

# Factsheet



## Charging for Extra Care services

### What is Extra Care?

Extra Care is a combination of specially designed housing developed with on-site care and support to offer older and disabled people an alternative to moving into a care home. Extra Care encourages people to live more independently.

### What will I have to pay?

There are a range of costs that apply to Extra Care housing and the maximum charge varies depending on the Extra Care scheme. You may only be required to pay a contribution towards these charges. How much you will have to pay will depend upon your personal financial circumstances and the result of your financial assessment.

It is advisable that you do not take a decision on taking an Extra Care tenancy until you are aware of what the costs are to you.

**Rent** - Flats are leased on a private tenancy basis from the housing provider. You will be informed of the rent payable to the housing provider and the arrangements for making these payments.

If you are eligible, help can be given with rent through the Housing Benefit scheme but some costs are ineligible for Housing Benefit and you will have to pay these.

These include charges for water, heating and a proportion of the meals charge. Payment of Housing Benefit is based on your financial circumstances and a financial assessment (means test) will be required. The Estates Manager for Extra Care, or the Financial Assessment and Benefits Officer, will help you to make an application for Housing Benefit if you are eligible.

**Council Tax** - You may be exempt from paying Council Tax if, for example, you receive Guaranteed Pension Credit. The Estates Manager or Financial Assessment and Benefits Officer will help you to apply under the Council Tax Reduction Scheme, if you are eligible.

**Other costs** – You would also be required to pay for electricity charges, telephone costs, if applicable, and any other personal expenses.

**Estate Managers Charge** – This covers housing related support services and assistance with maintaining security of your home and controlling access to the building. **This charge will continue to be collected during all temporary absences.**

**Care Charge** – You will have had a full care assessment from your social worker and the services that you need will be shown in your care plan. The Extra Care scheme makes sure that there are care staff available 24 hours per day and 7 days per week.

The cost of your service includes a standard charge for each tenancy, which contributes to the cost of the overnight and emergency response by care staff. **This charge will continue to be collected during all temporary absences.**

**Couples** – There may be only one partner in a couple who requires care services. The standard charge is to provide night care and emergency cover and is payable per tenancy. This charge will continue if the partner who receives the care leaves the scheme for any reason.

If both members of the couple receive care services, there will be one standard charge for the tenancy and they will both be financially assessed to work out the amount each person has to pay towards their individual assessed care hours identified in their care plans.

### **What is the Financial Assessment?**

This is the way that we work out how much you can afford to pay. All councils who have decided to charge for services must follow regulations issued by the Government but we can also make some decisions about our charging policy ourselves.

When we carry out the financial assessment you must give us information about your income and savings. If you don't, you will be asked to sign a form to say that you agree to pay the full cost of your service.

### **Information sharing**

The Welfare Reform Act 2012 and The Social Security (information sharing in relation to welfare services etc.) Regulations 2012, enable the council to access DWP data directly.

The purpose of this access is to support the financial assessment process and to assist in some claims to state benefits that you may be entitled to. Where we are unable to assist with the application for a particular benefit we can refer you to one of our partner agencies for assistance.

This will also enable the council to deliver a more streamlined process by reducing the time taken to complete the financial assessment and the need for you to continually provide the same information.

### **Who will carry out the Financial Assessment?**

A member of staff will contact you to arrange an appointment with a Financial Assessment and Benefits Officer. Usually the appointment will take place by telephone, or, if you prefer, you may visit our offices so that the financial assessment form can be completed in your presence. You may complete the form yourself with the help of the Financial Assessment & Benefits Officer if you prefer. You can have a member of your family or a friend present during the financial assessment if you would like or you can arrange for an independent advocate to help support you through this process.

Any information you provide will be treated in the strictest confidence.

**A home visit will only take place under exceptional circumstances. In the event of a home visit all staff carry identification with them so please check this before admitting anyone into your home.**

### **Information we will need from you**

Please ensure that you have the following information available for the Financial Assessment and Benefits Officer:

#### **Income**

The following income is taken into account:

- All state benefits with the exception of PIP (Mobility), or Disability Living Allowance (Mobility) and Carers' Allowance
- All occupational and personal pension income

- Tariff income from capital and savings based on £1 per week for every £250 or part of £250 above the lower capital limit set out in the Care & Support Statutory Guidance issued by the Department of Health
- PIP Daily Living Component, DLA (care) and AA
- Any other income other than Service User earnings (earnings of a partner or spouse will be taken into account).

### **Savings/Capital**

- Building society accounts
- Bank statements (inc. current accounts and Post Office accounts)
- Details of stocks and shares (PEP, ISA etc.)
- Details of any premium bonds owned
- Any other financial investment (including life assurance)
- Any other asset including details of properties owned

### **Expenditure**

- Mortgage details
- Extra costs of disability

### **Calculating your Contribution**

**The formula we use for calculating your contribution is:** Income + tariff income less Allowances/ Disregards = Disposable Income

### **Minimum income disregarded**

This is set annually by the Department of Health.

This disregard is to cover daily living costs such as food, clothing, fuel bills, water rates, insurance, leisure activities, TV license, telephone and subscriptions for satellite/digital television etc.

### **Benefits fully disregarded**

The following benefits are totally disregarded in the financial assessment:

- Savings Credit Reward
- Mobility Allowance
- War Pensions paid to the veteran
- Carer Premium (paid as Guaranteed Credit or Income Support)
- Carers Allowance

and an allowance will be made for the following:

- Rent
- Council Tax
- Costs of Disability

### **Capital**

The lower capital limit, as set out in the Care and Support Statutory Guidance issued by the Department of Health will be disregarded from the financial assessment. For savings over this amount we will add a £1 for every £250 or part of £250 worth of savings, to your income. This is called tariff income. People with savings over the upper capital limit will not be eligible for financial support from the Council and will be required to meet the full cost of their care up to a current maximum charge.

**Example:**

For someone with savings of £15,750.

The first £14,250 will be ignored, leaving £1,500.

We divide this remaining £1,500 by £250 which gives us 6.

Therefore £6.00 per week will be added to your income.

**What if I own property?**

If you are admitted to Extra Care permanently, and have property and other capital valued at £23,250 or more, you will usually have to pay the full charge.

Sometimes the property will not be taken into account, but if it is you will probably need to sell it to pay for your care. It might not be taken into account if one of the following still live in the property:

- Your partner or
- A member of your family who is aged 60 or over or is aged under 16 and is a child for whom you have responsibility to care for or
- Is ill or disabled (this means they are receiving or could be receiving a disability benefit)

The council also has discretion to ignore the value of the property where someone continues to live there and does not meet the criteria of the above categories.

If you do not want to sell your property during your lifetime you may be eligible to apply for our. If your application is accepted, a financial assessment will calculate the amount the council will wait for the rest until the property is sold. The Council will put a legal charge on your interest in the property and this means any sale cannot be completed until the debt to the Council is repaid.

There is a separate Factsheet that explains the Deferred Payment Scheme in detail. If you are interested, the Financial Assessment & Benefits Officer will explain this in more detail. This Factsheet is available on the website [www.durham.gov.uk](http://www.durham.gov.uk).

**What happens if I transfer my property to someone else before I go into Extra Care?**

If we think you have given away your assets to reduce the amount you pay for your Extra Care costs such as money or a house, we will assess the amount you have to pay as though you still own it. We will take the timing of the disposal into account when considering the purpose of the disposal. For example, consideration will be given as to whether you gave away your assets at a time when your health was such that a move to Extra Care could have been foreseen. If this happens and you are unable to pay your contribution, then the Council has the power to recover the balance from the people to whom anything was transferred.

**What about other expenses you might have?**

The minimum income set by the Department of Health is expected to cover your basic weekly costs such as food, clothing, heating and other essentials.

In addition, when we work out how much you will have to pay we cannot take any of the following into consideration:

- Water rates
- Insurances
- Loans including hire purchase and catalogues
- Pets
- Fuel bills
- Television licence etc
- Telephone

### **Is there a limit to how much you will have to pay?**

Yes there is. The maximum charge for care services is £441.53 per week (for 2021/2022).

### **When will you find out how much you will have to pay?**

In most cases we will be able to tell you how much you will have to pay straight away. You will also be notified in writing and have a copy of the financial assessment form sent to you.

Charges will commence from the day the tenancy starts and cease from the Sunday prior to the tenancy ending.

### **All charges will be backdated to the commencement of service.**

### **What if you do not agree with the amount you have been assessed as having to pay?**

If you feel that the charge is more than you can afford to pay, you have the right to appeal. This will be carried out by a senior member of staff, not previously involved in the financial assessment, and you will be informed of the outcome in writing within three weeks from receipt of your appeal.

If you are still not satisfied you can make a formal complaint. Our Corporate Complaints Policy on how to make a complaint can be found on our website [www.durham.gov.uk](http://www.durham.gov.uk).

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

The council can make special allowances if you have additional expenses caused by your disability. This is called Disability Related Expenditure (DRE).

During the financial assessment any reasonable costs resulting from the service user's disability will be taken into consideration. The additional costs should be over and above those of a person without a disability and it is expected that evidence of the costs would be provided.

### **Any special allowances for additional DRE can only be made in circumstances where these are detailed in your care plan.**

Our policy is to assess service users on an individual basis that takes account of individual need and circumstances.

Payments to family members will not be allowed as a disability related expense unless exceptional circumstances are identified.

### **What happens about other people you live with?**

If only one member of a household needs these services, only that person's financial details should be taken into account. However some state benefits are paid as a couple and in these circumstances we have no choice but to carry out the assessment on that basis.

### **Ways to pay**

The preferred method of payment is Direct Debit. Alternatively, the council can send you an invoice every four weeks which can be paid in any of the following ways:

- At the Post Office/PayPoint with the invoice
- By debit card (details are provided on the invoice)
- By telephone or online banking (details are provided on the invoice)
- Via the Council's website (details are provided on the invoice)
- By returning the payment slip with a cheque to the address supplied
- By Paypal

### **What happens if someone refuses to pay?**

The Government has said that if an individual has been assessed as needing a service, that service should not be withdrawn even if he or she refuses to pay the charges. However, we can instigate Court Proceedings if they refuse to pay the money they owe for services they have received.

Before any decision is taken to refuse a service because of the charges, you should get in touch with your social worker.

If you have a query regarding your charges you should get in touch with the Financial Assessment Team.

### **What if your circumstances change?**

To take account of increases in benefits, private pensions and the cost of living we will review your charge in April every year. This is known as a financial re-assessment. If you have any savings that have been included in the financial assessment you can request a reassessment at any time.

### **Further information**

If you would like a copy of the formal charging policy approved by the council, please contact:

Durham County Council – Financial Assessment Team  
PO Box 257  
Stanley  
DH8 1GL

Tel: 03000 268 232  
or visit our website: [www.durham.gov.uk](http://www.durham.gov.uk)

### **Feedback**

We are always interested in hearing the views of service users on our charging policy, the service provided by the Financial Assessment Team and the ways you can pay your charges. If you wish to make a comment you can write to us at the address above.

Information correct at April 2021, next review April 2022.



Please ask us if you would like this document summarised in another language or format.

03000 268 232