

Devon County Council Charging Policy for Non-Residential  
Care Services

(Supporting Personal Budgets for Social Care)

May 2011

# Charging Policy for Personal Budgets used to buy non-residential social care services

## Introduction

Devon County Council Adult & Community Services arranges home and day services for persons assessed as needing care or support to remain independent in their own homes. There is a charge for these services, and we use a financial assessment to work out how much a person should pay.

Since 2003 local councils have had to follow government guidance about the way they charge a person for the services they receive to help them stay at home. These services are called 'non-residential services'.

In Devon we have a charging policy which follows government guidelines. This allows us to take into account a person's individual income and savings.

However, the following changes have made a review of our charging policy necessary:

- A person can now use a 'Personal Budget'. A Personal Budget is the amount of money we think it would cost to provide the support someone needs. A person can use their Personal Budget to choose where and from whom they buy their support.
- There are new contributions guidelines from the government (Fairer Contributions Guidance) we need to take account of.

We recognise that inequality, disadvantage and discrimination exist in society. We accept our responsibility to make sure that all vulnerable adults - regardless of their ethnic origin, religion, language, age, sexuality, gender or disability, have equal opportunity to access services and information, and that the charging policy will be applied fairly for all.

## Why we sometimes charge for non-residential social care services

Local councils have the legal power to collect a financial contribution for the services they provide (including Personal Budgets). These contributions help fund more services than we could otherwise afford.

Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 (HASSASSA Act 1983), gives councils discretion to charge adult recipients for non-residential services - although not more than the full cost.

It is important that our services are affordable for those that need them, so before we make a charge we offer each person a financial assessment. We use this financial assessment to decide how much someone needs to contribute towards their Personal Budget.

## Not everyone has to contribute to their Personal Budget

We take individual circumstances into account when we carry out a financial assessment, so not everybody has to contribute the same amount to their Personal Budget. The following examples describe circumstances where no contribution will be required:

- If a person receives Income Support / Pension Guarantee Credit but does not receive Attendance Allowance (AA) or Disability Living Allowance (DLA).
- If a person receives support from our Social Care Reablement service to help them home from hospital or to prevent an admission into residential care.
- If a person receives equipment or a minor adaptation to help with independent living.
- If a person is receiving services under S117 of the Mental Health Act 2007.

## **How we calculate a financial contribution to a Personal Budget**

Whether someone has a short or full financial assessment, we will always make sure that they have enough money for living expenses, as set out in the Fairer Charging guidance.

We use these financial assessments to work out how much of a person's income is available for them to make a contribution to the cost of their care. We then take the value of the Personal Budget to work out the actual amount they will pay. (See appendix 1)

### **Full financial assessment**

We will offer a full **financial assessment** to establish how much someone should contribute. We take a person's income, savings and outgoings into account. We need evidence of these to carry out the full assessment.

If we think that someone may need a full financial assessment this will happen wherever possible by an officer visiting the person at their home address.

### **Short financial assessment**

If someone doesn't wish to have a full financial assessment we can offer (if we think it is appropriate) a **short assessment**.

We will ask a person some questions about the benefits they receive, and then decide whether a short assessment is suitable. If it is, we will allow a set amount for the person's disability-related expenditure. We will then ask them to pay a standard weekly charge.

The set amount for disability-related expenditure and our standard charge will be reviewed annually at our discretion.

This short assessment can be completed by telephone, without the need to supply evidence.

Please be aware that we will carry out spot checks and we reserve the right to conduct a full financial assessment and ask for evidence. Equally a person can request a full financial assessment at any time.

## **The full financial assessment – what we consider**

The full financial assessment is based on the government's Fairer Charging Guidance . We use this to calculate how much a person can afford to pay.

We look at a person's income and savings as well as expenditure (both household and disability-related).

We have to make sure a person is left with at least a minimum amount of money (pension guarantee credit / income support threshold plus 25%) each week for other living costs. The Fairer Charging Guidance states these minimum amounts as:

- Single person over 60 years old no less than £171.69 per week
- Single disabled adult aged 18 – 24 no less than £120.44 per week
- Single disabled adult aged 25 – 59 no less than £138.00 per week
- Couple over 60 years old no less than £265.00 per week

The above amounts highlight the most common rates used – there are other rates for persons in different circumstances. The rates shown are current for the year 2011/2012 and will change each April based on rates set by the government.

### **What counts as income?**

We will look at a person's total weekly income. This will include all benefits (such as state retirement pension, income support, pension guarantee credit and attendance allowance), all private and occupational pensions and any tariff income.

Tariff Income is a notional income which we work out using the amount of savings and capital a person has (see below for a description of 'savings' and 'capital').

### **How we work out Tariff Income:**

- We only include Tariff Income in our calculations for a person with savings between £14,250 and £23,250.
- We calculate a notional income of £1 per week for each £250 (or part £250) of any amount above £14,250.
- So, for savings of £16,500, we start at £14,250 and charge £1 for every £250 up to £16,500.
- In this instance, we would include a tariff income of £9 per week in our financial assessment.

The tariff income calculation is based on guidance issued by the Department of Health and may be subject to change. Tariff income is meant to represent an amount that a person with capital over a certain limit should be able to contribute towards their personal budget, not the interest earning capacity of that capital. **(The National Assistance (Assessment of Resources) Regulations – Regulation 28)**

### **What counts as savings and capital?**

Savings and capital includes:

- money held in bank and building society accounts
- ISAs
- stocks and shares
- premium bonds

- national savings certificates
- property and land (other than the home which is the person's usual residence)
- 50% of joint savings and investments

If a person has savings of more than £23,250 they will be required to pay the full cost for any services.

The capital thresholds quoted above are current for the year 2011 / 2012 and are changed every April by the Department of Health.

### **What counts as expenditure?**

Household expenditure can be taken into account and includes housing costs such as rent, mortgage, council tax, water / sewerage rates, house insurances and service charges.

Disability Related Expenditure (DRE) can be taken into account and includes expenditure incurred as a result of the person's disability and illness. DRE centres on housing, domestic, wellbeing, mobility, specialist disability equipment, clothing, bedding and dietary needs.

### **What evidence is needed?**

For all full financial assessments documentary evidence is required to confirm income, savings and expenditure.

We won't need evidence for any short financial assessments although we will ask for a signed declaration when we confirm the contribution in writing. However, we reserve the right to ask for evidence at any time or conduct a review visit where documentary evidence of income, savings and expenditure will be required.

A small number of full financial assessments will be conducted each year selected randomly or based on a risk assessment to confirm the outcomes of our short assessments.

If someone refuses or chooses not to be financially assessed they will be required to pay the full cost of the services they receive.

### **When will the new charging policy be effective?**

The revised charging policy will apply from 9 May 2011. All persons who are offered a Personal Budget from this date will be covered by the new policy.

We will use the revised policy to calculate how much a person needs to contribute towards their Personal Budget regardless of how they choose to receive it (as a commissioned service or direct payment or mixture of both).

People will continue to be offered help with identifying and claiming the benefits which they may be entitled to.

### **Transitional Protection**

All persons currently receiving non-residential services will be offered a Personal Budget at the time of their review.

We will allow people currently receiving non-residential services reasonable time to consider other ways of having their social care needs met. We will also make sure that there are no immediate adverse changes to charges. We will do this by offering 'transitional protection' for one year, as follows:

- A person in receipt of non-residential services at the date of implementation of the new charging policy will not have their assessed contribution increased while they continue to receive non-residential services.
- A person paying the current full cost for services will continue to pay on that basis subject to inflationary increases.

This protection will be reviewed on the first anniversary of the introduction of the revised charging policy.

### **What happens if a person isn't happy with their level of contribution?**

A person can ask for their contribution to be reviewed if they think it's unreasonable. They should send their request to:

Client Finance Services  
Fairer Charging Team  
Room G85, County Hall  
Topsham Road  
Exeter  
EX2 4QJ

The Divisional Manager for Client Finance Services makes the final decision about a review or appeal.

## Appendix 1

### Example of Calculation of Contribution

#### Example 1

Bill is an 80 year old man who lives alone. He lives in his own house and has £15,000 in savings. His personal budget is calculated at £100 per week.

#### Charging calculation

State Pension	£102.15
Pension Guarantee Credit	£77.50
Attendance Allowance	£49.30
Tariff Income	£ 3.00
<b>Total income</b>	<b>£231.95</b>
Deduct Pension Guarantee Credit	
Threshold	£171.69
Deduct Disability Related Expenses	£20.00
<b>Available Income / Assessed Contribution</b>	<b>£40.26</b>

Bill's Personal Budget is £100. Because £40.26 is the lower amount, Bill's contribution is £40.26 per week.

Had his available income for charging been £120 rather than £40.26 his contribution would have been £100 (because his personal budget would have been the lower amount).