

Financial Implications for Non-Residential Care Services

This fact sheet explains Lancashire County Council's charging arrangements for when you receive services in your own home called Non-Residential Care Services.

The information in this leaflet is for anyone who is currently receiving or is about to apply for adult social care services and is living within their own home. Different arrangements apply for people living in residential and nursing homes.

What services do I have to pay for?

If you are in receipt of any of the following services, you may be charged for the services you receive:

- Home Care (care provided in your own home)
- Care & Support in prisons
- Short Breaks overnight in a residential care home.
- All Short Breaks with effect from 1 January 2024
- Direct Payments/Personal Budgets
- Supported Living Schemes
- Outreach Services
- Shared Lives
- Technology Enabled Care

Charging for services that are in addition to care and support needs.

Meals and additional day time support (day care) costs

- Charges for meals provided to you at day centres, are in addition to any assessed charge.
- Charges for other refreshments provided and any activities arranged as part of your attendance at day care are also in addition to the assessed charge.
- Meals provided to you in your own home will be charged the full cost of the meal and you will pay for the meal directly to the provider.

Technology Enabled Care

There are three service levels available and the charge per week is dependent on which level of service you receive – please see **Appendix 1** for the current charge for each level.

Financial assessment process

A member of the Care Finance Assessment Team will contact you or your representative to arrange an appointment to carry out a financial assessment to calculate the amount you can afford to contribute towards the cost of your care services.

You can contact the Care Finance Assessment Team on 0300 123 6708 and selecting option 1, or you can email the team mailbox at fin.assessment@lancashire.gov.uk

During the assessment, the Financial Assessment Officer will:

- Obtain information regarding your assets, income, savings, investments, expenses and expenditure, which may be verified with the Department of Work and Pensions
- Calculate how much you can afford to pay towards the cost of your services from the start date of the service.
- Complete a benefit check to ensure that you are receiving your full entitlement to benefits.
- If you choose not to disclose your financial information or do not provide all the relevant information requested to calculate your contribution you will be charged the maximum charge for the services you receive.

Information the Financial Assessment Officer will need:

In preparation for the financial assessment, you will need to be able to provide details of all your weekly income and savings (e.g. benefit notifications, bank statements/books, utility bills and evidence of any other household costs). You will also need to have the information available for any costs you pay towards household items in the list below.

The Assessment Officer may ask for evidence to authenticate any information provided in the form of bank statements covering the latest two years and/or copies of invoices, receipts and letters. If no evidence is supplied when requested, this could be deemed as non-disclosure of finances and you could be liable to pay the full cost of your service.

It is important that this information is ready for when the Assessment Officer telephones to carry out the financial assessment.

<u>Types of income you may have: -</u>	<u>Types of savings you may have: -</u>
<ul style="list-style-type: none">• Pensions• Pension credit• Retirement pension• Works/Private Pensions• Annuities• Charitable payments	<ul style="list-style-type: none">• Savings in a bank or building society• Post Office savings/ National Savings• Premium bonds• Stocks and shares, unit trusts• Trust funds• ISAs <p><i>This list is not exhaustive</i></p>

<u>Other benefits: -</u> <ul style="list-style-type: none"> • Income Support • Attendance allowance • Disability living allowance • Personal independence payment • Incapacity benefit • Severe disablement allowance • War pension • Employment support allowance • Universal credit 	<u>Types of household costs you may have: -</u> <ul style="list-style-type: none"> • Mortgage payments • Insurance premiums • Rent • Council tax • Water charges
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Calculating the contribution

We use the word contribution to mean how much a service user can afford to pay towards the cost of their services.

$$\begin{array}{r}
 \text{Individual Income} \\
 \textbf{Less} \\
 \text{Minimum Income Guarantee (Living Costs)} \\
 \textbf{Less} \\
 \text{Household Costs and Expenses} \\
 \textbf{Less} \\
 \text{Disability Related Expenses} \\
 \textbf{Equals} \\
 \text{Net Disposable Income (Available Income for contribution)}
 \end{array}$$

You will be asked to contribute 100% of your Net Disposable Income (NDI).

The actual contribution will be the lower of either 100% of your NDI or the actual cost of the service provided.

Your contribution will be backdated to the start of the service.

For a financial assessment example, please see **Appendix 1**.

Capital and Tariff Income

- If you have savings and investments under the lower capital threshold, your capital will be fully disregarded.
- If you have savings and investments between the lower threshold and the upper threshold, we apply tariff income. This assumes that for every £250 of capital, or part thereof, you can afford to contribute £1 per week towards the cost of your eligible care needs.

For the latest upper and lower capital threshold amounts and an example capital and tariff income calculation, please see **Appendix 1**.

If your capital (excluding the value of your main home) exceeds the upper capital limit, or if you do not wish to complete a financial assessment, you will be assessed to pay the maximum charge for the services you receive.

- The maximum charge for home care and supported living services is the actual cost of services paid by Lancashire County Council.
- The maximum charge for day care services is the actual cost of the day care service paid per day by Lancashire County Council.
- If you are in receipt of a personal budget/direct payments, the value of your personal budget is the maximum amount you would contribute.
- The maximum charge for short breaks overnight in a residential/nursing care home is the actual cost paid per night by Lancashire County Council.

In these circumstances you will only need to give details of your finances if you want advice on your entitlement to benefits.

Property

If you own your own home, the Council will not take into account the value of your interest in your main or only home as you reside there as your main residence. However, the Council will take into account the value of your interest in any additional property or land.

Funeral plans

Please be aware when completing a financial assessment, the council do not allow a disregard for prepaid funeral plans. Therefore, where a service user has incurred expenditure for a prepaid funeral plan the county council will include the value as capital.

Armed forces and war pension payments to veterans

- War Pension - if you are in receipt of a War Pension this will be disregarded in full apart from constant attendance allowance.
- War Widows Pension - if you are in receipt of a War Widows Pension, £10 will be disregarded per week. If your War Widows Pension includes a "supplementary/special pension", the full amount will be disregarded.

Disability related expenses

- If you are currently in receipt of disability benefits, and unless you state otherwise a standard DRE allowance of £10 per week will be allowed.
- If you wish you can have a full DRE assessment, instead of accepting the standard £10.00 per week allowance. This will require the provision of supporting documentation (such as receipts and invoices). The relevant expenses must be directly and solely attributable to your disability or illness, and specifically to social care needs, as opposed to medical care needs.

- Claims for Disability Related Expenditure where the payment is made to family members will not be accepted other than in exceptional circumstances.
- Where receipts and other supporting information are not available at the time of the financial assessment visit, a period of 28 days will be allowed for these to be provided. If they are supplied during this period, the financial assessment will be recalculated from the date of the original visit/appointment. If they are received outside the 28-day period they will only be taken into account from the date of receipt.
- If a full DRE assessment is carried out, the resulting allowance made may be higher or lower than the standard £10.00 per week allowance offered originally; in either case the allowance subsequently calculated will be applied to the financial assessment, not the standard £10.00 allowance.

Couples

We are required to financially assess each of you, based on your own income, savings and investments. This is known as a 'single assessment'. However, if you are considered to be part of a couple the Council may financially assess your combined income, savings and investments to ensure your minimum level of income is protected. This is referred to as a 'couple's assessment'.

To enable a couple's assessment to be completed the financial assessment officer will need to gather all financial information in relation to both you and your partner/spouse. They will also undertake a benefit maximisation check for both of you.

If you have savings or investments held jointly with another person, it is assumed that 50% belongs to them, unless proven otherwise. This amount will be included as appropriate in your individual assessment.

Savings and investments belonging to both you and your partners/spouse will be included in full as appropriate in the couple's financial assessment.

Where both partners/spouses are receiving care, you will each receive an individual and a couple's financial assessment. Once the 'single' and 'couples' assessments have been completed the lower of these two assessed charges will apply.

Top ups

Where the service you choose exceeds your personal budget and is more expensive than how the Council can meet your eligible care needs, you will be asked to provide a "top-up payment".

The 'top-up' payment is calculated by subtracting the cost of the option identified by Lancashire County Council from the cost of the service you choose. The "top up" payment will need to be paid directly to the service provider.

How will I be told how much I should contribute?

The Financial Assessment Officer will tell you what you need to pay when they complete the assessment. You will be given a summary of how your charge has been calculated including the date your charge will commence which will also be sent to you via email or in the post.

Contribution Start Date

Contributions start from the day the service commences. If your care ceases prior to a financial assessment being completed the following will apply:

- Within one week of the care start date you will not be charged.
- After one week but up to 4 weeks a light touch assessment will be completed to calculate the contribution due, utilising benefit / pension information as verified by the DWP as well as an allowance for household expenses based on the national average.

How will I pay my contribution?

Our preferred method of payment is by Direct Debit, which will be collected on a four-weekly basis, in arrears. Only in circumstances where you are not able to pay by Direct Debit will you be invoiced for your contributions every 4 weeks in arrears.

If you receive a personal budget/direct payment for your care and support, you will receive your payments net of your contributions and should pay your contribution onto your prepaid card or into your personal budget bank account.

Please note any assessed contribution is a weekly charge that covers the period Monday to Sunday. If a package of care is ceased part way through the week you will either pay your assessed weekly contribution or the actual cost of the care you have received, whichever is the lower amount. You will never be charged more than the actual cost of the service.

Change in financial circumstances.

Your or your representative must notify the Care Finance Assessment Team of any changes in your financial circumstances as these could affect your financial assessment.

- If your total savings increase above or drop below the upper capital threshold, you must notify the financial assessment team to arrange a reassessment.
- If you have any significant changes in your income, you must notify the financial assessment team to arrange a reassessment.
- Where you fail to provide information following requests, contributions will be calculated at the maximum cost from the date of the request.
- Where appropriate, we may automatically reassess contributions based on changes that we become aware of through policy changes, Department of Work and Pensions or regulation changes (e.g., annual increases to standard benefit payments, State Retirement Pension or service cost increases). Where appropriate this might be a standard % increase to all your income. In instances where a % increase is applied to income, a % increase may also be applied to any expense that is included in the assessment.

- If your partner/relative moves out of your property or it becomes vacant.
- If you sell your home and intend to buy another home the sale proceeds will be disregarded in the assessment for up to six months. If you purchase a cheaper home the remaining money will be included in your assessment. If you do not buy another home, i.e. if you move into rented accommodation the sale proceeds will be included as capital in the assessment.

Cancellation or changes to services

Seven days' notice of any changes to that service must be given to the service provider, otherwise the original service must be paid for.

Non-payment of contributions

It is the responsibility of the Council to collect monies due, and to ensure debts do not accrue. Where you fail to make a payment, action will be taken in accordance with Council's debt policy. Recovery of all outstanding contributions/payments will be pursued by the Receivables Team.

Initially the collector will contact you or your representative to establish the reason for non-payment. Where there is a justifiable reason, the collector will work with you or your representative to ensure payment is received. Refusal to pay debts or to co-operate with the collector may result in the debt being pursued through legal action.

Deprivation of financial assets

Deprivation as described in the Care Act 2014 is where a person has intentionally deprived or decreased their overall assets – either capital or income, to avoid or reduce the amount they are charged towards their care.

There is no time limit that is applied to this, it is based on whether there was a reasonable expectation that you may need to pay towards your care and support at the time of the disposal.

We will not automatically assume that deprivation has occurred, there may be valid reasons why you have disposed of an asset. These reasons will be considered and it is up to you or your representative to prove that you no longer have the capital or asset and provide information and evidence as to why you no longer have it. This will enable us to make an informed decision as to whether deliberate deprivation has occurred.

If we suspect that you have deliberately deprived yourself of assets to avoid or reduce the amount you are asked to pay towards any care charges, the Council will refer to the detailed guidance contained in Care Act 2014 Annex E: Deprivation of Assets

The Council has an information sheet (IS 5) Deprivation of Capital and Assets Policy and Appeals Process.

Lancashire County Council will consider if a deprivation of assets has occurred if:

- The individual ceases to possess capital/income and assets which would otherwise have been included for the purpose of assessing their contribution towards their care services,

i.e. an individual transfers property, a sum of money to another individual as a gift or the beneficiary of an insurance policy is changed so that the monies are not available to the individual.

When a decision has been made that deprivation has occurred the Council will treat you as still possessing the asset, capital or income, this is called notional capital/income.

What to do if you do not agree with our decision

Where you feel you cannot afford to pay the assessed charge, or the financial assessment has been completed incorrectly, or that the assessment has not taken all relevant expenses fully into account and will cause you financial hardship, you can appeal and request a review of the charge.

The appeals procedure is not intended for you to express your dissatisfaction with any aspect of the Charging Policy. Only those cases, which are supported by relevant documentary evidence, will be dealt with under the appeals procedure.

The appeals procedure is designed to:

- Consider exceptional circumstances not acknowledged in the standard assessment process.
- Ensure correction of omissions or calculation errors made in the original assessment.

If you wish to appeal, you must do so in the first instance to:

The Senior Care Finance Assessment Manager, Care Finance Assessment Team, Exchequer Services, Lancashire County Council, PO Box 100, County Hall, Preston. PR1 0LD.

Or via Email to: Fin.assessment@lancashire.gov.uk

Who can I contact for more information?

The Assessment Officer who assesses you will be able to answer your questions. If you still want more information you can write to: -

Lancashire County Council,
Care Finance Assessment Team
Exchequer Services
PO Box 100
SCRM
County Hall
PRESTON
PR1 0LD

Alternatively, you can ring 0300 123 6708 and selecting option 1 or email fin.assessment@lancashire.gov.uk

For more information about this service visit: www.lancashire.gov.uk

You can access the above information in British Sign Language (BSL) video format by scanning the below QR code using a smartphone or Android device.



To request information in an alternative format and/or language please contact 0300 123 6708 and selecting option 1 or email fin.assessment@lancashire.gov.uk

Appendix 1

Technology Enabled Care

There are three service levels available and the charge per week is dependent on which level of service you receive:

- Level One – Monitoring Services - £4.33 per week.
 - Level Two – Responder Service - £5.96 per week.
 - Level Three – Premium Service - £9.76 per week.
- (New rates from 07/04/2025)

Example

Mrs Smith is aged 77 and lives on her own. She receives the lower rate of attendance allowance as well as a retirement pension and pension credit. She pays for household costs of £11.63 per week. She has accepted the standard disability related expenses amount of £10.00 per week.

This is how we calculate Mrs Smith's charge: -

WEEKLY INCOME £		LESS ALLOWANCES £	
Retirement pension	172.75	Household costs	11.63
Pension credit	137.25	Disability expenses	10.00
Attendance allowance	73.90	Basic Pension Credit plus a personal living allowance	227.10 5.50
Total income	383.90	Total Allowances	254.23

Calculation

Net Disposable Income = £383.90 – Total Allowances £254.23 = **£129.67 Assessed weekly contribution**

Capital and Tariff Income

- If you have savings and investments under £14,250 your capital will be fully disregarded.
- If you have savings and investments between £14,250 and £23,250, we apply tariff income. This assumes that for every £250 of capital, or part thereof, you can afford to contribute £1 per week towards the cost of your eligible care needs.

Example – Your total capital is £16,229.31 so we would include £8 Tariff Income in your financial assessment (£16,229.31 – £14,250 = £1,979.31 divided by £250 = £8).

If your capital (excluding the value of your main home) exceeds the upper capital limit of £23,250, or if you do not wish to complete a financial assessment, you will be assessed to pay the maximum charge for the services you receive.

Financial Implications Discussion Document

By signing this I, **or** my family/friend on behalf, confirm a discussion has been held around the charging policy and I understand that if I receive services from LCC I will be financially assessed to determine the amount I will have to contribute to those services.

I have been provided with a copy of LCC's charging arrangements (Financial Implications for Residential / Nursing Care and/or Financial Implications for Non-Residential Care as appropriate)

LAS Number:

Customer's Signature:

Print name Date:.....

Customer's e-mail address

OR

Family/Friend Signature

Print name Date.....

Email address (if appropriate)

I acknowledge that the person above has understood what has been discussed around the charging policy and their potential contribution towards services.

Signed (Allocated Worker)

Print name Date.....