Redcar & Cleveland
Adult Social Care

About this guide

This guide explains how we work out how much you will have to pay towards a residential care stay, and whether or not the Council will help with the cost.

It tells you how we assess your weekly income, and any savings or investments that you have.

The information in this guide covers financial assessments for the following types of care and support:

- short stays in residential care.
- respite care to give you and your carer a break; or
- permanent residential or nursing care.

If there is anything in this guidance that you do not understand, please speak to your health or social care worker using the contact details provided at the end of the guide.

Redcar & Cleveland Borough Council
Adult Social Care

Public Guidance

This is your guide to Paying for Residential Care

Contents

1. Paying for your care and support 3
2. NHS Funded Care 3
3. What is a financial assessment? 3
4. Making sure you receive the right benefits 4
5. What isn't included in your financial assessment? 4
6. How your savings, investments, property, and other capital will affect your financial assessment 5
7. Will the value of your home be included? 5
8. What are the alternatives to selling your home? ((Deferred Payment Agreements) 6
9. How you regular income will affect your financial assessment 6
What is tariff income? 7
10. What happens if you were living as part of a couple before you moved into residential care? 7
11. How much money will you be left with every week? 7
12. How we work out what you can afford to pay towards your care? 7
13. How we will tell you about your contribution to residential care 8
14. How often do we review the amount you have to contribute? 8
15. How to pay your contribution 8
16. Paying your contributions while you are in hospital or on holiday 8
17. What happens if you do not pay your contribution? 8
18. What are Third Party "Top-Up" payments? 9
19. What happens if you give away your money or property to avoid paying your care costs? ... 9
20. What to do if you are not happy about your financial assessment. 10
21. Other useful guides 10

The rules are different for funding care that is not provided in a residential care home (care at home, direct payments, or day services for example).

Information about paying for this type of service is available in our "Guide to paying for social care and support while living in your own home."

1. Paying for your care and support

Care and support services are not free. Most people have to pay something towards their care, and some will have to pay the full cost.

The Council may help towards the cost of your care, but usually, this help is 'means-tested'. This means that the amount you have to pay will depend on the type of care and support that you need and how much you can afford to pay towards your care each week.

You also may not be charged for short term residential care if you have had an illness or injury, but need time to recover and regain your confidence, mobility, or daily living skills. Your health or social care worker will tell you if this applies to you when they discuss any moves into residential care.

This guide will help you if you have had your needs assessed and it has been agreed that your needs can be met in either permanent or temporary residential care that you may be charged for. It explains:

- the financial assessment process that we go through to determine how much you can afford to contribute towards your care and support.
- how your benefits will affect your financial assessment.
- how we assess your savings, investments, property, and income, and what happens if you are part of a couple.
- about the alternatives to selling your home (deferred payment agreements).
- what household costs we will allow for.
- how much money you will be left with each week.
- how to pay your contribution and what happens if you do not pay.
- about third party top up agreements.
- what happens if you give away your money or property to avoid paying care costs; and
- what to do if you are not happy about your financial assessment.

2. NHS Funded Care

In some situations, the NHS is responsible for funding some or all of your care. This could be because you need care from a registered nurse, or you have been assessed by a team of health and social care professionals and they have agreed that you have a "primary health need." For more information visit www.nhs.uk and click on care and support. Alternatively, you can speak to your health or social care worker.

3. What is a financial assessment?

A financial assessment is the process that we go through to work out:

- how much you can afford to pay towards your care and support; and
- whether the Council will help with the cost.

If you have had your needs assessed and are eligible for support from Adult Social

Care, we will ask you to complete a financial assessment form that asks for information about how much money you receive each week, and how much you must pay out for living expenses. It also asks for information about things like savings, investments, and any property you might own.

You will also be asked to provide documents as evidence of your income and expenditure. This could include bank statements, building society books, bond or share certificates, utility bills, invoices and so on.

Once you return your financial assessment form with any supporting documents, we will work out how much you will have to pay towards your care and support.

If you choose to not complete your financial assessment, you will be a private resident in the home, and must pay them directly.

4. Making sure you receive the right benefits

Most benefits are taken into account when we work out how much you can afford to pay towards your residential care.

If you go into residential care for more than 28 days, your benefits may be affected. You will need to contact the Department for Work and Pensions (DWP) to let them know so they can make sure you continue to receive the correct entitlement.

If you move into residential care permanently and you are part of a couple, your benefit entitlement will need to be reassessed. This is because once you are living in residential care, your benefits will be paid to you as if you were a single person. This could mean that you are entitled to receive benefits that you did not qualify for when you lived together in your own home.

When we receive your financial assessment, we will check to make sure that you are receiving all of the benefits that you are entitled to. We will contact you if we think that you may be able to claim additional benefits, and we can help you with any claims.

5. What isn't included in your financial assessment?

Government rules tell us what we **must not include** when we work out how much you can afford to pay towards your residential care. The following lists give examples of the types of income, savings, and capital that we **do not include**:

- the value of your home if your stay in residential care is temporary, or if a partner or certain close relatives still live there (see the section about how we treat your home below).
- earnings received from your paid employment (including self-employment).
- the mobility component of disability living allowance (DLA) or Personal Independence Payment (PIP).
- any benefit or payment in respect of a child.
- payments from charities or social fund (including winter fuel payments).

- payments from health or personal injury related funds.
- personal possessions, such as jewellery, antiques, or artwork.
- any grants, loans or payments for education or training for employment.
- income from direct payments; and
- Disability Living Allowance (DLA) care element and Attendance Allowance (AA) if your stay in residential care is temporary.

6. How your savings, investments, property, and other capital will affect your financial assessment

When we work out how much you can afford to pay towards your care and support, our first step is to look at how much your savings, investments and capital are worth.

This includes:

- any investments, savings, or bonds.
- the value of any properties and land; and
- trust funds (may be disregarded depending on the terms of the trust).

How the value of your savings and capital affects your financial assessment

The government has set an upper capital limit of **£23,250** and a lower capital limit of **£14,250**. These are the thresholds that determine whether or not your savings and capital are included in your financial assessment:

- if your savings and capital are worth **more than £23,250**, you are expected to pay the full cost of your care and support. This means that you will be a 'self-funder.' This means that you will be a private resident and must pay the care home directly. The Council cannot make payments on your behalf. If your savings are approaching this limit, you will be eligible to apply to the local authority where you are living for assistance in paying your care fees. At this time, a financial assessment will be carried out, and the value of your capital and assets, including your property, will be taken into account in determining how much you can afford to pay for your care. If you are living in Redcar and Cleveland and would like more information you can contact us on 01642 771500 and a member of the team can support you through the process.
- if your capital and savings are worth **between £14,250 and £23,250**, we will take this into account, along with your regular income when working out what you can afford to pay; or
- if your savings and capital are **worth less than £14,250**, we will not include them in your financial assessment. We will only take into account your regular income.

7. Will the value of your home be included?

If you own or part-own your home, **we will not include the value of your property if:**

- your stay in residential care is temporary and you intend to return home or sell the property and move to somewhere more suitable; or

- any of the following people have lived continuously in your property since before you moved into residential care:
  - ✓ your husband, wife, partner, or civil partner.
  - ✓ a close relative who is 60 or over, or incapacitated.
  - ✓ a child of the resident aged under 18; or
  - ✓ your ex-husband, ex-wife, ex-civil partner, or ex-partner if they are a lone parent.

In all other circumstances, if you own or part-own your property, the value will be included when we work out what you can afford to pay. We will only take the value of your home into account after you have been living in permanent residential care for 12 weeks.

This means that in most circumstances, after the first 12 weeks you will be expected to pay the full cost of your care. The Council can help you to find a suitable placement, but it will be your responsibility to make the necessary arrangements and pay your fees directly to the care home provider.

8. What are the alternatives to selling your home? (Deferred Payment Agreements)

No-one is forced to sell their home to pay for their care. If you do not want to sell your home immediately, you can choose to enter into a deferred payment agreement with the Council.

A deferred payment agreement is a legal agreement between you and the Council that allows you to delay paying some of the costs of your care and support until a later date. It means you are borrowing money from the Council, much like having a loan or a mortgage. You will be charged interest on the amount that you borrow, and there will be an administration fee for setting up the agreement.

The amount that you borrow from us will be secured against your property. This means that it is repaid in full when your property is sold. This could be either when you choose to sell your home, or after your death. More information about deferred payment agreements can be found in our guide to Deferred Payment Arrangements at www.redcar-cleveland.gov.uk/adult-social-care.

9. How you regular income will affect your financial assessment

Our next step in working out what you can afford to pay is to look at how much money you receive each week. This includes:

- most benefits, excluding disability related benefits (unless you enter a Deferred Payment Agreement, in which case we will include your disability benefit).
- annuities and pensions.
- mortgage protection insurance policies (where not used for repayments); and
- 'Tariff income' from your capital and savings (you can find an explanation of tariff income below).

What is tariff income?

If your capital and savings are worth between **£14,250** and **£23,250,** we will add a "tariff income" to your weekly income. This is extra income that we assume you have from your savings and investments. It is calculated as **£1** per week for every **£250** or part of **£250** that you have saved or invested.

Example of tariff income:

Mrs Smith has **£15,000** in savings. She will not be charged any tariff income on the first **£14,250**, but tariff income will be charged on the remaining **£750**.

As there are **3** lots of **£250** in **£750**, her tariff income would be **£3** per week.

10. What happens if you were living as part of a couple before you moved into residential care?

If you are living as part of a couple, we will only take your own income, savings and capital into account. Government rules tell us that if you have any income, savings or capital in joint names, of if a private or occupational pension is paid into a joint account, we will take 50% of the value into account. Generally, we will split any household costs between you and your partner.

If both of you need to go into residential care, your finances will be assessed separately, and you will be charged separately.

If your stay in residential care is temporary, we will make sure that your partner is left with at least the same amount of money that they would have if they claimed state benefits as a single person. This is called a "Partners Allowance.

11. How much money will you be left with every week?

Government rules tell us that we must make sure that you have a certain amount of money left over after all your household costs and care bills have been paid. These are called your allowances:

Personal Allowance: The government has set a Personal Allowance - this is the amount of money that you must be left with each week to pay for personal needs. These include things like hair dressing, chiropody, papers or a phone bill, though this list is not exhaustive. The amount is set by the Government each April.

If you own a property and enter into a deferred payment agreement, your personal allowance will be much higher so that you are able to pay for any household or maintenance costs.

Other allowances: There may be other allowances that you are entitled to, depending on your circumstances.

12. How we work out what you can afford to pay towards your care?

The amount that you will be expected to pay towards your residential care is the amount of money that is left over from your weekly income once we have allowed for certain household costs, and other allowances.

13. How we will tell you about your contribution to residential care

When we have completed your financial assessment, we will write to tell you how much you are expected to contribute towards your residential care. We will explain exactly how we have worked out what you can afford to pay.

There may be more than one amount given on the letter. This is because the amount that you must contribute can change, for example if a tenancy must be given up for a permanent stay and we can no longer take household costs into account.

Unless your financial circumstances change, your maximum contribution will apply until the following April. This means that you will not be charged more than this, even if the cost of your residential care increases.

If your financial circumstances change you must contact the Financial Assessment Team to ask for a reassessment.

14. How often do we review the amount you have to contribute?

Your financial assessment will be reviewed every April. This is when most pensions and state benefits change. We will write to you in February or March to tell you how we think that government changes have affected your contribution. If you disagree with this, or if your circumstances have changed, you can contact the financial assessment team and ask for a re-assessment.

15. How to pay your contribution

Care homes ask the Council to pay the full cost of your care. We will then send you an invoice for your contribution every 12 months in April. You will also be sent a payment plan that lists your recommended monthly payments.

The easiest way to make your payment to the Council is by Direct Debit. Your contribution will be collected from your bank account every month in arrears. Alternative payment plans such as weekly, fortnightly or 4-weekly are available on request.

Alternatively, for payments to the Council, you can choose to pay by BACs payment (bank transfer); over the internet at www.redcar-cleveland.gov.uk, over the phone using a debit or credit card or in person at the post office with pay point outlets. Full details of payment methods are on the back of your invoice.

16. Paying your contributions while you are in hospital or on holiday

If you are admitted to hospital, you will need to continue paying your care home fees. If it is agreed that you are not going to return to the same care home, you will need to give the care home notice.

17. What happens if you do not pay your contribution?

If you do not pay your contribution, we will contact you, or the person who is looking after your money for you. We will talk about the reasons why you are not paying and about any support

that you might need to help you manage your finances. We will also help you to make arrangements for your future contributions to be paid.

If you have built up a debt to the Council, we will try to reach an agreement for you to make affordable repayments.

If you still own your own home, we may be able to offer you a deferred payment agreement. This is where we place a charge on your property so that when you sell your home, the debt will be repaid from the proceeds of the sale. More information about deferred payment agreements can be found in our separate guide to deferred payment agreements at www.redcar-cleveland.gov.uk/adult-social-care.

If we have taken all reasonable steps to support you to repay your debt, but it remains unpaid, we may take steps to recover the debt through County Court.

18. What are Third Party "Top-Up" payments?

Once it has been agreed that you will be moving into residential care (either permanently or temporarily), we will tell you how much your personal budget is. This is the maximum amount that you can spend on your residential care. Your personal budget will be made up of any contribution that you have to make, and also the amount that the Council will pay towards your care. It will be enough to pay for a standard room in any care home that has a contract with a Council.

However, many care homes offer more expensive rooms. This could be because they are bigger or have a nicer view for example. If you would like to choose a more expensive room, you will have to pay a "top-up" fee. This is the difference between the cost of the room, and the standard rate that the Council have agreed to pay for residential care.

There are two ways that a top up can be paid. The first is to ask a family member or friend to pay the difference for you. They must pay this out of their own personal money. This is often called a "third party" or "top up" agreement. If you choose to do this, the person who is paying your top up will need to make arrangements to pay the top-up on your behalf. If they stop paying the top-up, you may have to move to a different, less expensive room, or to a different home altogether.

If you own your own property and have a deferred payment agreement, you can choose to add the cost of the top-up to the amount of your deferred payment agreement. This means that the Council will pay the full cost of your care to the care home but will recover the money that we have spent when your property is sold. More information about deferred payment agreements can be found at www.redcar-cleveland.gov.uk/adult-social-care.

19. What happens if you give away your money or property to avoid paying your care costs?

Your money is your own and you are able to spend it as you wish. However, if you need care and support services, it is important that you pay the contribution that you are responsible for.

Deprivation of assets occurs when someone knows that they need, or are likely to need care and support, and reduces or transfers any assets to avoid being charged for care and support. There are many ways that people can deprive themselves of assets. Examples include:

- making a lump-sum payment to someone else, for example as a gift or to repay a debt.
- large, unaccounted for cash withdrawals.
- buying an expensive item that cannot be taken into account for the financial assessment, for example a painting, jewellery or a car.
- title deeds of a property being transferred to someone else.
- a property or money being put into a trust; or
- extravagant living.

If we find that deprivation of assets has occurred, we will add 'notional' income or capital' to your financial assessment and give a written explanation. This means that you will be charged as if you still owned the income or capital. Alternatively, if you have transferred the asset to someone else, we may seek to recover the debt from that person.

20. What to do if you are not happy about your financial assessment.

If you're not happy with the service we have provided or a decision we have made about your contribution, the first thing you should do is speak to the Financial Assessment Team and attempt to resolve the issue informally. If we cannot resolve the issue informally, you can contact the Adult Social Care Complaints Officer by email, telephone or in writing. Contact details can be found at the back of this guide.

21. Other useful guides

We have produced a number of guides that explain adult social care. They are available at www.redcar-cleveland.gov.uk/adult-social-care. The other guides that will help you to understand more about how care and support is funded are:

- Guide to Paying for Your Care and Support.
- Guide to Deferred Payment Agreements.
- Guide to Top Up Agreements.

For more information about your financial assessment, you can contact the Financial Assessment Team on 01642 771659.

Contact Details Adult Social Care

Directorate of Adults & Communities Adult Social Care Redcar and Cleveland Borough Council Redcar and Cleveland House Kirkleatham Street Redcar Yorkshire TS10 1SP	Telephone: 01642 771500 Email: contactus@redcar-cleveland.gov.uk Website: www.redcar-cleveland.gov.uk Relay UK (for deaf, hard-of-hearing, and speech impaired people)
Office hours: Monday to Thursday: 8.30 am - 5.00 pm and Friday: 8.30 am - 4.30 pm. If you need help in emergency when our offices are closed, you can contact the Emergency Duty Team: 01642 524552.	

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