
2020-21 SOCIAL WORK ADULT RESIDENTIAL CARE CHARGING POLICY

1. INTRODUCTION

- 1.1 An audit of adult residential care charging was completed in November 2019 and as part of the actions arising from the audit, it was recognised that the Adult Residential Care Charging Policy was out of date and required to be updated. The policy was refreshed and is presented to the Committee for approval.

2. RECOMMENDATIONS

- 2.1 The committee is asked to approve the updated policy, recognising the substantial level of regulation which applies to charging for residential care and the extremely limited scope for local variation.

3. DETAIL

- 3.1 Charging for Residential Care is regulated through the following main legislation and regulations:
- National Assistance Act 1948;
 - National Assistance Act (Assessment of Resources Regulations) Amendment (Scotland) 2020; and
 - National Assistance (Sums for Personal Use Requirements) (Scotland) Regulations 2020.
- 3.2 The above regulations dictate how a care home resident's charge is calculated. The regulations prescribe in detail the treatment of the income, capital and assets received or owned by a resident in their charge assessment and leave little room for local discretion in the calculation of charges, ensuring as far as possible a consistent approach across Scottish authorities.
- 3.3 There are no changes in the rules governing how charges are assessed for 2020. The 2020 regulation changes include annual uplifts in the lower and upper capital thresholds, which affects the treatment of capital owned by residents, and an uplift in the Personal Expenditure Allowance retained by residents to meet their weekly personal expenses.
- 3.4 The Scottish Government issues guidance to Scottish Local Authorities

annually for care home charging, known as the Charging for Residential Accommodation Guidance (CRAG for short), which is updated for any changes in the above regulations. At the date of writing the 2020 version of the CRAG guidance has not been issued however the changes prescribed under the 2020 amendments to the above regulations have been implemented.

- 3.5 The Council's Adult Residential Care Charging Policy provides a high level summary of the guidance and is attached as Appendix 1 to this report.

4. IMPLICATIONS

- 4.1 Policy – The charging policy has been updated to incorporate the latest amendments to the principal regulations.
- 4.2 Financial – None, the requirements of the principal regulations have already been implemented and no change will arise from the approval of the charging policy.
- 4.3 Legal – The charging policy is up to date in relation to the amendments to the principal regulations.
- 4.4 HR – None
- 4.5 Fairer Scotland Duty – None
- 4.5.1 Equalities – None
- 4.5.2 Socio-Economic Duty – None
- 4.5.3 Islands Duty – None
- 4.6 Risk – None
- 4.7 Customer Service - None

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APPENDICES

Appendix 1 – 2020-21 Social Work Adult Residential Care Charging Policy

**APPENDIX 1 – 2020-21 SOCIAL WORK ADULT RESIDENTIAL CARE
CHARGING POLICY**



2020-21 Social Work Adult Residential Care Charging Policy

Charging for Adult Residential Care Services

What are Adult Residential Care Services?

Residential care services for adults refer to 24 hour care and support provided in a care home setting. The care home must be a registered service with the Care Inspectorate, with a clear criteria for service and be able to meet the assessed needs of service users on either a residential or nursing care basis. Most care home provision meets a long term care need although some provision reflects short term or respite care. Most placements are planned and the care home must evidence it can meet the needs of the adult. Unplanned admissions can occur where there is a non-medical crisis in the community, e.g. carer stress. Argyll and Bute Council develop and manage adult care home services on behalf of the Health and Social Care Partnership. Charging responsibilities lie with the Council.

The legal basis for charging of residential care services is the National Assistance Act 1948, as amended by the National Assistance (Assessment of Resources) Amendment (Scotland) Regulations 2020 and the National Assistance (Sums for Personal Requirements) (Scotland) Regulations 2020.

Argyll and Bute Council's charging for residential services is based on this legislation and on the Charging for Residential Accommodation Guide (CRAG). Residential care includes care provided directly by the Council and by the voluntary and private sectors.

How are Charges for Adult Residential Care Services Calculated?

Permanent Adult Residential Care Services

Charges for permanent adult residential services are based on a financial assessment and are usually referred to as the "Service User's Contribution".

The financial assessment identifies the level of income, savings and capital assets belonging to the person moving to a care home which allows the service user's contribution towards the cost of care to be calculated. Capital assets include any property owned by the service user, either solely or jointly with others.

Treatment of Income

In general, all income received by the service user with the exception of the mobility component of Disability Living Allowance or the Personal Independence Payment, requires to be paid towards the service user's contribution to their care costs. This reflects a national position on the assessment of income towards provision for adult care home placements.

If an Occupational Pension is in payment, the service user can give 50% of the amount paid to a spouse/ partner. This must be declared on the financial assessment form.

The service user is also entitled to a Weekly Personal Allowance from income and some outgoings such as life insurance can be disregarded in the financial assessment.

Funding Thresholds

There is both an upper and lower funding threshold in respect of charges for adult residential care services. The upper threshold is the amount of assessable capital, defined by legislation, that a service user has, above which they are required to meet the full cost of their care (Self-Funding service users).

For all service users who have capital in excess of the upper funding threshold, there is an entitlement to a Free Personal Care payment if residing in a residential unit and a Free Personal and Nursing Care payment if residing in a nursing home.

The Free Personal and/or Nursing Care entitlement is a fixed weekly amount, paid direct to the care home by the Council, the amounts payable being set nationally and apply to all adults with capital in excess of the upper funding threshold who have been assessed as requiring care in a care home.

The lower threshold is the amount of assessable capital, defined by legislation, that a service user has, below which they are not required to contribute towards the cost of their care from their capital – service users will still be required to contribute based upon their income.

Service users whose capital falls between the upper and lower threshold levels will have a tariff income applied. This is currently £1 for each band of £250 above the lower threshold level.

The threshold levels are reviewed nationally on an annual basis.

Treatment of Property

The treatment of property requires to be based on the individual circumstances surrounding the property and its ownership. Argyll and Bute Council, in line with national guidance will disregard the value of a service user's property where:

- The service user's partner continues to reside in the property.
- A relative of the service user who is over 60 years continues to reside in the property.
- A relative aged under 16 years and is liable to be maintained by the service user continues to reside in the property.
- A relative who resides in the property is incapacitated

Other discretionary disregards in respect of property may also apply.

For service users who do not have savings in excess of the upper funding threshold, but who do own a property, the value of which is to be taken into account in the

financial assessment, the value of the property is disregarded for the first 12 weeks following admission to a care home. This is called a 12 Week Property Disregard and allows service user's this time period to decide if they wish to remain in a care home setting, and to allow them to make arrangements for the sale of the property, if appropriate.

After the 12 week disregard period, the value of the property will be taken into account in the financial assessment. If the service user or legal representative makes the decision to sell the property and the property is not sold within the 12 week period, the Council can assist with interim funding, either by placing a Charging Order on the property or arranging a Deferred Payment.

More detailed information regarding the use of Charging Orders or Deferred Payments can be provided when assisting with the completion of the financial assessment. An example of an interim funding arrangement is included at the end of the policy for illustrative purposes.

Deprivation of Capital

Where Argyll and Bute Council is of the opinion that a service user or representative has deprived the service user of a capital asset in order to avoid liability for care home costs, the service user will be treated as still possessing the asset and the value of this asset will be included in their financial assessment.

Hospital Admissions/Planned Absences

Where a non-self-funding service user is admitted to hospital or has a planned absence for any other reason, Argyll and Bute Council, in line with national guidance, will continue to pay the Council's normal contribution to the care home for a maximum of 6 weeks. After 6 weeks, the Council reduces this payment to 80% of the Council's contribution. The service user requires to continue to pay the service user contribution during any absence, unless the placement is terminated.

Where a self-funding service user is admitted to hospital or has a planned absence for any other reason, Argyll and Bute Council, in line with national guidance, will continue to pay the Free Personal and/or Nursing Care entitlement for 14 days. This payment will then cease and be reinstated on the date of the service user's return to the care home. The service user requires to continue to pay the service user contribution during any absence, unless the placement is terminated.

Annual Financial Re-Assessments

All service users residing in care homes on a permanent basis are subject to an annual financial re-assessment in line with Department of Work and Pensions up-rating of benefits and the annual review of national guidance.

Self-funding service users or their representative must advise the Council at least 2 months in advance of capital falling below the self-funding threshold. This is in order

for a new financial assessment to be completed in respect of additional funding being required from the Council. Failure to comply with this timescale for notification may result in additional cost to the service user. However, every adult's circumstances are different and discretion can be applied under the auspices of the Social Work (Scotland) Act 1968 by the function of the Chief Social Work Officer.

Example of An Interim Funding Arrangement

Mr Smith lives alone and owns his own home which is valued at £180,000. Mr Smith has £5,000 in capital, a state pension of £107.00 per week and an occupational pension of £130 per week.

Mr Smith has been assessed by Social Work as requiring residential care and as his capital and assets are over the capital limit of £28,500 he qualifies for the free personal care subsidy of £180 per week towards his care costs. However, as most of Mr Smith's capital is tied up in his property he could not afford to fund his care for long from his liquid capital.

Therefore, he may choose to apply for interim funding from Argyll and Bute Council, which is an interest free loan, with the Council placing a charging order over the property to secure the debt. Under this option Mr Smith's income would be assessed in the same way a client with funds below the capital threshold would, paying an assessed charge each week towards the cost of his care. The additional weekly contribution the council is paying towards Mr Smith's care in excess of the £180 per week he is entitled to receive, is the amount the debt will increase by each week from the start of his thirteenth week in the care home.

Mr Smith's Interim Assessed Charge Calculation

Income

State Pension	£107.00
Occupational Pension	£130.00
Total Income	£237.00

Less

Personal Expenditure Allowance	£28.75
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Assessed Weekly Charge	£208.25
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Calculation of Weekly Charges

Mr Smiths assessed charge	£208.25
Council Interim Contribution	£427.54
Weekly Gross Cost of Care Home	£635.79
Council Interim Contribution	£427.54
Amount Council should be paying (non-recoverable Free Personal and Nursing Care subsidy)	£180.00
Weekly accruing debt under interim arrangement from the start of Mr Smith's 13th week in care home	£247.54