

Factsheet



Charging for residential and nursing care

Introduction

Moving into residential or nursing home care is an important decision and we want to give you as much help as possible. If the council arranges this on your behalf, you will be required to contribute towards the cost. This factsheet provides information that will show how your contribution towards the cost of your care is calculated. If you are self-funder paying the full cost of your care you should read the factsheet -“Information for people paying their care home fees”.

The Government has set down very detailed regulations and guidance to calculate the charges for residential and nursing home care, which the council must follow. To enable us to do this, we will need to carry out a financial assessment.

What is a financial assessment?

A financial assessment is the way that we work out how much you can afford to pay.

A member of the finance team will contact you to arrange an appointment to undertake a financial assessment. During this appointment we will collect your financial information to enable us to calculate your contribution towards the cost of your care. The financial assessment is usually carried out over the telephone at a time pre-arranged with you. As part of this process you will be offered a welfare benefits check and assistance to complete some claims for benefits to which you may be entitled. 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.

You may have a member of your family or a friend present if you choose, or you can arrange for an independent advocate to support you. If you prefer, you may visit our office so that the financial assessment form can be completed in your presence. Any information given will be treated in the strictest confidence.

Our Financial Assessment & Benefits Officers are very experienced and well trained and are there to help and guide you through the process. Don't be afraid to ask any questions or raise anything that you are not sure about.

Our Financial Assessment & Benefits Officers usually complete the financial assessment form but you may request a copy of the form is sent to you for completion, if you prefer. In either case, once the calculation is completed, a copy of the completed financial assessment form will be sent to you, when you are notified in writing of the amount that you will be required to pay.

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 allowing anyone into your home.

This also enables 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.

Information sharing

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

The purpose of this access is to support the financial assessment process and to assist in some claims for state benefits that the customer may be entitled to.

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Do I have to have a financial assessment?

If the Council has arranged your care, the practitioner that carries out your needs assessment will give you advice. This could include advice on whether making private arrangements with a care provider, without the need to complete a financial assessment, may be appropriate for you.

If, for any reason, you do not want to give us your full financial information, you will be asked to sign a declaration to confirm that you have declined a financial assessment. If you do so the Council will treat you as if a financial assessment had been completed and you are not eligible for funding from the Council. This means that you would be required to arrange your own care direct with the home and pay the full cost of your care at the care home's private rate.

A person that pays the full cost for their care is called a Self-Funder.

What will we need to know?

Please ensure you have the following information available in order to complete the required financial assessment:

Details of all income

Any Pensions – state/private/occupational/inherited

Any Disability Benefits e.g. DLA/PIP/AA/ESA

Any other income

Partner's income if Guaranteed Pension Credit, income related Employment Support Allowance, Universal Credit or Income Support is in payment

We will also need to know whether you have any claim for benefits being dealt with at the moment.

Details of all capital and assets

- Bank balances (inc. current accounts , any savings accounts and post office accounts)
- Details of stocks and shares (PEP, ISA etc.)
- Bonds such as Pensioners, Savings or Income Bonds
- Any property owned (inc. the home you live in and any other property you own)
- Any other capital, savings or investments

Details of home expenses

- Rent/mortgage
- Council Tax
- Water Rates
- Buildings insurance
- Care Connect
- Daily Standing Charges for Utility Bills

How much will you pay?

This is worked out from your weekly income and your capital, savings and assets. We can sometimes make allowances for some home expenses.

If you are admitted to a home permanently the value of your home will usually be included in the financial assessment.

What money will I have to live on?

You will be expected to use most of your income to pay for your care. Income includes state retirement pension, occupational or private pension and Pension Credit or Income Support (or other benefits). From your income you are entitled to keep a "Personal Allowance" which at the moment is £24.90 per week. This can be used to buy personal items such as sweets, toiletries, cigarettes, clothing etc. The Personal Allowance is set by the Department of Health in April each year. We will help advise you of any state benefits that you are entitled to.

What personal capital will be taken into account?

Capital includes all savings that you have including money in your Current Account, Post Office Card Account, Savings Accounts, ISA, Stocks and Shares, Fixed Term Savings Bonds or any other savings or investment that is held in your own name or in someone else's name on your behalf.

It also includes any property that you own if it is not your main or only home.

If your capital (total value of savings and assets) is below £14,250 (the lower capital threshold) it will be ignored for financial assessment purposes. If you have capital between £14,250 and £23,250 we will need to take this into account. We will add £1.00 to your income for every £250 or part of £250 you have over £14,250 up to £23,250. This is called tariff income. These rates are set by the Department of Health on an annual basis.

If you have capital over £23,250 you will be classed as a Self-funder and will be required to arrange your own care direct with the care home provider. However, in very limited circumstances, the Council would exercise its discretion in line with Section 19 of the Care Act 2014, and arrange care for you. There is a factsheet "Information for people paying the full cost of their own care home fees". You can obtain a copy of this factsheet from our website www.durham.gov.uk.

What if I own property?

The treatment of your property for financial assessment purposes will be dependent upon the type of residential care you receive:-

Permanent care

If you are admitted to a residential home permanently, and have property and other capital valued at £23,250 or more, you will usually have to arrange your care directly yourself and pay the full charge levied by the home at the self-funder rate.

Sometimes the property will not be taken into account. 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 18 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 in the above categories.

If the value of your property is taken into account in the financial assessment we will ignore the value of this for 12 weeks, starting from the date that your stay in the care home is made permanent. During these 12 weeks you will only pay what the financial assessment shows you can afford from your income and savings.

Self-Funders

A Self-funder is the name given to someone who pays the full cost for their own care.

If you are a self-funder for residential care you must make your own arrangements with the care home. The care home will have been given 21 days' notice from the date of the financial assessment to tell them about this.

If your money is tied up in your assets, e.g., your property, a life insurance policy, you can apply to enter into a deferred payment agreement under the Council's Deferred Payments Scheme. The Council may loan you the extra money that you need to enable you to pay the care home until you choose to liquidate your assets. A financial assessment will show what you can afford to pay from your current resources and what you need to borrow to meet the cost of your care.

If you decide to apply for a Deferred Payments Agreement and are successful, you will enter into a legal agreement with the council by signing an agreement document. The council then places what is called a 'legal charge' on your asset (usually a property) to safeguard the loan. You will be charged for this expense.

There is a separate factsheet that explains the 12 Week Property Disregard and the Deferred Payment Scheme in detail. If you are interested, the Financial Assessment & Benefits Officer will explain this in more detail during your financial assessment.

Short Term/Respite/Temporary Care

The value of your main residence will be ignored if your stay in a home is only temporary and it is expected that you will return home usually within 52 weeks. The value of any other properties owned will be taken into account.

Will my family have to pay anything towards my stay in the home?

For short term care (not permanent) Durham County Council will only be able to pay up to a certain limit each week. If you choose a home which charges more than this limit, this extra cost cannot be met by Durham County Council. The extra cost is known as a 'top-up' and the rules state that this must be paid by a third party, this payment is usually collected by the Council.

What happens if I transfer my money or my house to someone else before I go into a home?

If we believe that you have given away your assets to reduce the amount you pay for your care, such as money or a house, we will assess the amount you have to pay as though you still own it.

We will consider the timing and the reason why you disposed of your assets. 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 residential accommodation 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 happens if I am married?

If you are admitted into a home permanently, even though you remain married, the DWP will class you and your husband/wife/partner as single people for the purpose of eligibility to benefits. The financial assessment will reflect this and will be calculated on your own income and assets and not those of your husband/wife/partner.

For temporary admissions to care the financial assessment will usually be calculated on your own income and assets and not those of your husband/wife/partner. However, some state benefits are paid as a couple and in these circumstances we will carry out a financial assessment on that basis and will try to ensure that the spouse remaining at home has sufficient funds to meet their day to day living expenses.

How will I pay my charges?

Usually you will be required to pay your charges to the Council and we will pay the care home on your behalf but a few homes prefer to be paid direct. You will be informed in writing of who you need to pay when we confirm your charges.

The Council's preferred method of payment is Direct Debit. Alternatively the council can send you a bill every four weeks which can be paid in any of the following ways:

- At the Post Office/PayPoint- you will need to take the invoice with you
- By debit card
- By telephone or online banking
- Via the Council's website
- By returning the payment slip with a cheque to the address supplied
- By Paypal

All methods of payment and details of how to pay are included on the invoice.

The formal charging policy

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 access it through the council's website www.durham.gov.uk

The Government's Care and Support Statutory Guidance can be accessed on their website www.gov.uk/government/publications

Getting financial advice that's right for you

There is a range of information to help you understand the way in which care can be funded and other issues to consider. You may also wish to take independent financial advice before taking any decisions.

Some useful contacts are listed below and we also have a factsheet called 'Advice if you are considering long-term care in County Durham' which gives more information on this subject. Please ask your social worker or care practitioner for a copy.

Further information

The Government's Department of Health has arranged for a voluntary organisation to produce a Care Home Handbook which explains all of your rights both in choosing a care home and once you are living in a care home. This can be obtained for free from Independent Age, 6 Avonmore Road, London, W14 8RL (Tel: 0800 319 6789) or through their website www.independentage.org

Age UK provide independent information and advice on finding and paying for care . You can contact Age UK Advice on Tel: 0800 169 2081 or visit www.ageuk.org.uk

The Money Advice Service, set up by government to help people make the most of their money, offers impartial information and guidance about your money to help you work out what's right for you. Visit www.moneyadviceservice.org.uk for a wealth of information and interactive tools to help you make informed decisions about money. Their website also explains what options may be available and what you should think about before making a decision about long term care:
www.moneyadviceservice.org.uk/en/categories/long-term-care

You can access both general information about paying for care and information about accredited financial advisers in your area through the Society of Later Life Advisers (SOLLA).

www.societyoflaterlifeadvisers.co.uk

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

Tel: 03000 268 232.