement due to factors that are in the process of being resolved. For example, where an individual is seeking a Deferred Payment Agreement, but is currently unable to do so due to issues around the registration of their property which they are actively taking steps to resolve.

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<sup>38</sup> For example:- an arrangement with their Care Home Provider to defer payment of the fees until a deputy has been appointed for them

## Background

The Council's Deferred Payment Agreement Policy is detailed in section 9 of this Framework, however the Council can only agree to a DPA if a person has capacity to enter into the DPA, or if they lack capacity, that someone has the legal authority to enter into a DPA on their behalf.

Where a person is taking steps to become legally-appointed to act on behalf of a person who lacks capacity (for example, applying to the Court of Protection to become a deputy) this process can take several months. During this time, while a person lacking capacity needs a placement in a care home, but the person applying to act for them doesn't have legal authority to enter into long-term funding arrangements, the person applying to become deputy can apply to the Council for an Interim Funding arrangement.

The circumstances where the Council will consider Interim Funding cannot be set out in a comprehensive list as there is the possibility of a situation arising for the first time, but examples of the type of situation where Interim Funding can be considered are:

- Sudden loss of mental capacity and an application to the Court of Protection is being made to appoint a deputy
- The holder of a Lasting Power of Attorney or Enduring Power of Attorney is not able to act for the person. This could be because that person has died or they have lost mental capacity themselves, and someone else is applying to become a court-appointed deputy.
- a property is jointly owned but the other owner is unable to agree to a legal charge because, for example, they have lost mental capacity and someone is applying to become a court-appointed deputy for this person.
- The property is unregistered but steps are being taken to arrange registration.

## Eligibility Criteria

The Council may consider Interim Funding for you if:

- Your identified needs can only be met in a care home on a permanent basis; AND
- Your financial circumstances indicate that you are responsible for the full cost of your care home accommodation under the Council's Care and Support Financial Assessment and Charging Policy; AND
- You lack mental capacity to manage your finances; AND
- Your representative is not yet legally-appointed to manage your financial affairs; AND
- Your representative has not been able to make an arrangement with your care home to defer your care fees until they become appointed; AND
- Your representative has no other interim funding alternatives available to them while they wait for the Court to appoint them as deputy; AND
- Your representative is willing to provide a written undertaking that they are applying to the Court of Protection to become deputy and that once they are appointed deputy by the Court they will either discharge the deferred care fees or (where eligible) enter into a Deferred Payment Agreement with the Council

The Council may consider other situations to offer you Interim Funding if a Deferred Payment Agreement is temporarily not available to you due to factors that you are actively seeking to resolve (for example, if your property is unregistered). These will be considered on a case-by-case basis.

## Financial Information and Advice for representatives

We will provide your financial representative with information about the Council's Interim Funding Policy and [Deferred Payment Agreements Policy](#). Details can be found in the factsheets "Meeting Your Care Home Costs" and "Deferred Payment Agreements" which Social Care Workers should give to you or your representative, and are available on the Council's website [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges).

We will help your financial representative to access independent financial information and advice on your behalf. This may be by:

- putting them in touch with an independent organisation or charity who can give relevant information and advice; and/or
- helping them find a specialist organisation or Independent Financial Adviser for independent regulated financial advice on your care funding options

Some of this information and advice will be free to access and the Council or the independent organisation(s) will make your representative aware of any charges for accessing certain types of independent financial advice.

Your representative who will be acting for you should always seek independent financial and legal advice before making any decisions about whether a Deferred Payment Agreement is the best option for you.

The Council can provide your representative with a Model Deferred Payment Agreement to look at with their legal adviser. We would advise your representative to seek financial and legal advice as soon as possible so that they have all the information to decide on the most suitable funding arrangements for you, so that they can start making any necessary applications /arrangements. There is further information about finding independent financial advice and legal advice on the Council's website [www.reading.gov.uk/carecharges](http://www.reading.gov.uk/carecharges)

## The Application Process

If we identify that a person going into a care home has capital assets above the upper limit, or has a property, or a beneficial interest in a property, and that the person not only lacks capacity but has no-one with the legal authority to represent them, their Social Care Worker will take steps to identify someone who can take responsibility for becoming the legal representative (such as a court-appointed deputy). This would usually be a family member, or friend, or solicitor, or where there is no-one else suitable, the Council. The person identified would be given support to access information and advice services, including independent financial and legal advice.

## **1. Information given to financial representative about Interim Funding**

The person identified as taking forward an application to legally manage the financial affairs of the person entering a care home (“the financial representative”) will be sent:

- information about care home charges
- the financial assessment process
- information about Deferred Payment Agreements (if there is property)
- Details of Interim Funding arrangements, including interest charged on accrued care home costs
- an Application form for Interim Funding
- information about how to apply for Interim Funding
- how to access independent financial and legal advice

We will carry out a Land Registry search where relevant.

## **2. Financial representative submits application for Interim Funding (within two weeks)**

If the financial representative is unable to make financial arrangements immediately for the care home fees, they can ask the Council to consider Interim Funding, and will need to submit the Application form for Interim Funding which includes a ‘letter of intent’ to:

- confirm that they are taking steps to become legally appointed to deal with the finances and what steps have been taken so far
- in the cases of property ownership, what are their intended plans for the property and long term funding arrangements
- undertake to keep the Council informed of the process to either settle outstanding charges or agree to a Deferred Payment Agreement and legal charge, or a combination of these if appropriate, once the legal power to act is in place.
- The application will need to give full information on property ownership to ensure a reliable valuation can be carried out.

## **3. Considering the Interim Funding application and making a decision (within 10 days)**

On receipt of the information in the ‘letter of intent’ and application form we will carry out an assessment of the proposed arrangements and decide whether they are acceptable, sustainable, and provide sufficient guarantee to protect the Council’s financial position.

The factors which will be considered when assessing this include:

- the likely period the Interim Funding will be needed
- the amount that could be paid from the resident’s state benefits by the financial representative appointed by the Department for Work and Pensions to manage the resident’s benefits
- the financial representative’s intentions for longer-term funding arrangements once they are appointed deputy for the resident
- the amount of any top-up (a top-up would be needed if a preferred choice was expressed for a care home whose fees are greater than the amount we would

expect to pay to meet the identified needs - See the Choice of Accommodation and Additional Payments Policy).

- What alternative funding arrangements have already been considered by the financial representative
- Evidence that the financial representative has obtained, or is actively seeking, independent financial and legal advice about long term care funding arrangements for the resident

We will decide whether the financial representative's request for Interim Funding for the resident meets the criteria set out in this Interim Funding Policy - a Senior Manager will review the Interim Funding application to verify that the proposed Interim Funding and the plans to be able to legally act do not place the Council at undue risk, while taking account of the Council's responsibility to safeguard the individual in need of care.

If the application is accepted we will write to the financial representative to confirm our decision. We will send two copies of the letter, one of which will need to be signed and returned by the financial representative to confirm acceptance of the Interim Funding arrangement. This letter will also state:

- any conditions attached to the Interim Funding (for example, insurance of the property).
- the interest rate that will be applied to the accrued debt through the Interim Funding arrangement
- administration fees applied for monitoring the accrued debt through the Interim Funding arrangement
- When and how often we will send statements of the accrued debt to the financial representative
- any benefits to be claimed by the financial representative on behalf of the resident and how to do this
- the assessed weekly contribution which the financial representative will need to pay on an on-going basis (for example, from state benefits)
- the agreed level of your weekly disposable income allowance (if relevant)
- the invoicing arrangements and how to pay the ongoing weekly assessed contribution
- that failure to maintain the assessed weekly contribution from available income could result in the Interim Funding arrangement being terminated
- the weekly amount that is agreed to be accrued under the Interim Funding arrangement and any other costs agreed to be accrued under the arrangement
- Our expectations of the financial representative to keep the Council updated with progress of their application to act for the resident
- Our expectations of the financial representative to discharge the accrued debt or enter into a Deferred Payment Agreement with the Council when they have been legally-appointed to act for the resident

- that if a Deferred Payment Agreement application is anticipated that where there are joint owners of a property all owners must consent to the placing of a legal charge against the property
- our estimated costs of entering into a Deferred Payment Agreement if the financial representative is intending to do this when they have legal authority to act.

If the application is refused we will tell the financial representative the reason/s and we will write to them to confirm this decision.

Our letter will explain:

- the reason(s) for refusing the application
- the date from which the financial representative will need to make arrangements on the resident's behalf for care funding (usually the end of a 12-week property disregard period).
- any benefits the financial representative may be able to claim on behalf of the resident
- how to appeal our decision about Interim Funding
- how to make a complaint
- that we will tell the care accommodation provider the date the Council will stop funding the care costs

#### **4: Accepting the Interim Funding arrangement offered from the Council (within 10 days)**

Where applications have been accepted and we have sent two copies of the outcome letter to the financial representative, the financial representative must return a signed copy of our letter within 10 days.

#### **5: Agreed Interim Funding arrangements start: setting up invoicing and monitoring arrangements to track the accruing costs and interest**

We will carry out periodic checks on the interim funding arrangement and if no update has been received for three months we will contact the financial representative to request an update.

Once the financial representative has obtained the legal power to act for the resident and provides evidence to us, we will write to the financial representative to confirm that the Interim Funding will cease and either the accrued debt (including interest and any administration charges) will need to be paid in full, or the financial representative will need to enter into a Deferred Payment Agreement on the resident's behalf, secured by a legal charge against the resident's property.

### **Conditions Placed on Interim Funding**

Interim funding is provided subject to the following conditions

- The person acting for you will take all reasonable steps to acquire the legal authority to act. This includes applying to the Department for Work and Pensions to become appointee to manage your state benefits.

- The portion of the charge relating to your state benefits will be paid promptly by your financial representative once they have been appointed to deal with your state benefits.
- Once legal power to act is granted, the Interim Funding agreement will either be converted to a Deferred Payment Agreement or the balance of accrued charges including interest and administration charges is paid in full.

## Interest and Administration Charges

The interest charges will be the same as for Deferred Payment Agreements. The annual administration fee for monitoring the Interim Funding Arrangements will be the same as for Deferred Payment Agreements. The Administration Charges for set up fees will be replaced by Deferred Payment set up fees when an Interim Funding Arrangement is set up. See [Interest & Administration Charges](#)

## Six-monthly Statements

The Interim Funding starts to run from the start date notified (or at the end of a 12-week property disregard periods).

We will produce statements of your accrued debt as at 30 June and 31 December each year. These statements will be completed within six weeks of these dates. Two copies of the statement will be sent to your financial representative.

The statement will show the following figures:

- The original property valuation.
- The equity available or maximum amount which can be borrowed under interim funding.
- Any revised property valuation.
- The revised equity available resulting from any change in the property value.
- The total cost of care for the period to the statement date, split between assessed contribution and deferred debt.
- Payments received in settlement of the assessed contribution.
- The amount of any interest charges and administration costs added to the debt.
- The total deferred debt outstanding including these interest and administration costs.
- Balance of equity still available
- Approximate period this equity is expected to last.

Your financial representative will be expected to check this statement and sign and return one copy to acknowledge that the statement is, to the best of their knowledge, correct. If such acknowledgement (or any correction to the statement) is not received within 21 days of the date of the statement, the representative will be deemed to have accepted it as correct.

## **Making an Application for a Deferred Payment Agreement (DPA)**

Once your financial representative has obtained the power to act on your behalf, usually by being appointed a deputy, they will need to notify us immediately and provide evidence accordingly.

If your financial representative is now able to access sufficient funds on your behalf to settle the outstanding debt then they should arrange to do so without delay.

Where your funds are within your property capital and your financial representative is not able to settle the outstanding debt, your financial representative may consider making an application to the Council for a Deferred Payment Agreement. This should be done as soon as possible. The balance of your accrued charges will usually be transferred into your Deferred Payment Agreement. See [DEFERRED PAYMENT AGREEMENTS POLICY](#)

## **Default Provisions**

If we discover that the Court of Protection has approved the appointment of a deputy and the deputy has not contacted us to let us know, we may decide to terminate the interim funding immediately and seek recovery of the debt (including interest and any administrative costs).

If your financial representative does not settle the amounts it is agreed they can access, for example state benefits in the role of appointee, without good reason, we may consider ending the interim funding.

In the event the equity available is no longer sufficient to fund your care, we will stop accruing your ongoing care home costs and reassess your financial contribution due. We will attempt to negotiate with your care home a rate that we would usually expect to pay to meet your needs. See [Choice of Accommodation and Additional Payments Policy](#) for further information. Interest and any administration charges will continue to be applied to your accrued debt. When your financial representative has been granted legal authority to act for you, if they are not able to settle the accrued debt in full, they will need to agree to a legal charge against your property (on your behalf) under a Deferred Payment Agreement.

## **Appealing our decision about an Interim Funding Arrangement**

If you disagree with our decision about your Interim Funding application you have the right to request a review of the decision. The review will be carried out by a different Senior Manager in the same way as a financial assessment review.

If you wish to appeal you should contact the FAB Team with details of your appeal, or fill in an Appeal Form and submit any additional evidence with your appeal and send this to the FAB Team. The Appeal will be carried out through the same process as the financial assessment appeals. A Deferred Payment/Interim Funding appeal form is within this appendix of this Framework.

[Appeals, Exceptional Circumstances and Waivers](#)

[DEFERRED PAYMENT AGREEMENT / INTERIM FUNDING - APPEAL REQUEST FORM](#)

## 11: Choice of Accommodation and Additional Payments Policy

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### Introduction

Giving people choice about their care and support is an important part of the way that the Council's Adult Social Care services work in Reading. We know that people themselves, with the support of their families, carers and the staff who work with them, are the best people to make decisions about meeting their care and support needs – and that they will lead healthier and more fulfilling lives as a result.

This Policy has been drawn up in accordance with the 'Care and Support and Aftercare (Choice of Accommodation) Regulations 2014' and statutory guidance, which sets out the requirement for councils to enable people to choose a particular provider or location of the type of accommodation which is identified as most appropriate for meeting their care and support needs.

This Policy explains:

- How the Council gives people a choice about the accommodation that they use to meet their care and support needs.
- The circumstances where people can choose more expensive accommodation, if they can show that they or someone they know is willing and can afford to pay a 'top-up' payment to meet the additional cost of the preferred accommodation.

### Who this Policy applies to

This Policy is for adults where the Council is responsible for meeting their care and support needs, and a care and support assessment has shown that they require a particular type of accommodation that offers extra care and support to meet their needs.

This Policy applies equally to:

- People who are entering into accommodation that provides some extra care and support for the first time
- People who have accommodation to meet their care and support needs arranged through the Council, where their needs require a change to this accommodation
- People who are living in accommodation for respite or intermediate care arrangements on a temporary basis, such as while they wait for available accommodation (either a preferred choice, or something suitable to meet their needs)

People who pay the full cost of their care and support are addressed in the section 'self-funders'.

The term 'Accommodation' is used in this Policy to cover some specific living arrangements:

- Living in a care home for residential accommodation together with personal care or nursing care – called Care Home Accommodation. This includes people who are eligible for some NHS Funding towards their nursing home accommodation.
- Living in a Supported Living, Extra Care Housing, or Shared Lives setting – called Supported Accommodation.
- Young adults who have accommodation at a school or other educational setting as part of a package of support.

People who aren't covered by this Policy are:

- People who get care and support in their own home (called 'homecare') and/or choose non-residential care and support services such as day services.
- People who have their accommodation including care and support paid for in full by NHS Continuing Health Care Funding.

The Council will always aim to support people to recover as much as possible after their needs worsen, for example a stay in hospital. As a general rule, people will not be discharged directly from hospital to a permanent placement in accommodation such as a care home. Instead, the Council will support people to reach their full potential, with a recovery and rehabilitation phase.

Sometimes the impact and severity of an illness and personal circumstances may mean that there is no alternative but to move someone directly from hospital to particular accommodation that will mean their care and support needs can be met. In this instance, the Council is committed to making sure that these people are not placed at a disadvantage when exercising choice, compared to those people who move into such a placement from their own home.

## Having a choice

We are committed to making every reasonable effort to take account of your wishes and preferences – balancing this with our obligation to make sure that you have a safe and effective service and that we use public money wisely. You have the right to make an informed choice about the provider of the type of accommodation that is most appropriate for your needs, and we recognise this right as part of our person-centred approach, giving people choice and control in their lives.

The **type** of accommodation (care home, Shared Lives Scheme, Supported Living, or Extra Care Housing) that is the most suitable option for you is identified through your involvement in the care and support planning process. This policy applies to your choice after this decision of the most appropriate **type** of accommodation, to choose your accommodation provider.

If you wish to remain in your own home we will support you with this wherever possible and appropriate.

## Support to make an informed choice

If your assessment suggests that moving to a type of supported accommodation or a care home is the most appropriate action to meet your care and support needs, we will ensure that comprehensive, clear information and advice is provided about local providers of that

accommodation to assist you, a member of your family, your advocate and/or carer to choose a suitable accommodation setting. If your chosen place of accommodation is unavailable, transitional arrangements will be made to meet your assessed needs. You will be involved in the decision-making process as far as possible.

If a person lacks the mental capacity to make a choice, we will make arrangements to support this, including ensuring access to an Independent Mental Capacity Advocate, or other independent advocate. We will involve, where appropriate, family members, carers, attorneys and deputies appointed to take decisions on a person's behalf and advocates in this process, and to support it to identify accommodation that meets the best interests of the person.

You have the right to refuse to move to accommodation such as a care home or supported accommodation. This includes a permanent accommodation arrangement or an interim accommodation arrangement until the most suitable or preferred accommodation becomes available. If this take place, we will work with you, your advocate, family or carer, and partners in health services to explore alternative options including a package of health and social care support in your home. However, if you continue to unreasonably refuse accommodation, we may consider that we have fulfilled our duty to meet needs, and inform you that you would need to make your own arrangements for your ongoing care and support. This decision would be a last resort and would only take place after all the risks had been considered and a safeguarding assessment had been completed. If you contacted the Council at a future date, you would be re-assessed and the work to plan your care and support would re-start.

## Preferred accommodation

Your right to choose your preferred accommodation is subject to it meeting the following criteria:

- **Type** – the accommodation is of the same type as specified in your care and support plan to meet your assessed needs;
- **Suitability** – the accommodation appears to us to be suitable to meet your assessed care and support needs, including meeting our expected quality standards;
- **Availability** – your preferred accommodation is available, or if not, we decide to make an interim arrangement until a place is available
- **Conditions** – the provider of the accommodation will agree to a contract on our usual terms and conditions. If the provider doesn't have an existing contract with us, we will negotiate to put an arrangement in place with broadly the same contractual conditions as with any other provider.
- **Cost** – if the accommodation costs more than your Personal Budget (the amount that we would expect to pay to meet your assessed needs), there must be an arrangement in place to meet the additional cost (see 'The Cost of Preferred Accommodation' below)

## Refusing to arrange a preferred accommodation choice

We will do everything we can to meet your preferred accommodation choice. However, there may be instances where a choice cannot be met or we decide that your preferred accommodation does not meet one of the criteria above. If we decide not to arrange a place for you in your preferred accommodation, we will provide a clear and reasoned written explanation for our decision. This will explain how our decision relates to this Policy and to the statutory guidance set out by the Care Act that councils must follow. If you don't agree with our decision, you can appeal through our Complaints Procedure.

There may be exceptional cases where a person's preferred accommodation may not meet the Council's criteria, but may still be the best option – accommodation outside Reading that means someone is closer to family elsewhere in the country, which will promote the support network for the person needing the accommodation, for example. Where Council officers consider the matter to be exceptional, the case should be referred as follows:

- Stage 1: for a review and decision via the Council's Decision About Need/Decision About Resource procedures;
- Stage 2: to the Head of Adult Social Care in consultation with the Head of Finance
- Stage 3: to a panel comprising senior personnel from the Directorate of Adult social care and Health

Decisions taken through this process must be properly recorded and communicated to the service user.

## Providing interim accommodation or support

The Council will provide interim accommodation or support based on your assessed needs if there is no availability in the most suitable or preferred accommodation. This could include a package of care at home, or a temporary placement in another accommodation setting. If we make an interim placement and there are no options available at the time at the amount that we would usually expect to pay, you will not be asked to pay the extra money for this more expensive placement.

The interim placement will be reviewed and, if the duration of the interim arrangements exceeds a reasonable time period e.g. 12 weeks, you will be reassessed to ensure that the interim placement and preferred permanent accommodation are still able to meet your assessed care and support needs.

As part of the re-assessment, you will be asked if your preference has changed to another accommodation option, or whether you wish to continue waiting for your original preferred accommodation, or indeed remain at the interim placement. If you decide that your preference has changed to staying permanently at your interim arrangement, it must meet the same criteria above (e.g. if the accommodation costs more than your Personal Budget, there must be an arrangement in place to meet the additional cost).

## Accommodation located outside of Reading Borough Council's area

We understand that being close to family support is a key factor in people's selection of preferred accommodation. The location of preferred accommodation is not limited to the boundaries of Reading Borough Council; accommodation anywhere within the United Kingdom (England, Wales, Scotland or Northern Ireland) are permitted, provided it still meets the other criteria - such as for suitability, availability and cost. Chapter 21 of the Care Act Statutory Guidance provides more information about cross-border placements<sup>39</sup>.

Although we aim to ensure that people have a choice of accommodation to meet their assessed care and support needs in the local area, we will sometimes place people in other areas if there is not enough suitable accommodation within the Reading locality to meet a person's assessed needs (if they need very specialist support, for example) or if their needs would be best met in a different area.

We may refer to our own usual costs when making placements in another council area. However, because costs vary from area to area, we will negotiate with the provider to determine a reasonable cost to meet the assessed needs as outlined in the person's care plan. If accommodation in another council area is more expensive than someone's Personal Budget for their assessed needs, and that is identified as the most suitable accommodation to meet a person's needs, we will meet this additional cost.

We will ensure that satisfactory arrangements are made before a person moves to accommodation in another council area, including planning for regular reviews. We will be responsible for any changes to the person's accommodation such as moving to a different provider, unless there is an emergency situation, where we should be involved as soon as possible.

### Residence when moving to accommodation outside Reading

If you move to accommodation outside of Reading while we are responsible for funding your care (either through choice, or because of the availability of suitable accommodation) to meet your care and support needs, you still remain a Reading resident. We will keep the same responsibility for you that we have for someone living in the Reading area. Only if you later choose to move by private arrangement may you become 'ordinarily resident' in your new area. If this happens, your new council becomes responsible for any future care and support assessment and/or funding.

If you fund your own care and support and choose to move to a different area for accommodation to meet your needs (for example, to be closer to your family) you will usually become 'ordinarily resident' in the new area. If you become eligible for support from adult social care services in the future, the council in your new area would be expected to fulfil this responsibility.

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<sup>39</sup> Care and Support Statutory Guidance Chapter 21 – Cross-border placements:

[www.gov.uk/guidance/care-and-support-statutory-guidance](http://www.gov.uk/guidance/care-and-support-statutory-guidance)

## The Cost of Accommodation

We use your assessment and support planning to identify your Personal Budget – the amount of money that we would expect to pay to for care and support to meet your assessed needs.

- For care home accommodation, we identify the expected cost of your accommodation based on the amount that we would normally pay to meet your assessed needs in a residential or nursing home, reflecting the local market conditions.
- For supported accommodation, the housing costs are normally separate to your care and support package. You would own or rent your accommodation and pay for this independently (claiming Housing Benefit and using this to pay the landlord of a shared house if you had a tenancy agreement, for example). We will work with you to make sure you have suitable accommodation for your care and support needs to be met.
- For Extra Care Housing, we identify the expected cost of your accommodation as part of your care and support package. This is based on the amount that we would normally pay to meet your assessed needs, reflecting the local market conditions.

When establishing how much we would expect to pay for your care and support, we will take account of your individual circumstances such as medical, cultural or dietary needs, to ensure that your needs can be properly met. For some people, such as those with complex learning disabilities, their Personal Budget may need to be much higher to take account of their need for more expensive and very specialist support.

## Choosing more expensive accommodation

- **care homes:** If your preferred care home is more expensive than your Personal Budget for your assessed needs, you will be advised of the higher cost of your choice. You will be given the opportunity to make an alternative choice that fits within your Personal Budget, or to put an arrangement in place to meet the additional cost.
- **supported accommodation** Because you pay housing costs for supported accommodation (Supported Living, Extra Care Housing, a Shared Lives setting) independently, you may choose more expensive accommodation than we would consider sufficient to meet your assessed needs. We will support your wishes – yourself or via a third party - to pay the additional cost for this more expensive accommodation.

If your choice of more expensive supported accommodation means that we will need to pay more to meet your assessed needs than your Personal Budget (for example, if a Supported Living arrangement includes more expensive “background care” as part of the placement), you will be advised of the higher cost of your choice. You will be given the opportunity to make an alternative choice that fits within your Personal Budget, or to put an arrangement in place to meet the additional cost.

## **Paying for more expensive accommodation**

If your preferred accommodation meets all other requirements, we will support you to move to that accommodation that costs more than your Personal Budget says we would expect to pay for your assessed needs, provided that:

- you can arrange for a third party to pay the additional amount - known as the Third-Party Top-Up (TPTU), or;
- you can pay the additional amount from your own resources - a 'First-Party Top-Up'.

The rules about the situations where you can pay the additional amount yourself are shown below.

### **Third-Party Top-Ups (TPTU)**

For a Third-Party Top-Up to be put in place, a third-party – such as a family member(s), friend, employer, organisation or charity – must be willing and able to pay the difference between the Personal Budget and the actual cost of the accommodation (or the associated accommodation costs for supported accommodation).

To avoid the risk of you needing to move to different accommodation, we will usually discourage a Third-Party Top-Up unless the nominated Third Party can demonstrate that they are willing and able to pay the additional costs for at least a period of two years (or up to the duration of the service user's likely time living in the accommodation if it is a short-term arrangement).

#### **Where the Third Party is an organisation**

We will require a letter from a legal representative of the organisation confirming that the organisation has the means and capacity to sustain payments for the period required to accompany a signed Third-Party Top-Up Agreement.

#### **Where the Third Party is one or more individuals**

We will undertake a financial assessment of the individual(s) requiring documentary evidence of financial resources identified to meet the top-up payments, such as bank statement and details of financial commitments. This is to ensure that they have the means and capacity to sustain the payments for the period required. Completion of this assessment along with a signed Third-Party Top-Up Agreement and completed Direct Debit mandate is usually needed before we will agree to someone moving to the more expensive preferred accommodation.

#### **Review**

We review all Third Party Top-Up Agreements at least annually, and sooner where there is a change to someone's situation.

## First-Party Top-Ups (sometimes known as Resident Top-Ups)

In specific circumstances it is possible for you to pay a 'top up' for your preferred accommodation from your own resources. These circumstances are shown below:

- A person entering care home accommodation whose property capital is disregarded for up to the first 12 weeks of the placement **and** who has either sufficient savings to pay the top-up during those 12 weeks, or disregarded income sufficient to pay the top up during those 12 weeks.
- A person entering care home accommodation whose property capital is disregarded for up to the first 12 weeks of the placement **and** who immediately enters into a Deferred Payment Agreement.

You would still be responsible for paying an assessed contribution from your capital and income during those 12 weeks. The First Party Top-Up payment will be in addition to your assessed charge shown by your financial assessment. You would need to sign a Top-Up Agreement.

With our permission, payment of a First Party Top-Up can be deferred providing that a Deferred Payment Agreement is agreed between you and the Council before your funding starts - that is, you intend to apply for a Deferred Payment Agreement (to start after the 12-week property disregard period), and you consent to a first legal charge on your property under a Deferred Payment Agreement from the start of your property-disregard period.

We may consider the use of a First Party Top-Up in circumstances other than those set out above; for example, in the exceptional case that a Deferred Payment Agreement is accepted for a person in rented supported accommodation such as Extra Care Housing. People who would like to apply for a First Party Top-Up in a situation other than those set out above should contact our FAB Team to explain the exceptional circumstances in their situation for consideration. We may need to seek specialist legal advice on a case by case basis and the costs of this legal advice will be recharged to the individual.

## Paying for accommodation

We will pay the total cost of the accommodation (or associated accommodation costs for supported accommodation) to the care provider, and then recover any top-up directly from the person/organisation who has agreed to pay this. To mitigate against adverse safeguarding issues (such as the accrual of arrears with a provider) we will usually only enter into Top-Up arrangements where the top-up is paid to us, and not to the provider directly.

From time to time we will review our rates for accommodation. As a result the amount that we would expect to pay to meet someone's assessed needs may remain the same, increase or decrease. This may impact on the amount that an individual or organisation is asked to pay as the top-up. Similarly, if the accommodation increases in price (for example, an annual uplift to reflect inflation, or a restructuring of fees because of a new provider), we will have no liability for the increased charges and will expect the individual or organisation paying the top-up to pay the additional costs above the amount the Council would expect to pay to meet that person's needs.

When a person/organisation takes on a Top-Up, they assume the contractual responsibility for the duration of the person's residence in the accommodation to pay the difference in fees between the amount we would usually expect to pay to meet your assessed needs and the actual cost of your accommodation. We will advise the person/organisation in writing that fees are not fixed or guaranteed to remain at the same level, and that the contribution of the resident or third party may rise faster than the Council's. We will also advise that we have no liability for debts accrued by a person/organisation due to non-payment or a shortfall in payment. We will notify people/organisations of the likely consequences if they fail to maintain payments. These may include legal action to recover the accrued arrears and/or you having to move to other accommodation (unless after an assessment of need, it is shown that your assessed needs can only be met in the current accommodation). The Council has the right, subject to notice, to terminate the contract should the top-up payments cease to be adequate.

### **People who pay the full cost of their care and support**

In some circumstances, a person who has been financially assessed as able to afford the full cost of their care and support (for example - due to having capital above the Upper Capital Limit, or due to declining a full financial assessment), can ask us to make the arrangements for their care and support on their behalf (other than for care in a care home). These situations, and the associated Arrangement Fees, are explained in more detail in 'Section 6: Administration Fees and Interest Charges for care and support' within this Charging and Financial Assessment Framework.

If we arrange care and support on behalf of a self-funder in supported accommodation, they will have the same right to a choice about the provider of their accommodation, and the Council will support this as set out above. The Council will enter into a contract with the provider(s) on the person's behalf and manage the payment and invoicing arrangement for the person paying the full cost of their care and support.

If someone paying the full cost of their care and support has made their own private arrangement for services, the provider may take any action needed to obtain outstanding payments including legal action against the person or third-party who signed the contract and agreed to make payments but has failed to do so. The provider can also cancel the contract and give notice requiring the person to leave their accommodation.

If you pay the full cost of your care and support we will encourage you to consider what will happen if, over time, your savings/investments reduce and you become eligible for financial support with your care and support costs from the Council. If you have existing accommodation that is more expensive than we would usually expect to pay, this may result in the resident having to move to other accommodation, unless arrangements can be secured by way of another alternative such as a Third-Party Top-Up. In this instance, we will support you to find an alternative placement of your choice, provided this meets the Council's criteria around suitability, availability, conditions, cost and quality. If a reassessment shows that your needs can only be met in the current accommodation, we will endeavour, by way of negotiation, to make up the reasonable cost difference between your assessed contribution and the accommodation's fees.

## Existing residents

If you currently live in accommodation that is more expensive than we would usually expect to pay to meet your assessed needs, a review of your situation may result in you having to move to other accommodation, unless arrangements such as a Third-Party Top-Up can be put in place to meet the additional cost. If a reassessment shows that your needs can only be met in the current accommodation, we will endeavour, by way of negotiation, to make up the reasonable cost difference between your assessed contribution and the accommodation's fees.

## 12: Equality Impact Assessment

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The Adult Care Service has considered the impact that adopting this Charging and Financial Assessment Framework and the individual policies within it would have on the diverse communities of Reading Borough, and in particular residents in possession of 'protected characteristics' as set out in the Equality Act 2010.

The Council's charging framework was developed and implemented as part of the Care Act implementation in Reading and was subject to a 90-day community consultation.

Further proposed changes to non-residential financial assessments, charging for short-term stays in care home accommodation, charging for meals and refreshments and assistive technology were subject to a 90-day community consultation between December 2016 and March 2017.

An Equality Impact Assessment has been carried out, informed by the outcome of the public consultation and other community involvement. There could be some negative adverse impact on people with disabilities & older people although the Minimum Income Guarantee, Affordability Check & ongoing monitoring of the use of services will minimise this.

## 13. Reviewing the Charging and Financial Assessment Framework

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The appendices to this policy document will be reviewed annually prior to the start of each new financial year. Annual review will ensure all rates and amounts are consistent with inflation or other relevant changes, which may occur. We will consult the community on such changes through its annual budget consultation.

This document may be subject to modification on its own (through the Departmental Management Team), or as part of an overall review of the entire *Charging and Financial Assessment Framework Policy* by the Council.

The Care Act 2014 set out changes to care funding which the government intend to implement from 2020. A review of this Charging and Financial Assessment Framework will take place following information published by Department of Health about the implementation of care funding changes.

## Appendix A: Charges For Deferred Payments Agreements Interim Funding Arrangements and Self-funder Arrangements 2018-2019

### Set-up Fees for Deferred Payment Agreements (DPAs)

<b>Legal costs for a DPA</b> secured by a first legal charge against freehold property in sole ownership of applicant, with no loans secured and no legal complications.	<b>£400</b> (+VAT* if applicable)
<b>Variable legal costs to cover the cost of additional work</b> (if applicable) to secure a charge against a property or to obtain a solicitor's undertaking. If this applies, we will provide an estimate in advance.	<b>£110/hour</b> (+VAT* if applicable)
<b>Other administration costs</b>	<b>£148</b> (+VAT* if applicable)
<b>Land Registry - Registration Services fees</b> <sup>40</sup> – please refer to Land Registry Scale 2 fees which can be found on Land Registry website at : <a href="http://www.gov.uk/guidance/land-registry-registration-services-fees">www.gov.uk/guidance/land-registry-registration-services-fees</a>	<b>At cost</b>
<b>Formal property valuation (where commissioned by the Council)</b> - we will provide a quote in advance.	<b>At cost</b> (+VAT* if applicable)
<b>Cost of any specialist legal and/or financial advice obtained by the Council</b> (if required) – we will provide an estimate in advance.	<b>At cost</b> (+VAT* if applicable)

*\*Value Added Tax (VAT): the legal and administration costs quoted above are exclusive of VAT. VAT will be charged on those costs where applicable. DPAs which meet the national mandatory DPA requirements to be secured by a first legal charge are not subject to VAT.*

<sup>40</sup> Land Registry fees information correct as at 1.3.2018. VAT does not currently apply to Land Registry statutory fees. Land Registry fees are set and reviewed by Land Registry and subject to change - see [www.gov.uk](http://www.gov.uk) for latest information.

## Annual Administration Fees for DPAs & Interim Funding Arrangements

<b>Annual Administration Charge</b>	£237 (+VAT if applicable*)
<b>Property Valuation Fee</b> (if required for ongoing DPA or Interim Funding Arrangement)	Quote provided in advance

*\*Value Added Tax (VAT) will be charged on administration fees where applicable. DPAs which meet the national mandatory DPA requirements to be secured by a first legal charge are not subject to VAT.*

## Annual interest rates for DPAs & Interim Funding Arrangements

1 January 2018 – 30 June 2018:	1.45% (yearly rate) charged daily
1 July 2018 – 31 December 2018:	<i>to be advised</i>
1 January 2019 – 30 June 2019:	<i>to be advised</i>

### **Please Note:**

- We charge the maximum interest rate as defined in the Care and Support Regulations.
- Interest is charged daily on the deferred balance (including any deferred administration costs) and is compounded.
- Interest charges are added to the deferred payment debt.

## Non-Residential Care and Support: Fees for arranging care and support on behalf of self funders:

Set-Up Fee for Care and Support Arrangements:	£300.00
Annual Fee for Care and Support Arrangements:	£250.00

## Appendix B: Capital Limits Schedule 2018-19

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Level of capital or savings	How considered in financial assessment
£0 - £14,250	Disregarded
£14,251 - £23,250	Tariff Income is calculated at the rate of £1 for every complete £250, or part £250.
£23,250 +	Full cost of care and support applies at or above this level of capital or savings

## Appendix C: Financial Assessment Allowances Schedule 2018-19

### Minimum Assessed Contribution:

£1.25 per week (if your assessed maximum weekly contribution is less than this, you will receive free service)

### Local 'Minimum Income Guarantee' for Basic Living Costs (Non-residential care and support)

	Level of "Minimum Income Guarantee" for a Service User who is single (or living alone)	Level of "Minimum Income Guarantee" for a Service User living with a partner
Age 18 or over, up to qualifying age for Pension Credit	£131.75 per week	£100.55 per week
Age 18 or over, up to qualifying age for Pension Credit and qualifying for the Enhanced Disability Premium	£151.45 per week	£114.70 per week
Reached or over qualifying age for Pension Credit	£189.00 per week	£144.30 per week
Eligible for a Carer Premium	An additional £43.25 per week	
Responsible for a child, and a member of the same household as that child	An additional £83.65 per week per child	

### Disability-Related Expense Standard Allowance (Non-residential services):

£5.00 per week

### Statutory Personal Expenses Allowance (in a Care Home)

£24.90 per week

### Maximum Savings Disregard<sup>41</sup> (in a care home: if age 65+ and qualifies for savings disregard):

£5.75 per week

### Disposable Income Allowance (Deferred Payments Scheme):

up to £144.00 per week

<sup>41</sup> Savings Disregard is calculated on an individual basis in accordance with the Care and Support (Assessment of Resources) Regulations. The maximum amount is listed here for information purposes.

## Appendix D: Disability Related Expenditure - guide 2018/9

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If you receive Attendance Allowance or Personal Independence Payment or Disability Living Allowance an allowance is made in your non-residential financial assessment for additional expenses due to disability or medical condition. We apply a standard allowance<sup>42</sup> unless you request a full assessment of your disability-related expenses.

This guide sets out the standard or maximum allowances we use for a range of disability related expenses, if that extra cost is incurred and is needed to meet your specific need due to a medical condition or disability, as identified in your care and support assessment.

If you have one or more of the expenses listed we will usually allow the actual amount you spend up to the maximum amount indicated. We will only consider a higher allowance in exceptional circumstances.

Costs for disability related services that support the whole household (like a cleaner) will be shared equally between all adults in the household (unless you have a good reason for us to consider a different way of sharing costs).

Where a service or item is made up of different elements we will only consider costs for the part(s) that meet a disability related need. Hairdressing is a good example - we will allow a claim for the cost of washing your hair if your disability prevents you doing this yourself, but not the cost of cutting/styling as most people have to pay for this.

Allowances for special equipment needed due to a disability or condition will be based on the life span of the equipment and either the purchase price you paid or a lower cost alternative if that was reasonable to meet your identified needs.

You must keep bills, invoices and statements to support your claim for disability related expenses. If you can't produce this evidence we will use our discretion to decide if your claim is reasonable.

You can find details of exclusions at the end of this list.

DISABILITY-RELATED EXPENSE ITEM	AMOUNT CONSIDERED IN ASSESSMENT	EVIDENCE REQUIRED
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<sup>42</sup> The amount of the standard allowance is shown in [Appendix C – Financial Assessment Allowances Schedule](#)

<b>DISABILITY-RELATED EXPENSE ITEM</b>	<b>AMOUNT CONSIDERED IN ASSESSMENT</b>	<b>EVIDENCE REQUIRED</b>
Community Alarm System	Actual cost paid unless included in Housing Benefit award	Bills from provider or regular entries on bank statements
Privately-arranged registered <sup>43</sup> care services (including respite care) – if it is part of the agreed care and support plan and council-arranged support is reduced accordingly	Actual cost paid up to a maximum of £1383 per year (average £26.60 per week)	Bills/receipts from provider
Private domestic help - where Adult Care assessment confirms this is necessary due to disability or medical condition and is not provided through council-arranged support. This may include cleaning, shopping, domestic tasks, basic garden maintenance (e.g. grass cutting)	Actual cost paid up to £20.00 per week for single person household, or cost proportionately divided by the number of other adult household members.	Bills/receipts from provider for at least 4 weeks
Additional laundry and replacement bedding costs (where more than 4 loads washing/week needed due to incontinence or other disability-related/medical reason)	An amount of £3.76 per week.	Adult Care assessment confirms incontinence or other condition requiring need for additional laundry and more frequent replacement of bedding.
Additional cost of specialist dietary items required (as confirmed by Adult Care or NHS doctor/specialist) due to a medical condition or disability	Actual cost paid for specific dietary items purchased due to illness or disability	Details and receipts of specialist dietary purchases

<sup>43</sup> Registered with the Care Quality Commission (CQC)

DISABILITY-RELATED EXPENSE ITEM	AMOUNT CONSIDERED IN ASSESSMENT	EVIDENCE REQUIRED
<p>Essential equipment purchased due to disability/condition to support independent living at home (if not supplied free of charge, through Adult Care or Health, and not supplied through a Disabled Facilities Grant)</p> <p>For example: stair lift, powered bed, turning bed, wheelchair, riser chair, specialist utensils, mobility equipment*.</p> <p><i>* mobility equipment (such as a mobility scooter, adapted car/van) the cost allowed will be net of any DLA Mobility received or PIP Mobility received.</i></p>	<ul style="list-style-type: none"> <li>▪ Equipment purchases costing approximately £1,000 or more:  Actual cost paid (or cost of suitable lower-cost alternative if available), divided by 500.<sup>44</sup></li> <li>▪ Equipment purchases costing less than £1000 but more than £100:  Actual cost paid (or cost of suitable lower-cost alternative if available), divided by 250.<sup>45</sup></li> <li>▪ Equipment purchases costing less than £100:  Actual cost paid (or cost of suitable lower-cost alternative if available)</li> </ul>	<p>Evidence of purchase (bill, receipt) In cases of doubt, social care worker or Occupational Therapist to confirm purchase is an essential requirement</p>
<p>Essential equipment maintenance/repair (if not maintained by adult care)</p> <p>(such as stair lift maintenance)</p>	<p>Actual cost of maintaining specialist equipment -</p>	<p>Bills/receipts from provider, or entries on bank statements, or maintenance contract showing cost.</p>
<p>Specialist clothing and footwear and replacements due to wear and tear</p>	<p>Allow expenditure on footwear over £38 per pair of specialist shoes (averaged over 1 year). For specialist clothing and frequent replacements, allow up to £6.91 per week, with good reason.</p>	<p>Receipts or cheque stubs</p>

<sup>44</sup> Divided by 500 to reflect a 10 year equipment life.

<sup>45</sup> Divided by 250 to reflect a 5 year equipment life.

DISABILITY-RELATED EXPENSE ITEM	AMOUNT CONSIDERED IN ASSESSMENT	EVIDENCE REQUIRED
Additional heating Allowance	<p>Actual gas and electricity paid, averaged over one year, minus the annual average amounts<sup>46</sup></p> <p><u>Annual Average fuel amounts:</u></p> <ul style="list-style-type: none"> <li>▪ Flat/Terraced-single occupancy: £1,206</li> <li>▪ raced – couple/shared occupancy: £1,591</li> <li>▪ Semi-detached single occupancy: £1,281</li> <li>▪ Semi-detached – couple/shared occupancy: £1,688</li> <li>▪ Detached – single occupancy: £1,558</li> <li>▪ Detached – couple/shared occupancy: £2,054</li> </ul>	Bills from Provider
Chiropody	Actual cost up to a maximum £133.78 averaged over one year (equivalent to max £2.57/wk), if NHS chiropodist not available (based on 6 weekly visits).	Receipts or cheque stubs
Travel and transport costs where adult care have confirmed need for specialist transport requirements.	<p>Actual costs, net of any DLA Mobility received or PIP Mobility received, if they are incurred solely or mainly due to disability and the needs are identified in the Assessment.</p> <p>Allow actual commercial costs (if reasonable) up to £23.43 per week or more if evidence is provided.</p> <p>Allow payments to relatives if up to £11.71 per week.</p>	Bills/Receipts where applicable
Prescriptions, medical and chemist items	Allow actual cost if not supplied free through the NHS or the cost of annual season ticket (divided by 52 weeks), whichever is less. Allowed when recommended by a GP or specialist.	Receipts / evidence of season ticket

<sup>46</sup> Average annual amounts based on good practice guide issue by the National Association of Financial Assessment Officers.

DISABILITY-RELATED EXPENSE ITEM	AMOUNT CONSIDERED IN ASSESSMENT	EVIDENCE REQUIRED
Hair Washing	Actual cost paid for hair-washing & drying service where service user is unable to wash own hair, and hair wash is not part of the care package. Actual average weekly costs up to £6.72 per week.	Bills/Receipts
Water Meter Charges	Metered amounts in excess of £383 pa (average annual household bill).	Bills from Provider
Other disability related expenses	Other specific disability-related expenses may be allowed with good reason and proof of costs. Responsibility for decisions about other DRE items is outlined below.	Proof of costs required

Continence products are not generally considered here as products are available through the NHS Continence Service free of charge.

## EXCLUSIONS

We won't consider costs incurred for :

- General items or services required for daily living 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 a 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
  - ♦ The work is to help prevent falls (e.g. installing hand rails or repairing footpaths or
  - ♦ The modifications to the garden or building are essential for you to be able to use/store securely 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.

## Appendix E: Third Party Top Up Agreement

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### PROVISION OF RESIDENTIAL/NURSING CARE Third-Party Top-Up Payment Agreement

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#### CONTRACT DETAILS

Name of Resident

Name of Third Party

Relationship to Resident

Address of Third Party

Telephone of Third Party

Name of care home

Address of home

Telephone of Home

Date of Placement

Third Party's Contribution                      £                      /week

**PROVISION OF RESIDENTIAL/NURSING CARE**  
**Third-Party Top-Up Payment Agreement**

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**DECLARATION OF AGREEMENT**

I am willing to pay the third-party top-up towards the cost of the placement of [name of Service User] at the [name of Home] and will continue to make this payment for the duration of the placement. I understand that:

- The third-party top-up cannot be paid from \_\_\_\_\_'s own resources.
- I will be invoiced by Reading Borough Council for the top-up and will pay by regular standing order. Failure to keep up payments may result in \_\_\_\_\_ having to move to another home.
- Reading Borough Council will review the cost of the placement and \_\_\_\_\_'s contribution annually. The amount of the third-party top-up will increase subject to this review.
- Any variation to the third-party top-up will be subject to negotiation between Reading Borough Council and myself, and will not involve the Home.

I have read and understood the terms and conditions contained in this contract.

**Signature of Third Party:**

**Name of Third Party (print):**

**Date:**

## **Appendix F: Sample Deferred Payment Agreement –**

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The Council's Deferred Payment Agreement is a legal document based on a national sample template which can be found on the Local Government Association's website:

[www.local.gov.uk](http://www.local.gov.uk)

If you are considering entering into a Deferred Payment Agreement with the Council and wish to see an example of the Council's Deferred Payment Agreement, please contact the Financial Assessments and Benefits Team.

## Appendix G: Example Care Charges Calculations

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### Example A - Person with a Personal Budget for ongoing weekly support and respite in a care home:

A 65 year old woman has a Personal Budget of £100 per week to meet her ongoing weekly care needs and £1400 per year towards two weeks respite care (from a carer's assessment carried out with her daughter). She uses her Personal Budget to pay for a carer each weekday morning and to stay in a care home for respite for two weeks while her daughter is away on holiday. Her non-residential financial assessment shows she is not required to pay anything towards her non-residential service.

**Annual Personal Budget:** £5000 (ongoing) £1400 (respite). Total: £6400

**Weekly Care Charges:** she is charged nothing for her ongoing care and support and nothing for her two weeks of respite in a care home because her non-residential financial assessment shows her assessed maximum weekly contribution is Nil

If during the year, she required further short stays in a care home that brought the total number of nights stayed in a care home to more than four weeks during that year, a financial assessment would be carried out using care home (temporary stay) charging rules to calculate her contribution towards the accommodation for those extra nights.

### Example B - Person with a Personal Budget for ongoing weekly support and respite in a care home

A 29 year old man living with his mother has a Personal Budget of £70 per week to meet his ongoing support needs and £1400 per year towards two weeks respite care (from a carer's assessment carried out with his mother).

He uses his Personal Budget to pay for a support worker and to stay in a care home for one night at various intervals over the year for respite. His non-residential financial assessment shows his assessed maximum weekly contribution is £33 per week.

**Annual Personal Budget:** £3500 (ongoing) £1400 (respite). Total: £4900

**Weekly Care Charges:** he is charged £33.00 each week for his ongoing care and support including his 14 nights in a care home for respite.

### Example C - Person with a Personal Budget for ongoing weekly support and respite in a care home:

An 80 year old man has a Personal Budget of £95 per week to meet his ongoing care needs and £1400 per year towards respite care (from a carer's assessment carried out with his wife). He uses his Personal Budget to pay for a carer and to stay in a care home for respite. His financial assessment shows his assessed maximum weekly contribution is £130 per week.

**Annual Personal Budget:** £4750 (ongoing) £1400 (respite). Total: £6150

Weekly Personal Budget (£6150 divided by 52 weeks): £118.26

**Weekly Care Charges:** He is charged £118.26 each week towards his Personal Budget. This is the average weekly charge over the year for his Personal Budget.

At the end of the Personal Budget period (usually a year) - and before finalising the Personal Budget amount for the following year - the charges he paid over the year are compared to the actual cost of the care and support services. If he had overpaid, the difference would be refunded to him.

**Example D - Person with a Personal Budget for ongoing weekly support: Non-Residential Financial Assessment Calculation:**

A woman aged 84 has a Personal Budget of £100 per week for care and support in her home.

She receives a State Pension of £126.70 per week; a private pension of £13.40 per week, Pension Credit of £82.45 per week (of which £76.20 is Guarantee Credit; £6.25 is Savings Credit), and Attendance Allowance of £57.30 per week.

She has savings of £15,140

She receives full Housing Benefit and full Council Tax Support

<b>NON-RESIDENTIAL FINANCIAL ASSESSMENT CALCULATOR</b>	
<b>Income from:</b>	<b>Weekly</b>
State Pension	£126.70
Private Pension	£ 13.40
Pension Guarantee Credit	£ 76.20
Pension Savings Credit	(100% disregarded)
Attendance Allowance	£57.30
Tariff Income on savings	£4.00
<i>Calculation: £14,250 disregarded. Leaves £890 savings charged tariff income @ £1 per £250 or part £250</i>	
<b>TOTAL REGARDED WEEKLY INCOME</b>	<b>£277.60</b>
<b>Allowances &amp; Expenses:</b>	
Minimum Income Guarantee <i>(this is an allowance for daily living costs for someone who has reached the qualifying age for Pension Credit – approx over the age of 64)</i>	£189.00
Standard Allowance for Disability-related expenses	£5.00
<b>LESS: TOTAL REGARDED WEEKLY EXPENSES</b>	<b>-£194.00</b>
<b>Leaves an ASSESSED MAXIMUM WEEKLY CONTRIBUTION</b>	<b>£83.60</b>

She would be charged £83.60/ week towards her Personal Budget.

### Example E - Person receiving care and support in a care home: Care Home Financial Assessment Calculation.

A single man aged 79 has moved to a Care Home. The Council are paying the costs of £700 per week.

He receives a State Pension of £197.50 per week and a private pension of £85.30 per week.

He has savings of £17,320

CARE HOME FINANCIAL ASSESSMENT CALCULATION	
Income From:	Weekly
State Pension	£197.50
Private Pension	£ 85.30
Tariff Income on savings <i>calculation : £14,250 disregarded. Leaves £3,070 savings charged tariff income @ £1 per £250 or part £250</i>	£ 13.00
<b>TOTAL REGARDED WEEKLY INCOME</b>	<b>£295.80</b>
<b>Allowances :</b>	
<b>Personal Expenses Allowance</b> (this is a standard allowance for people in care homes – to keep for personal expenses)	£24.90
<b>Savings Disregard</b> (an allowance for people aged 65+ who made provision for income in retirement of more than a basic amount)	£5.75
<b>Less TOTAL WEEKLY ALLOWANCES</b>	<b>–£ 30.65</b>
Leaves an <b>ASSESSED WEEKLY ACCOMMODATION CHARGE</b>	<b>£265.15</b>

He would be charged £265.15 per week towards the cost of his care home accommodation

## Appendix H: Assessed Contribution Waiver Request

SERVICE USER PERSONAL DETAILS	
Name:	D.O.B:
Address:	
Postcode:	
Tel No:	
RELEVANT INFORMATION REGARDING THE CARE CHARGES AND CURRENT CIRCUMSTANCES.	
Current assessed contribution : £                      per week For: Care Home contribution* / Non-residential care and support* (*please indicate which) Date of last financial assessment:	
<b><u>REASON FOR REQUESTING CONTRIBUTION TO BE WAIVED.</u></b> <i>(Including details of current financial commitments)</i>	
Name of case worker:  Signed:  Name of Manager :  Signed by Manager:	Date:
Head of Service Decision	
Names (Head of Service):	DATE:
DECISION RECORD	
SIGNED:	DATE:
Comments:	

## Appendix I: Financial Assessment Appeal Request Form

Your personal details	
Name:	Date of Birth:
Address:	
Postcode:	
Phone number to contact you:	
Information about your contribution and financial circumstances	
Your current assessed contribution that you wish to appeal: £                      per week	
Date of your last financial assessment:	
Please explain the part of your assessed contribution that you are appealing against	
Please provide information here to support your appeal	
Please tick box if you have attached further information to support your appeal	
<b>Name of your social care worker:</b>	
Your signature	Date

Office use only

Record of decision by Finance Manager & Service Manager	
Names of Review Panel	Date
Finance Manager:	
Service Manager:	
Decision taken	
Signatures	Date
Comments:	

## Appendix J: Example of information needed for your financial assessment

### Details of ALL your income

(money you receive)

Including any money paid jointly to you or your partner on behalf of both of you.

#### Income from paid work

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ How many hours you work each week</li> <li>▪ How much you get paid</li> <li>▪ How often you get paid</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Payslips</li> </ul>

#### Income from state benefits & pensions

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The name of all benefits/pensions/credit you receive</li> <li>▪ The exact amount you get paid/how often you get it and who you get it for (for example, if you get this for you and your partner)</li> <li>▪ How it is paid to you (e.g. which bank account)</li> <li>▪ The National Insurance number reference(s)</li> <li>▪ Details of a joint benefit paid to your partner if they get an amount for you both.</li> <li>▪ Value of Pension Savings Credit if you get Pension Credit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Confirmation letters from the benefit/pension provider (e.g. DWP, Pension Service, Jobcentre Plus or Disability and Carers Service, HMRC, your Universal Credit account)</li> </ul>

#### Income from private and occupational pensions *(including widows/widowers pensions and entitlement to pension income/deferred pensions)*

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The name of the company or organisation paying your pension</li> <li>▪ How much you get paid and how often you get it</li> <li>▪ If you have chosen to defer a pension, or to draw a lower amount of income from a pension fund, details of the full entitlement.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank Statements</li> <li>▪ Payslips</li> <li>▪ Letters from the pension provider</li> </ul>

#### Other Income

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ Who you receive money from</li> <li>▪ How much they pay you</li> <li>▪ How often you get this payment.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank Statements</li> </ul>

## Details of ALL your Savings and Investments (Capital Assets)

*Including those that are jointly owned*

**Savings and/or investment accounts** (bank, building society, Post office and/or National Savings)

We need to know for EACH account:	Find this on:
<ul style="list-style-type: none"> <li>▪ The name of the organisation holding your account</li> <li>▪ Type of account</li> <li>▪ Account holder name(s)</li> <li>▪ The amount held in each account and the date</li> <li>▪ The value of any investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statements (bank, building society, online etc.)</li> <li>▪ Savings or pass books</li> </ul>

### National Savings Certificates

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The issue number(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Certificates</li> </ul>

### Income Bonds

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The names of the organisation(s) holding your bonds</li> <li>▪ The value of the bond(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statements</li> </ul>

### Shares, Stocks & Unit Trusts

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ Name of company(ies) or investment trust(s)</li> <li>▪ Number and type of shares or units held</li> <li>▪ The current value (where known)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Share certificates</li> <li>▪ Investment statements</li> </ul>

### Premium bonds

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The value of the bond(s)</li> </ul>	<ul style="list-style-type: none"> <li>▪ bonds</li> </ul>

### Property owned other than your main home

For EACH property we need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ The address</li> <li>▪ An approximate market value</li> <li>▪ The value of outstanding mortgage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mortgage statements</li> </ul>

**Other savings and investments held by you or someone else on your behalf**

<b>We need:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ A description</li> <li>▪ Current Value</li> <li>▪ Any life insurance attached to the investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Certificates</li> <li>▪ Statements</li> <li>▪ Letters</li> </ul>

**Any Capital held that was received in consequence of a personal injury**

<b>We need:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ date of the settlement</li> <li>▪ details of how the Personal Injury Payment is held (for example, held in Trust, held by Court)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Settlement documents</li> <li>▪ Deeds of Trust</li> <li>▪ Documents from the Court of Protection</li> <li>▪ solicitor letters and documents</li> </ul>

**If you are moving permanently to a care home and you own your own home**

<b>We need:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ The address including postcode</li> <li>▪ Details of any other people who live there (name, date of birth, their relationship to you, how long they have lived there)</li> <li>▪ How much (%) of your property you own - and if it is jointly owned, the details of the other owners</li> <li>▪ If the property is leasehold, the details for the leaseholder</li> </ul> <p>If you have an outstanding mortgage we need:</p> <ul style="list-style-type: none"> <li>○ the value and remaining term of the mortgage</li> <li>○ the monthly repayments on the mortgage</li> <li>○ if the mortgage is in joint names – details of the other people.</li> </ul> <ul style="list-style-type: none"> <li>▪ an approximate market value of the property</li> </ul>	<ul style="list-style-type: none"> <li>▪ Property Deeds</li> <li>▪ Mortgage statements</li> </ul>

## Details of your Expenses

### Mortgage and service charges

We need:	Find this on:
<ul style="list-style-type: none"> <li>▪ Name of your mortgage lender</li> <li>▪ How much you pay and how often (exact amount needed)</li> <li>▪ How much (if any) is allocated towards your mortgage from benefits</li> <li>▪ How much you pay for service charges, who to, and how often</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Mortgage statements/letters from lender</li> </ul>

### Rent and Service Charges

We need:	Find this on:
<ul style="list-style-type: none"> <li>▪ How much you pay (exact amount) and how often</li> <li>▪ How much Housing Benefit or Universal Credit you get (if any)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Landlord letters &amp; statements</li> <li>▪ Housing Benefit letters</li> <li>▪ Your Universal Credit account</li> <li>▪ Rent book</li> </ul>

### Council Tax

We need:	Find this on:
<ul style="list-style-type: none"> <li>▪ The exact amount you pay and how often</li> <li>▪ How much Council Tax Support you receive (if any)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Council Tax letter</li> <li>▪ Council Tax Support letter</li> </ul>

**For non-residential Care and Support Financial Assessment if you receive Attendance Allowance, or Disability Living Allowance, or Personal Independence Payment - for a full assessment of your disability-related expenses** (see Appendix D: Disability-related Expenditure Guide), we need details of your extra expenses relating to a medical condition or disability, such as:

### Emergency Alarm Service

We need to know:	Find this on:
<ul style="list-style-type: none"> <li>▪ How much you pay</li> <li>▪ How often you pay</li> <li>▪ Who you pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Receipts</li> <li>▪ Invoices/bills</li> </ul>

**Practical help** (*housework, garden maintenance, transport fares, etc.*)

<b>We need to know:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ What you pay for</li> <li>▪ How much you pay</li> <li>▪ How often you pay</li> <li>▪ Who you pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Receipts</li> <li>▪ Invoices/bills</li> </ul>

**Money you spent on disability equipment to manage your condition/disability in the last 12 months (including insurance for large items)**

<b>We need to know:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ Details of the item(s)</li> <li>▪ How much you paid or, if you pay pay installments how much you pay and how often you make repayments</li> <li>▪ Who you pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Receipts</li> <li>▪ Invoices/bills</li> </ul>

**Extra heating costs**

<b>We need to know:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ Costs for the whole year</li> <li>▪ Property type (e.g. flat)</li> <li>▪ How many people live with you</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gas and electricity bills</li> </ul>

**Other extra costs due to disability/condition** (*washing, dietary needs, clothing etc.*)

<b>We need to know:</b>	<b>Find this on:</b>
<ul style="list-style-type: none"> <li>▪ What you pay for</li> <li>▪ How much you pay</li> <li>▪ How often you pay</li> <li>▪ Who you pay</li> </ul>	<ul style="list-style-type: none"> <li>▪ Bank statements</li> <li>▪ Receipts</li> <li>▪ Water meter bills</li> </ul>

## Appendix K: Deferred Payment Agreement / Interim Funding Appeal Request Form

Name of resident	
Name:	Date of Birth:
Care Home: Address:	
Your details (if acting for resident)	Relationship/Role:
Your Name: Phone number to contact you:	
Deferred Payments <input type="checkbox"/> ( please tick) Interim Funding <input type="checkbox"/>	
Please give details of the part of the decision that you wish to appeal:	
Please tick box if you have attached further information to support your appeal <input type="checkbox"/>	
Your signature	Date
Office use only	
Record of decision by Finance Manager & Service Manager	
Names of Review Panel Finance Manager: Service Manager:	Date
Decision taken	
Signatures	Date
Comments:	

## Appendix L: Affordability Checker for Couples (Non-residential Financial Assessments)

Please refer to [Affordability-check for couples – adjusting the local Minimum Income Guarantee level](#) within Section 8. Care and Support Financial Assessment Policy Part 3: Non-residential care and support.

### AFFORDABILITY CHECKER: Example 1

Service User's Minimum Income Guarantee(MIG)<sup>47</sup> Level: £ 144.30

Partner's Income: £111.50

Less Partner's 50% housing cost share: -£2.00

Partner's net income: £ 109.50

**A: Service User's MIG level plus Partner's net income: £253.80**

**B: Couple Personal Allowance (for DWP benefits): £248.80**

**A is more than the value of B** - therefore no adjustment is needed to the service user's Minimum Income Guarantee level.

### AFFORDABILITY CHECKER: Example 2

Service User's Minimum Income Guarantee (MIG)<sup>48</sup> Level: £ 144.30

Partner's Income: £77.50

Less Partner's 50% housing cost share: -£2.00

Partner's net income: £ 75.50

**A: Service User's MIG level plus Partner's net income: £219.80**

**B: Couple Personal Allowance (for DWP benefits): £248.80**

**A is less than the value of B** - An adjustment will be made to the service user's Minimum Income Guarantee Level to increase it by the value of  $(\text{£B} - \text{£A}) = (\text{£}248.80 - \text{£}219.80) = \text{£}29.00$ .

The Service User's adjusted Minimum Income Guarantee Level will be  $(\text{£}144.30 + \text{£}29.00) = \text{£}173.30$

<sup>47</sup> Minimum Income Guarantee is the amount of allowance that must be considered in the financial assessment for everyday living costs.

<sup>48</sup> Minimum Income Guarantee is the amount of allowance that must be considered in the financial assessment for everyday living costs.