

Integration Joint Board

Agenda Item:

Date of Meeting: 30 January 2024

Title: 2024/25 Social Work Fees and Charges

Presented by: Roy Swales

The board is asked to:

- Review and endorse the appended 2024/25 Social Work Fees and Charges proposals so that the proposals can be submitted to Argyll and Bute Council for ratification at its 2024/25 budget meeting.
- Review and endorse a change to the means test within the Non-Residential Care Charging Policy in relation to the Non-Dependent Rent Allowance afforded to clients who live with family members.

1. EXECUTIVE SUMMARY

- 1.1 This report provides details of the proposed annual Social Work Fees and Charges uplifts for 2024/25. In accordance with normal practice, a standard uplift percentage has been applied to all of the department's fees and charges with several exceptions which are explained in the detail of the report. A standard rate of 6% has been applied for 2024/25 to reflect the current level of cost inflation which is 6.7% - Consumer Price Inflation (CPI) for the 12 months to September 2023.
- 1.2 Members are asked to consider an amendment to the Non-Residential Care Charging Policy in relation to the application of a standard weekly allowance rate, called the Non-Dependent Rent Allowance, to be applied for all clients who reside with family members. A copy of the updated guidance is attached as appendix 2 to the report.
- 1.3 Members are reminded that decisions on changes to the partnership's Non-Residential Care Charging Scheme are reserved to Argyll and Bute Council (the Council) and that members of the IJB are asked to review and, if so minded, endorse the proposed changes to the scheme ahead of a formal submission to the Council's 2024/25 budget meeting to seek ratification for their implementation from April 2024.

2. INTRODUCTION

- 2.1 This report sets out the schedule of proposed fees and charges for Social Work services for the 2024/25 financial year. The detailed list of proposed

charges, including the 2023/24 rates for comparison, is attached as appendix 1 to the report.

3. DETAIL

3.1 Appendix 1 to this report provides the list of uprated fees and charges for 2024/25 after the application of a 6% annual inflationary uplift – there may be some minor variations due to rounding in the smaller charges.

3.2 The proposed charges for the following service areas are not calculated by applying a standard 6% uplift:

3.2.1 Local Authority Residential Care Provision (Older People)

Charges for the provision of residential care are based on the budgeted cost of the service for 2024/25 which takes account of a number of inflationary assumptions across the range of costs incurred by the homes. The overall uplift for 2024/25 is 3%.

The proposed rate will be charged to other health and social care partnerships and local authorities with clients placed in the HSCP's care homes and to local people residing in the homes who own capital and assets exceeding £32,750 (threshold as at 2023/24). As at December 2023, there are 13 self-funding clients out of 58 residents in the HSCP's care homes (equivalent to 22% of the current residents). The majority of residents, 78% of the current residents, pay substantially less based on their ability to pay as assessed under the National Assistance (Assessment of Resources) Regulations issued by the Scottish Government.

3.2.2 Local Authority Nursing Care Provision (Older People)

The charge for the provision of nursing care at Kintyre Care Centre has been set at the same rate as the residential rate across the authority, an increase of 3%. The additional cost of nursing provision is offset by its significant economies of scale, it being a 40-bed unit compared to residential units ranging from 9 to 22 beds.

In the unlikely event of residential care being provided at Kintyre Care Centre, a residential rate has been set at 85.8% of the Nursing rate based on the same prorate seen in the National Care Home Contract rates.

3.2.3 Sleepovers

The sleepover charge is based on £12 per hour minimum pay rate for staff working in adult social care as confirmed by the Scottish Government in their Budget Announcement in December. The overall increase in the sleepover rate is 5%.

3.2.4 Domestic Home Care, Housing Support and Employment Support Provision

The hourly charges for domestic home care, housing support and employment support are all affected by the same changes to pay rates described in 3.2.3 above for sleepovers and are also impacted by inflation on non-pay costs in line with the Consumer Price Index. The overall increase in these charges is 9%.

3.2.5 Children and Families Local Authority Residential Care Provision

As above at 3.2.1, the proposed charges for Dunclutha, Shellach View and East King Street reflect the budgeted cost for 2024/25 and are affected by the same payroll and inflationary cost pressures explained previously.

The charges for the three units would only be payable by other councils placing clients in the HSCP's children's houses. None of the children or their families would be charged for the service provided at the three houses.

4. Non-Dependent Rent Allowance

- 4.1 The current Non-Residential Care Charging Policy includes provision for a standard Non-Dependent Rent Allowance which is a disregard applied where clients reside with their parents. The allowance leaves clients with an amount equivalent to the weekly contribution which a non-dependent in receipt of IS/ESA would be expected to make towards the family home rent costs under Housing Benefit legislation.
- 4.2 It is proposed to update the Policy to widen the scope of the allowance to include clients who reside with any family member and not limit it to clients residing with their parents.
- 4.3 The current Policy includes provision to meet additional rental costs where a formal tenancy agreement exists between the client and their parent. Following discussions with colleagues in Legal Services, this provision is being removed as, although an agreement can be set up, there is no legal obligation for such an agreement to be drawn up where a client resides with their parents or other family members.
- 4.4 The HSCP recognises that housing costs may exceed the Non-Dependent Rent Allowance, for example where an extension or modifications have had to be made to a property to enable the client to reside there. It is therefore proposed that, where a client's actual housing costs exceed the standard allowance, a waiver or abatement be considered under the existing Waivers and Abatements Policy. This will ensure that the Charging Policy is fair and does not interfere with a client's choice of where and with whom they wish to live.
- 4.5 The section of the Policy which it is proposed is changed has been highlighted on page 33 of the appended 2024/25 Proposed Non-Residential Care Charging Policy.

5. RECOMMENDATION

- 5.1 It is recommended that the proposed rates increases and amendment to the Non-Residential Care Charging Policy are endorsed by the IJB and the proposals submitted to the Council for ratification at its 2024/25 budget meeting ahead of implementation of the new rates and policy from April 2024.

6. CONTRIBUTION TO STRATEGIC PRIORITIES

- 6.1 The HSCP faces a combination of increasing demand and service costs which is outstripping the funding available to sustain service delivery in its current form. The annual adjustment to fees and charges ensures that charges remain relevant to service costs which enables the IJB to maintain income at levels proportionate to service costs in order to sustain services and avoid potential service reductions.

7. GOVERNANCE IMPLICATIONS

7.1 Financial Impact

The annual adjustment to fees and charges ensures that charges remain relevant to service costs which enables the IJB to maintain proportionate income levels in order to sustain services and avoid potential service reductions.

7.2 Staff Governance

Updated fees and charges lists will be provided to staff and built into revised 2024/25 versions of the Social Work service's charge calculation templates once the rates have been ratified by the Council.

7.3 Clinical Governance

Not applicable.

8. EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 The proposed changes apply equally to everyone who receives a service which the partnership will continue to charge for. Subsequently, there are no anticipated adverse equality or diversity issues arising from this report.

9. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 9.1 Not applicable.

10. RISK ASSESSMENT

- 10.1 The key risk arising from the above proposal relates to service users who are unable to afford to pay increased charges. To ensure that charges are levied fairly and that service users are not placed into financial hardship, the Council's Non-Residential Care Charging Policy is reviewed annually in line with changes to state benefits rates and other related guidance

issued by the Scottish Government and COSLA – a single change to the Non-Dependent Rent Allowance is proposed for 2024/25. In addition, staff are able to signpost service users to local advice services and the Council’s Welfare Rights Team to ensure that their benefit entitlements have been maximised and for help and advice with managing their money. Finally, a waivers and abatement procedure is in place which provides service managers with discretion to adjust charges where necessary.

11. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

11.1 Not applicable.

11. CONCLUSIONS

12.1 This report sets out the proposed annual increases to the Social Work fees and charges rates, which reflect the increased cost of delivering social care services in Argyll and Bute, and an amendment to the Non-Residential Care Charging Policy to ensure that the Policy is fair and correct. Members are asked to endorse the proposals for submission to the Council for ratification at the Council’s 2024/25 budget meeting.

13. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	Tick
	No directions required	
	Argyll and Bute Council	✓
	NHS Highland Health Board	
	Argyll and Bute Council and NHS Highland Health Board	

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APPENDIX 1 – 2023/24 SCHEDULE OF PROPOSED FEES AND CHARGES FOR SOCIAL WORK SERVICES

Description	Other	2023-24				2024-25				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
SOCIAL WORK												
Local Authority Residential Care Provision (Community Care) Weekly Charge		1,660.78	Outwith the Scope	0.00	1,660.78	1,705.50	Outwith the Scope	0.00	1,705.50	44.72	3%	
Local Authority Nursing Care Provision (Community Care) Weekly Charge		1,649.05	Outwith the Scope	0.00	1,649.05	1,705.50	Outwith the Scope	0.00	1,705.50	56.45	3%	
Local Authority Residential Care Provision at Kintyre Care Centre (Community Care) Weekly Charge		n/a	Outwith the Scope	0.00	n/a	1,463.87	Outwith the Scope	0.00	1,463.87	n/a	n/a	
Non - Residential Services - Lunch Clubs - per meal		5.10	Outwith the Scope	0.00	5.10	5.40	Outwith the Scope	0.00	5.40	0.30	6%	
Non - Residential Services - Telecare - Community Alarms - per week		6.10	Outwith the Scope	0.00	6.10	6.45	Outwith the Scope	0.00	6.45	0.35	6%	
Non - Residential Services - Telecare - Care Assist System - per week		5.20	Outwith the Scope	0.00	5.20	5.50	Outwith the Scope	0.00	5.50	0.30	6%	
Non - Residential Services - Telecare - Mobile Devices and Monitoring - per week		2.90	Outwith the Scope	0.00	2.90	3.05	Outwith the Scope	0.00	3.05	0.15	5%	
Non - Residential Services - Telecare - Canary System - per week		2.25	Outwith the Scope	0.00	2.25	2.40	Outwith the Scope	0.00	2.40	0.15	7%	
Non - Residential Services - Home Help - hourly rate		23.40	Outwith the Scope	0.00	23.40	25.62	Outwith the Scope	0.00	25.62	2.22	9%	Adjusted to reflect estimated changes in staff pay from April 2024.
Non - Residential Services - Housing Support - hourly rate		23.40	Outwith the Scope	0.00	23.40	25.62	Outwith the Scope	0.00	25.62	2.22	9%	Adjusted to reflect estimated changes in staff pay from April 2024.
Non - Residential Services - Employment Support - hourly rate		23.40	Outwith the Scope	0.00	23.40	25.62	Outwith the Scope	0.00	25.62	2.22	9%	Adjusted to reflect estimated changes in staff pay from April 2024.
Non - Residential Services -Sleepover Service - per night		127.44	Outwith the Scope	0.00	127.44	133.92	Outwith the Scope	0.00	133.92	6.48	5%	Adjusted to reflect estimated changes in staff pay from April 2024.
Non - Residential Services -Transport - per day		3.20	Outwith the Scope	0.00	3.20	3.40	Outwith the Scope	0.00	3.40	0.20	6%	Adjusted to be divisible by 2 to enable one-way charging
Non - Residential Services -Elderly Day Care - hourly rate		10.20	Outwith the Scope	0.00	10.20	10.80	Outwith the Scope	0.00	10.80	0.60	6%	Adjusted to be divisible by 4 to reflect quarter hour visits
Non - Residential Services -Learning Disability Resource Centre Service - hourly rate		27.00	Outwith the Scope	0.00	27.00	28.60	Outwith the Scope	0.00	28.60	1.60	6%	Adjusted to be divisible by 4 to reflect quarter hour visits
Provision of Occupational Therapy Consultation - Per assessment/consultation		283.30	Outwith the Scope	0.00	283.30	300.30	Outwith the Scope	0.00	300.30	17.00	6%	
Provision of Professional Services - Per Community Care Assessment/ Consultation		710.00	Outwith the Scope	0.00	710.00	752.60	Outwith the Scope	0.00	752.60	42.60	6%	
Provision of Professional Services - Full needs assessment only		539.10	Outwith the Scope	0.00	539.10	571.45	Outwith the Scope	0.00	571.45	32.35	6%	
Provision of Professional Services - Needs Review only		197.10	Outwith the Scope	0.00	197.10	208.95	Outwith the Scope	0.00	208.95	11.85	6%	

Description	Other	2023-24				2024-25				Increase		Notes/Comments
		Net £	VAT Rate	VAT £	Gross £	Net £	VAT Rate	VAT £	Gross £	£	%	
SOCIAL WORK												
Children & Families - Local Authority Residential Care Provision: Dunclotha (weekly charge)		2,285.08	Outwith the Scope	0.00	2,285.08	2,399.48	Outwith the Scope	0.00	2,399.48	114.40	5%	Charge levied to other HSCPs/Councils buying places from Argyll and Bute.
Children & Families - Local Authority Residential Care Provision: Shellach View (weekly Charge)		2,300.88	Outwith the Scope	0.00	2,300.88	2,318.91	Outwith the Scope	0.00	2,318.91	18.03	1%	Charge levied to other HSCPs/Councils buying places from Argyll and Bute.
Children & Families - Local Authority Residential Care Provision: Helensburgh (weekly Charge)		2,223.04	Outwith the Scope	0.00	2,223.04	2,273.57	Outwith the Scope	0.00	2,273.57	50.53	2%	Charge levied to other HSCPs/Councils buying places from Argyll and Bute.
Children & Families - Other Charges - Inter Country Adoptions		7,442.70	Outwith the Scope	0.00	7,442.70	7,889.25	Outwith the Scope	0.00	7,889.25	446.55	6%	
Inter-Authority Substitute Family Care Placements: Within Scotland	In line with British Association of Adoption and Fostering (BAAF) recommended figures		Outwith the Scope				Outwith the Scope					In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 1 child	In line with British Association of Adoption and Fostering (BAAF) recommended figures		Outwith the Scope				Outwith the Scope					In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 2 children (siblings placed together)	In line with British Association of Adoption and Fostering (BAAF) recommended figures		Outwith the Scope				Outwith the Scope					In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Inter-Authority Substitute Family Care Placements: Elsewhere - 3 children (siblings placed together)	In line with British Association of Adoption and Fostering (BAAF) recommended figures		Outwith the Scope				Outwith the Scope					In line with British Association of Adoption and Fostering (BAAF) recommended figures.
Hostel Charges - Room hire - children's hearing - half day		25.45	Exempt	0.00	25.45	27.00	Exempt	0.00	27.00	1.55	6%	
Hostel Charges - Room hire - children's hearing - Full day		42.45	Exempt	0.00	42.45	45.00	Exempt	0.00	45.00	2.55	6%	
Hostel Charges - Room hire - half day		42.45	Exempt	0.00	42.45	45.00	Exempt	0.00	45.00	2.55	6%	
Hostel Charges - Room hire - full day		76.35	Exempt	0.00	76.35	80.95	Exempt	0.00	80.95	4.60	6%	
Hostel Charges - Catering: Tea, Coffee and Biscuits		3.08	Standard	0.62	3.70	3.25	Standard	0.65	3.90	0.20	5%	
Hostel Charges - Catering: Soup and Sandwiches		6.04	Standard	1.21	7.25	6.42	Standard	1.28	7.70	0.45	6%	
Hostel Charges - Catering: Lunch (2 course with coffee)		9.25	Standard	1.85	11.10	9.79	Standard	1.96	11.75	0.65	6%	
Hostel Charges - accommodation - Argyll & Bute Council - Bed & Breakfast		35.38	Standard	7.08	42.45	37.50	Standard	7.50	45.00	2.55	6%	
Hostel Charges - accommodation - Argyll & Bute Council - Half Board		49.63	Standard	9.93	59.55	52.58	Standard	10.52	63.10	3.55	6%	
Hostel Charges - accommodation - Other Groups - Bed & Breakfast		35.38	Standard	7.08	42.45	37.50	Standard	7.50	45.00	2.55	6%	
Hostel Charges - accommodation - Other Groups - Half Board		49.63	Standard	9.93	59.55	52.58	Standard	10.52	63.10	3.55	6%	
Hostel Charges - accommodation - Other Groups - Full Board		56.63	Standard	11.33	67.95	60.04	Standard	12.01	72.05	4.10	6%	

**APPENDIX 2 – PROPOSED 2024/25 NON-RESIDENTIAL CARE CHARGING
POLICY**

Argyll and Bute Health & Social Care Partnership
Social Work – Adult Care

**Community Based Care
Charging Scheme**

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Introduction

The following charging scheme applies to all adults who reside within Argyll and Bute, or are deemed to be ordinarily resident within Argyll and Bute in accordance with the Scottish Government's Ordinary Residence guidelines, who are assessed as requiring and subsequently benefit from community based care services provided, commissioned or funded by Argyll and Bute Council on behalf of the Argyll and Bute Health Social Care Partnership.

Community based care services are deemed to comprise one or a combination of the services listed below:

- Homecare;
- Housing Support;
- Supported Living;
- Sleepover Services;
- Employment Support;
- Daycare (including travel to and from day care units and meals and refreshments);
- Respite, at home or in a care home;
- Lunch clubs;
- Community Alarm and Telecare services;
- Occupational Therapy equipment and adaptations, and;
- Progressive Care.

The following charging scheme will apply equally to all service users regardless of the delivery mechanism(s) deployed to most appropriately and effectively meet the needs and aspirations of individuals, which include:

- Direct service delivery by Council staff;
- Indirect service delivery through services commissioned from the private and voluntary sectors by the Council on the service user's behalf, and;
- Direct payments to service users to enable them to arrange their own care through the employment of their own assistants or by purchasing care from the private and voluntary sectors.

This scheme is founded upon the following list of principles; that:

- Personal Care services will be provided free of charge to all adults who have been assessed as needing it and who meet the local eligibility criteria to receive services;
- All clients in receipt of community based care services will undergo a financial assessment and will be charged according to their ability to pay;
- Service users will not be charged more than it costs to provide the services(s) for which their contribution has been assessed;
- Service users will not be charged more than £125 per week for their care and support services, which includes all of the above community based care services **except** for Lunch Clubs, Community Alarm and Telecare services and Transport to Care services.

- Services will, at all times, be provided in accordance with service users’ assessed needs and not their ability to pay;
- No charges will be levied where:
 - The primary reason for service provision is to monitor children under “supervision” or children and families in crisis;
 - Services are provided to adults with mental health problems who are subject to measures under the Mental Health (Care and Treatment) (Scotland) Act 2003;
 - Services fall within the scope of Criminal Justice Social Work Services;
 - Services are provided to adults subject to measures under the Adult Support and Protection (Scotland) Act 2007, or;
 - Services are provided to support a carer, either directly to the carer or as replacement care to enable a carer to take a break from their caring role, where the carer’s assessed needs meet the local eligibility criteria to receive services under the Carers (Scotland) Act 2016.

Charging Structure

Charges for community based services will be levied in accordance with the structure defined in the table below:

Service	Charging Method
Home Care	Means tested weekly charge based on an approved hourly charge – <i>see below for domestic only homecare services</i>
Housing Support	Means tested weekly charge based on an approved hourly charge
Supported Living	Means tested weekly charge based on an approved hourly charge
Sleepover Services	Means tested weekly charge based on an approved nightly charge
Employment Support	Means tested weekly charge based on an approved hourly charge
Day Care	Means tested weekly charge based on an approved hourly charge for care services and flat rate charges for meals and refreshments provided
Lunch Clubs	Flat rate charge for each meal provided
Community Alarm and Telecare Services	Flat rate weekly charge
Transport to Care	Flat rate weekly charge

All charges will be reviewed annually as part of the Council's budget setting process and will be subject to approval by the Council Members.

The means test mechanism used by the Council to determine service users' charges will be reviewed annually to ensure that it reflects any changes in:

- Government legislation or regulation relevant to charging for the services for which charges are assessed under the means test;
- The guidance issued by COSLA upon which the means test mechanism is based, and;
- The allowances and premiums calculated by the Department for Work and Pensions which underpin the affordability test within the means test mechanism.

Where a service user receives more than one service which is assessed for charging using the means test mechanism, a consolidated assessment will be undertaken to ensure that service users are not charged more than they can afford for the package of care services which they receive.

Older People Leaving Hospital

Adults leaving hospital who are assessed as requiring support should receive this service free, for up to 42 days, if they have been in NHS inpatient care for more than one day (24 hours) for treatment, assessment or rehabilitation, or had surgery as an NHS day case. Relief from charging should not apply to discharges following admission on a regular or frequent basis as part of the person's ongoing care arrangements. This would cover, for example, admissions for respite care or ongoing but episodic treatment. Only new or additional services provided after a person comes out of hospital will be free and services that were in place pre-admission and continue after discharge will continue to be chargeable.

Domestic Only Homecare Services

Domestic only homecare services will be charged for at a flat rate equal to the Council's standard charge for homecare and will not be means tested. This is to ensure that service users who receive domestic only homecare services from the Council are charged in the same way as service users whose service provision has been transferred from the Council to external providers who charge at a flat rate.

Breaks in Service

Where a service user's service is suspended, the service user will not be charged for the services which have not been provided. Charging should resume when services are reinstated.

Financial Re-assessment

The charges payable by service users will be reviewed on an annual basis, to reflect the annual changes in charges and service users' income and capital.

The contribution payable by service users should be reviewed in the event of a change in the service provided or such other change in the service user's circumstances as would affect their ability to contribute towards the cost of their care.

Couples

Where a service is provided to a service user who is married or lives with a partner as a couple, the charge assessment should include the income and capital of both the service user and their partner. To ensure that the assessed charge is fair, the upper and lower capital allowance for couples will be equal to double the single person's capital allowances which would be used for the **elder** partner. Tariff increments are also doubled.

The income threshold to be included in the charge assessment for couples should be based on the age of the **elder** partner.

Income disregards will be applied to couples in the same way as individuals; the disregards are not doubled but are applied to both individuals on the basis of their respective incomes.

Where a service user's partner receives disability benefits, including disability and/or severe disability allowances within Income Support or Pension Credit, but does not receive any care services or funding for care services from the Council, the partner's disability benefits should be disregarded in full.

Where there is any doubt or dispute regarding whether or not two people are living together as a couple, the Council will defer to the decision made by the Department for Work and Pensions when assessing the two people's entitlement to state benefits.

Where two service users reside together but are not a couple, they should be assessed individually for charges.

Independent Living Fund

Service user's eligible to claim financial assistance towards the cost of their care from the Independent Living Fund will be subject to charging for chargeable services under this scheme.

Adults with Incapacity

Where a service user is unable to deal with their own financial affairs due to incapacity, the department will liaise with another appropriate person, or persons, in order to gather information about the service user's financial affairs and to arrange for the collection of charges. Appropriate persons would include:

- Power of Attorney;
- Financial guardian, appointed in accordance with the Adults with Incapacity (Scotland) Act 2000;

- An individual permitted to act on the service user's behalf under an intervention order granted by a Sheriff Court under the Adults with Incapacity (Scotland) Act 2000;
- Department for Work and Pensions benefits appointee, or;
- A relative, friend or advocate of the service user who assists the service user, with the service user's knowledge and agreement, to manage their financial affairs.

Incapacitated adults will be charged for the chargeable elements of their service in accordance with this scheme.

Where the Council is unable to collect a service user's charges because they have no one to manage their financial affairs and it is not financially viable to pursue a financial guardianship through the courts, a claim will be lodged against the service user's estate following their death to recover the accrued unpaid care charges.

Age Definition

Due to the changes currently affecting the state retirement age for women, the age definitions applied in this scheme have been amended to classify service users as either:

- Working age – for service users aged below state retirement age, or;
- Pension age - for service users aged at or above state retirement age.

Where a service user is aged between 60 and 65, staff should check the service user's retirement age status. This can be done via the Gov.UK website.

Charge Waivers

Service users may apply for a partial or full charge waiver if they meet the following criteria:

- The service user has been diagnosed as terminally ill and has been issued with a DS1500 Form by their doctor and/or BASRiS Form. In this case charges will be waived in full;
- The service user feels that they can't afford to pay their charge due to financial hardship;
- The service users incurs costs for specialist therapies, supplies or services because they are disabled and which have not been taken into account in their charge assessment;
- The service user has rejected a service because they don't want to pay for it but without which they will be at substantial risk of harm; or
- The Council has redesigned how it delivers the type of support the service user and other similar customers need, resulting in an increase in charge for the service user.

For further details and how to apply for a charge waiver, please refer to the separate Social Work Waivers Scheme Procedures.

Charge Collection

Charges will be collected via 4 weekly Direct Debit unless there are extenuating circumstances which negate the client or the Council's ability to collect payment in this manner. Extenuating circumstances would include, for example:

- The client does not have access to a suitable bank account from which a Direct Debit can be paid (eg they only have a savings account and no current account);
- The client does not have capacity to give instruction to their bank to set up the Direct Debit and does not have a Power of Attorney, Financial Guardian or other suitable representative to act on their behalf; or
- The client struggles to manage their funds and the operation of a Direct Debit from their account could make their situation worse, potentially resulting in bank charges and placing the client in financial hardship.

Charging Process

The process of assessing, checking and collecting a service user's care charges is set out below:

Step	Description	Responsible Person
1	Following the completion of the service user's needs assessment, a CBC Form is completed detailing the services required by the service user, the service's costs and the service user's and, where relevant, their partner's financial circumstances. The CBC Form will calculate any charges payable by the service user towards their service. <i>Please note that the financial circumstances of the service user and their partner are not required where the service user's service consists entirely of personal care and/or services charged for at a flat rate, such as lunch clubs, Telecare or transport or the service is provided for the sole benefit of an informal carer (includes direct support to the carer and/or replacement care to provide respite to the carer).</i>	Case Manager
2	The case manager passes the completed CBC Form to their manager for checking and approval.	Case Manager
3	The Team Leader / vetting manager should check to ensure that the CBC Form has been completed appropriately, based on the service user's age and service needs, that the relevant evidence of the service user's financial circumstances have been provided with the form and that the relevant budget codes(s) has been added to the form before approving it / passing to the relevant manager for approval.	Team Leader
4	The authorising manager should forward the completed CBC Form with service approval to the local social work finance team.	Approving Manager
5	The social work finance team will check to ensure that the charge assessment is correct and that all relevant evidence has been provided by the case manager.	Social Work Finance
6	The social work finance team will check to ensure that the service user is set up on the Council's Corporate Debtor's System and will liaise with the Case Manager regarding any reason why payment by Direct Debit would not be appropriate for the client.	Social Work Finance
7	The social work finance team will add the service user's debtors, personal and charge details onto the area debtors upload spreadsheet and will process the service users billing via the standard 4 weekly billing cycle.	Social Work Finance
8	Where the case manager becomes aware of a change in the service user's service, financial or personal circumstances, they should inform the social work finance team so that the service user's billing can be amended or stopped.	Case Manager

Personal and Domestic Care

The following services can be broken down into personal, domestic or other support services:

- Homecare, including homecare provided on a respite basis;
- Supported Living, and;
- Daycare.

Since the Council is required to ensure that adult service users are not charged for personal care, it is essential to define which tasks would be considered to be personal care and subsequently excluded from charging. The following definitions provide a model to be used by assessment staff to classify the tasks required to meet service user needs into personal or domestic care.

Personal Care Definition	
Classification	Task
Personal Hygiene	<ul style="list-style-type: none"> ▪ Shaving ▪ Oral hygiene ▪ Nail care ▪ Toileting (assisting the person with going to the toilet or with using a bedpan or other receptacle) ▪ Catheter/stoma care (ensure cleanliness and that skin is kept in a favourable hygienic condition) ▪ Where the person is incontinent: <ul style="list-style-type: none"> ○ The consequential making of the person's bed and consequential changing and laundering of the person's bedding and clothing; ○ Caring for the person's skin to ensure that it is not adversely affected
Food and Diet	<ul style="list-style-type: none"> ▪ Eating ▪ Meal preparation
Mobility	<ul style="list-style-type: none"> ▪ Dealing with the consequences of not being able to move ▪ Moving and handling
Simple Treatments – if the person requires medical treatment, assisting with medication for example by:-	<ul style="list-style-type: none"> ▪ Applying creams or lotions ▪ Administering eye drops ▪ Applying dressings in cases where this can be done without the physical involvement of a registered nurse or medical practitioner ▪ Assisting with the administration of oxygen as part of a course of therapy

Classification	Task
General Well-Being	<ul style="list-style-type: none"> ▪ Assisting with getting dressed ▪ Assisting with surgical appliances, prosthesis and mechanical and manual equipment ▪ Assisting with getting up and going to bed ▪ The provision of devices to help memory and of safety devices (<i>see note 1</i>) ▪ Behaviour management and psychological support

Note 1

Only memory and safety devices which help individuals to manage their own personal care needs are included (eg the use of personal reminder systems to allow individuals to manage their medicines or the use of sound/movement alarms linked to light controls to guide people with dementia to the toilet and minimise the risks related to wandering at night). Community alarms and other associated devices are **not** included.

Domestic Care Definition	
Classification	Task
Personal Laundry	<ul style="list-style-type: none"> ▪ Carrying out personal laundry (excluding incontinence laundry)
Ironing	<ul style="list-style-type: none"> ▪ Carrying out ironing
Clothing Repairs	<ul style="list-style-type: none"> ▪ Carrying out clothing repairs
Nutrition	<ul style="list-style-type: none"> ▪ Management of food stores/fridges etc (including shopping) ▪ Menu planning ▪ Supervision at mealtimes
Pet Care	<ul style="list-style-type: none"> ▪ Coping with domestic pets including day to day care and feeding

Housing Support

From 1 April 2011, Housing Support services became subject to charging under this scheme. To provide a single charging framework, Housing Support services will be charged for subject to the standard means test. The cost of housing Support services will be calculated using the standard homecare hourly charge. Housing Support services are defined in the following table.

Housing Support Definition	
Classification	Task
<p>Life Skills – worker provides life skills training to the service user in maintaining the dwelling and curtilage (ie close, stairs, paths, bin area, garden pertaining to the service user’s accommodation) in appropriate condition. Worker assists and advises service user on:</p>	<ul style="list-style-type: none"> ▪ Kitchen/food hygiene ▪ Kitchen routines eg cleaning, washing up, bin emptying ▪ Personal laundry routines, ironing ▪ Cleaning (hovering, dusting, window cleaning, floor cleaning, kitchen and bathroom cleaning ▪ Appropriate personal routines ▪ Appropriate clothing/footwear ▪ Appropriate personal hygiene ▪ Prompting re the above ▪ Prompting re medication routines ▪ How to keep garden, close, stairs, bin areas etc in appropriate condition
<p>Service User Welfare – Worker assists the service user to engage with individuals, professionals and other bodies with an interest in the welfare of the service user to:</p>	<ul style="list-style-type: none"> ▪ Arrange and attend doctors/hospital etc (including escort) ▪ Attend day care (including escort) ▪ Attend groups, social activities and reviews (including escort) ▪ Maintain contact with friends and family (including escort)
<p>Adaptations – Worker arranges adaptations to enable the service user to cope with disability.</p>	<ul style="list-style-type: none"> ▪ Assist service user to make referral to OT department or make referral for service user ▪ Arrange appointments and attend appointments with or for the service user in relation to adaptations ▪ Arrange to be present when adaptations are being carried out in the service user’s home ▪ Remind the service user of the safe use of adaptations

Classification	Task
<p>Budgeting/Debt Management – Worker advises or assists the service user with personal budgeting and debt counselling.</p>	<ul style="list-style-type: none"> ▪ Collect benefits with or for the service user ▪ Advise and assist the service user to budget income ▪ Advise and assist service user to pay bills ▪ Enable service user to access debt counselling services ▪ Enable service user to access advocacy services ▪ Enable service user to access legal services ▪ Advise and assist service user to set up and maintain bank account appropriately, including direct debits, standing orders etc ▪ Advise and assist the service user to plan/save for future expenditure (eg furniture purchases, holidays etc)
<p>Relationships/Neighbour Disputes – Advising or assisting the service user in dealing with relationships and disputes with neighbours</p>	<ul style="list-style-type: none"> ▪ Advise and assist the service user to sustain appropriate relationships with neighbours, friends and family ▪ Advocate and negotiate appropriately with or on behalf of the service user in disputes
<p>Benefits/Correspondence – Advising or assisting the service user in dealing with benefit claims and other official correspondence relevant to sustaining the occupancy of the dwelling.</p>	<ul style="list-style-type: none"> ▪ Assist the service user to access the benefits agency ▪ Assist the service user to read and understand correspondence ▪ Assist the service user to complete forms ▪ Assist the service user to provide evidence of income and/or savings ▪ Liaise/advocate for the service user with Housing and Council Tax Benefit ▪ Liaise/advocate for the service user with the landlord ▪ Assist the service user to access welfare rights services

Means Test Mechanism

The means test mechanism described below is based upon the model recommended by COSLA as representing best practice in finding the balance between maximising income generation and minimising reduced opportunity and financial hardship for service users. To ensure parity between service users who contribute towards their care costs in the community and in care homes, the Scottish Government's Charging for Residential Accommodation Guidance (CRAG) has been used extensively to ensure equal treatment of income, capital and assets.

The means test will be used to assess charges for the following services:

- Homecare;
- Housing Support;
- Supported Living;
- Sleepover Services;
- Employment Support;
- Daycare (care elements of service), and;
- Respite at home (including sleepover services).

Means Test Qualification

Service users who own capital and assets, excluding their home, equivalent or greater in value to the upper capital limit contained within CRAG will be excluded from relief under the means test and will be charged the standard cost of their care. This limit will be doubled where a couple is being assessed.

Service users who are eligible for relief under the means test will pay either:

- The standard cost of their care up to a maximum of £125 per week, or;
- The maximum that they can afford to pay, as determined using the means test.

Means Test Calculation

To determine the maximum amount the service user can afford to contribute towards their care package, the following calculation will be completed:

Total Assessed Income (A)

Less Applicable Housing Costs (B)

Less Applicable Disregards (C)

Less Relevant Income Threshold (D)

Equals residual income (E)

Maximum charge (F) is equal to residual income (E) multiplied by a taper of 80%.

A detailed explanation of each of the above steps is provided in the following section. The section on income has been split into income and capital and includes the rules for how different types of income and capital are to be treated in the means test mechanism.

Income

Income is a payment which:

- Is made in respect of a period, and;
- Forms part of a series of payments (whether or not payments are received regularly).

A payment of income is taken into account for a period equivalent to that which it represents, e.g. a payment due to be made weekly is taken into account for a week, a payment due to be made calendar monthly is taken into account for a month, but a weekly rate is calculated before assessment.

Treatment of Income

Income is treated in one of three ways:

- Taken into account in full;
- Partly disregarded, or;
- Fully disregarded.

Income Taken Fully into Account

The following types of income are taken into account in full:

- Most Social Security Benefits, including:
 - State Retirement Pension;
 - Attendance Allowance;
 - Disability Living Allowance (care component);
 - Disability Working Allowance;
 - Job Seekers Allowance;
 - Income Support;
 - Pension Credit;
 - Industrial Death Benefit;
 - Incapacity Benefit;
 - Employment and Support Allowance;
 - Maternity Allowance;
 - Severe Disablement Allowance;
- Annuity Income (see Annuity Income section below);
- Occupational Pensions;
- Refund of Income Tax;
- Trust Income (see Income from certain disregarded capital below);
- War Orphan's Pension;
- Income from an insurance policy (except mortgage protection insurance);
- Income from certain sub-lets;
- Income from certain disregarded capital

The above list has been extracted from CRAG and is not exhaustive. Where a service user receives an income from a source the treatment of which is not mentioned explicitly in this guidance, advice should be sought before completing the financial assessment.

Deductions from Benefits

Where any Social Security benefit is being subjected to a reduction (other than a reduction because of voluntary unemployment) e.g. because of an earlier overpayment, the amount to be taken into account should be the gross amount of benefit before reduction

Annuity Income

An annuity is a fixed sum payable at specified intervals (normally annually), in return for a premium payable either in instalments or as a single payment. The annuity income is payable for a specified period, such as the recipient's lifetime.

Income from an annuity is to be taken fully into account except when the annuity is:

- Purchased with a loan secured on the service user's home, or;
- A gallantry award (eg Victoria Cross Annuity, George Cross Annuity)

Income from certain disregarded capital

Income from capital will generally not be treated as income. However, income which comes from certain forms of disregarded capital is taken fully into account as income for as long as the capital is disregarded. This will be the case where the capital is:

- The normal dwelling of a temporary resident;
- Business assets which the resident is taking steps to dispose of, or;
- Any capital held in trust which is as a result of personal injury.

Income from certain sub-lets

When a resident sub-lets a part of their property which is not part of the living accommodation, for example the garage or the garden, the income from that sub-let is taken fully into account.

Income Partly Disregarded

The following types of income attract a £10 disregard:

- Payments to victims of National Socialist persecution (paid under German or Austrian law);
- Civilian war injury pension; or
- War widow's and war widower's pension.

Overall disregard

Where more than one payment qualifies for a £10 disregard, the amount disregarded **overall** is £10.

Other Disregarded Sums

Income from boarders

A boarder is someone for whom at least one cooked meal is provided. Where a resident has income from a boarder (whether paid by the boarder or a third party) the first £20 of the income should be ignored **plus** half of any balance over £20.

Earnings from Employment/Self-Employment

Where a service user is in receipt of earned income, the first £20 of their **net** earnings should be disregarded.

Where a service user's partner is in receipt of earned income, 50% of the partner's **net** earnings should be disregarded.

For couples, where both have earnings from employment, both of the above treatments are applied and aggregated to produce an overall earnings disregard for the couple.

High Rate Attendance Allowance/DLA Care Component

Where a client is receiving the higher rate of Attendance Allowance or the higher rate of the Care Component of Disability Living Allowance and **is not provided with a night time service, that is a service between 10:00pm and 6:00am**, they should be assessed as receiving the lower rate of Attendance Allowance or the middle rate of the Care Component of Disability Living Allowance.

Income Fully Disregarded

The following types of income are fully disregarded:

- Disability benefits and/or allowances paid for service user's partners who are disabled but who do not receive care services or funding for care services from the Council;
- Direct payments made by a local authority under Section 12B of the Social Work (Scotland) Act 1968 to individuals in respect of a care service that they or a dependent child have been assessed as requiring;
- Child Support Maintenance Payments and Child Benefit;
- Child Tax Credit;
- Guardian's Allowance;
- Where the service user is a student, any grant payment from a public source intended for the childcare costs of a child dependant;
- Christmas bonus;
- Carers Allowance;
- Carers Premiums within Income Support/ Job Seekers Allowance or the guarantee element of Pension Credit;
- Any payment made under the Age-Related Payments Act 2004;
- Any payment from:
 - the Macfarlane Trust;
 - the Macfarlane (Special Payments) Trust;
 - the Macfarlane (Special Payments) (No 2) Trust;
 - the Fund (payments to haemophiliacs infected with HIV);
 - the Eileen Trust;
 - The value of any ex-gratia payments from the Skipton Fund to people infected with Hepatitis C as a result of NHS treatment with blood or blood products;
 - the Independent Living (Extension Fund);
 - the Independent Living (1993) Fund (8.042);
 - the Thalidomide Trust
- Council Tax Benefit;
- Housing Benefit;
- Disability Living Allowance (Mobility Component);
- Disabled Students Allowances;
- Therapeutic Earnings;
- Mobility supplement;
- Dependency increases paid with certain benefits ;
- Gallantry awards;
- Income frozen abroad;
- Income in kind;
- Social Fund payments (including winter fuel payments);
- Certain payments made to trainees;
- War disablement pension;
- Armed Forces Compensation Scheme;
- War widows and widowers special payments;

- Statutory Redress Scheme and Advance Payment Scheme– Survivors of Historical Child Abuse;
- Future Pathways – Discretionary Fund;
- Child Disability Payment (CDP) and Short-Term Assistance (STA);
- Scottish Infected Blood Scheme (SIBSS) (and equivalent UK schemes e.g. England Infected Blood Support Scheme);
- Victims Payment Regulations 2020;
- Redress Board (Northern Ireland);
- Payment Scheme for Former British Child Migrants;
- Windrush Compensation Scheme;
- UK Energy Bills Support Scheme;
- Homes for Ukraine Payments;
- Work expenses paid by employer, and expenses paid to voluntary workers, and;
- Any payment made section 51A of the Adoption (Scotland) Act 1978.

Christmas Bonus

A Christmas Bonus is paid each year in the week starting the first Monday in December. It is paid to people who are entitled to specified benefits, for example:

- Attendance Allowance;
- Retirement Pension;
- Widow's and War Widow's and widower's Pensions;
- War Disablement Pension;
- Armed Forces Compensation Scheme;
- Incapacity Benefit or Severe Disablement Pension.

The Christmas bonus is fully disregarded in assessing the charge.

Payments from any of the Macfarlane Trusts, The Fund or the Independent Living Funds

Payments from the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Eileen Trust, the Fund, the Independent Living (Extension) Fund or the Independent Living (1993) Fund do not have to be declared if they are kept in a separate bank or building society account from the service user's other resources. All payments are fully disregarded.

Gallantry awards

Gallantry awards are:

- Victoria Cross Annuities;
- George Cross Annuities, or;
- Analogous awards e.g. one from another country.

These payments are fully disregarded.

Income Frozen Abroad

Income paid outside the UK which cannot be transferred to the UK should be fully disregarded so long as it continues to be frozen outside the UK.

Income in kind

Income in kind means income received in the form of food, clothing, cigarettes, etc. The value of such income is disregarded in full.

Payments made to trainees

Trainees on certain employment schemes may receive a training premium and reimbursement of travelling expenses. These should be fully disregarded. The actual training allowance should be taken into account.

War widows and war widowers' special payments

War widows and war widowers' special payments are made to the widows of men or widowers of women who died from injuries or illness which resulted from service ending before 31 March 1973. The special payments are intended to compensate those widows and widowers who did not benefit from the amendments to the Armed Forces Pension Scheme. These payments, which are made under the legislation, are fully disregarded.

Work expenses paid by employer

Where a person who is in paid employment receives a payment from the employer in respect of expenses which are incurred in the course of the employment that payment is fully disregarded. The payments must be for expenses incurred exclusively and necessarily in the course of work.

Expenses paid to voluntary workers

Where a person works for a charitable or voluntary body or as a volunteer, and receives no other payment as a result of the employment, any payment in respect of expenses which are actually incurred is fully disregarded.

Income Available Upon Application

General

Subject to certain exemptions, income which the local authority is satisfied would be available to the service user if an application were made, but which has not yet been acquired, is to be treated as belonging to that service user.

Amount of income

Payments of the following cannot be taken into account as notional income:

- Income payable under a discretionary trust;
- Income payable under a trust derived from a payment made in consequence of a personal injury;
- Working Families Tax Credit;
- Disability Working Allowance, and;
- Rehabilitation Allowance.

Also income which would be fully disregarded should not be included as notional income, for example Housing Benefit and DLA (mobility).

Income which is subject to the awarding authority's discretion, ie the resident has no right to payment shall also not be taken into account.

Any potential entitlement to Severe Disablement Allowance should not be taken into account. This is because entitlement to this benefit is based on medical conditions which the local authority cannot assume are satisfied.

All other income should be considered. **Examples** of income which may be treated as belonging to the claimant are:

- unclaimed councillors attendance allowance;
- unclaimed Social Security benefits (but not Severe Disablement Allowance), and;
- occupational pension not claimed.

Date taken into account

The income should be taken into account from the date it could be expected to be acquired if an application was made. In considering the earliest date that account can be taken of the income the local authority should:

- assume the application was made on the date the local authority first became aware of the possible income; **and**
- take into account any time limits which might limit the period the period of arrears.

Deprivation of Income

A service user is to be treated as possessing income of which he has deprived himself **for the purpose** of paying a reduced charge.

Meaning of deprive

A person will have deprived himself of a resource if, as a result of his own act, he ceases to possess that resource.

Questions for consideration:

Where the service user appears to have deprived himself of income the local authority should consider the questions covered in the following paragraphs:

Was it the service user's income?

Where a person, before he deprived himself of an income, was in receipt of that income it is reasonable to assume that the resource belonged to him. Sometimes there will be other evidence such as a letter or documentation which shows that the income was properly payable to the resident.

Has deprivation occurred?

Deprivation will have occurred if a person relinquishes, or transfers to another person, an income which:

- he has been receiving or was due to receive **and**:
- would have continued to receive had he not relinquished or transferred it.

It is up to the service user to prove that he no longer has the income. If he cannot prove that the income has been disposed of, the local authority should treat the service user as still possessing the **actual** income.

Purpose of the disposal of income

There may have been more than one purpose of the disposal of income only one of which is to avoid a charge, or a lower charge. This may not be the service user's **main** motive but it must be a **significant** one.

Timing of the disposal of income

Consideration should be given to the timing of the disposal of the asset when deciding whether the purpose of disposing of the asset was to avoid a charge for the service.

The local authority should make a judgement as to the purpose of the disposal of income **only** after balancing all the person's motives, explicit and implicit, and the timing behind the action. The local authority should bear in mind, however, that deprivation can be considered for resources disposed of at any time.

Conversion of income to a capital asset

Where, for the purposes of paying a reduced charge or no charge, the right to receive an income resource has been sold, and therefore converted from income to a capital asset, the local authority should consider taking account of:

- the amount of the former income resource **or**

- if the newly acquired capital gives rise to a tariff income or an increase in tariff income, the **difference** between the former income resource and the tariff income, or the increase in tariff income, arising from that capital asset.

Deprivation decided

If it is decided that the service user has disposed of income **in order to** avoid a charge or to reduce the charge payable, the local authority will need to assess the charge payable using the service user's notional income.

If the service user is unable to pay the assessed charge, the relevant Service Manger has delegated authority to waive or abate all or part of the charge

Non-disclosure of Income

Where the service user refuses to fully disclose their or their partner's income, they will be excluded from the means test and will be required to meet the standard charge for their care.

Capital

A service user's resources are either capital or income. It may not always be obvious whether a payment should be treated as capital or income, but generally, a payment of capital is one which is:

- Not in respect of a specified period, and;
- Not intended to form part of a series of payments.

Examples of capital are shown in the following list. The list is intended as a guide and is not exhaustive.

- Buildings;
- Land;
- National Savings Certificates and Ulster Savings Certificates;
- Premium Bonds;
- Stocks and shares;
- Capital held by the Court of Protection or a Receiver appointed by that Court;
- Any savings held in:
 - building society accounts - income which is paid into an account becomes capital once the period over which it is taken into account as income expires;
 - bank current accounts, deposit accounts or special investment accounts. This includes savings held in the National Savings Bank, Girobank and Trustees Savings Bank - income which is paid into an account becomes capital once the period over which it is taken into account as income expires;
- SAYE schemes;
- Unit Trusts;
- Co-operative share accounts;
- Cash;
- Trust funds;

The Effect of Capital

- A service user with capital of more than £32,750 is liable to meet the standard charge for the chargeable services provided to them;
- Where the service user is of working age, the first £6,000 of the capital they own is disregarded, this is the lower capital allowance;
- Where the service user is of pension age, the first £10,000 of the capital they own is disregarded, this is the lower capital allowance;
- Capital owned over the lower capital allowance and up to £32,750 is taken into account in full for the purposes of calculating the service user's weekly tariff income:
 - For service users of **working age**, a weekly tariff income is calculated as £1.00 per week for every **£250.00**, or part thereof, owned by the service user between £6,000 and £32,750.
 - For service users of **pension age**, a weekly tariff income is calculated as £1.00 per week for every **£500.00**, or part thereof, owned by the service user between £10,000.00 and £32,750.

Note

The upper capital threshold of £32,750 above is taken from the Scottish Government's Charging for Residential Accommodation Guidance (CRAG). This rate will be reviewed annually to ensure that it matches the CRAG threshold.

The lower capital thresholds and tariff charge increments are taken from the Department for Work and Pension's (DWP) Council Tax Benefit and Housing Benefit assessment rules. These rates will be reviewed annually to ensure that they match any changes in the DWP's rules.

Tariff Income

Tariff income is meant to represent an amount that a service user with capital over a certain limit should be able to contribute towards their service costs, not the interest earning capacity of that capital.

Beneficial Ownership of capital

A capital asset normally belongs to the person in whose name it is held. The following paragraphs provide guidance on how to establish beneficial ownership where there is a dispute.

Ownership disputed

Where ownership is disputed, ask for written evidence to prove ownership. Where a service user is said to be holding capital for another person, obtain evidence of the arrangement and the origin of the capital, and evidence to show the intentions for its future use and for its return to the rightful owner.

Joint Beneficial Ownership of Capital

Where a service user has joint beneficial ownership of capital, unless it is an interest in land with someone else, divide the total value equally between the joint owners, and treat the service user as owning an equal share. This method of treatment avoids administrative difficulties. Once the service user is in sole possession of their **actual** share, treat them as owning that actual amount.

Valuation

For the purposes of valuation only the value of a capital asset (for example property) **other than** National Savings Certificates (see specific section below) is the current market or surrender value, whichever is higher, **less**:

- 10% of that value if there would be any expenses involved in selling the asset only where there will be actual expenses. The expenses must be connected with the actual sale, and not simply the realisation of an asset, e.g. the cost of fares to withdraw money from a bank are not expenses of sale. The deduction is always 10% even if it is known from the outset that the actual expenses will be more or less than 10%; **and**
- any outstanding debts secured on the asset, e.g. a mortgage.

A capital asset may have a current market value (e.g. stocks and shares) or a surrender value (e.g. premium bonds). The current market value will be the price a willing buyer would pay a willing seller. The way the market value is obtained will depend on the type of asset held, e.g. the values of stocks and shares or unit trusts which are quoted in newspapers.

If the service user and the assessing officer both agree that, after deducting the amounts in the paragraph above (where appropriate), the total value of the service user's capital will be:

- more than £32,750; or
- £6,000 or less

it is not necessary to obtain a precise valuation. If there is any dispute, obtain a precise valuation.

In the case of land, buildings or a house, where it is necessary to obtain a precise valuation because of a dispute, a professional valuer should be asked to provide a current market valuation.

Expenses of sale

Once the asset has been sold (e.g. a property), the capital to be taken into account is the actual amount realised from the sale less the actual expenses incurred during the sale.

Debt secured on asset

"Secured on" means a legal charge or mortgage must be made on the actual capital asset.

The value of the land to be taken into account is the market value of that piece of land, less 10% of that value for expenses of sale and **the whole of the mortgage** secured on the home and the extra land.

National Savings Certificates

The original purchase price should be used when valuing National Savings Certificates.

Capital Disregarded Indefinitely

The capital assets listed below are disregarded indefinitely:

- Property in specified circumstances;
- Surrender value of any:
 - Life insurance policy;
 - Annuity;
- Payments of training bonus up to £200;
- Payments in kind from a charity;
- Any personal possession such as painting or antiques unless they were purchased with the intention of reducing capital for the purpose of reducing the local authority charge;
- Any capital which is to be treated as income or student loans
- Any payment made by or derived from:
 - the Macfarlane Trust;
 - the Macfarlane (Special Payments) Trust;
 - the Macfarlane (Special Payment) (No 2) Trust;
 - the Fund (payments to haemophiliacs infected with HIV);
 - the Eileen Trust;
 - The Independent Living Fund;
 - the Independent Living (Extension) Fund;
 - the Independent Living (1993) Fund;
- The value of funds held in trust or administered by a court which derive from a payment for personal injury to the service user (e.g. vaccine damage, criminal injuries compensation funds);
- The value of a right to receive:
 - Income under an annuity;
 - Outstanding instalments under an agreement to repay a capital sum;
 - Payment under a trust where the funds derive from a personal injury;
 - Income under a life interest or a life rent;
 - Income (including earnings) payable in a country outside the UK which cannot be transferred to the UK
 - An occupational pension;
 - Any rent
- Any Social Fund payment
- 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
- Any capital resource which the service user has no rights to as yet, but which will come into their possession at a later date, e.g. on reaching a certain age (reversionary interest)

- The amount of any bank charges or commission paid to convert capital from foreign currency to sterling
- Payments from the Department for Work and Pensions to compensate for the loss of entitlements to Housing Benefits or Housing Benefit Supplement
- Any payment made under the Age-Related Payments Act 2004.
- Payments to jurors or witnesses for court attendance (but not compensation for loss of earnings or benefit)
- Community charge rebate/council tax rebate
- Money deposited with a Housing Association as a condition of occupying a dwelling
- 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's or civil partner's imprisonment or internment by the Japanese during the Second World War.

Disregarded for 52 weeks

The following payments of capital are disregarded for a maximum period of 52 weeks from the date they are received.

The balance of any arrears of, or compensation for arrears due to non-payment of:

- Mobility Allowance;
- Mobility Supplement;
- Attendance Allowance;
- Constant Attendance Allowance;
- Disability Living Allowance;
- Disability Working Allowance;
- Exceptionally Severe Disability Allowance;
- Severe disablement occupational allowance;
- Armed forces service pension based on need for attendance;
- Pension under the Personal Injuries (Civilians) Scheme 1983, based on the need for attendance;
- Income Support/ Pension Credit;
- Minimum Income Guarantee;
- Working Families Tax Credit;
- Disabled Person's Tax Credit;
- Working Tax Credit;
- Child Tax Credit;
- Housing Benefit, and;
- Special payments to pre-1973 war widows.

As the above payments will be paid for specific periods, they should be treated as income over the period for which they are payable; any money left **over 52 weeks after the end of** the period for which they are treated as income has elapsed should be treated as capital.

Disregarded for 2 years

Payments made under a trust established out of funds provided by the Secretary of State in respect of persons suffering from variant Creutzfeldt-Jakob disease to:

- The victim's parent (or guardian) for 2 years from the date of death of the victim (or from the date of payment from the trust, if later) or
- A dependent child or young person until they cease to be a member of the family (i.e. until they leave school between ages of 16 and 19) – but with a minimum of 2 years.

Income treated as capital

The types of income in the following paragraphs should be treated as capital.

Tax Refunds

Any refund of income tax charged on profits of a business or earnings of an employed earner.

Holiday Pay

Any holiday pay paid by an employer more than 4 weeks after the termination or interruption of employment.

Income from a capital asset

Income derived from capital, e.g. building society interest or dividends from shares, should be treated as capital from the date it is normally due to be credited to the resident's account. This does not apply to income from disregarded capital.

Bounty Payments

Any bounty paid at intervals of at least one year from employment as:

- A part time fireman
- An auxiliary coastguard
- A part time lifeboatman
- A member of the territorial or reserve forces.

Advance of earnings or loan from employer

Any advance of earnings or loan made to an employed earner by the employer, should be treated as capital, if the service user is not still in work, as the payment does not form part of the employee's regular income and would have to be repaid.

Example

A service user received £294 in one week but the pay slip showed that £200 of this was a loan made by the employer.

The local authority should treat £94 as earnings and £200 as capital.

Irregular charitable and voluntary payments

Apart from certain exemptions (payments from AIDS trusts), charitable and voluntary payments which are neither made regularly nor due to be made regularly should be taken into account as capital in the normal way.

Deprivation of Capital

General

The local authority may feel that a service user has deprived themselves of a capital asset in order to reduce their service charge. If this is the case the local authority may treat the service user as still possessing the asset. The following factors will need to be considered.

Pension Credit includes slightly more relaxed notional capital rules compared with Income Support. In Income Support, individuals may be treated as if they still possess capital in circumstances where they have deliberately deprived themselves of it in order to maximize their benefit entitlement. Pension Credit specifies circumstances in which this would not apply. For example, individuals who choose to use their savings to reduce or clear a debt (including debts not immediately repayable) will no longer be considered as having deliberately deprived themselves to maximise entitlement. Pension Credit will also have slightly different rules for what resources an individual may be assumed to have when they apply for benefits.

Forms of capital to be considered

The local authority should only consider questions of deprivation of capital when the service user ceases to possess capital which would otherwise have been taken into account.

E.g. a service user gives a diamond ring worth £2,000 to her daughter the week before her service starts. The local authority should not consider deprivation as, had the ring still been possessed, it would not be taken into account as capital. **However**, if the service user had purchased the ring immediately prior to giving it to her daughter with £2,000 which had previously been in a Building Society account, deprivation should be considered.

Ownership

The local authority should decide from available evidence whether the service user owned the capital.

Has deprivation occurred?

It is up to the service user to prove that they no longer has a resource. Failure to do so will result in the local authority treating the service user as if they still possess the **actual** capital. Examples of acceptable evidence of the disposal of capital would include

- a trust deed
- deed of gift
- receipts for expenditure
- proof that debts had been repaid.

Examples of where a person has deprived themselves of capital (although not necessarily for the purposes of avoiding a charge for accommodation)

- A lump-sum payment has been made to someone else (e.g. as a gift or to repay a debt)
- Substantial expenditure has been incurred (e.g. on an expensive holiday)
- The title deeds of a property have been transferred to someone else
- Money has been put into a trust which cannot be revoked
- Money has been converted into another form which would fall to be disregarded (e.g. personal possessions)
- Capital has been reduced by living extravagantly (e.g. gambling or following a much higher standard of living than the service user could normally afford).
- Capital has been used to purchase an investment bond with life insurance. Local authorities will wish to give consideration, in respect of each case, to whether deprivation of assets has occurred i.e. did the individual place their capital in such an investment bond so that it would be disregarded for the purposes of the charge assessment.

Purpose of disposing of an asset

There may be more than one purpose for disposing of a capital asset only one of which is to avoid a charge for services. Avoiding the charge need not be the service user's main motive but it must be a **significant** one.

If, for example, a person has used capital to repay a debt, careful consideration should be given to whether there was a need for the debt to be repaid at that time. If it seems unreasonable for the service user to have repaid that debt at that time, it may be that the purpose was to avoid a charge for services.

Timing of the disposal

The timing of the disposal should be taken into account when considering the purpose of the disposal. It would be unreasonable to decide that a service user had disposed of an asset in order to reduce his charge when the disposal took place at a time when he was fit and healthy and could not have foreseen the need for services. The local authority should bear in mind, however, that deprivation can be considered for resources disposed of at any time.

Conversion of capital to personal possessions

Where, for the purpose of avoiding or reducing the charge for services, capital which would not have been disregarded has been used to acquire personal possessions, the current market value of those possessions should be taken into account as an actual resource. Their market value should not be disregarded under these circumstances.

If the service user, in depriving himself of an actual resource, converted that resource into another actual resource of lesser value, he should be treated as notionally possessing the difference between the value of the new resource and the one which it replaced e.g., if the value of personal possessions acquired is less than the sum spent on them the difference should be treated as a notional resource.

Deprivation decided

If the local authority decides that the service user has disposed of capital in **order** to avoid a charge or to reduce the charge payable, the local authority will need to decide whether to treat the service user as having the capital (notional capital) and assess the charge payable accordingly **and then** whether it is realistic to recover the assessed charge from the service user (bearing in mind that they may not have the means to pay the debt which will be accruing)

Diminishing notional capital

Calculation of the rate at which notional capital should reduce

Where a service user has been assessed as having notional capital that capital will have to be reduced each week by the difference between the rate which he is paying for the service and the rate he would have paid if he was not treated as possessing the notional capital.

Applicable Housing Costs

Deductions will be made from the service user's assessed income for the following net housing costs:

- Rent;
- Mortgage;
- Council tax (including water and sewerage charges), and;
- Interest payable on loans that have been taken out to improve, extend or adapt the service user's home, as long as they are related to the service user's disability.

Non-Dependent Rent Allowance (NDRA)

Where a service user resides with their parents and/or other family members, a weekly deduction will be made for rent equivalent to the non-dependant deduction applied in Housing Benefit for non-dependants receiving Income Support/ESA. Where the client's housing costs exceed the standard allowance, for example as a direct consequence of their disability, an application for an additional disregard should be made through the waivers and abatements policy.

Applicable Disregard

The applicable disregard is the weekly equivalent total of all of the items of income which are partially or fully disregarded, as specified in the Income section of this scheme, and allowable expenses which includes:

- Any personal contribution payable by the service user and/or their partner towards an Independent Living Fund funding package, and;
- Any charges payable by the service user for other privately or separately arranged care which meets the following criteria:
 - The care delivered is assessed as P1 or P2 under the Council's priority of need framework;
 - The care delivered is included within the client's care plan, and;
 - The price being paid is the lowest available to the client (for example where a client purchases private physiotherapy which would be available to them free on the NHS, the council would not disregard the cost of this service in the client's assessment as it does not meet the lowest cost criteria).

Other Care Charges and Contributions Taper Adjustment

To compensate for the effect of the 80% taper used to calculate the charge payable by the service user, a taper adjustment equal to one quarter of the total deduction allowed for the service user's ILF contribution, partner's assessed contribution and/or charges for other private or separately arranged care is applied. This ensures that the service user receives the full benefit of the allowable deductions for these expenses.

Financial and charge assessments will be calculated on a **gross** basis and deductions detailed to ensure the transparency of the assessment for the service user and to avoid any confusion about how charges have been calculated.

Income Thresholds

Income thresholds represent the minimum amount of money which the Government, via the Department for Work and Pensions, determines that a service user of a particular age and circumstance requires to meet their weekly living costs.

To ensure full compliance with the COSLA Guidance on Charging for Non-Residential Services, this scheme requires that the Council's Income Thresholds are calculated using the allowances and premiums calculated by the Department for Work and Pensions for the purpose of determining minimum weekly living costs and that an additional 25% Buffer is added thereto to minimise service users' exposure to financial hardship.

Income thresholds will be calculated annually and published for use within the Social Work Service. Staff undertaking financial and charge assessments should select the most appropriate threshold to apply to individual assessments using the following criteria:

- The age of the service user; whether the service user is of working or pension age, and;
- Whether the service user is one of a couple or an individual.

When assessing a couple, threshold selection should **always** be determined on the circumstances of the **elder** member of the couple.

Residual Income and the Taper

Residual income is the income which the service user has left over after deducting housing costs, disregarded income and weekly living costs (income threshold). The maximum charge that the service user can afford to pay is thereafter calculated on the basis of 80% of their residual income.

The level of taper applied is at the Council's discretion and will be reviewed on an annual basis to ensure that a balance between cost recovery and fair charging is maintained.

Standard Charge

The standard charge is equal to the lesser of the actual cost of the service user's service or the maximum charge levied by the Council for the service (this represents a capped charge in order to protect individual service users from excessive charges due to higher than average care needs). The maximum Charge levied by the Council comes from the Council's list of Fees and Charges, agreed annually by Council Members.

Final Charge

The final charge to be paid by the service user will be the **lesser** of the standard charge for the service user's service **or** the maximum charge they can afford to pay **or** £125 per week.

Collection

Service user charges for homecare, housing support, supported living, employment support and day care will be collected on a 4 weekly in arrears basis.

Service user charges for respite at home will be collected as soon as practically possible following the delivery of service.

Lunch Clubs

Charges of the Lunch Club service will be levied at a flat rate per meal provided to the service user.

The Council will review the charge for the Lunch Club service on an annual basis to ensure that the charge levied is sufficient to recover the costs to the Council of providing the service.

Collection

Charges for the Lunch Club service will be collected at the point of delivery with the exception of Lunch Club services provided to service users suffering from Dementia, where charges will be collected on a 4 weekly in arrears basis.

Transport

Transport to and from day care facilities, including to resource centres, provided by the Council, directly using Council vehicles or indirectly by private transport companies including minicab companies, will be charged for from 1 April 2011.

It is hoped that by implementing this new charge, service users will be encouraged to use public transport, reducing the Council's costs and carbon footprint. Where service users cannot or will not use public transport, implementation of a transport charge will enable the Council to recover some of its transport costs.

Transport provided for excursions will be charged for in accordance with the mileage allowances set by Her Majesty's Inland Revenue and Customs, The total charge will then be divided equally between all of the participating service users.

Collection

Charges for transport services will be collected weekly in arrears by the day care and resource centres delivering the users service.

Telecare

Charges for the Telecare service will be levied at a flat rate based on the type of service provided.

The Council will review the charges for the Telecare service on an annual basis to ensure that the charge levied is sufficient to recover the costs to the Council of providing the service.

Collection

Charges for the Telecare service will be collected on a 4 weekly in arrears basis