

# Factsheet



## Paying for Extra Care Services

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 cost varies depending on the Extra Care scheme. A financial assessment is the way that we work out whether you are eligible for assistance from the Council towards the cost of your care.

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 take your financial circumstances into consideration when determining whether the Council can assist towards the cost of your care and what the cost will be to you.

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 Extra Care Estates Manager 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 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. 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 and whether this includes funding assistance from the Council.

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

A financial assessment is the way that we work out whether you are eligible for assistance from the Council towards the cost of your care.

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

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 take your financial circumstances into consideration when determining whether the Council can assist towards the cost of your care and what the cost will be to you.

The financial assessment is usually carried out over the telephone at a time pre-arranged with you. 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.

As part of this process, you will be offered 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.

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

**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.**

Any information given will be treated in the strictest confidence.

### **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 with the application for state benefits where appropriate.

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.

### **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, except for 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:

$$\text{Income} + \text{tariff income less Allowances/Disregards} = \text{Disposable Income}$$

#### **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 cost of your care.

Sometimes your property will not be taken into account, but if it is, you may need to sell it to pay for your care.

A property may 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
- A member of your family who or is aged under 18 and is a child for whom you have responsibility to care for
- A member of your family who 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 enter into a Deferred Payment Agreement with the Council. If your application is accepted, a financial assessment will calculate the amount you can afford to pay until which time a decision to sell the property is made. The council will lend you the difference between what you can afford to pay, and the cost of your care. This money will be repaid to the Council once the property is sold. The Council will put a legal charge on your interest in the property which means any sale cannot be completed until the debt to the Council is repaid.

The Council's Deferred Payment Policy explains the Deferred Payment Scheme in detail and is available on the website [www.durham.gov.uk](http://www.durham.gov.uk). If you are interested, the Financial Assessment & Benefits Officer will explain the process in more detail during the financial assessment.

### **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 the assets were transferred.

### **What about other expenses I 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 I will have to pay?**

Yes there is. The maximum charge for care services is £454.76 per week (for 2022/2023).

### **When will I 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 I do not agree with the amount I have been assessed as having to pay?**

If you are unhappy with the way the financial assessment has been carried out, you may appeal in writing to the Financial Assessment Team.

If you are still not satisfied you can use the official Complaints Procedure. You can obtain a copy of this from your social worker or from the Council's 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.

The Financial Assessment & Benefits Officer will ask questions to see if you qualify for any extra

allowances, and we will need to see some evidence that you do have increased expenses. Our policy is to assess service users on an individual basis that takes account of individual need and circumstances. We can only make allowances when we are sure that you qualify.

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

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

If only one member of a household needs these services, only that person's financial details should be considered. 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/Pay Point 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 they refuse to pay their care costs. However, we can instigate Court Proceedings if they refuse to pay the cost of the services they have received.

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

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

### **What if my 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.

If your financial circumstances change following a financial assessment, you must contact us as soon as possible as this may affect your contribution. Failure to do so could result in increased costs being backdated.

### **Further information**

You can obtain more information on the Council's Deferred Payment Agreement by visiting our website and accessing the Council's Deferred Payment Agreement Policy at [www.durham.gov.uk](http://www.durham.gov.uk)

*Information correct as of April 2022. Next Review April 2023.*