

## London Borough of Croydon

# Adult Social Care Policy - Charging for Adult Social Care

## 1.0 Policy Statement

1.1 This charging policy applies to all adult social care services and support provided or arranged by the London Borough of Croydon (LBC).

1.2 The policy provides details about:

- i. The legal and regulatory context for charging;
- ii. How different types of services and support are charged;
- iii. The financial assessment process, including the review and appeals process;
- iv. The technical rules for financial assessment calculations.

1.3 The policy applies from 08 April 2019 and supersedes all adult social care charging policies practiced before this date; namely, the LBC 01 April 2015 Care Act Charging Policy, the LBC Fairer Contributions Policy and the national Charging for Residential Accommodation Guide (CRAG).

1.4 The key aim of the policy is to ensure that where an adult is charged for care and support (including making a contribution to a personal budget), that they are not charged more than is reasonably practicable for them to afford and pay.

1.5 However, other guiding principles behind the policy include:

- i. To be as clear, transparent and comprehensive as possible so people know what they will be required to pay towards the costs of their care and support and are able to understand (with support if necessary) any charges or contributions they are asked to make;
- ii. To be consistent and equitable so that those with similar needs and in similar financial circumstances are treated equally;
- iii. To encourage and enable those who wish to stay in or take up paid employment to do so;
- iv. To encourage and support carers in their caring role, recognising their valuable contribution to society;
- v. To support the vision of personalisation, including promoting wellbeing, social inclusion, independence, choice and control;
- vi. To ensure the sustainability of adult social care in LBC.

## 2.0 The Legal and Regulatory Context

2.1 Sections 14 and 17 of the Care Act 2014 (“the Act”) provide a single legal framework for charging for adult social care and support.

2.2 Section 14 of the Act provides a local authority with the power to charge for meeting needs under sections 18 to 20 of the Act.

2.3 Section 17 of the Act creates a duty for a local authority to carry out a financial assessment which would arise where the local authority thinks that if it were to meet an adult’s needs for care and support, or a carer’s needs for support, it would charge the adult or carer under section 14(1) of the Act.

2.4 The Care and Support *Charging and Assessment of Resources Regulations 2014* defines the limits on local authority powers to make a charge for meeting needs under section 14 of the Act; and provide details about the requirements for carrying out financial assessments for the purposes of section 17 of the Act.

2.5 Section 2(1) of the Act requires a local authority to provide or arrange for the provision of services, facilities or resources (or take other steps) which it considers will contribute towards preventing, delaying or reducing the needs for care and support of adults or for support in relation to carers.

2.6 The Care and Support *Preventing Needs for Care and Support Regulations 2014* describe the rules permitting and prohibiting a local authority for making a charge for the provision of services, facilities and resources under section 2 of the Act.

2.7 The ‘Care and Support Statutory Guidance’ (CSSG), issued by the Department of Health in October 2014 sets out how a local authority should go about performing its care and support responsibilities. This includes details about interpreting and applying the rules relating to charging and financial assessments as defined in both the Act and regulations.

2.8 This policy has been written in accordance with the CSSG and related primary and secondary legislation.

2.9 The current version of CSSG (dated October 2018) is available at [www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance#charging-and-financial-assessment](http://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance#charging-and-financial-assessment)

### **3.0 About LBC adult social care fees and charges**

3.1 A schedule of LBC adult social care fees and charges is published annually, which is approved by Full Council Cabinet in time for the start of each financial year.

3.2 LBC operates three charging categories for adult social care:

- i. Means tested charging following either a residential (i.e. care home) financial assessment or a non-residential financial assessment;
- ii. Flat-rate charges payable without a financial assessment;
- iii. Services or care and support provided free of charge (exempt from charging).

#### **Means tested charging following a financial assessment**

3.3 A financial assessment will be carried out for all care and support provided or arranged by LBC that is subject to means tested charging.

3.4 The financial assessment will calculate how much, if anything, a person can afford to pay towards the cost of their care (or contribute towards their personal budget) on a weekly basis. This amount is referred to as the “maximum weekly assessed charge”.

3.5 The charge or contribution payable by the person will be the *lower* of the cost of care and support and their “maximum weekly assessed charge”.

3.6 LBC will not charge more than the cost incurred in providing or arranging any care and support which is subject to means tested charging.

3.7 All chargeable services are charged from the start of service. No payments will be sought by LBC until the completion of a financial assessment which establishes a person’s ability to pay. LBC will then seek to backdate payments to the start of the service.

3.8 The technical rules for the financial assessment differ between care and support provided in a residential care setting (‘care home’) and care and support provided in all other settings (‘non-residential’). Details of the technical rules can be found in later sections of this policy.

3.9 A ‘light-touch financial assessment’ can be carried out if a person signs a declaration to agree to pay the full cost for their care and support and LBC is satisfied that the person can afford, and continue to afford, to pay for any charges due.

3.10 A ‘light-touch financial assessment’ can also be carried out if LBC considers a person to be in receipt of welfare benefits that show the lowest levels of income (as defined below) and are ‘likely’ to be financially assessed as not being able to afford to contribute towards the cost of their care. This includes receipt of an income related benefit (excluding AA or DLA care component) such as Income Support, Income based employment / support allowance or job seekers allowance or pension credit guarantee.

3.11 A person who has agreed to a light-touch financial assessment can at any time request a full financial assessment to be carried out.

3.12 Whenever a light-touch financial assessment has been carried out, LBC will advise the person that this is the case and remind them of their right to request a full financial assessment.

3.13 Regular reviews of light touch financial assessments will be carried out during each financial year to ensure that the assessed person continues to qualify for such an assessment.

3.14 All documentary evidence requested by LBC to complete the financial assessment must be provided. LBC will only ask for documentary evidence that is necessary to complete the financial assessment accurately and comprehensively.

3.15 LBC will publish a list of the different types of care and support services subject to means tested charging (including a personal budget) on the annual schedule of LBC adult social care fees and charges.

3.16 Communications will be sent to clients informing them of the new approved fees and charges and how it affects their assessed weekly contribution. This communication will give details on how charges have changed as a result of inflationary increases, changes to services and/or how changes in benefit rules and amounts issued by the Department of Work and Pensions (DWP) affect their assessed weekly contribution.

### **Means tested charging in a residential care setting**

3.17 Where LBC carries out a financial assessment for care and support provided in a care home, information and advice will be provided to enable the person to identify options of how best to pay any charge. This may include offering the person a deferred payment agreement. LBC operates a deferred payments policy where further details can be found.

3.18 A person may choose a care home that is more expensive than the amount identified in their personal budget (i.e. the amount of money LBC would pay towards an appropriate residential placement). In such cases an arrangement will need to be made to ensure that the difference in cost is met and remains affordable. Such an arrangement will be referred to as a “top-up” arrangement. The difference between the actual cost of the placement and the amount specified in the personal budget is the amount of ‘top up’ payment required. It is the responsibility of the person who has selected the more expensive care home to ensure that arrangements for the top-up payment are made.

3.19 Where a person receives respite care of less than 8 consecutive weeks, LBC will, for financial assessment purposes, calculate a contribution applying charging rules used for clients living outside of a care home (non-residential services).

### **Means tested charging in a non-residential care setting**

3.20 Care and support received outside of a care home could include support in a person’s own home or in other community based accommodation such as extra care housing, Supported Living or a Shared Lives scheme.

3.21 Respite care of less than 8 consecutive weeks is treated as a non-residential service for financial assessment purposes.

3.22 The financial assessment for services received outside of a care home (non-residential services) will **exclude** the value of the property in-which the client lives as their main or only home.

3.23 Any additional property owned or partly owned by the client will be taken into account in the financial assessment.

### **Flat rate charges**

3.24 LBC provides and arranges services that are charged at a flat-rate amount, paid by everyone regardless of their financial means (i.e. not subject to means testing). These include (but are not limited to):

- i. Careline (community alarm service);
- ii. Hot meals and frozen meals (including Meals on Wheels);
- iii. Administration charge for deferred payment agreements.

3.25 Where appropriate, flat-rate charges will be considered as disability related expenditure when carrying out a financial assessment for care and support which is subject to means tested charging.

### **Services or care and support provided free of charge**

3.26 Care and support provided to meet eligible needs that are normally subject to means tested charging will be provided free of charge if one of the following circumstances applies:

- i. The person is suffering from a variant of Creutzfeldt-Jakob disease (CJD);
- ii. The person is eligible for aftercare services or care and support provided under section 117 of the Mental Health Act 1983;
- iii. The person's income is equivalent to or less than basic income support or the Guarantee Credit of Pension Credit levels, plus a 25% buffer.

3.27 LBC does not charge for the following types of services:

- i. The provision of community equipment (aids and minor adaptations) with a value or cost of less than £1,000;
- ii. Up to the first 6 weeks of the provision of intermediate care and/or reablement care and support services. This exemption does not apply to any care and support that was already in place prior to the commencement of a period of intermediate care and/or reablement;
- iii. Any service or part funded service which the NHS is under a duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care;
- iv. Any assessment of needs and care planning;
- v. Any advice or assessments, occupational therapy or welfare benefit checks.

3.28 LBC does not charge for services or a personal budget provided to an unpaid carer.

3.29 In the interests of fairness and to ensure people in similar circumstances are treated equally with respect of charging, apart from in exceptional circumstances, any service or personal budget that involves the provision of care and support provided to the cared-for-person (e.g. 'replacement care') will normally be allocated to the cared-for-person rather than the carer.

## 4.0 Unplanned changes to services

4.1 Where LBC is providing or arranging means tested care and support on behalf of an individual, and variations occur against either the planned cost or planned level of service provision, the individual's personal contribution or charge will be calculated on the basis of the cost of services received rather than any planned personal budget amount.

4.2 If LBC incurs additional costs where planned services were not used or not cancelled in advance, these costs will be deemed to be services delivered in accordance with the person's support plan, and therefore subject to normal charging rules. LBC may waive these charges where the circumstances that led to the non-delivery of service were unforeseen and beyond the control of the person.

4.3 LBC may, in some circumstances, facilitate the provision of care and support on a temporary or transitional basis outside of and/or in addition to an individual's personal budget. This could be for example, where an individual's needs or circumstances have unexpectedly changed for a short time period, and/or where an individual is awaiting a reassessment following a change in needs or circumstances. These services will be subject to charging rules in the normal way.

## 5.0 About the financial assessment

### The client is an individual

5.1 A financial assessment is based on the person receiving the care and support. This means that only finances relating to the person are considered in the financial assessment.

5.2 LBC does not have the power to assess couples or civil partners according to their joint resources or financial circumstances.

### Mental capacity

5.3 Where a person lacks capacity, LBC will still financially assess the person to determine if they can contribute towards the cost of their care. In these circumstances, LBC will work with the individual who has the legal authority to make financial decisions on behalf of the person who lacks capacity. For example:

- a. a person with an Enduring Power of Attorney (EPA);
- b. a person with a Lasting Power of Attorney (LPA) for Property and Affairs;
- c. a person with a Lasting Power of Attorney (LPA) for Health and Welfare;
- d. a Property and Affairs Deputy appointed by the Court of Protection; or
- e. Any other person dealing with that person's affairs (e.g. someone who has been given appointee-ship by the Department for Work and Pensions (DWP) for the purpose of benefits payments).

5.4 If a person is found to lack capacity with respect of their financial assessment and there is no such person who has the legal authority to make financial decisions on their behalf, then an application to the Court of Protection will be made by LBC, if there is no other suitable third party to do this.

5.5 Where a person has mental capacity, they may give their consent for another person to act as their financial representative. Where consent has been given, LBC will work with the financial representative on matters concerning the person's (client's) financial affairs.

### **Welfare benefits check**

5.6 LBC will offer a welfare benefits check as part of the financial assessment process.

5.7 If agreed by the person, LBC will check to ensure that they are in receipt of all benefits to which they may be entitled. If it is identified that they are entitled to additional benefits, LBC will offer to help the person to complete the appropriate form to claim the extra income.

5.8 Income from unclaimed welfare benefits is not considered available within the financial assessment until the income is actually received by the individual.

### **Financial assessment review**

5.9 A financial assessment can be reviewed at any time. This can be initiated by either LBC or the person.

5.10 In general, a review is normally triggered:

- i. Annually at the start of each financial year;
- ii. Following a change in the person's financial circumstances;
- iii. Following a change in care setting from or to a care home;
- iv. Where a person feels that their assessed contribution has not been calculated properly.

## **6.0 Financial assessment rules**

6.1 This section describes some of the key rules for carrying out of a financial assessment.

### **Capital limits and tariff income**

6.2 Capital limit thresholds are set by the Department of Work and Pensions (DWP) annually. These will also be published annually as part of LBC's schedule of adult social care fees and charges.

6.3 If the value of a person's combined qualifying capital is in excess of the *upper capital limit*, a financial assessment will deem that they pay the full cost for the care and support services they receive. If a person has assets in excess of the *upper capital limit* asks LBC to arrange their care LBC may charge an administrative fee for this arrangement if that person requests LBC to arrange their care and support. This arrangement fee will not exceed the cost incurred by LBC in making these arrangements.

6.4 If the value of a person's combined qualifying capital is below the *lower capital limit*, their capital is disregarded in their financial assessment.

6.5 If the value of a person's combined qualifying capital is between the *lower capital limit* and *upper capital limit*, a tariff income of £1.00 is calculated for each £250.00 in savings between these limits. Tariff income is treated as weekly income in the financial assessment.

6.6 Where a person is benefiting from a 12-week property disregard and has chosen to pay a “top-up” fee from their capital resources, the level of tariff income that applies during those 12 weeks is the same as it would be if the person were not using the capital to “top-up”.

### **Property**

6.7 The value of a person’s main home in which they live is disregarded in a non-residential financial assessment. However, any property ownership that is additional to the person’s main home, will be treated as available capital in the financial assessment. Where additional property is taken into account in a non-residential financial assessment, the same rules used to determine the treatment of property in a residential financial assessment will be used.

6.8 For permanent residential financial assessments, all property owned by the person, either in part or in full, will be treated as available capital when calculating an assessed charge.

6.9 Full details about the treatment of property in a financial assessment can be found at Appendix 2.0.

### **Deprivation of assets**

6.10 Deprivation of assets occurs where a person tries deliberately to avoid or reduce their liability to pay for care and support costs by depriving themselves of either capital or income. This can involve giving away assets to others or selling them at an undervalue. A deprivation can occur either before or after LBC begins to provide a service.

6.11 Where LBC decides, based on the available evidence, that a person has deliberately deprived themselves of assets to avoid paying for care and support costs, LBC will financially assess the person as if they still possess the asset; and/or if the asset has been legally transferred to someone else, seek to recover the lost income from charges from that person pursuant to its powers under s70 of the Care Act 2014. .

### **Full cost charging policy**

6.12 A “full cost” financial assessment means that the person is required to pay the full amount of all qualifying charges for any means tested care and support they receive.

6.13 LBC will treat a person as having a “full cost” financial assessment where they:

- i. choose not to disclose their financial information to enable a full financial assessment;
- ii. fail to co-operate and/or do not provide a completed financial assessment form within 28 days of agreeing a support plan or the commencement of chargeable services (whichever is sooner);
- iii. sign a declaration that they are happy to pay the full cost of services received;
- iv. have in excess of the upper capital limit in savings and/or capital assets; or
- v. receive a full financial assessment that deems they are assessed to contribute the full cost for their care and support.

### **Backdating charges / client contributions**

6.14 LBC will backdate charges to the date from which service started.



## **Prison**

6.15 Charging rules apply equally to people in prison. Whilst prisoners have restricted access to paid employment and benefits (and earnings in prison will be disregarded for the purposes of a financial assessment), any other income, capital assets, savings and pensions will be treated in the normal way.

## **7.0 Financial assessment calculation**

7.1 Once the financial assessment form is completed and LBC is satisfied that all supporting documentation has been supplied and verified, a calculation of income, expenditure and allowances will be made to work out how much money the person can afford to contribute on a weekly basis towards the costs of their care and support.

### **The calculation**

7.2 Income *minus* Expenditure *minus* Allowances *equals* Client contribution

7.3 As part of the financial assessment, any calculation that results in a fraction of a penny will be rounded either up or down to the advantage of the person.

### **Income**

7.4 Income is calculated on a weekly basis for the purpose of the financial assessment.

7.5 Income will always be taken into account unless otherwise stated.

7.6 Income includes tariff income (see section 5).

7.7 Full treatment of different types of income in the financial assessment, including any capital treated as income, can be found at Appendix 1 to this policy.

### **Expenditure in care homes**

7.8 Where the person is living permanently in a residential care home, no expenditure is allowable within the financial assessment. This is because the care provided within the care home setting is deemed to cover all of the person's general living costs.

### **Expenditure in non-residential settings**

7.9 Expenditure in non-residential settings (i.e. any setting other than a care home) refers to any housing-related costs which the person is liable to meet in respect of their main or only home.

7.10 All expenditure is calculated on a weekly basis for the purpose of the financial assessment.

7.11 Each type of expenditure will be considered on its own merits depending on the circumstances of the person's situation. However, the following types of expenditure will normally be allowable within the financial assessment:

- i. Rent – the full amount payable less any Housing Benefit, less ineligible service charges, divided by the number of adults eligible for payment;
- ii. Council Tax – the full amount payable less any Council Tax Benefit, divided by the number of adults occupying the property;
- iii. Mortgage repayments – the full amount payable divided by the number of adults eligible for payment
- iv. Ground rent and maintenance for leaseholders – the full amount payable excluding costs already allowed under the basic allowance such as water, electricity, etc., divided by the number of adults occupying the property;
- v. Disability related expenditure (See Appendix 3 for further details).

### **Allowances in care homes**

7.12 An allowance in a care home (whether a permanent or temporary stay) is often referred to as a Personal Expenses Allowance (PEA). The PEA is intended to leave the person with a minimum guaranteed level of income to spend as they wish, and so is disregarded in the financial assessment.

7.13 If a person has signed a deferred payment agreement, the level of PEA will be agreed between LBC and the person, up to the maximum PEA level specified by the DWP.

7.14 LBC will not tolerate any attempt to pressurise the person to spend their PEA in ways against their wishes.

7.15 LBC will publish the PEA amount as part of its annual Fees and Charges Schedule.

7.16 In some exceptional circumstances, LBC may agree to a higher PEA than the published amount either on a temporary or indefinite basis. The Policy Manager will make a recommendation to alter the PEA in a financial assessment where deemed necessary. The recommendation will be considered by the Head of Service and ratified if in agreement.

### **Allowances in non-residential settings**

7.17 An allowance in non-residential settings (i.e. any setting other than a care home) is an amount of money required to pay for day-to-day living costs. The allowance is therefore disregarded in the financial assessment.

7.18 The allowance must be at least the amount of the Minimum Income Guarantee set out in the Care and Support (Charging and Assessment of Resources) Regulations. The amount depends on a person's age and is based on the basic levels of income support or the Guarantee Credit of Pension Credit, plus a 25% buffer.

7.19 LBC will publish a full list of allowances with qualifying criteria as part of its annual Fees and Charges Schedule.

## **Confirmation of assessed contribution**

7.20 Once the financial assessment has been processed, LBC will send a written record to the person or their appointed financial representative. The written record will show:

- i. any figures used within the calculation;
- ii. the method of calculation;
- iii. the maximum weekly assessed charge calculated by the financial assessment;
- iv. the actual weekly charge based on planned level of care and support (i.e. the personal budget);
- v. details about paying charges and personal contributions;
- vi. an explanation of how variations from planned service can alter the actual weekly charge (but not the maximum assessed charge).

## **8.0 Review and Appeals Process**

8.1 If an individual is unhappy about the outcome of their financial assessment, they may start the review and appeals process which is described below.

### **Stage 1 – Review**

8.2 At the review stage a different Financial Assessment Officer will review the issue(s) raised by the individual and consider any new financial information provided. The Officer will also check to ensure the Charging Policy has been applied correctly.

### **Stage 2 – Appeal**

8.3 If the individual is still unhappy with their reviewed charge or personal contribution, an appeal can be requested.

8.4 At the appeal stage LBC will organise for an independent person to look at the case.

8.5 The appeal process can take up to 28 days from the time the completed appeals form is received, to the time the individual is informed of the outcome.

### **About the review and appeal process**

8.6 Confirmation of the outcome at each stage of this process is communicated with the individual.

8.7 The individual will continue to be charged the original assessed contribution during the review and appeal process.

8.8 If after the review and appeal LBC asks the person to pay a different weekly charge or personal contribution, the difference will be backdated. Any overpaid charges or contributions will be refunded.

8.9 If an independent adjudicator makes a recommendation to waiver the assessed charge, this will need to be ratified by the Executive Director responsible for Adult Social Care.

8.10 If an individual is still unhappy with their assessed charge following a review and appeal, the can still access the statutory complaint procedure and are advised to contact the Local Government Ombudsman.

8.11 There are three Local Government Ombudsman in England. Each of them deals with complaints from different parts of the country, but all new complaints will go to the LGO Advice Team. Complaints can be made over the telephone or sent to:

The Local Government Ombudsman  
PO Box 4771  
Coventry CV4 0EH  
Tel: 0300 061 0614  
Fax: 024 7682 0001  
Enquiries by email to [advice@lgo.org.uk](mailto:advice@lgo.org.uk)

## 9.0 Income Collection

9.1 When an individual chooses to take their personal budget as a form of direct payment, assessed contributions are deducted from the personal budget amount and a net payment is made by LBC for contribution to the personal budget. Direct payments are normally paid 4 weekly in advance.

9.2 When an individual chooses for the council to provide or arrange services using their personal budget, *either a 4 weekly invoice is sent to clients requesting the payment of their personal contribution or in some cases, providers may be paid net of the clients contribution.* This will include any charges associated with any other financially assessed services and/or any flat-rate charges where applicable.

9.3 Where a client has entered a deferred payments agreement the agreed level of weekly contribution will be paid by the client directly to the care provider, unless otherwise agreed. The agreed level of deferred fees will be secured and collected in accordance with LBC's deferred payments policy.

9.4 Invoices can be paid by cash, cheque or credit/debit card by the following methods:

- Bank or Building Society (there may be a charge);
- By post;
- Post Office (there may be a charge);
- Standing order;
- On the internet at [www.croydon.gov.uk](http://www.croydon.gov.uk)
- Telephoning Exchequer Services on 020 8667 8460

9.5 Cheques should be made payable to "LBC."

### Income collection procedures – Payment of Invoices

9.6 LBC has a policy of pursuing settlement of outstanding invoices. The Council's payment terms are immediate payment.

9.7 If payment is not made for an invoice a reminder process is initiated.

9.8 If payment is still not forthcoming then this can result in legal action to recover the debt outstanding, in accordance with the corporate debt recovery policy.

## 10.0 Equal Opportunities Statement

10.1 LBC will treat all people with dignity and respect recognising the value of each individual.

10.2 LBC is committed to eliminating all forms of discrimination in service delivery and employment on grounds of age, disability, gender reassignment, marriage or civil partnership, race, religion or belief, sex or sexual orientation.

10.3 Information is available in Braille, large print, tape and disk and translation can be arranged on request.

## Appendix 1 - The technical detail for the financial assessment calculation

### 1.0 Income

1.1 As a general principle, all income will be taken into account in a financial assessment unless otherwise stated.

1.2 Any income is considered net of any tax or national insurance contributions.

#### Disregarded income

1.3 Any income from the following sources will be *disregarded* in the financial assessment:

- (a) Armed Forces Independence Payments and Mobility Supplement
- (b) Child Support Maintenance Payments and Child Benefit, except where the accommodation is arranged under the Care Act in which the adult and child both live
- (c) Child Tax Credit
- (d) Council Tax Reduction Schemes where this involves a payment to the person
- (e) Disability Living Allowance (Mobility Component) and Mobility Supplement
- (f) Christmas bonus
- (g) dependency increases paid with certain benefits
- (h) Discretionary Trust
- (i) Gallantry Awards
- (j) Guardian's Allowance
- (k) Guaranteed Income Payments made to Veterans under the Armed Forces Compensation Scheme
- (l) Payments made to Veterans under the War Pension Scheme with the exception of Constant Attendance Allowance
- (m) Income frozen abroad
- (n) income in kind
- (o) pensioners Christmas payments

- (p) Personal Independence Payment (Mobility Component) and Mobility Supplement
- (q) personal injury trust, including those administered by a Court
- (r) resettlement benefit
- (s) savings credit disregard
- (t) Social Fund payments (including winter fuel payments)
- (u) war widows and widowers special payments
- (v) any payments received as a holder of the Victoria Cross, George Cross or equivalent
- (w) any grants or loans paid for the purposes of education; and
- (x) payments made in relation to training for employment.
- (y) any payment from:
  - (i) Macfarlane Trust
  - (ii) Macfarlane (Special Payments) Trust
  - (iii) Macfarlane (Special Payment) (No 2) Trust
  - (iv) Caxton Foundation
  - (v) The Fund (payments to non-haemophiliacs infected with HIV)
  - (vi) Eileen Trust
  - (vii) MFET Limited
  - (viii) Independent Living Fund (2006)
  - (ix) Skipton Fund
  - (x) London Bombings Relief Charitable Fund
  - (xi) Scottish Infected Blood Support Scheme
  - (xii) an approved blood scheme (this is a scheme approved by the Secretary of State, or trust established with funds provided by the Secretary of State, to provide compensation in respect of a person having been infected from contaminated blood products)
  - (xiii) London Emergencies Trust
  - (xiv) We Love Manchester Emergency Fund
- (z) Any income disregard required by relevant legislation or regulations not detailed in this policy.

## **Benefits**

1.4 The following benefits will be *disregarded* in the financial assessment:

- (a) Direct Payments
- (b) Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- (c) War Pension Scheme payments made to veterans with the exception of Constant Attendance Allowance payments

- (d) the mobility component of Disability Living Allowance
- (e) the mobility component of Personal Independence Payments

1.5 The following benefits will be *included* in the financial assessment calculation and treated as income:

- a) Attendance Allowance, including Constant Attendance Allowance and Exceptionally Severe Disablement Allowance;
- b) Bereavement Allowance;
- c) Carers Allowance;
- d) Disability Living Allowance (Care component);
- e) Employment and Support Allowance or the benefits this replaces such as Severe Disablement Allowance and Incapacity Benefit;
- f) Income Support;
- g) Industrial Injuries Disablement Benefit or equivalent benefits;
- h) Jobseeker's Allowance;
- i) Maternity Allowance;
- j) Pension Credit;
- k) Personal Independence Payment (Daily Living component);
- l) State Pension;
- m) Universal Credit;

1.6 Where any Social Security benefit payment has been reduced, for example because of an earlier overpayment, the amount taken into account will be the gross amount of the benefit before reduction. This does not apply where there has been a reduction because of voluntary unemployment.

1.7 Working Tax Credits must be taken into account when considering what a person can afford to pay from their income towards the cost of their care in a care home. However, they should be disregarded in the calculation of income for care and support arranged other than in a care home.

### **Annuity and pension income**

1.8 An annuity is a type of pension product that provides a regular income for a number of years in return for an investment. The capital invested in an annuity is *disregarded* in the financial assessment.

1.9 The income from an annuity is *included* fully in the financial assessment, except where it is:

- a) purchased with a loan secured on the person's main or only home; or
- b) purchased with a gallantry award such as the Victoria Cross Annuity or George Cross Annuity.

1.10 When a person is in a care home and is paying half of the value of their occupational pension, personal pension retirement annuity to their spouse or civil partner, 50% of the full value will be *disregarded* in the financial assessment. This disregard will only apply if one of the annuitants still occupies the property as their main or only home.

1.11 Where the disregard is applied, only the following aspects will be disregarded:

- a) the net weekly interest on the loan where income tax is deductible from the interest; or
- b) the gross weekly interest on the loan in any other case.

1.12 Before applying the disregard, the following conditions must be met:

- a) The loan must have been made as part of a scheme that required that at least 90% of that loan be used to purchase the annuity;
- b) The annuity ends with the life of the person who obtained the loan, or where there are two or more annuitants (including the person who obtained the loan), with the life of the last surviving annuitant;
- c) The person who obtained the loan or one of the other annuitants is liable to pay the interest on the loan;
- d) The person who obtained the loan (or each of the annuitant where there are more than one) must have reached the age of 65 at the time the loan was made;
- e) The loan was secured on a property in Great Britain and the person who obtained the loan (or one of the other annuitants) owns an estate or interest in that property; and
- f) The person who obtained the loan or one of the other annuitant occupies the property as their main or only home at the time the interest is paid.

1.13 Where the person is using part of the income to repay the loan, the amount paid as interest is disregarded. If the payments the person makes on the loan are interest only and the person qualifies for tax relief on the interest they pay, the net interest will be disregarded. Otherwise, the gross interest will be disregarded.

1.14 The following rules detail how income from a pension fund is assessed for the purposes of charging:

- a) If a person has removed the funds from their pension and placed them in another product or savings account, they will be treated according to the rules for that product;
- b) If a person is only drawing a minimal income from their pension fund, then notional income will apply calculated according to the maximum income that could be drawn under an annuity product. If the maximum notional income is applied, the actual income will be disregarded to avoid double counting;
- c) If a person is drawing down an income that is higher than the maximum available under an annuity product, the actual income that is being drawn down is taken into account.

### **Mortgage protection insurance policies**

1.15 Any income from an insurance policy will usually take into account in a financial assessment.



1.16 If any income received by the person from Income Support and Pension Credit is adjusted to take into account any income from an insurance policy, the financial assessment will also be adjusted accordingly.

1.17 There are circumstances, specifically in relation to mortgage protection policies, where income is disregarded in the financial assessment. This is generally only where the income is being used to meet repayments on the loan. The amount of income from a mortgage protection insurance policy that will be disregarded is the weekly sum of:

- a) The amount which covers the interest on the loan; plus
- b) The amount of the repayment which reduced the capital outstanding; plus
- c) The amount of the premium due on the policy.

### **Charitable and voluntary payments**

1.18 LBC will consider the individual circumstances for charitable and voluntary payments before making a decision about inclusion or otherwise within the financial assessment.

1.19 In general, a charitable or voluntary payment which is not made regularly is treated as capital; whilst charitable and voluntary payments that are made regularly are fully disregarded.

### **Capital treated as income**

1.20 Where LBC is not clear whether a payment is capital or income, reference will be made to the relevant legislation, regulations and statutory guidance. However, in general, the following capital payments will be treated as income:

- a) Any payment received under an annuity;
- b) Capital paid by instalment as defined in the CSSG.

### **Savings disregard**

1.21 Details about the rules and qualification for a savings disregard are specified within the CSSG and determined by the DWP annually. LBC will apply savings disregards in any financial assessment in accordance with the rules detailed in the CSSG.

### **Notional income**

1.22 In some circumstances LBC may treat a person as having income they do not have. This is known as notional income. This might include, for example:

- a) income that would be available on application, but which has not been applied for;
- b) income that is due but has not been received;
- c) income that the person has deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for their care;
- d) where a person who has reached retirement age and has a personal pension plan but has not purchased an annuity or arranged to draw down the equivalent maximum annuity income that would be available from the plan.

1.23 LBC will only include notional income in a financial assessment when it is satisfied that the income would or should have been available to the person.

1.24 LBC will seek estimates of any notional income related to a personal pension plan from the respective pension provider or from estimates provided by the Government Actuary's Department.

1.25 Notional income is treated in the same way as actual income and any income that would usually be disregarded will continue to be so.

1.26 Notional income will be included in the financial assessment from the date it could be expected to be acquired.

1.27 The following sources of income are **not** treated as notional income:

- a) Income payable under a discretionary trust;
- b) Income payable under a trust derived from a payment made as a result of a personal injury where the income would be available but has not yet been applied for;
- c) Income from capital resulting from an award of damages for personal injury that is administered by a court;
- d) Working Tax Credit;
- e) Occupational pension which is not being paid because:
  - i. The trustees or managers of the scheme have suspended or ceased payments due to an insufficiency of resources; or
  - ii. The trustees or managers of the scheme have insufficient resources available to them to meet the scheme's liabilities in full.

### **Partially disregarded income**

1.28 The following income is partially disregarded:

(a) the first £10 per week of War Widows and War Widowers pension, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension, any War Disablement pension paid to non-veterans and payments to victims of National Socialist persecution (paid under German or Austrian law)

(b) a savings disregard based on qualifying is made to people as follows:

#### **For individuals:**

- where a person is in receipt of qualifying income of less than £133.82 per week there will be no Savings Disregard made
- where a person is in receipt of qualifying income between £133.82 and £155.60 per week the savings disregard is made, which will equal the actual amount of the savings credit received or a sum of £5.75 whichever is less
- where a person is in receipt of qualifying income in excess of £155.60 per week, and a savings credit reward is in payment, a flat rate savings disregard of £5.75 per week is made irrespective of how much the savings credit payment is
- where a person has qualifying income above the limit for receiving a savings credit reward (around £190.00 but could be higher if the person is severely disabled, has caring responsibilities or certain housing costs) a flat rate savings disregard of £5.75 is made

**For couples:**

- where a person is part of a couple (including a civil partnership) and is in receipt of qualifying income of less than £212.97 per week there will be no savings disregard made
- where a person who is part of a couple (including a civil partnership) and is in receipt of qualifying income between £212.97 and £237.55 per week the savings disregard is made, which will equal the actual amount of the savings credit received or a sum of £8.60 whichever is less
- where a person who is part of a couple (including a civil partnership) and is in receipt of qualifying income in excess of £237.55 per week, and a savings credit reward is in payment, a flat rate savings disregard of £8.60 per week is made irrespective of how much the savings credit payment is
- where a person who is part of a couple (including a civil partnership) and has qualifying income above the limit for receiving savings credit (around £278.00 but could be higher if the person is severely disabled, has caring responsibilities or certain housing costs) a flat rate savings disregard of £8.60 is made

The values of £155.60 and £237.55 above represent the standard minimum guarantee for an individual and couple respectively. These amounts are increased to an appropriate minimum guarantee where individuals and couples qualify as severely disabled or as carers because of receipt of qualifying benefits.

## **2.0 Capital**

2.1 Capital is considered to be an asset owned by a person that can generate a financial return or financial resources available for use.

2.2 The following list gives examples of capital. This list is intended as a guide and is not exhaustive:

- a) Buildings
- b) Land
- c) National Savings Certificates and Ulster Savings Certificates
- d) Premium Bonds
- e) Stocks and shares
- f) Capital held by the Court of Protection or a Deputy appointed by that Court
- g) Trust funds
- h) Any savings held in:
  - I. Building society accounts.
  - II. Bank current accounts, deposit accounts or special investment accounts. This includes savings held in the National Savings Bank, Girobank and Trustee Savings Bank.
  - III. SAYE schemes.
  - IV. Unit Trusts.
  - V. Co-operatives share accounts.
  - VI. Cash.

2.3 When determining the classification and/or treatment of an asset in the financial assessment, LBC will consider each individual asset on its merits, referencing relevant legislation, regulations and statutory guidance where appropriate.

### **Ownership of capital**

2.4 A capital asset is normally defined as belonging to the person in whose name it is held, i.e. the legal owner.

2.5 Where there is dispute over ownership of capital, LBC will seek written evidence to prove where ownership lies.

2.6 Where a person has joint beneficial ownership of capital, the total value will be divided equally between the joint owners, except where there is evidence to the contrary where the capital will be divided according to the proportion of legal ownership. For example, where a person owns a 50% share of a capital asset, 50% of the total value of that asset will be considered within the scope of their financial assessment.

2.7 Where a person has legal ownership of a property but is not the beneficial owner of a property (i.e. they have no rights to the proceeds of any sale), the property will not be taken into account in the financial assessment.

### **Calculating the value of capital**

2.8 LBC will seek to determine the value of any capital owned in order to take account of it in the financial assessment.

2.9 The value of National Savings Certificates (and Ulster Savings Certificates) (Premium Bonds) will be obtained by contacting the NS&I helpline or using the NS&I online calculator. To do this, the person must provide LBC with the following details:

- a) certificate issue number(s);
- b) purchase price;
- c) date of purchase.

2.10 The valuation of all other capital will be determined according to the *higher* of the current market value or surrender value, minus:

- a. 10% of the assets value if there would be an actual expense involved in the selling of the asset. This must be expenses connected with the actual sale and not simply the realisation of the asset. For example, legal fees to sell a property would be considered an expense of sale, but the costs to withdraw funds from a bank account would not; and
- b. any outstanding debts secured on the asset (e.g. a mortgage).

2.11 If LBC and the person agree that the total value of their capital is either more than the *upper capital limit* or less than the *lower capital limit*, then LBC will not seek to obtain a precise valuation of any qualifying assets.

2.12 If there are any disputes about the value of an asset, a precise valuation will be obtained by a professional valuer. LBC will aim to seek a professional value within 12 weeks of the financial assessment start date. If an asset is sold the value will then be the actual amount realised from the sale of the asset less any actual costs of sale.

### **Assets held abroad**

2.13 LBC will normally include the value of assets held abroad in the financial assessment.

2.14 If capital is held abroad and can be transferred to the UK, its value in the other country will be obtained and taken into account in the financial assessment in the normal way, including any deductions from the value for the disposal of the asset where applicable.

2.15 Where the capital cannot be wholly transferred to the UK due to the rules of that country, LBC will require evidence confirming the nature or terms of the restriction and the potential for any future changes in those terms. Depending on the individual circumstances, examples of acceptable evidence could include documentation from a bank, Government official or solicitor in either this country or the country where the capital is held.

### **Capital not immediately realisable**

2.16 Where capital is not immediately realisable due to notice periods, LBC will take the capital into account at face value at the time of the financial assessment. On realising the capital, if the value is different, the value of the capital used in the financial assessment will be adjusted accordingly. If the person chooses not to release the capital, the value at the time of assessment will be used in the financial assessment and will be reassessed at intervals in the normal way.

### **Capital or income**

2.17 Resources will only be treated as income or capital in a financial assessment, but not both. For example, if a person has saved money from their income then those savings will normally be treated as capital. However, during the period when the money is received and treated as income, it will be disregarded as capital.

2.18 Where LBC is not clear whether a payment is capital or income, reference will be made to the relevant legislation, regulations and statutory guidance. However, in general, a planned payment of capital (as opposed to income) is one which is:

- a) not in respect of a specified period; and
- b) not intended to form part of a series of payments.

### **Income treated as capital**

2.19 LBC will treat the following types of income as capital:

- a) Any refund of income tax charged on profits of a business or earnings of an employed earner;
- b) Any holiday pay payable by an employer more than 4 weeks after the termination or interruption of employment;
- c) Income derived from a capital asset, for example, building society interest or dividends from shares. This should be treated as capital from the date it is normally due to be paid to the person. This does not apply to income from certain disregarded capital;

- d) Any advance of earnings or loan made to an employed earner by the employer if the person is still in work;
- e) Any bounty payment paid at intervals of at least one year from employment as:
  - i. A part time fireman;
  - ii. An auxiliary coastguard;
  - iii. A part time lifeboat man;
  - iv. A member of the territorial or reserve forces.
- f) Charitable and voluntary payments which are neither made regularly nor due to be made regularly, apart from certain exemptions such as payments from AIDS trusts. Payments will include those made by a third party to the person to support the clearing of charges for accommodation.
- g) Any payments of arrears of contributions by a local authority to a custodian towards the cost of accommodation and maintenance of a child.

### **Notional capital**

2.20 In some circumstances LBC may consider a person to have notional capital. This is when a client is treated as possessing a capital asset even where they do not actually possess it. This may apply when capital:

- a) would be available to the person if they applied for it;
- b) is paid to a third party in respect of the person;
- c) the person has deprived themselves of in order to reduce the amount they have to pay for their care.

2.21 A person's capital should therefore be the total of both actual and notional capital. However, if a person has actual capital above the upper capital limit, it may not be necessary to consider notional capital.

2.22 Where notional capital has been applied to a financial assessment, LBC will ensure the notional capital is reduced weekly by the difference between the weekly rate the person is paying for their care and the weekly rate they would have paid if notional capital did not apply.

### **Capital available on application**

2.23 Where application to access capital is required, LBC will treat the capital as if it already belongs to the person, except in the following circumstances:

- a) Capital held in a discretionary trust;
- b) Capital held in a trust derived from a payment in consequence of a personal injury;
- c) Capital derived from an award of damages for personal injury which is administered by a court;
- d) Any loan which could be raised against a capital asset which is disregarded, for example the home.

2.24 LBC will treat capital not owned by the person, but will become theirs on application, (for example an unclaimed premium bond win), as notional capital. Where LBC treats capital available on application as notional capital, we will do so from the date at which it could be acquired by the person.

### **Investment bonds**

2.25 LBC will normally seek legal advice in relation to the inclusion or otherwise of investment bonds within a financial assessment.

2.26 Where an investment bond includes one or more element of life insurance policies that contain cashing-in rights by way of options for total or partial surrender, then the value of those rights is disregarded as a capital asset in the financial assessment

### **Capital disregards (not including property disregards)**

2.27 The following capital assets will be disregarded in the financial assessment:

- (a) property in specified circumstances (see paragraph 34)
- (b) the surrender value of any:
  - (i) life insurance policy
  - (ii) annuity
- (c) payments of training bonuses of up to £200
- (d) payments in kind from a charity
- (e) any personal possessions such as paintings or antiques, unless they were purchased with the intention of reducing capital in order to avoid care and support charges (Schedule 2, para. 13)
- (f) any capital which is to be treated as income or student loans
- (g) any payment from:
  - (i) Macfarlane Trust
  - (ii) Macfarlane (Special Payments) Trust
  - (iii) Macfarlane (Special Payment) (No 2) Trust
  - (iv) Caxton Foundation
  - (v) The Fund (payments to non-haemophiliacs infected with HIV)
  - (vi) Eileen Trust
  - (vii) MFET Trust
  - (viii) Independent Living Fund (2006)
  - (ix) Skipton Fund
  - (x) London Bombings Relief Charitable Fund
  - (xi) Scottish Infected Blood Support Scheme
  - (xii) an approved blood scheme (this is a scheme approved by the Secretary of State, or trust established with funds provided by the Secretary of State, to provide compensation in respect of a person having been infected from contaminated blood products)
  - (xiii) London Emergencies Trust
  - (xiv) We Love Manchester Emergency Fund

(xiv) any payment made under or by a trust, established for the purpose of giving relief and assistance to disabled persons whose disabilities were caused by the fact that during their mother's pregnancy she had taken a preparation containing the drug known as Thalidomide, and which is approved by the Secretary of State (the Thalidomide Trust)

(h) the value of funds held in trust or administered by a court which derive from a payment for personal injury to the person. For example, the vaccine damage and criminal injuries compensation funds

(i) the value of a right to receive:

(i) income under an annuity

(ii) outstanding instalments under an agreement to repay a capital sum

(iii) payment under a trust where the funds derive from a personal injury

(iv) income under a life interest or a life-rent

(v) income (including earnings) payable in a country outside the UK which cannot be transferred to the UK

(vi) an occupational pension

(vii) any rent. Please note however that this does not necessarily mean the income is disregarded. Please see Annex C for guidance on the treatment of income.

(j) capital derived from an award of damages for personal injury which is administered by a court or which can only be disposed of by a court order or direction

(k) the value of the right to receive any income under an annuity purchased pursuant to any agreement or court order to make payments in consequence of personal injury or from funds derived from a payment in consequence of a personal injury and any surrender value of such an annuity

(l) periodic payments in consequence of personal injury pursuant to a court order or agreement to the extent that they are not a payment of income and are treated as income (and disregarded in the calculation of income)

(m) any Social Fund payment

(n) refund of tax on interest on a loan which was obtained to acquire an interest in a home or for repairs or improvements to the home

(o) any capital resources which the person has no rights to as yet, but which will come into his possession at a later date, for example on reaching a certain age

(p) payments from the Department of Work and Pensions to compensate for the loss of entitlement to Housing Benefit or Housing Benefit Supplement

(q) the amount of any bank charges or commission paid to convert capital from foreign currency to sterling

(r) payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit)

(s) community charge rebate/council tax rebate

(t) money deposited with a Housing Association as a condition of occupying a dwelling



(u) any Child Support Maintenance Payment

(v) the value of any ex-gratia payments made on or after 1 February 2001 by the Secretary of State in consequence of a person's, or person's spouse or civil partner's imprisonment or internment by the Japanese during the Second World War

(w) any payment made by a local authority under the Adoption and Children Act 2002 (under section 2(b)(b) or 3 of this act)

(x) the value of any ex-gratia payments from the Skipton Fund made by the Secretary of State for Health to people infected with Hepatitis C as a result of NHS treatment with blood or blood products

(y) payments made under a trust established out of funds provided by the Secretary of State for Health in respect of persons suffering from variant Creutzfeldt-Jakob disease to the victim or their partner (at the time of death of the victim)

(z) any payments under Section 2, 3 or 7 of the Age-Related Payments Act 2004 or Age Related Payments Regulations 2005 (SI No 1983)

(aa) any payments made under section 63(6)(b) of the Health Services and Public Health Act 1968 to a person to meet childcare costs where he or she is undertaking instruction connected with the health service by virtue of arrangements made under that section

(bb) any payment made in accordance with regulations under Section 14F of the Children Act 1989 to a resident who is a prospective special guardian or special guardian, whether income or capital

### **Property disregards**

2.28 LBC will disregard the value of the person's *main or only* home in their financial assessment if any of the following circumstances apply:

- a) Where the person is receiving care in a setting that is not a care home (i.e. non-residential);
- b) If the person's stay in a care home is temporary and they:
  - i. intend to return to that property and that property is still available to them; or
  - ii. are taking reasonable steps to dispose of the property in order to acquire another more suitable property to return to.

c) Where the person no longer occupies the property but it is occupied in part or whole as their main or only home by any of the people listed below, and that person has continuously occupied the property since before the first person went into a care home:

- i. the person's partner, former partner or civil partner, except where they are estranged; or
- ii. a lone parent who is the person's estranged or divorced partner; or
- iii. a relative as defined below in paragraph 2.29 of the person or member of the person's family who is:

- (1) Aged 60 or over, or
- (2) Is a child of the resident aged under 18, or
- (3) Is incapacitated.

2.29 For the purposes of the disregard a "relative" is defined as including any of the following:

- a) Parent (including an adoptive parent)
- b) Parent-in-law
- c) Son (including an adoptive son)
- d) Son-in-law
- e) Daughter (including an adoptive daughter)
- f) Daughter-in-law
- g) Step-parent
- h) Step-son
- i) Step-daughter
- j) Brother
- k) Sister
- l) Grandparent
- m) Grandchild
- n) Uncle
- o) Aunt
- p) Nephew
- q) Niece
  
- r) The spouse, civil partner or unmarried partner of a to k inclusive.

2.30 For the purposes of the disregard in paragraph 2.28 part C, a "member of the person's family" is defined as someone who is living with the qualifying relative as part of an unmarried couple, married to or in a civil partnership.

2.31 For the purposes of the disregard in paragraph 2.28 part C, LBC will consider that a relative is incapacitated if either of the following conditions apply:

- a) the relative is receiving one or more of the following benefits: incapacity benefit, severe disablement allowance, disability living allowance, personal independence payments, armed forces independence payments, attendance allowance, constant attendance allowance, or a similar benefit; or
- b) the relative does not receive any disability related benefit but their degree of incapacity is equivalent to that required to qualify for such a benefit. LBC may require medical or other evidence to be provided before a decision is reached.

2.32 For the purposes of the disregard in paragraph 2.28 part C, where LBC is unclear as to whether or not the property is occupied by a qualifying relative as their main or only home, LBC will undertake a factual inquiry weighing up all relevant factors in order to reach a decision. An emotional attachment to the property alone is not sufficient for the disregard to apply.

2.33 LBC will take account of the individual circumstances of each case. However, the following factors will usually be taken into in reaching a decision:

- a) Does the relative currently occupy another property?
- b) If the relative has somewhere else to live do they own or rent the property (i.e. how secure/permanent is it?)
- c) If the relative is not physically present is there evidence of a firm intention to return to or live in the property
- d) Where does the relative pay council tax?
- e) Where is the relative registered to vote?
- f) Where is the relative registered with a doctor?
- g) Are the relatives belongings located in the property?
- h) Is there evidence that the relative has a physical connection with the property?

2.34 LBC reserves the right to exercise discretion to apply a property disregard in other exceptional circumstances, either on a temporary or indefinite basis.

### **The 12-week property disregard**

2.35 LBC will disregard the value of a person's *main or only* home for 12 weeks when the value of their other assets is below the upper capital limit and one of the following circumstances apply:

- a) when the client first enters a care home as a permanent resident; or
- b) when a property disregard (other than the 12-week property disregard) unexpectedly ends because the qualifying relative has died or moved into a care home.

### **The 26-week disregard**

2.36 LBC will disregard the following capital assets in a financial assessment for at least 26 weeks

- a) Assets of any business owned or part-owned by the person in which they were a self-employed worker and has stopped work due to some disease or disablement but intends to take up work again when they are fit to do so. Where the person is in a care home, this disregard will apply from the date they first took up residence.
- b) Money acquired specifically for repairs to or replacement of the person's home or personal possessions provided it is used for that purpose. This disregard will apply from the date the funds were received.
- c) Premises which the person intends to occupy as their home where they have started legal proceedings to obtain possession. This disregard will apply from the date legal advice was first sought or proceedings first commenced.
- d) Premises which the person intends to occupy as their home where essential repairs or alterations are required. This disregard will apply from the date the person takes action to effect the repairs.
- e) Capital received from the sale of a former home where the capital is to be used by the person to buy another home. This disregard will apply from the date of completion of the sale.
- f) Money deposited with a Housing Association which is to be used by the person to purchase another home. This disregard will apply from the date on which the money was deposited.
- g) Grant made under a Housing Act which is to be used by the person to purchase a home or pay for repairs to make the home habitable. This disregard will apply from the date the grant is received.

2.37 LBC reserves the right to exercise discretion to apply one of the disregards reference in paragraph 2.37 for longer in exceptional circumstances. For example where legal processes take more than 26 weeks to complete.

### **The 52-week disregard**

2.38 LBC will disregard the following payments of capital up to a maximum of 52 weeks from the date the payments are received.

- a) The balance of any arrears of or any compensation due to non-payment of:
  - i. Mobility supplement
  - ii. Attendance Allowance
  - iii. Constant Attendance Allowance
  - iv. Disability Living Allowance / Personal Independence Payment
  - v. Exceptionally Severe Disablement Allowance
  - vi. Severe Disablement Occupational Allowance
  - vii. Armed forces service pension based on need for attendance
  - viii. Pension under the Personal Injuries (Civilians) Scheme 1983, based on the need for attendance

- ix. Income Support/Pension Credit
- x. Minimum Income Guarantee
- xi. Working Tax Credit
- xii. Child Tax Credit
- xiii. Housing Benefit
- xiv. Universal Credit
- xv. Special payments to pre-1973 war widows.

As the above payments are paid for specific periods, the amounts will be treated as income over the period for which they are payable. Any money left over after the period for which they are treated as income has elapsed will be treated as capital.

- b) Payments or refunds for:
  - i. NHS glasses, dental treatment or patient's travelling expenses;
  - ii. Cash equivalent of free milk and vitamins;
  - iii. Expenses in connection with prison visits.
- c) Personal Injury Payments.

### **The 2-year disregard**

2.39 LBC will disregard payments made under a trust established out of funds by the Secretary of State for Health in respect of vCJD to:

- a) A member of the victim's family for 2 years from the date of death of the victim (or from the date of payment from the trust if later); or
- b) A dependent child or young person until they turn 18.

### **Other disregards**

2.40 In other special circumstances, LBC may consider applying other disregards as circumstances deem appropriate.

2.41 Where discretion is exercised by the LBC a recommendation will be made by the Head of Service for ratification by the Director responsible for Adult Social Care.

## **3.0 Disability related expenditure**

3.1 Expenditure allowable in a non-residential financial assessment can include any living costs associated with an individual's disability or infirmity. This may reduce the person's maximum weekly assessed charge.

3.2 LBC's policy relating to disability related expenditure is written in accordance with the good practice guide issued by the National Association of Financial Assessment Officers.

3.3 This is updated annually and ensures that LBC allows individuals to claim expenditure items that are a direct result of their disability or infirmity.

3.4 This list is not exhaustive and any reasonable additional costs directly related to a person's disability should be included:

- a) Payment for any community alarm system.
- b) Costs of any privately arranged care services required, including respite care.
- c) Costs of any specialist items needed to meet the person's disability needs, for example:
  - i. Day or night care which is not being arranged by the local authority;
  - ii. specialist washing powders or laundry;
  - iii. additional costs of special dietary needs due to illness or disability (the person may be asked for permission to approach their GP in cases of doubt);
  - iv. special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability;
  - v. additional costs of bedding, for example, because of incontinence;
  - vi. any heating costs, or metered costs of water, above the average levels for the area and housing type,
  - vii. occasioned by age, medical condition or disability;
  - viii. reasonable costs of basic garden maintenance, cleaning, or domestic help, if necessitated by the individual's disability and not met by social services;
  - ix. purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs, where necessitated by the disability; reasonable hire costs of equipment may be included, if due to waiting for supply of equipment from the local council;
  - x. personal assistance costs, including any household or other necessary costs arising for the person;
  - xi. internet access for example for blind and partially sighted people
  - xii. other transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA or PIP, if in payment and available for these costs. In some cases, it may be reasonable for a council not to take account of claimed transport costs – if, for example, a suitable, cheaper form of transport, e.g. council- provided transport to day centres is available, but has not been used;
  - xii. in other cases, it may be reasonable for a council not to allow for items where a reasonable alternative is available at lesser cost. For example, a council might adopt a policy not to allow for the private purchase cost of continence pads, where these are available from the NHS.

3.5 LBC will refer to the care plan when considering what necessary disability related expenditure (DRE) is.