Charging for adult residential care
April 2018 to March 2019

Residential and nursing care homes
This booklet tells you how we calculate charges for residential care services. This booklet is simplified guidance and is not Hertfordshire County Council’s full charging policy. We use national guidance called ‘Care and Support Statutory Guidance’ which makes sure that you do not pay more than you can afford for the services you receive. You can get an idea of whether you will need to pay towards your care costs on our website www.hertfordshire.gov.uk. If any topic is not covered here, or if you need help to understand the information in this booklet, please contact us on 0300 123 4042. There is an interpreting service available for those who need it. If you would like independent advise on funding your care please call HertsHelp on 0300 123 4044.

Entitlement to Financial Support
Before you can be entitled to any financial support to pay for a care home placement, a social worker will need to assess your eligibility for the service. You will also need to evidence that you are entitled to financial support. This is done by carrying out a financial assessment of your ability to pay towards your care. If you do not qualify for financial help from us, we will provide you with information and advise you of other help available to you.

Giving up your home and moving into a care home is a big decision, so you may want to seek independent advice. There is a list at the back of this booklet of organisations that may be able to help you.

Temporary and Permanent care home placements
If your stay is intended to be less than 52 weeks and you have a set date to return home, your placement will be treated as temporary. If your home is empty, we will normally make allowances for you to continue to pay certain costs like rent, council tax and standing charges for gas and electricity.

If arrangements are made with the intention of your care needs being long term, your placement will be considered to be permanent.
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**Paying for your residential care**

Most people have to pay something towards their residential care.

**A. Managing your own finances**

If you manage your own financial affairs, we will contact you directly to carry out a financial assessment and use this information to work out how much you have to pay towards the cost of your care.

**B. Handling your finances – alternative arrangements**

If you cannot manage your own financial affairs or you would prefer someone else to deal with them, please ask your care worker for options. You may ask a family member to do this for you, for example.

**Capital limits**

If you have savings (or other available capital) over the limit set by government and you can make your own arrangements, we can help you by providing information about care homes. You will be paying your fees directly to the care home and will need to negotiate the amount you pay them. The capital limit is currently £23,250. If your savings (or other available capital) falls to £23,250 or lower, you should contact us to apply for financial assistance. You are advised to make contact four months before your capital drops below the limit, as it can take this long to assess your eligibility for care services and to conduct a financial assessment.

If you make contact after your capital drops below the limit, the Council will not put your capital back up to the limit.

Once your capital drops below the capital limit, please note that you will still need to make a contribution towards your care.

**Disposing of your savings, capital or income**

If someone has disposed of savings, capital or income in order to avoid or reduce their charge for care, the Council is allowed by law to treat that person as still having that asset, or in some cases, ask the recipient of the asset to make payment instead. This means that they may be charged up to the full cost of their care. The Council reserves the right to take legal action against the person who disposed of their asset or the person who received the asset.
Disposing of assets can include, but is not limited to:
- Transferring the title deeds of a property to another person or into a trust.
- Spending money on a valuable possession such as jewellery or art.
- Making large or unusual gifts to relatives.
- Paying off a debt that is not due to be paid by you.

When deciding whether someone has deprived themselves of assets in order to avoid or reduce their care home charges, we will take into account their circumstances.

**This includes:**
- The reason for the disposal.
- The date it took place.
- Whether the person could reasonably foresee the need to move into a care home.

It will be for the person to prove that they no longer own the asset and to satisfy the Council that the disposal of the asset was not done to avoid or reduce care charges.

**NHS Funded Nursing Care (FNC)**
If you are entering a nursing home and need nursing care from a registered nurse, the NHS will pay a contribution towards the cost of the care.

NHS Funded Nursing Care is not the same as NHS Continuing Health Care, which is provided where a person has been assessed as eligible for full NHS funding by health professionals. If you qualify for Continuing Health Care (CHC), you will not be asked to contribute towards meeting your needs. However, you may be asked to pay for additional services if these services are over and above your agreed care plan. If your care home placement is subject to Funded Nursing Care, the NHS pays the contribution directly to the care home.

You will be financially assessed to pay towards the cost of your placement less the NHS funded nursing care element. The manager of any care home which provides nursing care will be able to give you more information and should have copies of Department of Health leaflets for your information.

**Paying for residential or nursing care services where Hertfordshire County Council arranges your placement**
If following a needs assessment we agree that residential care is needed to meet your needs, we will help you find suitable accommodation.
You can choose which care home you move into, as long as it is able to provide the type of care you need and is willing to accept you under our contract arrangements. We can also offer help for placements outside of Hertfordshire.

Third Party payments to pay for a more expensive home
If the accommodation you choose costs more than the amount the Council usually pays for someone with similar care needs, a third party (or more than one) will be asked to pay the difference. This could be family members or a charity. This additional payment is usually referred to as a Top Up arrangement or a Third Party Top Up. You are not allowed to top up your own care fees, except in very limited circumstances. For more information, please see our leaflet ‘Accommodation choices and paying top-up fees’ which is available on our website.

The financial assessment
We will need to verify your income, outgoings and assets (including savings). We ask for evidence, such as bank statements, pension payslips and letters from the DWP or Jobcentre Plus to support your assessment.

It is important that we get correct information as soon as possible. Any delay can result in you being required to pay the full cost of your care. Once we receive the information we need, we will make an adjustment if you are assessed as not being responsible for the full cost.

When completing a financial assessment, we will make sure you are left with the statutory Personal Expenses Allowance, which is £24.90 per week.

The capital we take into account includes the value of your share in buildings and land in this country and abroad. In certain circumstances the value of your main home (if you own it) will be disregarded. This is explained in more detail on page 8.

How capital is treated
The amount of capital (including savings, shares and premium bonds) we take into account is added together. How this is then treated is explained below:

- If the total amount of your capital at the time of the assessment has a combined value of less than £14,250, your capital will not affect your financial assessment
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- If your capital is valued at more than £14,250, but less than £23,250, we will assume your income increases by £1 per £250 (or part £250) above £14,250. This is called a Tariff Income and is described in more detail below.
- If your capital is valued above £23,250, you will be expected to meet the full cost of your care.

Tariff Income is a notional income which is added to your income from other sources before working out your weekly charge. Tariff Income is meant to represent an amount a resident with capital over a certain limit should pay towards their care, not the interest earning capacity of that capital.

Income counted in full includes:
- Most state benefits, including the State Retirement Pension
- Widowed parent’s allowance
- Occupational (works) or personal pensions or retirement annuity contracts (see below)
- Most annuity incomes
- Property rental income (we do make some allowances so that you can pay any tax on the income and keep the property maintained)
- Other income not specifically disregarded by regulations.

Occupational (works) or personal pensions or retirement annuity contracts
If you move into a care home without your partner, spouse, or civil partner and if they are not better off claiming benefits in their own right, you can choose to pass on half of your occupational pension, personal pension or retirement annuity to them. If you do so, we will disregard that amount from your assessment when working out your charge. We are unable to disregard less than or more than half. We are unable to disregard any other income (such as state pension) for these purposes.

Income not included:
- Most charitable or voluntary payments
- Child tax credits
- Guardians allowance
- Christmas bonus and winter fuel payments
- Macfarlane Trust payments
- Eileen Trust payments
- Disability Living Allowance (Mobility Component)
- Personal Independence Payment (Mobility Component)
- Gallantry awards
- War Disablement Pensions
- War Widows supplementary payments
Income we include in part:

- War widow’s or widower’s pensions
- The Savings Credit element of Pension Credit (we only take into account amounts above £5.75 per week)

How the charge is worked out:

- We add up the amount of income we can take into account (this includes
  - We deduct certain household allowances (in limited circumstances)
  - We deduct certain allowances on rental income you receive
  - We deduct Personal Expenses Allowance of £24.90
  - We deduct up to £5.75 per week if you have savings credit
  - The amount that is left over is your Maximum Assessed Contribution

The value of your home (if you own it)

The value of your share of your main home will not normally be taken into account for the first 12 weeks of your permanent placement in a care home. This period is called the 12 week property disregard. The disregard may not apply in certain circumstances. For instance, it does not apply where you have already been paying the full cost of your care for more than 12 weeks, or for property that you own but were not living in prior to going into care.

Additionally, the value of your property will continue to be ignored for as long as it is occupied by:

- Your partner
- A relative or a member of your family who is aged 60 or older, or who is incapacitated (someone who receives an incapacity or disability benefit or would qualify for such benefits), or who is a child under 18 who you are required to maintain.

In these circumstances, it must be clearly evidenced that the relative was living at your home before residential care was considered and you did not foresee the need for a move to residential accommodation when they moved in. If your main residence is or becomes unoccupied, or is occupied by someone who is not listed above, your share of the value of that property will normally be taken into account.

If your total assets, excluding the value of your home, are more than £23,250, you will have to pay the full cost of your care home placement. When the financial assessment has been completed, we will give you a written explanation of how we worked out your charge and you will be advised on what you can do if you think the charge is wrong.
How to pay
The Council will send you an invoice every four weeks. The dates that you are charged for are shown on the invoice. Every invoice the Council sends out tells you how you can dispute the invoice, or pay the invoice if it is not in dispute. It is preferred that you set up a Direct Debit to pay for your care. A Direct Debit form will be sent to you when we complete your financial assessment.

Using your property to help pay for your care
If you own or partly own your property and if that property is being considered in your financial assessment, you will be responsible for the full cost of your care (after any disregard, such as the 12 week disregard described on page 6).

If you do not want to sell your property, or are unable to sell your property straight away, there are two schemes that the Council offers to help you pay for your care. These are called the Deferred Payments Scheme and the Letter of Undertaking scheme.

Both schemes are loans from the County Council and both use your home as security. They don’t work in the same way as a conventional loan – the Council does not give you a lump sum of money when you join the scheme, but agrees to pay part of your care bills for as long as necessary. You will need to repay all of the funds paid on your behalf. A social worker will need to determine that you are eligible for a care home placement before you can apply for a Deferred Payment or a Letter of Undertaking.

Please be aware that interest is charged from the start of the loan
Although the Council will be providing help to fund your placement under these schemes, you will still be required to make a contribution towards your care. The amount of this contribution will be based on your income and savings available to you. The amount the Council will lend you will be the weekly fee (less any NHS contribution), less your maximum assessed contribution.
The deferred payment or Letter of Undertaking builds up as a debt, which is then repaid when the money tied up in your home is released or if you find another source of funds to settle the debt to the Council.

**Deferred Payments Scheme**
You can apply to join this scheme if you do not want to sell your home during your lifetime. You are able to rent out your home to generate income to help pay your care fees, but you must tell the Council before you do this as there are some conditions to be met. You will be expected to use most of the rental income to help pay your ongoing care fees, which means the amount the Council lends you under the scheme is reduced. Please be advised that tenancies must be made under an Assured Shorthold Tenancy.

**Please note**
It is mandatory for Councils to offer a Deferred Payments Scheme, but there are criteria which must be met before the Council will accept an application to join the scheme. We will notify you as to whether or not you qualify for the Deferred Payment Scheme when we have completed a financial assessment. Nobody is entitled to join the scheme if the Council cannot register a legal charge with HM Land Registry.

**Letter of Undertaking**
A letter of undertaking is an undertaking from the solicitor you have instructed in the sale of your property, which states that the Council will be repaid in full upon the sale of your property. Eligibility for this scheme is only possible if the property is on the market for sale and remains on the market until sold.
If you apply for this scheme, we will write to your solicitor asking for this undertaking. Please discuss this with your solicitor, as some solicitors will not sign the undertaking, in which case you will need to find another solicitor.

**Important information to note before applying for funding assistance**
Please ensure you seek independent legal and financial advice before applying for funding assistance from the Council under these two schemes. The Council is not responsible for any fees you incur as a result of obtaining this advice.
Interest is charged on a daily rate and is compounded monthly. The rate changes every January and July and is based on the cost of government borrowing. If you join one of the schemes, we will notify you of the interest rates whenever they are due to change.
Please refer to the “Using your property to help pay your care” factsheet, available on our website, for more information on the Deferred Payment Scheme and the Letter of Undertaking Scheme.

What do care home fees cover?
Care home fees should cover all the normal things a care home would be expected to provide, including your meals, laundry and heating. The care home should not ask you for more money, except to pay for any extras you may choose, such as buying newspapers, going for outings or hairdressing.

Please note that if you go into hospital while in residential care, you will normally be expected to continue paying towards your placement.

The Council will be paying to keep your room available to you in your absence, so you will need to continue contributing towards that fee, even while in hospital. Your charges will continue for as long as your room is kept open for you.

State benefits and care home accommodation

If you pay your care home yourself

If you lived with a partner before you moved into permanent residential care, your state benefits will be reassessed as though you were both single. Both you and your partner will need to claim benefits in your own rights, as single people, even if you are still married or in a civil partnership.

If you pay the full cost of your accommodation without help from the Council, or if you receive help under the Deferred Payment Scheme or the Letter of Undertaking Scheme, then your benefits will be paid at the same rates as if you were still living in the community. You should still let the DWP or Jobcentre Plus know of your change of address and circumstances. If you were not already getting one of the benefits listed below, you should apply for them as soon as possible:

- Attendance Allowance (for those who are 65 or over)
- Disability Living Allowance (care component) - please note that you cannot make new claims for DLA, so if you were not already receiving DLA or PIP (see below), then you should apply for PIP.
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- Personal Independence Payment (daily living component)

If you do not pay for the full cost of your care

If the council pays towards your placement (regardless of whether the placement is temporary or permanent), Attendance Allowance, Disability Living Allowance (Care Component) and Personal Independence Payment (Daily Living Component) will all cease. They will stop being paid 28 days after a hospital stay, a care home placement, or a combination of hospital and care home placement. If the DWP are not informed of your change in circumstances, these benefits will be overpaid and you will be expected to return the overpaid amounts. The DWP can fine benefit claimants in some circumstances when there has been a benefit overpayment. Withdrawal of these benefits may also lead to a reduction in the amount of Income Support, Employment Support Allowance, Pension Credit or Universal Credit you receive. If this happens, your charge for care will also reduce, so you will not be worse off by these four benefits reducing.

If your existing carer is paid Carer’s Allowance

If someone who looks after you is paid Carer’s Allowance or the Carers Premium of some means tested benefits, they should inform the relevant benefits office of your move to a care home. Their own entitlement to benefits may be affected if you lose Attendance Allowance, Disability Living Allowance or Personal Independence Payment, or if they stop being your carer (except for temporary periods).

If you give half your Occupational (works) pension, personal pension or retirement annuity contract to your spouse

If this is given to your spouse and if they get means tested benefits in their own right (such as Income Support, Employment Support Allowance, Pension Credit, Universal Credit, Housing Benefit or Council Tax reduction), they may wish to seek independent advice as their benefit entitlement will be affected. The DWP must be informed of this extra income if they are in receipt of a means tested benefit.

If you rent as a tenant

Permanent admission to a care home may lead to immediate loss of entitlement to housing benefit. If your move to a care home is temporary and you intend to return to live in your home (and if it is not being sublet in your absence), you may continue to
be entitled to housing benefit for some or all of your absence. You should speak to your local district or borough council for advice on housing benefit.

If the NHS is paying for your care home
If the NHS is paying for your care home, then you will be treated for benefit purposes as a hospital patient. This usually means that most benefits remain unaffected, but Attendance Allowance, Disability Living Allowance (Care Component and Mobility Component), and Personal Independence Payments (Daily Living and Mobility components) would normally stop after four weeks.

What to do if you think your charge is wrong
The Council calculates your charges based on information in the Care Act 2014, Care and Support Statutory Guidelines, and charging regulations. The rules behind calculating charges can sometimes be complex, so if you feel your charge is incorrect, please make contact with the Income Team on 01438 843 434 or at acsfinance.income@hertfordshire.gov.uk.

Your initial financial assessment
Your very first financial assessment will be conducted by the Community Finance Team. They will send you or your representative a form to complete and return. When you return the form you will need to provide documentary evidence to support your claim. Please note that if you are unable to supply evidence, and if the Council cannot obtain evidence elsewhere (for instance from the DWP), then you will be charged for the full cost of your care.

Annual reviews
Each year, we reassess the amount you will have to pay and let you know of any change to your charge. This is a good time to check your assessment and see if your details are up to date. A Correction Form is sent to you as part of the annual review, and you can use this form to tell us if your circumstances have changed.

Changes in circumstances
You must tell us of any changes to your circumstances that may affect your charge. This includes changes to your income, savings or other capital. If your property is being disregarded, we need to know of any changes that will affect that disregard. For instance, if the property is being disregarded because your
spouse is living there, and your spouse subsequently vacates the property, this will affect your disregard and we must therefore be told about it. If you are unsure, please let us know anyway.

**Reviews**
You can ask the Council to review your financial assessment at any time by writing to the Income Team, giving reasons for your request. Our contact details will be given to you following completion of your financial assessment, and as part of every annual review.

Please note that if we have applied a Tariff Income in your financial assessment, we will usually only review the tariff income amount once a year, unless there are special circumstances, such as an unavoidable expense you have incurred.

**Contacts**

**Age UK Hertfordshire**
Advice, support and services for older people in Hertfordshire
Telephone: 0300 345 3446
Website: www.ageuk.org.uk/Hertfordshire

**Society of Later Life Advisers (SOLLA)**
Directory of accredited, independent financial advisers
Telephone: 0333 2020 454
Website: societyoflaterlifeadvisers.co.uk

**Department for Work and Pensions**
Advice and contact details for the Pension Service and Jobcentre Plus
Website: https://www.gov.uk/government/organisations/department-for-work-pensions

**Carers in Herts**
Confidential advice, support and information for carers
Telephone: 01992 586 969
Website: www.carersinherts.org.uk

**Citizens Advice Bureau**
Website: www.hcab.org.uk
Contact us
For adult care services and to comment or complain:
Web:  www.hertfordshire.gov.uk/adults  E-mail:  contact@hertfordshire.gov.uk
Telephone:  0300 123 4042  Textphone:  01992 555506
British Sign Language (BSL) video interpreting service available via our website.

Find a local community service:  www.hertfordshire.gov.uk/directory  or drop into your local library

Call HertsHelp for independent information and advice:
Telephone:  0300 123 4044  E-mail:  info@hertshelp.net
Text:  Text Hertshelp to 81025  Textphone:  0300 456 2364

If you or someone you know is at risk of abuse or neglect:
Call us on 0300 123 4042 (24 hours a day)
Calls to 0300 cost no more than a national rate call to a 01 or 02 number