

# Paying for Care

## Policy



Hampshire  
County Council

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<b>Paying for Care Policy</b>		
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# 1. Overview of charging in Hampshire County Council

## 1.1 Introduction

Unlike services that may be provided to you by the National Health Service, social care services (with some limited exceptions) are not provided free of charge. Your eligibility for financial assistance from the County Council will be determined by a means tested, financial assessment. This policy explains the financial assessment process and how any charges for care and support services in both residential and community settings are assessed and charged.

The policy will apply to you if you are ordinarily resident in Hampshire and have been assessed as having eligible care and support needs under the Care Act 2014. If you are ordinarily resident in another council area, further information can be found in section 4.5 of this policy.

In assessing what you can afford to pay, the County Council must apply the nationally set "upper" and "lower" capital limits in force at the relevant time (see section 1.7). These figures can change from year to year and are published by the Department of Health and Social Care annually. The upper limit is currently £23,250 and the lower limit is £14,250 (as of January 2025). If the total of your financial resources, such as, savings, capital and assets, is over the upper limit, you will be deemed as being able to afford the full cost of your care and be required to self-fund your care (see section 1.5).

If your financial resources are less than £23,250, we will undertake a financial assessment to determine how much you will be expected to contribute towards the cost of your care. You will not be charged more than you can afford to pay as determined by the regulations. You will not be asked to pay more than the amount the Council paid for your care, but if your financial assessment determines you should pay the full cost of services provided to support you to remain at home (non-residential care), you may need to pay an administration charge if the County Council secures the care and support on your behalf (see section 1.5).

The County Council is committed to ensuring that everyone is treated fairly. The overarching principle is that people should only pay what they can afford.

This policy applies the following principles:

- Be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet people's needs
- Ensure that people are not charged more than it is reasonably practicable for them to pay
- Be comprehensive, to reduce variation in the way people are assessed and charged
- Be clear and transparent, so people know what they will be charged
- Promote wellbeing, social inclusion and support the vision of personalisation, independence, choice and control

- Support carers to look after their own health and wellbeing and to care effectively and safely
- Apply the charging rules equally so those with similar needs or services are treated the same, and minimise anomalies between different care settings
- Encourage and enable those who wish to stay in or take up employment, education or training or plan costs of meeting their needs to do so

The County Council also has a duty to manage public finances effectively and ensure this policy is sustainable in the long-term.

### **The Legal Framework**

The main legislation, regulations and guidance that apply to this policy are:

- The Care Act 2014 (the "Act")
- The Equality Act 2010
- The Care and Support (Charging and Assessment of Resources) Regulations 2014
- The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014
- The Care and Support (Deferred Payment) Regulations 2014
- The Care and Support (Preventing Needs for Care and Support) Regulations 2014
- The Care and Support Statutory Guidance (as in force at the relevant time) in particular Chapters 8 and 9 and annexes A-F

You can see these acts and guidance on the [Government website](#). Your social care worker will be able to provide you with further information and ensure you are part of planning your care for your individual needs and requirements. Further sources of information and support can be found in Appendix 1 of this policy.

Any aspect of charging for care which is not explicitly mentioned within this policy will be dealt with according to the Act and the Care and Support Statutory Guidance.

You have the choice to manage your own services, or to ask the Council to do this for you. This does not affect your entitlement to an assessment of needs, nor access to advice and information we can provide to you.

## **1.2 Types of care**

### **Residential Care**

Residential care is where you live in a residential care home or a care home that provides nursing care, a nursing home, rather than in your own home. In this policy we will use the words care home to mean either a residential care home or a nursing home, unless a distinction must be made.

If you are unable to live independently, even with extra support, you may need to consider moving into a care home. Your care and support needs at the time will be assessed and discussed with your social care worker and your family as part of your needs assessment. In certain circumstances, you may only need short term care. This may be appropriate for example if you are recovering from a hospital stay or illness, or to give the person who cares for you a break from their caring responsibilities. In other circumstances, you may need more permanent care and support within a care home. Agreement will be reached with you and your family on the type and the length of the care that you might need.

In most cases your needs assessment will clearly identify what type of placement is required to meet your needs, for example, one that provides personal care or one that provides both nursing and personal care. Care homes are in the main, independently run by a variety of private and not-for-profit organisations. All registered care homes are regulated by the Care Quality Commission. Their [website](#) provides general information and copies of inspection reports which have been undertaken by the Care Quality Commission to ensure they meet appropriate standards of care.

### **Care at Home (Non-Residential Care)**

Care at home, or Non-Residential care refers to care and support received whilst you remain in your own home, and other adult social care services provided in the community, outside of a care home. There are many different types of services. Your social care worker will be able to discuss with you what services are available that will best meet your eligible needs. Some people have a mixture of services, but some people may only have one.

These services include, but are not limited to:

- Home care (care in your own home including extra care housing peace of mind charges)
- Day opportunities
- Support work
- Transport to services
- Supported living
- Shared lives services
- Other services you may purchase directly, such as, personal assistant (direct payments)
- Respite or short stays in a care home
- Social care or residential accommodation provided at a Further Education college

### **1.3 Who is charged**

If you are ordinarily a resident in Hampshire, are over 18 years of age, have been assessed as being eligible for care at home, in the community or in a

care home, you will need a financial assessment to determine how much you will be charged towards your care costs.

Some Adult Care services are free of charge and if these are the only services where you will not need a financial assessment. These are:

- Reablement services (up to six weeks maximum) – help with daily living activities and other practical tasks to enable you to maintain or regain the ability needed to live independently in your own home
- Community equipment (aids and minor adaptations to property) – this is for the purpose of assisting you at home or aiding your daily living. Aids are provided free of charge to meet, prevent or delay needs. A minor adaptation is one which costs £1000 or less
- Any services required to meet an assessed need under section 117 Mental Health Act 1983 known as "after-care". This is a need which must relate to the reason you were detained. You are only eligible for section 117 after-care if you have ever been hospitalised under section 3, 37, 45A, 47 or 48 of the Mental Health Act 1983 and have since been discharged from hospital. It is possible to be in receipt of after-care services under section 117 but have additional needs that are not related to your mental disorder; these needs would fall outside the scope of section 117 and they would be assessed in the usual way and may be charged for
- For care and support provided to people with variant Creutzfeldt Jakob Disease (CJD)
- NHS continuing healthcare - which is an ongoing package of health and social care and support that is arranged and fully funded by the NHS. If you become no longer eligible for NHS continuing health care and you are being provided services by us, you will be responsible for paying any charge you have been assessed as being able to afford from the date the health funding ceases
- Your care assessment and care planning
- Carers' support services

#### **1.4 Personal Budgets**

If your care assessment identifies eligible needs, you will be allocated a Personal Budget. This is the amount your total care package should cost for the year, including carers short breaks. Your Personal Budget will be made up of money from the County Council plus the charges you have been assessed to pay, if any. You can use this budget to buy the care and support you need by one of the following ways:

- By receiving services commissioned or arranged by the County Council
- As a direct payment (see section 3.9) - this means that you will be able to purchase your care and support yourself within your allocated Personal Budget

- As a managed account held by a third party, called an Individual Service Fund (ISF), with support provided in line with your wishes

In some cases, you may wish to split your Personal Budget so that you pay for some services directly, for example day care, and ask the County Council to manage other services, such as your home care provider.

## 1.5 Self-funders

A self-funder is someone who must pay for the full cost of their care and support. The most common situation is where your financial resources are above the upper capital limit in force at the time, currently £23,250.

In some circumstances you will be classed as a self-funder if you:

- Choose not to disclose your financial information to enable a full financial assessment to be undertaken - in these circumstances you will be asked to sign a declaration that you are happy to pay the full cost of services received
- Fail to co-operate and / or do not provide a completed financial assessment form and the correct evidence within 28 days of the start of care without good reason (see section 1.14)
- Are not eligible for financial support following a full financial assessment

Have been assessed for care and support needs but are not considered to have eligible care and support needs. If this is the case, you will still be entitled to a free assessment of your care needs. If you then wish for the County Council to arrange and manage a care at home (non-residential) care package to meet those needs, rather than making your own arrangements directly with your chosen service provider(s), you will be charged a one-off, non-refundable arrangement fee plus an on-going weekly administration charge which is updated each year. Please see the County Council's Annual Statement (Appendix 6) for details of the current charges.

This "Brokerage fee" will cover the costs we incur for arranging your care and negotiating and managing the contract with the care provider as well as the cost of administering payments and invoices.

Anyone may choose to enter private arrangements with care providers to arrange their care. If you are self-funding your care, you will have to contract with and pay your chosen providers. Your social care worker can provide further advice and direct you to further sources of information. You may also be able to apply for a deferred payment loan agreement to finance your care in a care home (see section 2.5).

For residential care, we will arrange care home accommodation where you are assessed to need residential care if you do not have the capacity to make the arrangements yourself and there is no one willing or able to make the

arrangements on your behalf. You will however still be required to meet the full cost of your care.

You may also use the services of outside organisations that are able to arrange and manage care packages on your behalf, for example, an independent social care worker or broker. In such circumstances, you and your representatives will be encouraged to fully consider both the benefits and the drawbacks this may offer in terms of additional choice, the potential charges of such organisations and the rates care providers would charge privately.

Once your assets start to fall towards the capital limit in force at the time (or fall below £40,000 if you are living in a care home), you should consider approaching us in good time to see whether we are required to meet your needs. You will be asked to provide at least 2 years' worth of financial evidence and may require a further care needs assessment. We reserve the right to ask for further details and evidence going back further in some complex cases. Please see Appendix 1 for details on where to get independent financial and legal advice and when the time comes, contact our Contact and Review call centre who can direct you. Details of how to get in touch are also in Appendix 1.

## **1.6 Will I need a full financial assessment – 'light touch' assessments**

There are some circumstances in which we are permitted, with your consent, to carry out what is called a "light touch" assessment. To do so we must be satisfied on the basis of evidence that you will be able to afford and continue to afford any charges due. In considering this, we will consider not only any evidence that you are able to provide but also the level of the charge we propose to make. In these circumstances we will be able to treat you as if an assessment has been carried out.

The main circumstances in which a light touch assessment can be considered are as follows:

1. You have significant financial resources, and you do not wish to have a financial assessment. In these circumstances we will want to be satisfied that you are able to afford the charges. This may be evidenced where you have property clearly worth more than the upper capital limit or you have clear savings or other capital assets above the limit of £23,250 (see section 1.7)
2. The charges for the services are small or nominal, and you are able to pay and would clearly have the relevant minimum income left, where carrying out a financial assessment would be disproportionate
3. You are in receipt of benefits which already show that you would not be able to pay towards your care and support costs. In this case we will ask for evidence of what benefits you receive

Before we undertake a light touch assessment, we will need your consent to do so and your confirmation that you are willing to pay the charges levied.

Without this we will be required to undertake a full financial assessment. If you do consent to a light touch assessment you will still need to provide some details to us such as your date of birth, National Insurance number, any evidence referred to above and contact details. You will also be asked to sign a declaration.

Once a light touch assessment has taken place, you will be advised of the outcome and of your right to request a full financial assessment should you wish to do so. Information about the financial assessment is contained in this policy and on our website for you to be able to decide whether a light touch assessment is right for you.

## **1.7 Capital**

As part of your financial assessment, you will be asked about any savings, investments or assets you own or part own. In accordance with the regulations, some capital is included in your assessment in full and some is disregarded (not included) indefinitely or for a fixed period. For example, capital under the lower capital limit, currently £14,250, will always be disregarded.

By providing details of all your capital assets we can make sure that you are being assessed correctly in accordance with the regulations. The following are some examples of capital that is considered; it is not an exhaustive list:

- Any bank or savings accounts
- Bonds or premium bonds
- Stocks and shares
- Life assurance policies or trusts
- The value of any properties or land owned in this country or abroad, including your main residence (see below).
- Capital in business

We will need to know details of any capital assets for example: property, an entitlement under a trust fund or other investments. Sometimes you may be an owner of an asset (legal owner) and named as such. In other cases, you may have an established entitlement in an asset but your name does not appear as a legal owner. In this instance you are known as a "beneficial" owner. In some cases, you may be both. In each of these scenarios it will be important to provide full details so that we can ensure you are assessed correctly. If you are unsure just include the information.

If you are receiving care at home, or non-residential care services, your main **or** only home will not be taken into consideration as part of the financial assessment.

If you are entering into or permanently living in a care home, the value of any property you own (or part own) may need to be included as part of your assessment.

Section 2 contains further information on Residential Care Charging

### **Example 1 – Capital dispute**

You have £14,000 in a savings account in your name. You say that £3,000 is set aside for your granddaughter's education. Unfortunately, there is no deed of trust or other legal arrangement which would prevent you using the whole amount yourself. You will therefore be treated as the beneficial owner of the whole amount and will be counted in your financial assessment.

### **Example 2 – Capital dispute**

You have £10,000 in a bank account in your name and shares valued at £6,500. You provide evidence to show that the shares were purchased on behalf of your son who is abroad and that they will be transferred to him when he returns to the UK. Although you are the legal owner, you are holding the shares in trust for your son who is the beneficial owner. Only the £10,000 is therefore treated as capital.

### **Example 3 – Capital Dispute relating to inclusion of property**

You have a property you own but have decided to rent it to tenants and move into an annex with your daughter. The annex is now considered your main residence, which means the value of your property will be included as an asset in your financial assessment.

### **How will we value a capital asset?**

The value and treatment of capital assets are set out in the regulations and in Annex B of the Care and Support Statutory Guidance. The value of the asset is usually either the current market value of the asset (for example, property, stocks and shares) or its surrender value (for example, premium bonds). Where capital is jointly owned, the beneficial owner is treated as owning an equal share of that capital asset unless there is evidence that you own more (or less) than an equal share. The current market value of an asset is assessed as being the price a "willing buyer would pay to a willing seller". If there will be any actual expenses in selling the asset the value of the asset will be reduced by 10%.

If you have property, the property will be valued in accordance with its current market value at the time of your assessment minus:

- 10% of the value to allow for expenses of sale. Any expenses must relate to the actual sale, for example, legal fees
- Any outstanding debts on the property such as a mortgage

Where there is a dispute about the value of an asset, we will try to resolve this as quickly as possible by obtaining an independent valuation. If the asset is sold, the capital amount to be considered is the actual amount realised from the sale less any actual expenses incurred.

## How will capital be financially assessed?

Depending on whether you are receiving care at home or moving into a long-term care home, certain capital assets can be disregarded but you should inform us of your total assets.

In some cases, you may be treated as having capital that you do not have. This is known as notional capital. Notional capital may be money that:

- Would be available to you if you had applied for it.
  - For example, if your weekly income is at a level that would make you eligible to claim benefits such as **Attendance Allowance** or **Pension Credit**, these benefits will be included in your financial assessment as income available to you. It is your responsibility to ensure that you apply for and claim any benefits you are entitled to.
- Is paid to a third party on your behalf.
  - For example, if your **Power of Attorney (POA)** or another individual managing your finances gifts money to someone else on your behalf, the value of those gifts may be treated as income available to you and included in your **financial assessment**. For example, if you intentionally gift large sums of money or property, or transfer assets into a trust with the purpose of making them unavailable to pay for your care—at a time when it is reasonable to foresee that you may need to fund your own care—these assets may still be treated as available to you and included in your **financial assessment**.
- You have deprived yourself of to reduce the amount of charge you have to pay for your care.
  - For example, if you intentionally gift large sums of money or property, or transfer assets into a trust with the purpose of making them unavailable to pay for your care—at a time when it is reasonable to foresee that you may need to fund your own care—these assets may still be treated as available to you and included in your **financial assessment**.

Your capital comprises both actual and notional capital.

How your capital is treated during the calculation of your charges depends on the total amount you have:

Amount of capital/savings	Treatment in financial assessment
£0 - £14,250	You won't need to use your capital resources to pay towards care and support. Any assessed charges will be worked out from your income only. A person with assets below the lower capital limit will pay only what they can afford from their income.

£14,251 - £23,250	Your financial assessment will include an additional “tariff” on your savings amount, called “tariff income”. This is added at a rate of £1 for every £250 or part £250. This would be noted as a type of charge called “tariff income” within your financial assessment. A person with assets between the capital limits will pay what they can afford from their income, plus a means-tested contribution from their assets (calculated as £1 per week for every £250 of capital between the capital limits).
£23,250	You are assumed to be able to afford the full cost of your care and support. We will class you as a self-funder (see section 1.5). A person with assets above the upper capital limit is responsible for the full cost of their care in a care home.

### Example

You have £3,000 of premium bonds, £10,000 in an ISA and £8,100 in your savings / current accounts.

Your total capital is £21,100 – this is £6,850 above the lower threshold of £14,250. You will be charged £1 per £250 (or part thereof) over the £14,250 lower threshold limit.

£6,850 divided by £250 = 27.4

You will be charged £28 per week tariff income.

## 1.8 Income

You will also be asked about the money you have coming in regularly or are entitled to. This could be pensions, benefits or earnings. The form or Assessment Officer will prompt you for most common sources of income, however, you should provide information about all your income, as this will help us to let you know about any benefits you are entitled to and are not claiming (see section 4.1).

Benefits that you are entitled to but have chosen not to claim may be included in your income. Just like capital assets it is important that you advise of all your income. There are also some sources of income (just like capital) which will be disregarded in your financial assessment. Common sources of income and whether they are included or disregarded fully or partially when calculating your charges can be found in Appendix 2. Income is net of any tax or national insurance contributions.

In some circumstances you may be treated as having income that you do not actually have. This is known as notional income. This might include, for example:

- Income that would be available on application but has not been applied for such as benefits you are eligible for but have not claimed or where you are eligible to receive a pension but have not arranged to draw Down the maximum annuity income
- Income that is due but has not been received
- Income that you have deliberately deprived yourself of for the purpose of reducing the amount you are liable to pay for your care

### **Example – Notional income**

You have a pension fund worth £25,000. You access this flexibly and as a result only draw down £5 a week as income when you begin to receive care and support. The maximum annuity income would be £100 per week. For the purposes of the financial assessment, we can assume an income of £100 per week.

## **1.9 Couples**

Every person is treated individually for purposes of a financial assessment. This means that we will assess only the income and capital of the individual who is undergoing the financial assessment. This approach applies in all care settings. Jointly owned assets, income and expenses will be divided equally when assessing your finances; unless you inform us otherwise on the form or via email/letter and provide evidence proving your share.

If you are living in long term residential care, we can disregard 50% of private pensions to support your spouse or partner if they are remaining in your former home.

## **1.10 Deprivation of income or assets**

You are free to spend your income and assets as you see fit, including making gifts to friends and family. However, it is also important that if you have care and support needs you pay the charges for your care costs that you are responsible for. Deprivation of assets occurs where you must have known that you would need care and support and you have disposed or reduced your income and/or assets in order to reduce the amount you are charged towards your care.

Annexe E of the Care and Support Statutory guidance provides some examples of how you may deprive yourself of assets:

- A lump sum payment to someone else
- Substantial expenditure has been incurred suddenly and is out of character with previous spending
- The title deeds of a property have been transferred to someone else
- Assets have been put into a trust that cannot be revoked
- Assets have been converted into another form that would be subject to a disregard under the financial assessment

- Assets have been reduced by living extravagantly for example gambling
- Assets have been used to purchase an investment bond with life insurance

Deprivation will not be automatically assumed, there may be valid reasons why you no longer have an asset. When deciding whether this is the case, we will look at different factors, including the reasons for transfer and whether, at the time of transfer, you knew that it was likely that you would need care in the future.

Cases where it is considered there may have been a deprivation of assets with a view to reducing or avoiding care fees are reviewed by a Financial Assessments Panel, which includes a representative from Legal Services, Adults' Health and Care Finance, and an operational Head of Service.

If the view is that there has been a deprivation of assets, you will be treated as if you still have possession of those assets for the purpose of the financial assessment; this is called notional capital or notional income. If assets have been transferred to a third party to avoid the charge, action may be taken against the third party. As with any debt, when other efforts to retrieve the debt have been exhausted, recovery proceedings can be instigated. When pursuing the recovery of charges, we will act in accordance with Annex D of the Care and Support Statutory Guidance.

### **Example 1 – Deprivation of assets**

You have £20,000 in a building society and use £10,000 to purchase a car. Two weeks later you enter a care home and give the car to your daughter.

If you knew when you purchased the car that you could need care due to a deteriorating health condition, then deprivation of assets would be considered. However, all the circumstances must be considered, so if you were admitted as an emergency and had no reason to think you may need care and support when you purchased the car, this would not be considered deprivation.

### **Example 2 – Deprivation of assets**

You had £21,000 in your savings account. This was the total of your assets.

One week before starting care you give your 3 children £7,000 each. As you knew you would be starting a care package, this was with the sole intention of avoiding care and support charges.

Had you not given the money away, the first £14,250 would have been disregarded and you would have been charged a tariff income (see section 1.7) of £1 for every £250 on your assets between £14,250 and £23,250.

This means you should have been assessed as being able to afford an extra £27 per week. The £21,000 you gave away will be treated as notional capital and £27 per week will be added to your assessment.

## 1.11 Expenses

Your expenditure will be treated differently during the financial assessment depending on the type of care you are receiving:

- Care at Home - your household costs (see section 3.3) and disability related expenditure (see section 3.4) will be considered
- temporary residential care – you will be treated as if you are maintaining your home and charged in line with care at home or non-residential care
- permanent residential care - you will be left with a minimum amount of income known as personal expenditure allowance (see section 2.4)

## 1.12 The Financial assessment process

### Step 1 – Application and evidence

Once your care needs have been assessed, you will be asked to submit information for a financial assessment. This will determine how much you will be charged towards your care costs.

Your social care worker will make a referral to our Financial Assessments and Benefits (FAB) team and provide you with guidance you require to complete this application. They will also be able to provide you with initial support and refer you to further support if required.

Once the FAB team have received the referral from your social care worker, we will get in touch to gather the information needed for the financial assessment.

You can provide the financial information in several ways:

- By self-service online form
- By telephone call with an Assessment Officer
- By post

If none of the above options are suitable, where there is no-one to assist, there are significant barriers to communication or medical issues, we may be able to arrange a face-to-face visit with an Assessment Officer.

If a telephone appointment is conducted or visit undertaken, the Assessment Officer will complete a Welfare Benefits check with you and confirm you are getting the correct benefits you are entitled to. If using the self-service online form, there is useful information relating to other benefits that may be applicable and links to Department for Work & Pensions sites to start the claiming process.

If the assessment relates to Residential Care, you will be given information regarding the financial assessment and charging process but the exact figures will not be available until the financial assessment has been finalised. Residential financial assessments require additional checks before the final

figures are communicated. Whilst these additional checks are taking place, we will invoice you an interim amount until the full financial assessment has been finalised. If we already hold some information relating to your financial circumstances, the interim assessment will be based on those details. If we do not hold any financial details, the interim assessment will be based on the minimum amount (standard minimum guarantee) as set by the Department for Work & Pensions. Invoices will be raised based on those interim charges until the full financial assessment has been finalised.

Once the full financial assessment has been finalised the FAB Residential Team will write to you or your legal financial representative to inform them of the actual amount you need to pay towards the care. If the actual amount is different to the interim charge which has been paid, adjustment invoices will be raised to apply the finalised assessment from the first date of chargeable care.

You will be charged the full cost of care if we cannot make a financial assessment, a financial assessment is refused or supporting evidence is not received. The charges can be applied retrospectively to the date care commenced.

It is therefore important to engage with your financial assessment to avoid a large, backdated bill and potential debt issues. You may nominate another person to represent or assist you during this process.

You will be asked to submit a financial assessment form, which will ask about your savings, investments and assets, income and expenditure. Further details about what we need to know can be found in section 1.13 with a full list of evidence we may require in Appendix 3.

If you have savings or assets, of more than £23,250 or prefer not to give the information required you will pay the full cost of your care.

For us to process your financial assessment in a timely manner:

- You should submit your financial assessment form as soon as possible after receipt, no later than 14 days after you have been received the form either by email or post
- You should submit the required evidence (see Appendix 3) as soon as possible
- You may be contacted by a member of the FAB Team to ask if any further information is needed

Any delay in submitting the financial assessment and/or any evidence required will result in the following circumstances:

- If you have not submitted your assessment and / or evidence within 14 days of it being requested you will be treated as someone who must pay the full cost of your care, until an assessment can be completed, unless you have been in contact with us and exceptional

circumstances have been agreed. When a financial assessment is completed, you may not be refunded any overpaid charges.

- If you have selected to have a Direct Payment, any delay in submitting your financial assessment and documentary evidence, may delay when payments to you can start.

If you need to amend any of the information on your financial assessment due to errors, you can notify us in writing and send in any evidence of the change. You need to do this as soon as you realise the error as your charges will start based on the initial assessment made and therefore may result in backdating of charges.

## **Step 2 – The Calculation**

We will carry out an assessment of your financial circumstances, in accordance with the regulations, to determine the weekly charge you can afford.

This considers your income and any capital, savings, investments or assets, and your expenses, and allows for the weekly national, minimum income guarantee (MIG – see section 3.2) if your care is at home / in the community and Personal Expenditure Allowance (PEA) if you are in a care home.

Your final charge may not be confirmed until your care package is confirmed. You will never pay more than the total cost of your care package, but charges will be applicable from the beginning of care and will be backdated.

If you and your partner are both receiving care, you will be assessed individually and each of you will be given an individual weekly charge.

We will follow the steps below when assessing your financial circumstances:

1. Consideration of capital (see section 1.7)
2. Calculate your total income including an amount for savings known as Capital Tariff (see section 1.7). Some income and benefits are ignored for the purposes of calculating your charge and these are taken away (see section 1.8).
3. From the total income, deduct any allowable expenses including Disability Related Expenses (DRE - see section 3.4) if you have care at home (non-residential care).
4. Also deduct Minimum Income Guarantee (MIG - see section 3.2) for care at home (non-residential care) or Personal Expense Allowance (PEA - see section 2.4) for care in a residential or nursing home and any other specific allowances.
5. The amount which remains is the maximum you can be asked to pay.
6. Work out the full cost of your care and support, your Personal Budget, and compare this cost to the maximum charge calculated. You will be charged the lower of these two amounts.

### **Step 3 – Notification of Charges**

Your financial assessment will then be compared to your Personal Budget which is the full cost of your care package, and you will be notified of the weekly amount you are required to pay.

We will write to you to inform you what your weekly charge is, even if it is zero. You will be sent the result of your financial assessment, showing how this has been calculated from the information you have given us. We may need to ask you for any clarification or additional information.

### **Step 4 – Payments**

We will bill you in four weekly cycles, in arrears unless you have opted for Direct payments (care at home only). Your first bill after the financial assessment has been completed may contain backdated charges.

There are a number of ways to pay us for your care charges (see section 3.6).

Charges will be due to the last full day in which you receive care, subject to the provider's notice periods.

Care at home (non-residential care) – The start date for charging will be the same as the start date of the Care and Support Services. If we have not finalised your financial assessment before care has started the charges will be backdated to the start of care.

## **1.13 What happens to the financial assessment and associated care charges if I pass away before the financial assessment is finalised**

If you pass away before we finalise your financial assessment and raise the care invoices, your estate will be responsible for settling any debt due to the Council.

### **Settling Debts from the Estate**

Before any inheritance is distributed to beneficiaries, any debts, including care charges, must be paid from the estate. The executor or administrator of the estate is responsible for ensuring that all outstanding debts are settled. This process involves:

- Identifying and valuing your assets
- Paying any outstanding debts and taxes
- Distributing the remaining assets to the beneficiaries as per your will or intestacy laws

The executor of your estate must contact the Council to confirm the final financial assessment and the amounts to be paid.

### **Impact on Beneficiaries**

Beneficiaries should be aware that the inheritance they receive may be reduced by the need to pay off any outstanding care charges. It's important for

executors to communicate clearly with your beneficiaries about the status of the estate and any debts that need to be settled. If the estate is dispersed before the Council's care charges are paid, the estate executor is responsible for making the payment.

#### 1.14 Providing information to us

You will need to provide proof of the following within 14 days of the financial assessment form being issued:

- All income (wages, pensions, benefit awards)
- All current accounts, savings and investments
- Any property owned in the last 2 years
- Legal status of your representative(s)
- Housing costs (rent or mortgage statement, council tax, utility bills, insurance)

For a full list of the type of evidence we will require, please see Appendix 3.

How to supply this information:

Online	<ul style="list-style-type: none"> <li>• If you have completed the online financial assessment form, the evidence can be scanned and attached to the form (details of how to do this are included in the online instructions)</li> <li>• You can also forward scanned or digital photographs of the evidence and email the images to our FAB team (details will be included in the correspondence received from the team)</li> </ul>
Post	<ul style="list-style-type: none"> <li>• You will receive a paper form from your social care worker</li> <li>• You will need to return this by post along with copies of all the evidence you are required to provide. Please do not send originals as we are unable to return them.</li> </ul>

You have the right not to provide details about your financial circumstances; in this case you will be deemed able to pay for your care costs in full as it your responsibility to satisfy us that your means are insufficient to be able to pay the full cost.

#### 1.15 Failure to provide information or providing false information

Please be aware that if you are submitting information as part of your financial assessment, the law requires you to declare your true financial circumstances and all your assets and savings.

Failure to do so or the giving of false details could result in you or your representative being liable to legal proceedings. Our audit procedures allow us to check all your evidence and ask for further evidence if required. If you misrepresent or fail to disclose any material fact, the Care Act 2014 gives us the power to recover as a debt, expenditure incurred because of the

misrepresentation or failure and any sum it would have recovered but for the misrepresentation or failure.

You (or your representative) will be considered to have refused to cooperate with a financial assessment if, without good cause, you fail to participate in the assessment process within the stated time scale. This includes:

- Not returning the form and required evidence within 21 days of receiving it
- Not supplying the required evidence within 14 days of the financial assessment call or submission of the online form, unless you have contacted us to explain why you will not be able to meet this deadline and an extension has been agreed
- Not providing satisfactory proof of income, capital, expenditure or other information following requests from us

In either of these circumstances, you will be treated as a self-funder (see section 1.5) and be required to pay the full cost of your care.

### **1.16 Financial representatives and mental capacity**

You may have assistance completing the financial assessment form. If you wish to nominate a person to represent or assist you during the financial assessment process, you can let your social care worker know and they will advise the FAB team. Where you do not have the capacity to deal with your financial assessment, we will deal with any of the following:

- A holder of an Enduring Power of Attorney
- Holder of a Lasting Power of Attorney for property and financial affairs - you can arrange this yourself whilst you still have capacity by visiting: [www.gov.uk/power-of-attorney](http://www.gov.uk/power-of-attorney) or you can arrange this through a solicitor
- A financial deputy - a court application can be made through a solicitor or your proposed deputy can apply to the court themselves by visiting: [www.gov.uk/becomedeputy/overview](http://www.gov.uk/becomedeputy/overview)
- A Department for Work & Pensions (DWP) Appointeeship letter (BF57 form - for more information go to: [www.gov.uk/become-appointee-for-someone-claiming-benefits](http://www.gov.uk/become-appointee-for-someone-claiming-benefits))

Where an individual is seeking to deal with any of your assets or property (for example selling your house, putting a charge on your property, selling stocks and shares) they must have the legal authority to do so. This means that they must either have a valid Lasting Power of Attorney for Property and Affairs, an Enduring Power of Attorney or have been appointed a financial deputy. An appointee can only deal with benefit claims and benefit monies.

### **1.17 Changes of circumstances**

You must report any changes in your financial circumstances straightaway as it might affect the amount you are charged. This may be due to:

- Changes in income
- Changes to your capital (including inheritance or asset transfer)
- Changes in membership of your household
- Moving to other accommodation

A re-assessment may be necessary for any one of the following reasons:

- You have notified us of a change to your circumstances
- A permanent change occurs to the service you receive (lasts more than 21 days)
- You request a re-assessment
- The annual financial assessment review which is carried out automatically every April
- An error or omission in the financial assessment
- A first appeal to the Financial Assessment Panel is upheld (see section 4.3)
- A decision made by the Final Appeal Panel

It is important you inform us of any changes to your financial circumstances, as these changes may be applied retrospectively and may result in additional care charges being applied. You should thoroughly check your April review statement every year to ensure that we have all the correct information and notify us of any changes.

If you need to amend any of the information on your financial assessment due to changes in circumstances, you can notify us in writing and send in any evidence of the change.

### **1.18 Failure to pay and recovery of debts**

The Care Act 2014 provides a statutory framework for the recovery of any debts that may have accrued as a result of us meeting your needs for care and support. Sections 69 and 70 of the Act allow us to recover monies not only from yourself but also from a third party where you may have transferred assets to them in order to avoid paying your assessed charges.

We are aware that there could be a number of different reasons why you may not have paid your assessed charges. We therefore bear in mind the principles that underpin debt recovery as set out in Annexe D of the statutory guidance as follows:

- Possible debts must be discussed with the person or their representative
- We must act reasonably
- Arrangements for debt repayments should be agreed between the relevant parties
- Repayments must be affordable
- Court action should only be considered after all other reasonable avenues have been exhausted

Your social care worker will discuss with you the reasons for the non-payment of your debt and, where it is appropriate to recover the debt, will discuss with you the options available to you to reach an agreement as how you may be able to discharge your debt. We will consider the whole range of options available with you and will also offer you the option of a deferred payment agreement, if you are eligible. Where you may have difficulties in understanding the options available to you, we may consider the use of an advocate to help you understand the options.

Where you lack capacity to make decisions, we will engage with any representative already appointed or look at whether someone, for instance a family member, or as a last resort the council, should be appointed to manage your finances to ensure that debt will not continue to build up. Where all other options have been exhausted, we may wish to proceed to recover the debt through the court. Further information regarding our Debt Recovery Process can be found in Appendix 4.

## **2. Charging for residential services**

### **2.1 Residential charges**

Under this policy, the cost of a care home includes the care and support provided and the accommodation and living costs in the care home.

For charging purposes, there are two types of care home stays:

- Temporary stays, respite or short-term care – where there is an intention to return home and the stay is unlikely to exceed 52 weeks or in exceptional circumstances substantially exceed 52 weeks – these are considered non-residential care
- Permanent care – where you are moving into a care home permanently

Your length of stay may change depending on circumstances. Any decision to treat you as a temporary resident must be agreed with you, any representative and us and written into your care plan. If you stay in a care home for longer than 28 days, either in one stay or in multiple stays with less than 28 days between the end of a stay and the start of the next stay, you should contact the DWP as this may affect some of your benefits.

When being financially assessed for a temporary stay, the value of your main or only home is not included in the calculations as you intend to return to that home. Your income and earnings will be treated in the same way as if you were living in your own home.

If you are in a registered nursing home, the NHS may contribute towards the cost of your care. This is called Funded Nursing Care. It will not affect the amount we will charge you towards your social care and accommodation costs which will be worked out in the normal way through your financial assessment.

We will pay the full cost of your care to the care home and when you receive your financial assessment your charges will be backdated to the start of your care. If the delay is due to you not submitting your financial assessment application or not providing the required evidence without good reason you will be treated as a self-funder and be required to pay the full cost of your care directly to the care home (see section 1.5 and section 1.14).

## **2.2 Choice of accommodation**

We will discuss with you as part of your care planning, accommodation that will meet your assessed eligible need. You will be allocated a personal budget that sets out the cost to us of meeting your care needs. We will ensure that at least one option is available to you that is affordable within your personal budget.

Where you have been assessed as requiring a certain type of accommodation (care home, supported living and shared lives accommodation) you have the right to exercise choice between providers in certain circumstances. This includes anyone who is receiving after care services under the Mental Health Act 1983.

We will, however, only arrange care in your preferred accommodation if:

- Your support plan specifies that your needs can be met by accommodation of a specified type and your accommodation is of that same type
- Your preferred accommodation is suitable to meet your needs
- The preferred accommodation is available
- Where the accommodation is not provided by us, the provider of the accommodation agrees to provide the accommodation on our terms
- Meeting that choice would not cost us more than the amount specified in your personal budget

If the home you would prefer costs more than your personal budget, we may still provide your choice of accommodation if a "top-up" can be made by either a third party such as a family member or by yourself in limited circumstances (see section 2.2).

### **Top-ups**

If you choose a home that is more expensive than your personal budget then a top-up may be payable. This is the difference between our expected costs and the actual cost of the home. In most cases the payer of the top-up will be a third party such as a family member. You will therefore often hear the term "third party" top-up. In some circumstances, you may be able to pay the top-up yourself known as a "first party" top-up, for example:

- If your property is subject to a 12-week disregard (see section 2.3)
- You have entered into a deferred payment agreement (see section 2.5)

This top-up is **in addition to** any amounts we ask you to pay following your financial assessment. We will need to be satisfied that the person paying the top-up is able and willing to pay it for the duration of time it is expected that you will be in the accommodation.

Your social care worker will explain the amount of any top-up to you (or your representative) or to your third party. You or your third party will be asked to enter into an agreement with us to pay the amount of the top-up prior to placement or within five working days of an emergency admission.

As the homes are not allowed to charge more than the price stated in their Schedule of Charges, you should not be asked to pay any more than has been agreed. If you are approached by your provider and asked to make increased payments, please contact your social care worker immediately. In certain circumstances, practitioners, customers and their representatives may negotiate a lower third-party top-up or for the third-party top-up to be waived.

The amount of the top-up is set when care starts but will change each April in line with annual price increases paid by the Council. The amount may also change if there is a significant change to the care package. Annual price increases are applied automatically. If there are any other reasons why the amounts will change, we will write to the person paying the top-up to inform them of any change to the amount they have to pay.

It is therefore important that the individual paying the top-up fully understands the implications of this choice and they are aware they will need to meet the additional cost of care for the full duration of your stay in the care home. Should this cost not be met, you may be moved to an alternative care home following a review of your needs. The individual paying the top-up may want to seek independent financial and/or legal advice before entering into the agreement.

Top-ups are invoiced every four weeks in arrears. If there is a delay in recording the top-up, the top-up charge will be backdated to the start of care.

If you do not have anybody willing and able to pay a top-up then we will support to find suitable alternative accommodation within your personal budget.

## **2.3 Property**

If you are moving into a care home on a permanent basis, the value of your home will be taken into account, unless any of the following apply:

- Your husband, wife, partner or former partner continues to live there, except where they were estranged since before you went into a care home
- A relative aged 60 or over continues to live there (was their only residence prior to your care home needs being identified)

- A lone parent who is the person's estranged or divorced partner continues to live there
- A relative under 60 who is incapacitated, receives certain disability allowances continues to live there
- A child under 18 for whom you are financially responsible continues to live there

In most cases it will be obvious whether the property is occupied by a qualifying relative as their main or only home. However, there will be some cases where this may not be clear and we will therefore undertake relevant enquiries to reach a decision.

Circumstances where it may be unclear might include:

- Where a relative must live elsewhere for purposes of their employment but the property remains their main or only home, for example, member of the armed forces or diplomatic service
- Where a relative is serving a prison sentence but the property is their main or only home and they intend to return to it at the end of their sentence

### **Example 1 – Property**

Your son is over 60 and lives in Kent. You live in Hampshire; in the house he grew up in. He occasionally comes to help you and stays with you during these periods. Although he is a qualifying relative, your home is not his main or only home.

Therefore, the value of your property **will** be included as part of your financial assessment for a care home.

### **Example 2 – Property**

Your daughter is 60 and has been living overseas for the past 10 years due to her job in the diplomatic service. When she is in England, she lives with you in the family home she grew up in. Although your daughter is not physically present at the property, her alternative accommodation is only due to her employment so the family home is her main home.

Therefore, the value of your property **is likely to** be disregarded during your financial assessment for a care home.

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

If you currently own your own property and have less than £23,250 in savings, you may be eligible for a 12-week property disregard, which will be determined at the financial assessment. This means the value of your main or only property will be disregarded from the financial assessment for a maximum of 12 weeks. The 12-week period usually starts from the date you move into a permanent residential or nursing home. The purpose of the 12-week disregard is to allow you space to make decisions as to how to meet

your charge towards the cost of any eligible care. This time can also be used to decide if you wish to join the deferred payments scheme through a deferred payment agreement (see section 2.5) or self-fund your care.

You may not be eligible for the 12-week disregard facility if you did not live in your property prior to going into long term care or are a previous self-funder.

You will also be entitled to a 12-week property disregard when a property disregard (other than the 12-week disregard) unexpectedly ends because, for example, a "qualifying relative" occupying the property has died or moved into a care home. These unexpected events would mean that the individual may need space to sort out their financial situation.

We can also consider exercising discretion to apply a 12-week disregard where there is a sudden and unexpected change in your circumstances. We will want to discuss with you the individual circumstances of your case.

## **2.4 Personal Expense Allowance**

Before any charges are made towards your care home, we need to ensure you are left with a minimum amount of income. This is known as the Personal Expense Allowance (PEA) and is set nationally each year by the Department of Health and Social Care and is reproduced in our Annual Statement. This is to ensure that you have money to spend as you wish on personal items such as clothes and other items that are not part of your care.

If your affairs are managed by an appointee, attorney or deputy, it is their responsibility to ensure that you receive your PEA. If you have no income, we are not responsible for providing one; however, we will support you to access any relevant state benefits or independent advocacy.

## **2.5 Deferred payments**

The deferred payment agreement (DPA) is a scheme to ensure you do not have to sell your home during your lifetime, should you not wish to do so, in order to fund your placement in a care home. Subject to meeting the eligibility criteria, the agreement offers you a loan from the County Council, using your home as security. It is a deferred payment because the monies you are required to pay in charges, or the costs of full care and support where the individual is a self-funder and has requested a loan, are deferred meaning that these amounts will have to be repaid by you at a later date for example when the house is sold, or by your estate upon you passing away. Your debt to us is simply deferred and is payable once the DPA ends. Interest and administration charges will be applied to deferred payments and the amounts will increase if the debt is not settled promptly (see section 2.5.4).

### **Types of deferred payment**

There are two types of deferred payment agreement:

1. Mandatory DPA with the Council – this is used where we have arranged the care and pay the care home directly

2. Discretionary DPA – where your care assessment confirms you have eligible care needs but you are not eligible for a mandatory DPA

In both cases you must ensure that your home is insured and maintained.

### **Eligibility for a mandatory deferred payment agreement**

For you to be able to apply for either type of deferred payment, you need to meet the following criteria and procedural requirements:

- You must be ordinarily resident in Hampshire
- You must own your property and provide two formal valuations at the start of the agreement (in times of falling property values, you may be requested to arrange additional valuations of the property, and thereafter at annual intervals); if valuations are not provided, we will undertake our own valuations and pass on the associated costs to you
- You must have a current Care Act assessment which confirms that a permanent stay in a care home would meet your eligible needs. Alternatively, where you are arranging your own care and we have not undertaken an assessment, this condition is satisfied when you would be assessed as having eligible needs had we carried out such an assessment
- You do not have any other assets or savings over £23,250, apart from the value of your main or only home - this figure may change annually each April
- Your home is not disregarded for the purposes of the financial assessment, for example it is not occupied by a spouse or dependent relative
- You must agree to us placing a legal charge on your property
- You must sign any associated deferred payment documentation
- All co-owners will be required to sign the deferred payment agreement and the necessary documentation to secure the charge with the Land Registry; the DPA will apply to your share of the property
- There can be no other beneficial interests on the property, for example outstanding mortgages, loans or equity release schemes, unless this is approved by us prior to entering the agreement

There may be circumstances where we may use our discretion to offer a Deferred Payment where not all the criteria are met.

There may be circumstances where we refuse to offer a deferred payment even if you meet the eligibility criteria for example, if we cannot secure a charge on your property, where there is insufficient equity or where you do not agree to the terms and conditions of the agreement. Please note that we are unable to offer a deferred payment on Park and Mobile homes.

There may also be circumstances in which we can refuse to defer or loan any more charges for example, if you breach your agreement, your house

subsequently becomes disregarded or you have reached the equity limit we are allowed to defer.

The equity limit must be set at the value of the property minus 10%, minus £14,250 (or the lower capital limit in force at time) and the amount of any charge or mortgage on the property.

You will be financially assessed to pay a contribution which will reduce the deferred amount. You have a right to retain a disposable income allowance which will help with maintenance and insurance of the property. This can be up to a maximum of £144 per person.

A deferred payment can be terminated in three ways:

1. By you repaying the full amount due
2. When the property is sold and the loan repaid
3. On your death whereby the amount is repaid from your estate. In these circumstances interest and administration charges will continue to be applied until the debt is settled. If the debt remains unpaid 364 days after your death, we may consider legal action to collect the debt. This could lead to higher interest rates being applied to the debt (interest under section 69 of the County Courts Act 1984 can be applied at the rate of 8% a year from date when the money became owed.

### **Financial representatives and Deferred Payment Agreements (DPA)**

If you have someone acting as a financial deputy, has an Enduring Power of Attorney or a Lasting Power of Attorney for property and finances they can enter into the Deferred Payment Agreement on your behalf. If they were granted a Lasting Power of Attorney (LPA) for finance or an Enduring Power of Attorney before you lost capacity and this has been registered with the Office of the Public Guardian, they will be able to sign on your behalf. This will be the case provided the documents can be signed by at least one other person, either in their capacity as joint proprietor of the property or as a fellow attorney of the Lasting Power of Attorney who is able to act independently. Where this is not the case another individual may need to be appointed.

In cases where the individual receiving care has already lost capacity to manage their financial affairs and there is no one who has the legal authority to deal with their property and affairs, it is expected that a relative or solicitor will apply to the Court of Protection to become their financial deputy. This will give the applicant the power to deal with their property and affairs and to make decisions as to whether to enter into a Deferred Payment Agreement on their behalf.

For a DPA to commence, legal authority must already be in place. Whilst an attorney's application is with the court, they cannot be granted a Deferred Payment Agreement on behalf of the person receiving care. If you do not have sufficient capital to pay for your care whilst the attorney's application is being progressed, we can consider offering a Short-Term Arrangement (STA) to

make care payments on the understanding that the amounts will be repaid or transferred onto the DPA.

You would still be expected to pay an interim amount towards your care with the balance becoming payable as soon as the STA ends or the remaining debt is transferred onto a Deferred Payment Agreement. Weekly administration charges are applied to STAs – please see the current amounts in our Annual Statement (Appendix 5).

Your social care worker can discuss this with you or your representative.

Where it is considered that any deputy or attorney is not acting in the best interests of the individual receiving care, a referral will be made to our safeguarding team. This may result in an Office of the Public Guardian investigation and the removal of the deputy's authority to act on their behalf.

### **Interest and administration charges on deferred payments**

The Care Act 2014 permits us to charge interest on a compound basis for the duration of the deferred payment agreement. This applies to both types of deferred payment agreement.

The maximum rate will be subject to review and may change every year biannually on the 1 January and the 1 July in accordance with the rates set by the Office of Budget Responsibility. We will charge an administration fee, along with legal disbursements, such as Land Registry fees. If you decide to go ahead with the deferred payment agreement, Hampshire County Council Legal Services will write to you separately to confirm the disbursement charges before you enter into the agreement.

Please see our Annual Statement for details of charges.

### **If you are not eligible for a traditional deferred payment agreement**

There may be circumstances where we may use our discretion to offer a Deferred Payment where not all the criteria are met. Each case is assessed on its own merit. If we do offer a discretionary deferred payment or short-term arrangement, we will apply the same charges and administration fees as a mandatory deferred payment. For example, if there is already a first charge on your property, your property is a mobile home, or it is not registered with the Land Registry, we may consider offering a discretionary or short-term arrangement.

## **3. Charging for community services (non-residential care)**

### **3.1 Property**

Your own home, the primary home that you live in, is not considered during the financial assessment if you are receiving non-residential services. However, any other land/property you own will be included as capital (see section 1.7).

### **3.2 Minimum Income Guarantee (MIG)**

Before any charges are made for your care package, we need to ensure that your income is not reduced below a specified level so you are able to keep enough of your income for your essential living costs such as food, utility costs and insurance. This amount is set and reviewed annually in Local Authority Circulars by the Department of Health and Social Care; it is also reproduced in our Annual Statement (Appendix 5). This amount is known as the Minimum Income Guarantee (MIG), and varies depending on your age, disability, relationship status and how many dependent children you have living with you.

In addition to the Minimum Income Guarantee, further allowance may be made for other expenses such as:

- Rent - not met by housing benefit and under a formal tenancy agreement
- Council Tax not covered by Council Tax Reduction
- Mortgages and endowments
- Service charges not covered by housing benefit

Further information is available in our Annual Statement (Appendix 5).

### **3.3 Household costs / bills**

You will be asked about where you live and your regular housing costs. These include:

- Rent - not met by housing benefit and under a formal tenancy agreement
- Mortgage - not met by DWP loan
- Service charges - not covered by housing benefit
- Council Tax - not met by Council Tax Benefit
- Buildings insurance

You should also tell us about any other regular expenses including compulsory payments for example court ordered payments.

### **3.4 Disability Related Expenditure (DRE)**

Allowances are made for extra disability related expenses that you may incur due to your disability which are not already being met within your care and support plan. These are known as Disability Related Expenses (DRE).

We consider DREs in line with the Local Authority Circulars issued by the Department of Health and Social Care and in conjunction with information supplied by the National Association of Financial Assessment Officers (NAFAO). These amounts are reviewed each April, along with the benefit and pensions increases and any amendments are applied to your financial assessment for the following financial year.

Your assessment officer may ask for additional evidence to support your DRE – this may need to be referred to your social care worker to confirm that the expenditure is necessary and required to support your assessed social care needs.

If you feel your Disability Related Expenditure should be reviewed, or you have a change in financial circumstances, you can get in touch to request a review. A list of items that may be considered as part of your financial assessment (if supported by your care plan) is available in Appendix 5.

### **3.5 Short term stays in a care home**

If you wish to take a short stay in a care home, you will be charged as if you were receiving care in your own home.

### **3.6 Raising of Care Charges and Collection of Payment**

Charges will be invoiced, applied to your account and become payable, every four weeks in arrears, according to our 'regular billing schedule' noted in our Annual Statement. We may raise ad hoc invoices if there is a query, backdated charges or you have requested an up-to-date charge. If you have a representative or a registered Power of Attorney managing your finances, invoices will be sent directly to them. However, the legal responsibility for payment and any associated debt remains with you as the individual receiving care.

Usually, your first payment will be collected at the next scheduled billing date and may be a part-payment or more than four weeks payment. At the start and end of care, your invoice will contain full week blocks (Monday to Sunday) but this will never be more than the actual cost of care for that week (plus applicable administration charges if you pay the full cost of your care) or your financially assessed charge; whichever is the lower amount.

#### **Example**

Your care package is 14 Hours a week at £25 per hour, costing £350 per week. Your financial assessment determines your contribution as £200 per week towards the cost of your care.

You receive your full care for the first 3 weeks of the billing period, but you are in hospital on Thursday of the fourth week, only receiving six hours of care costing £150.

Your care bill for that period will be:

3 x £200 full contribution plus the actual cost of care in the fourth week £150

Total £750

### **3.7 Collection of Payment**

You can pay your charge by direct debit or on receipt of invoice. Methods of payment are detailed on the reverse of our invoices.

Our direct debits are fixed rather than variable. This means that the payment amount is set and will not change until the account is reviewed. If your care increases or decreases and the amount we need to charge changes, your direct debit will not change automatically.

Instead, your account with the Council will be periodically reconciled, with any balance on the account being included in a new direct debit schedule.

You can request a review of your direct debit by contacting our Credit Control Team.

### **3.8 Breaks or changes in Care**

If we are purchasing care on your behalf, we have entered into an agreement with your care provider which **may** include payment for:

- Non-attendance
- Service cancelled with little or no notice
- Service which the provider attempted to provide, but was unable to access property or you were not available
- Notice periods or termination costs associated with live in care packages or respite residential stays

We understand that circumstances arise and plans need to suddenly change, but the Council may still need to pay the provider if they have scheduled the service into their rotas, attempted to provide the service or held a space for you. If we do need to pay the provider, we will expect you to still make your normal contribution towards care costs for that period.

Where there is a planned absence, notice must be given to ensure the provider has an opportunity to revise rotas or offer the service to another individual.

The required notice periods vary between care providers and can be discretionary. Please ensure you are familiar with your providers policy related to charging for care that has not been provided. If you require a copy of this policy, do please request this from your care provider.

Most care providers will let us know if you have cancelled care and we can update our care records to make sure your charges are correct. Sometimes, the care record is not updated when we raise your bill. If you receive an invoice that contains charges you were not expecting, please get in touch with our Contact and Review Team.

### **3.9 Direct Payments**

Direct Payments are payments made to people who have requested direct payments to meet some or all their eligible care and support needs. Direct Payments give you more choice and control in choosing your care and support. You can use the money to employ somebody yourself (an individual personal assistant) or choose the services of an agency/business.

## **Who can receive Direct Payments?**

You may be able to receive Direct Payments if you:

- Have a physical disability or sensory impairment
- Have a learning disability
- Have mental health problems
- Have a long-term illness
- Need help because of the effects of growing older

## **What can Direct Payments be used for?**

Direct Payments can be used for:

- Employing your own staff/personal assistant
- Buying a service from an organisation that provides a specialist service
- Buying a service from a private care agency
- Buying short term breaks or respite care, four consecutive weeks in any 12-month period (periods less than 4 weeks apart will be combined)
- All or a mixture of the above

## **Your Direct Payment must be used to pay for care and support as set out in your care / support plan**

Direct Payments cannot be used for:

- Buying a social care service that is already managed by the Council on your behalf
- Buying anything other than the agreed care you need
- Support that presents an unacceptable risk to the person or others
- Unlawful actions or activities
- Purchase of services from a close relative living in the same household to provide care unless we "consider it necessary to do so"
- Purchase of services from a close relative living in the same household to provide for administrative and management support unless we consider it "necessary"

## **How do Direct Payments work?**

There are several ways that you can receive and manage your direct payment. It is your choice as to how you are supported with the payment:

- A prepaid card – a virtual bank account with a debit card set up in your name by us
- Virtual wallet – an online account which you can use to manage your personal budget
- Managed account – a third party who manages your personal budget on your behalf

- A bank account – you will need to open a bank account in your name and manage the direct payment yourself

Whichever method you choose, Direct Payments will usually be paid into that account every four weeks, in advance. Any financially assessed charges for your care that you are responsible for, you will need to pay into your Direct Payment account. Having a separate account for Direct Payments means you can pay for all your support needs from one account without us having to see your own personal bank account statements.

### **Example 1 – Direct Payments**

Your Personal Budget is £5200 for the year - that is £100 per week.

Your contribution charge has been assessed as £40 per week.

Your Direct Payment from us will be:

**£100 - £40 = £60 per week**

**£60 x 4 = £240 every 4 weeks**

We will pay £240 into your account every four weeks. You then pay your charge of £40 a week (£160 every four weeks) into the account giving you the full £100 per week (£400 every four weeks) to pay your provider directly.

You can choose to manage all or just some of your care by direct payments with the remainder being provided through us. This means that you pay for some services directly, for example day care at a centre, and we manage the payments to other services, for example your home care provider. In this case, your Direct Payment part will be paid net of your full charges where possible.

### **Example 2 – Direct Payments**

Your Personal Budget is £5200 for the year – that is £100 per week.

Your charge has been assessed as £40 per week.

You have chosen to split your Personal Budget in half, so you pay for day care directly and the Council manage your home care.

Your Direct Payment from us will be:

**£50 - £40 = £10 per week**

We will also pay your home care provider **£50** directly. This means we pay £60 per week in total and you pay **£40** per week.

Before Direct Payments can start you will need to sign the Direct Payment Agreement and return it to us with the relevant documents. You will also be required to retain all expenditure records with regards to your direct payments for the annual audit of the account (examples of records; timesheets, receipts, invoices, bank statement) as this is a legal requirement.

## **4. Further information**

### **4.1 Advice about benefits**

As part of the financial assessment process and where applicable, we may provide you with information regarding benefit entitlement. This may include referrals or signposting to relevant agencies and services. You can also access advice from voluntary organisations, such as the [Citizens Advice Bureau](#) and Connect to Support, if you would rather discuss benefit issues with someone independent of us.

It is your responsibility, not ours, to progress any claim and supply appropriate information to relevant agencies and services. If you choose not to claim any benefits for which you have been advised you are entitled, the amounts calculated may still be included in your financial assessment as though you were receiving them. This could increase the charge you are required to pay, so we strongly advise you to claim all benefits you are entitled to.

### **4.2 Financial and legal information and advice**

We provide universal information and advice on our website, in the additional information in this policy and in our discussions with you relating to care and support and general advice about how care can be financed under our duty outlined in section four of the Care Act.

Paying for care, and in particular, a care home can however be a complex matter, particularly if you are funding your own care. Whilst we cannot provide individual financial advice directly, we do recommend that you consider seeking independent financial advice as early as possible. We will assist you to understand how to access independent financial advice. We recommend that you check that any financial advisor you may choose to use is registered with the Financial Conduct Authority (FCA). You may also wish to take legal advice from a solicitor to assist you with any proposed arrangements. Should you wish to do so, the following link might be helpful:

<http://solicitors.lawsociety.org.uk/>

### **4.3 Appeals or complaints**

If you disagree with the outcome of your financial assessment, you can ask for it to be looked at again. You can do this by telling us why you think the decision is wrong. If you think there is any additional information that should be considered, please let us know. In some circumstances this may mean completing a new financial assessment form to ensure all relevant details were considered in the initial assessment.

Where assessed charges may lead to difficulties in paying for your care, you may request a review of your financial assessment. This will involve us asking for further detailed financial information. In reviewing the assessment, we must be satisfied that your means are insufficient to pay the assessed charge. If this is the case a waiver may be given for all or part of your charges and

might be time-limited or on-going. Examples of where it may be appropriate for a waiver to be considered are as follows (this list is not exhaustive):

- If the charge remains in force it would result in admission to a care home or hospital
- If the charge remains in force, you would require the care to be reduced or withdrawn, which could be life threatening to you
- You have exceptionally high financial outgoings (after the application of your financial assessment) which are judged to be essential to you remaining in the community in your own home
- You have dependents who have no financial resources in their own right and are therefore dependent upon you
- If the support is refused it will place you at significant risk of self-harm or harm to others

The decision as to whether the waiver is appropriate lies with your social care team.

If you are still not satisfied with the outcome of the assessment, you can appeal via our Appeals Process (see 1.16) or alternatively make a complaint via our complaints procedure by contacting the Contact and Review Team.

Complaints about the level of charge levied by us are subject to the usual Care and Support complaints procedure as set out in The Local Authority Social Services and NHS Complaints (England) Regulations 2009.

#### **4.4 How your personal data is used**

We will use information about you to process your financial assessment. As well as the information provided by you, we may also collect relevant information from your local district council, the Department for Work & Pensions and Her Majesty's Revenue and Customs.

Your information is only shared with third parties where necessary and where the law allows it, specifically your information may be shared with partners in order to provide public services. We are under a duty to protect public funds and may use any of the information provided for the prevention and detection of fraud. This may also include sharing information with other bodies that are responsible for auditing or administering public funds.

We will retain your information in line with our retention schedule and ensure that your information is kept only for as long as necessary. To find out more information on how your data is processed and your rights, please see our [privacy notices](#).

#### **4.5 Ordinary Residence**

This policy will apply to you if you are ordinarily resident in Hampshire and meet the eligibility criteria under the Care Act 2014. If you are ordinarily resident in another council area, you will be subject to the contributions policy of that authority rather than this policy.

If we have commissioned or provided care for you whilst you are in Hampshire, we will recover the full cost from your resident authority who will then arrange to invoice you using their charging policy.

#### 4.6 Further advice

Further information about charging and general information about all adult social care services, in the form of factsheets, are available from Customer Service Centre and from libraries and other outlets across Hampshire.

#### 4.7 Our contact details

Team	Contact details
Hampshire County Council Adults Health and Care Contact and Review Team	<a href="#">Adults' Health and Care help and support   Health and social care   Hampshire County Council</a> Phone: 0300 555 1386

### 5. Impact assessments

- 5.1 An Equality Impact Assessment (EIA) has been completed for this policy, and can be found here: [Equality Impact Assessments for Adults' Health and Care | About the Council | Hampshire County Council](#)

## Appendix 1 – Useful Sources of Information

Organisation	Contact details
Age UK	<ul style="list-style-type: none"> <li>• <a href="http://www.ageuk.org.uk">www.ageuk.org.uk</a></li> <li>• Phone: 0800 678 1602</li> </ul>
Care Quality Commission	<ul style="list-style-type: none"> <li>• <a href="http://www.cqc.org.uk">www.cqc.org.uk</a></li> <li>• Phone: 03000 616161</li> </ul>
Carers Trust	<ul style="list-style-type: none"> <li>• <a href="http://www.carers.org">www.carers.org</a></li> <li>• Phone: 0300 772 9600</li> </ul>
Carers UK	<ul style="list-style-type: none"> <li>• <a href="http://www.carersuk.org">www.carersuk.org</a></li> <li>• Phone: 0808 808 7777</li> </ul>
Citizens Advice	<ul style="list-style-type: none"> <li>• <a href="https://www.citizensadvice.org.uk">https://www.citizensadvice.org.uk</a></li> <li>• Phone: 0800 144 8848</li> </ul>
Disability Rights UK	<ul style="list-style-type: none"> <li>• <a href="http://www.disabilityrightsuk.org">www.disabilityrightsuk.org</a></li> <li>• Phone: 0330 995 0404</li> </ul>
GOV.uk – Support for new employers	<ul style="list-style-type: none"> <li>• <a href="#">Employers: support for new employers - GOV.UK</a></li> <li>• Phone: 0300 200 3211</li> </ul>
GOV.uk – Money and Pensions Service (debt, money and pensions guidance)	<ul style="list-style-type: none"> <li>• <a href="http://www.maps.org.uk">www.maps.org.uk</a></li> <li>• Phone: 0800 011 3797 (pensions)</li> <li>• Phone: 0800 138 7777 (money)</li> </ul>
Find a solicitor	<ul style="list-style-type: none"> <li>• <a href="http://solicitors.lawsociety.org.uk">http://solicitors.lawsociety.org.uk</a></li> <li>• Phone: 020 7320 5650</li> </ul>
Money Saving Expert	<ul style="list-style-type: none"> <li>• <a href="http://www.moneysavingexpert.com">www.moneysavingexpert.com</a></li> </ul>
Royal British Legion: for ex/serving Armed Forces personnel and their families	<ul style="list-style-type: none"> <li>• <a href="http://www.britishlegion.org.uk">www.britishlegion.org.uk</a></li> <li>• Phone: 0808 802 8080</li> </ul>
Society of Later Life Advisers	<ul style="list-style-type: none"> <li>• <a href="#">Society of Later Life Advisers - SOLLA</a></li> <li>• Phone: 0333 2020 454</li> </ul>
Unbiased - for help finding a financial advisor	<ul style="list-style-type: none"> <li>• <a href="http://www.unbiased.co.uk">www.unbiased.co.uk</a></li> <li>• Phone: 0800 023 6868</li> </ul>

## Appendix 2 – Common sources of income

Sources of income which are included when calculating your charges include but are not limited to:

- State Retirement Pension
- Guarantee Credit element of Pension Credit
- Income Support
- Employment and Support Allowance
- Job Seekers Allowance
- Incapacity Benefit
- Severe Disablement Allowance (SDA)
- Universal Credit
- Attendance Allowance (AA)
- Personal Independence Payments (PIP)
- Disability Living Allowance (DLA) care component
- Regular income from investments
- Any other regular income, such as, rent from property or lodgers
- Occupational pensions and Private Pension Annuities due, even if unclaimed
- Insurance policies paying out
- Annuity income (unless purchased with a loan secured on your home)

Sources of income and benefits which are **not** included as income when calculating your charges include but are not limited to:

- All income derived from paid employment, including self-employment
- Working Tax Credit
- Disabled Person's Tax Credit
- Child Tax Credit
- Child Benefit
- Housing Benefits
- Council Tax benefits
- Christmas bonus payments
- Social Fund payments
- Winter Fuel Payments
- Savings Credit element of Pension Credit (only partially disregarded for residential care, disregard amount set annually by Department of Health and Social Care)
- The mobility component of Disability Living Allowance
- Independent Living Fund payments
- Mortgage protection policies paying out
- War Pension
- Ex gratia payments made to former Far East Prisoners of War
- Payments made under the Vaccine Damage Payment scheme
- Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS)
- The first £10 of Survivors Guaranteed Income Payments (GIPs) made under the Armed Forces Compensation Scheme (AFCS)
- All charitable income

## Appendix 3 – Evidence list

When you submit your financial assessment form, you will need to provide copies of evidence showing the following for you and your partner (if applicable). This list is not exhaustive and not all may be relevant to you:

- National insurance number
  - P45 or P60
  - Payslip or pension statement
  - Benefit, Tax or Jobcentre letter
  - National insurance card (not handwritten)
  - Bank statement detailing the current payments made from DWP
- Property/tenancy
  - Proof of ownership and mortgage statement, if relevant
  - Full rent breakdown
  - Equity release or trust documents, if relevant
- Private/superannuation pension
  - For each pension, please provide one of the following:
    - The latest advice slip from the company that pays the pension showing the amount, tax deducted and the period the payment covers
    - The most recent P60 if your ongoing payments remain static
    - Bank statements detailing the current payments made from the pension provider
- Savings, investments, shares and bonds.
  - Proof of ownership and statements/transactions for the last 3 months for all:
    - Bank/current accounts
    - Shares
    - Savings
    - Investments
    - Bonds plus proof of life assurance if relevant
    - ISAs

Please note: If you are a former self funder then we require statements for the 3 months prior to falling below the capital threshold, in some cases you may be requested to provide additional statements.

- Other property, home or abroad
  - Proof of ownership for any additional property and evidence of the amount of equity held such as a mortgage statement and a full valuation
- Legal representatives
  - Full document or letter from the court showing: Power of Attorney, Lasting Power of Attorney (finances), Deputyship or DWP Appointeeship
- Council tax

- Annual bill and, if in payment, Council Tax Support statement and breakdown.
- Capital assets
  - End of year financial reports for the past two years for any companies in which you have an interest.
- Benefits
  - Award notification letter showing the breakdown of payments.
  - Bank statements detailing payments made by DWP
- Health insurance
  - Policy document and any letters regarding claims made
- Trusts
  - Document showing the type of trust, date it was set up, income received and value (if applicable)

## **Appendix 4 – Debt Recovery Process**

[Paying for Care Policy Appendix 4: Debt Recovery Process](#)

## **Appendix 5 – Adult Care Annual Statement – April 2025 - 2026**

[Paying for Care Policy Appendix 5: Annual Statement 2025 – 2026](#)

For more information about Adults'  
Health and Care, visit:

[hants.gov.uk/adultsocialcare](https://hants.gov.uk/adultsocialcare)

