Southampton City Council

Adult Social Care Charging Policy

SOUTHAMPTON
CITY COUNCIL

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1. Introduction

1.1 What is a charging policy?

Adult social care provides people with personal and practical support to help them live their lives and maintain their independence. The Adult Social Care and Support Planning Policy (a separate policy to this one) describes how we do this.

Unlike health care, adult social care is not a free service. The Care Act 2014 gives councils the power to charge for some types of care. To ensure that the charging is fair, the Care Act 2014 states clear principles and sets strict limits on the charging process.

This policy explains how Southampton City Council ("the council") calculates and applies charges, in line with the Care Act requirements.

Explanations of some frequently used terms are listed in the Glossary in Appendix A.

This policy should be read alongside the council's Adult Social Care and Support Planning Policy, which explains how unmet, eligible social care needs are assessed and met. Wherever possible, this is done by drawing on the strengths and assets of a person and their community, to support people to meet their goals and desired outcomes.

1.2 Legal context

This policy is based on appropriate legislation and Government guidance, including:

- The Care Act 2014, associated regulations and statutory guidance
- The Mental Capacity Act 2005
- The mental Capacity (Amendment) Act 2019
- Mental Health Act 1983, section 117 – the duty on health and social care services to provide free aftercare to patients previously detained under certain sections of the Act
- Equality Act 2010
- Human Rights Act 1998

1.3 Scope

This policy explains how we charge for packages of care and support arranged by Southampton City Council.

The charges depend on both the type of care, and the financial circumstances of the person receiving the care.

This section explains which types of care may be charged for, and which are never charged for.

Care which is not chargeable

The following types of care must be arranged free of charge, as set out in the Care Act 2014:

- Intermediate care, including reablement, which must be provided free of charge for up to 6 weeks. However, local authorities must have regard to the guidance

on preventative support set out in Chapter 2 of the guidance. This sets out that neither should have a strict time limit but should reflect the needs of the person. Local authorities therefore may wish to apply their discretion to offer this free of charge for longer than 6 weeks where there are clear preventative benefits, such as when a person has recently become visually impaired
- Community equipment (aids and other minor adaptations). Aids must be provided free of charge whether provided to meet or prevent/delay needs. Minor adaptations are those costing £1,000 or less.
- Care and support provided to people with Creutzfeldt-Jacob Disease
- After-care services/support provided under section 117 of the Mental Health Act 1983.
- Any service, or part of a service, which the NHS is under a duty to provide. This includes Continuing Healthcare and the NHS contribution to Registered Nursing Care.
- More broadly, any services which a local authority is under a duty to provide through other legislation
- Assessment of needs, financial assessment and working out a care and support plan cannot be charged for, since these processes do not constitute 'meeting needs.'

The council will not charge for services provided directly to carers to support them. However, this does not include all forms of respite or replacement care that involve care to the cared-for person. These will be treated as services for the cared-for person rather than for the carer, and will therefore be subject to financial assessment and charging.

Care which is always chargeable

The following services are offered as a commercial service and are always charged for:

- Telecare (see Careline pricing structure)

However, if the person also receives means-tested chargeable care (see below), the cost of Telecare may be taken into account during the financial assessment as a disability-related expense.

Care which is chargeable, subject to a means-test

All other types of care, whether arranged by the council to meet eligible, unmet needs or other needs, are charged for. However, people are only charged what they can afford. The rest of this policy explains how we calculate the charges for these types of care, which fall into two groups:

- Packages of care and support which are partially or wholly funded by the council.

- Packages of care and support for self-funders (people who are expected to pay the full cost of their care) which are arranged by the council at their request.

1.4 Principles

In line with the Care Act Statutory Guidance, the overarching principle of this policy is that **people should only be required to pay what they can afford.**

We work out what each person can afford by considering their financial assets, and by carrying out a financial assessment (a means test), in line with Care Act Statutory Guidance and Regulations. This is explained in more detail later in this document.

The key principles that this policy supports are:

- not charging people more than it is reasonably practicable for them to pay, in accordance with the Care Act 2014
- being comprehensive, to reduce variation in the way people are assessed and charged
- being clear and transparent, so people know what they will be charged
- promoting wellbeing, social inclusion, and supporting the vision of personalisation, independence, choice and control
- supporting carers to look after their own health and wellbeing, and to care effectively and safely
- being person-focused, to reflect the variety of care and caring journeys and the variety of options available to meet people's needs
- applying the charging rules equally, so that people with similar needs or services are treated the same, and minimising anomalies between different care settings
- encouraging and enabling those who wish to stay in or take up employment, education or training, or plan for the future costs of meeting their needs, to do so
- being sustainable for the council in the long-term

In line with the Care Act 2014, and the principles set out in the Mental Capacity Act 2005, the council will assume that people have mental capacity and can make decisions for themselves unless it is established otherwise. If established otherwise, appropriate support will be identified.

1.5 Useful links

Guidance to legislation

- The Care and Support Statutory Guidance outlines how local authorities should meet the legal obligations placed on them by the Care Act 2014 and its accompanying regulations.
- The Care Act Factsheet 5: Charging and Financial Assessments describes how local authorities assess what people can afford to pay for their care and support under the Care Act.

Financial advice

People are recommended to seek financial advice independently. The following links may be useful:

- Money and legal advice for seniors | Age UK
- Independent Age
- Money Helper
- Society of Later Life Advisers – SOLLA
- Financing Later Life Care – Which?
- Getting financial advice – Citizens Advice

Rates

All the rates used in the financial assessment and charging process are listed in the companion Rates Document:

Rates Document

This policy explains how and when these rates are updated.

Process

This flowchart and notes explain the high-level process which a person follows, as the council assesses their care needs, their financial position, and their resulting options for paying for their care.

Flowchart

1.6 Useful contacts

FAB Team

Queries about the financial assessment process or the assessed contribution should be directed to the FAB Team (Financial Assessment and Benefits) on:

Email: fab.officers@southampton.gov.uk

Phone: 023 8083 3003 then select option 3 – client contribution.

Post:
FAB Team
Wellbeing (Health and Adults)
Southampton City Council
Civic Centre
Southampton
SO14 7LY

Customer Payments and Debt Team

Queries about an invoice or the payment process should be directed to our Customer Payment & Debt team on:

Phone: 023 8083 3388 Option 6

Email: cpd.queries@southampton.gov.uk

Please quote the Customer ID at the top of your invoice.

Our switchboard hours can be found on the council web site here: Contact us (southampton.gov.uk) – see “Other Services and General Enquiries”.

1.7 Charging Process Overview

Please see the flowchart and notes called “Adult Social Care: The Financial Journey.”

The rest of this policy is laid out in the same order as the flowchart. For information about:

- Personal Budgets - see section 2.1
- Top-up payments – see section 2.2
- Financial Assessments – see section 3
- Arranging care via a direct payment – see section 4
- Paying for care arranged by the council – see section 5
- Waivers – see section 6
- Fees for full-cost customers (self-funders) – see section 7
- Deferred payment loans – see section 8

2. Personal Budgets

2.1 Personal Budgets

Everyone whose needs are met by the council will receive a Personal Budget. A Personal Budget is the weekly amount of money allocated to a person to provide the support they require. For more information about Personal Budgets, please see the Southampton City Council Adult Social Care and Support Planning Policy.

For people who need a package of care which is a mixture of healthcare (provided by the NHS) and social care (provided by the council), the personal budget will relate only to the social care element.

The Personal Budget is calculated using the typical cost of the care packages required.

Once the financial assessment is complete, a person will know their maximum assessed contribution – the maximum amount per week they are expected to pay towards the cost of their care.

- If their contribution is zero, the council funds the whole of the personal budget.

- If their contribution is less than the personal budget, they will be charged the contribution and the council will fund the balance.

  For example:

  - Personal Budget = £100 per week
  - Maximum assessed contribution = £40 per week
  - Person is charged £40 per week
  - The council funds the other £60 per week

- If their contribution is above the personal budget, they will have to pay the personal budget.

  For example:

  - Personal Budget = £100 per week
  - Maximum assessed contribution = £150 per week
  - Person is charged £100 per week

- If they are classed as “full cost,” they would be charged the full cost of the care. However, most people in this situation choose to arrange their own care.

Individuals may choose to purchase additional care at their own expense. See the next section on top-ups.

If a person or their representative want to make changes to council-arranged care, they need to contact Adult Social Care to request a review of the person’s eligible needs, support plan and personal budget. The council cannot guarantee to pay for increased care costs caused by changes arranged between a person (or their representative) and the care provider.

2.2 Top-ups

If a person chooses to receive care that is more expensive than the council has assessed they need to meet their eligible needs, a third party and, in very limited circumstances, the individual can ‘top-up’ the costs to purchase the care of their choice.

The amount of the ‘top-up’ is the difference between the actual costs of the preferred provider and the amount that the council have set in the person’s Personal Budget or Section 117 After-Care plan.

For example:

- The council assesses that Mr Grey needs to move into a care home
- The reasonable cost for meeting his unmet, eligible needs is £1,000 per week. Several care homes are available at this rate.
- However, Mr Grey’s family want him to live in a different care home, which costs £1,400 per week.
- So, a top-up payment of £400 per week may need to be paid by Mr Grey’s family, if they choose to use the more expensive provider.

If a person is receiving funding from the council and they are in a care home, they cannot ‘top-up’ their own care funding unless they have a 12-week property disregard or receive funding via Section 117 of the Mental Health Act 1983. They would instead

require top-up from a third party, for example their family or charity. This restriction is dictated by the Care Act 2014.

The council will ensure that Personal Budgets are sufficient to meet the person's eligible care needs, and that a choice of provision is available within that budget, wherever possible. Any ‘top ups’ will be the individual’s choice, and can only be made once they aware of their right to have all their eligible care needs met without the requirement for a ‘top up.’

The person paying the 'top up' will be expected to sign an agreement, which sets out the conditions of making a 'top up'.

In the event the 'top up' ceases, the council is under no obligation to increase its contribution to cover the difference in cost. This may result, for example, in the person having to move to other accommodation and being given alternative options to choose from, unless, after an assessment of need, it is shown that their assessed eligible needs can only be met in the current accommodation.

3. Financial Assessment

The financial assessment is a means-test which works out a person’s “maximum assessed charge” or “contribution.” This is the maximum amount which they can afford to pay per week towards the cost of their care, at that point in time.

This could be nothing, or the full cost of the care, or an amount in between the two, depending on the person’s financial circumstances.

See section 5 for more information about how the contribution affects the calculation of weekly charges.

People can choose not to have a financial assessment, but will then be expected to pay the full cost of their care.

The council recommends that people seek financial advice independently. See section 1.5 for some examples of organisations who may be able to provide help and advice.

3.1 Mental Capacity

At the time of the assessment of care and support needs, if there is evidence that the person lacks capacity to make decisions regarding their finances, the council must find out if anyone can act as their legal representative, based on any of the following:

- Enduring power of attorney (EPA).
- Lasting power of attorney (LPA) for property and affairs.
- Lasting power of attorney (LPA) for health and welfare.
- Deputyship under the Court of Protection
- If none of these apply, any other person legally dealing with that person’s financial affairs (for example, a Trustee, or someone who has been given appointeeship by the Department for Work and Pensions (DWP) for the purpose of benefits payments)

Once the legal representative has been confirmed, they can give consent to the financial assessment and provide the required data.

People who lack mental capacity to give consent to, and take part in, a financial assessment, and who do not have a legal representative, may require the appointment of a property and affairs deputy. Family members can apply for this to the Court of Protection, or the council can arrange for an application to be made, if there is no suitable person who is willing to apply. This will incur administration fees (see the Rates Document).

Once the court appoints a deputy, that person will be able to make decisions authorised by the court and provide the council with financial information so that a full financial assessment can be carried out.

If the person lacks the mental capacity to take part in the assessment and there is no one else who is legally able to do so, such as a deputy or attorney, as a last resort the council has the discretion to pay in the interim for the costs of care until the court of protection has appointed a suitable deputy. Once a deputy has been appointed a full financial assessment will be carried out and if the person has savings and assets over the upper capital limit (see the Rates Document) the council will seek re-imbursement of the charges from the person's assets via the deputy.

3.2 Who is financially assessed?

The person who needs care and support, will be assessed on their own finances to calculate how much they should contribute towards the cost of their care.

Where the person receives income as one of a couple, it is normal to assume that half the income goes to the cared-for person.

Exact details of the treatment of joint income and jointly-owned assets can be found in the Care Act 2014 guidance – see Annex B (Treatment of Assets) and Annex C (Treatment of Income). The guidance is summarised in Appendix B of this policy.

The council will take the partner's circumstances into account and ensure they are left with sufficient income.

The person (or their representative) will be required to provide all the information needed to complete the financial assessment, and to inform the council of any changes in their financial circumstances.

Following a request for financial details, the council will send regular reminders and offer help and advice.

If a person refuses to disclose their financial details, or fails to provide their details within eight weeks of the request, they may be required to pay the full cost of the care. Consideration will be given to people who have a reasonable need for extra time and contact the FAB team to explain the delay.

3.3 Full financial assessments

A full financial assessment involves the assessor gathering comprehensive information about every element of the person's assets, income and expenses, before calculating the amount they can reasonably afford to pay towards the cost of their care.

Online financial assessment

People being financially assessed, or their legal representatives, are encouraged to supply their data and evidence documentation using the secure online financial assessment form. Assistance will be available for people needing help with the online form. Alternative methods for supplying data and documentary evidence are provided, for anyone unable to use the online form.

3.4 Light touch financial assessments

The Care Act 2014 gives councils the option to offer people a quick and simple "light-touch" financial assessment. This means, treating the person as if they have had a financial assessment, without going through the full financial assessment process.

When carrying out a light-touch financial assessment, the council must be satisfied that the person is both willing and able (can afford) to pay any charges due, now and in the future. If the council cannot be sure of this, then a full financial assessment may be required.

The most common occasions where a light-touch financial assessment is suitable, are:

1. Where the person can provide assurance that they have assets above the capital limit, but would still like the council to arrange their care.
2. Where the person's charges would be nominal or very low, and the person can demonstrate that they have sufficient income to meet these charges. In these situations, a full financial assessment would be disproportionate.
3. Where it is clear from the type of benefits which the person receives, that they will not be able to afford to pay towards the cost of their care. The council can access DWP records to establish a person's benefit data, but only after receiving their written consent to do this.

3.5 Assets

Examples of assets are property, land, savings, shares, trust funds etc.

The Care Act 2014 defines what counts as an asset for the purposes of a financial assessment. This will depend on the type of care involved – care at home, a temporary stay in a care home or a permanent stay in a care home.

For full details see the Care and Support Statutory Guidance, Annex B (Treatment of Capital).

This government guidance is summarised in Appendix B of this document.

Some types of personal injury claims or compensation awards may be taken into account in the financial assessment. This will be dependent on the nature of the award.

The council will consider whether to recover the cost of care from a trust fund, where reasonable to do so, having regard for the terms of the trust.

Deprivation of assets

If someone has intentionally deprived or decreased their overall assets in order to reduce the amount they are charged towards their care, the council has the right, under the Care Act 2014, to calculate their contribution as if the person still owned the asset.

Property

When carrying out a financial assessment for a person's non-residential care, the value of a property owned and occupied by the person as their main residence will not be taken into account. However, the value of any other properties, land or assets owned in this country or abroad will be included.

When carrying out a financial assessment for a person's long term residential care, the value of a property owned and occupied by the person may be taken into account in the financial assessment. The home will not be taken into account if one of the following people also lives in the home, and will continue to live there after the person has moved into the care home:

- a husband, wife or civil partner
- a close relative over the age of 60
- a dependent child
- a relative who is disabled or incapacitated

The council may use its discretion in appropriate cases to disregard the value of a person's property from the financial assessment, if a qualifying third-party lives there. For example, this may be where it is the sole residence of someone who has given up their own home to care for the person, or someone who is an elderly companion of the person (particularly if they have given up their own home).

12-week property disregard

If the property which is owned and occupied by the person is counted as an asset, the council will ignore its value for the first 12 weeks. This starts from the date when the person enters permanent residential care. This is referred to as a "12-week property disregard" and is a requirement of the Care Act 2014. The aim of this period is to give the person time to decide what to do with their former home. During this period, the person will be expected to contribute towards their care from their income and other assets.

The disregard will end if the property is sold within 12-weeks of the person moving into permanent residential care, and the resulting funds will be included in the person's assessment as assets. This will usually mean that the person has assets over the upper capital limit (see the Rates Document) and therefore will be charged the full cost of their care.

If the property is not sold, then at the end of the 12-week period, the property disregard will end, and the property will start to count towards the person's assets. This will usually mean that the person has assets over the upper capital limit (see the Rates Document) and therefore will be charged the full cost of their care.

If the person does not have sufficient income to pay for their care and does not want to sell their property, they may consider applying to the council for a deferred payment loan. See section 8 for more details about deferred payments.

3.6 Income

The Care Act 2014 defines what counts as income, and which types of income must be disregarded (ignored) during the financial assessment.

For full details see the Care and Support Statutory Guidance, Annex C (Treatment of Income).

This government guidance is summarised in Appendix B of this document.

Benefits

The person receiving care has a responsibility to ensure that they claim all benefits to which they are entitled. Contact the FAB team for help and advice.

In addition, when carrying out the financial assessment, the FAB team will identify when people are not claiming benefits they may be entitled to, and provide advice and help with the application process.

Usually, income from benefits will be taken into account in the financial assessment. However, the Care Act 2014 states that the following benefits must be disregarded (ignored as income):

(a) Direct Payments

(b) Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme

(c) War Pension Scheme payments made to veterans with the exception of Constant Attendance Allowance payments

(d) the mobility component of Disability Living Allowance

(e) the mobility component of Personal Independence Payments

The council will also disregard disability related benefits (including Disability Living Allowance, Personal Independence Payments, Attendance Allowance and Constant Attendance Allowance), when an individual is terminally ill and has been issued with a DS 1500 form by a medical practitioner.

Tariff Income

Tariff income is calculated to reflect the weekly amount a person is expected to pay towards their care, out of their assets. The amount depends on the value of the assets:

- For people with assets below the lower capital limit, the tariff income does not apply.

- For people with assets between the lower capital limit and upper capital limit, a tariff income will be applied of £1 per week, for each £250 of assets. This will be added to their other forms of income during the financial assessment. For example, if a person has £15,000 in the bank, and the lower capital limit is £14,250, they will “earn” £3 per week - £1 for each lot of £250 above the limit.

- For people with assets above the upper capital limit, those people will be expected to pay the full cost of their care, so the tariff income is not relevant.

- See the Rates Schedule for the value of the lower and upper capital limits.

3.7 Living Expenses

Minimum Income Guarantee (MIG)

The council will ensure that people receiving non-residential care services retain a Minimum Income Guarantee amount.

This is the minimum amount which an individual must be allowed to keep, to cover their living costs.

The rates depend on age and circumstances, and are set annually by the Department of Health and Social Care (DHSC).

The council applies the rates as stated by DHSC with one exception: people aged 18-24 are given the more generous basic rate for people aged 25 to state pension age.

See the Rates Schedule for the current rates.

Other Living Expenses for people receiving non-residential care

In addition to the Minimum Income Guarantee further allowance may be made for other expenses for individuals receiving non-residential care services such as:

- Rent not covered by Housing Benefit or Universal Credit (including rent payable for ‘under occupancy’).
- Council Tax not covered by Council Tax Reduction.
- Mortgage repayments.
- Some service charges (other than service charges which are ineligible under Schedule 1 to the Housing Benefit Regulations 2006).

Personal Expenses Allowance

Where an individual is cared for within a residential care setting, and charges are applicable, the council will ensure the individual retains the Personal Expenses Allowance in order to meet personal costs not covered by the care home. In certain circumstances the council may consider increasing the Personal Expenses Allowance to cover other exceptional living costs as set out in the Care Act 2014.

The Personal Expense Allowance rate is set annually by the Department of Health and Social Care.

See the Rates Schedule for the current rate.

3.8 Disability-Related Expenses (DREs)

Disability Related Expenses (known as DREs) are the reasonable additional costs which a person receiving non-residential care cannot help incurring, due to their disability, in order to live independently. The costs may vary from person to person.

DREs are calculated as a weekly amount, and may be:

- ongoing costs, for example, the cost of carrying out a higher-than-normal amount of laundry
- one-off costs, for example the cost of purchasing and installing a stairlift. In these cases, the cost is spread over a period of time

Who can claim DREs?

A person can claim DREs if:

- they are receiving non-residential care, and
- they pay a contribution towards the cost of their care (DREs do not apply to people already receiving care free of charge, or people paying the full cost of their care), and
- they are in receipt of either Disability Living Allowance, Personal Independence Payments or Attendance Allowance.

How do DREs work?

If DREs are submitted and approved, they can increase the living expenses which are taken into account in the financial assessment. This may reduce the weekly contribution which the person pays towards the cost of their care.

People can record their DREs and submit documentary evidence either using the online financial assessment form, or a paper form available on request to the FAB team.

What kind of expenses are included?

The aim of DREs is to allow for reasonable extra expenditure needed for independent living by the person.

In assessing what is a reasonable expense, the council is guided by:

- the annual NAFAO Guide to Disability Related Expenditure. NAFAO is the National Association of Financial Assessment Officers
- the most recent Office for National Statistics data on typical household expenditure

The council will not normally consider DREs to be reasonable if:

- The expenses can be considered to be normal living costs, which most people have to pay. These are covered by the Minimum Income Guarantee (MIG)
- The expenses can be avoided by making use of freely available community services
- Cheaper or more cost-effective equivalent services could reasonably be used. (The amount above the cost of the equivalent service will not be considered a reasonable expense).
- The expenses relate to care or services provided by the NHS or provided by the council as part of the personal budget.
- Other funds or grants exist to cover the cost of the expenses.
- The expenses relate to house or grounds maintenance for SCC Housing Complexes where garden maintenance is carried out by SCC without additional charge.

Section 2.4 of the Rates Schedule lists the typical rates we allow for the most common types of expense, and the evidence requirements.

However, this is not an exhaustive list. DREs will be assessed on a case-by-case basis and exceptions will be considered.

Appeals

If a person is unhappy with the DREs they have been granted, they should follow the financial assessment appeals process (see section 3.11)

Keeping DREs up to date

The DRE expenses listed in the Rates Schedule will be reviewed annually and updated to ensure that all the regularly occurring types of DRE are clearly explained.

Where fixed rates or maximum rates are quoted, these will be revised annually. Rates based on NAFAO guidelines will be updated to the latest guidelines. Rates based on actual costs will be updated to reflect latest typical actual costs. Finally, any other fixed/maximum rates will be updated using published inflation rates (Consumer Price Index).

Where people have existing DREs using these fixed rates, their financial assessment will automatically be updated at the start of each financial year to apply the new rates.

Where people have DREs based on the person's invoice for the actual cost, financial assessments will not be updated unless the person submits evidence of changes in their costs.

People have a responsibility to contact the FAB team to report, and provide evidence of, any permanent changes in their DREs, just as they do for all the other elements of assets, income and expenses which affect the financial assessment. This will prompt an update to the financial assessment which may lead to a change in the individual's weekly contribution to the cost of their care.

3.9 Outcome of the financial assessment

When the financial assessment is complete, the person or their representative will be sent the results of the assessment, and how this was calculated. The result could be:

- A contribution amount (the most the person can afford to pay per week towards their care)
- Confirmation that the person needs to pay the full cost of their care, and how much this is at the current time.

Queries regarding the outcome should be addressed to the FAB team.

Please see section 3.11 for details of the appeal process.

3.10 Keeping the financial assessment up to date

It is important that we keep financial assessments up to date. This ensures that each person's contribution (maximum assessed charge) continues to be a fair assessment of what they can afford to pay towards their care.

Personal circumstances

People who are being charged based on a financial assessment are responsible for notifying the council of any changes to their personal and financial circumstances (assets, income or expenses), because these can affect their financial assessment. Examples of typical changes are:

- The accommodation of the person
- The financial circumstances of the person including increases or other changes to income (for example occupational pensions) or savings/assets
- Membership of the household

Changes to contributions may be backdated to the actual date of the change in financial circumstances.

The council reserves the right to carry out a financial review at any time, for example in the event of the Department of Works and Pensions (DWP) making a policy change or regulation changes. This may require people to provide new or additional information and evidence where necessary. Where people fail to provide information following written requests, contributions may be recalculated, which may result in the person paying the full cost of their care and support package.

Annual uplifts

Certain elements of financial assessments will be applied automatically at the start of each tax year (April to March). This includes changes to:

- Benefit amounts
- State pension amounts
- Council Tax expenses

The financial assessment process draws on a wide range of data and government-set rates which are revised annually to ensure that they continue to reflect realistic costs.

The means of uplifting the various rates are as follows:

- Benefits and state pensions: These are uplifted to match the rates published each year by the Department of Work and Pensions (DWP). See here, and the equivalent web sites for subsequent years:

  Benefit and pension rates 2023 to 2024 - GOV.UK (www.gov.uk)

- Income guarantees: The Minimum Income Guarantee Rates (for non-residential care) and the Personal Expenses Allowance (for residential care) are uplifted to match the rates published each year by the Department of Health and Social Care (DHSC). See here, and the equivalent sites for subsequent years:

  Social care - charging for care and support: local authority circular - LAC(DHSC)(2023)1 - GOV.UK (www.gov.uk)

  These rates are also listed in the Rates Document which will be updated each year.

- The lower and upper capital limits are set by the Department of Health and Social Care (DHSC) in the same document as the income guarantees.

- Disability-related expenses:
  - Fixed/maximum rates which are obtained from the NAFAO guidance will be revised in line with the latest NAFAO guidance rates:

- Fixed/maximum rates which are based on typical actual costs will be revised to reflect the latest typical actual costs,
- Where no other guide is available, rates will be revised based on published inflation rates using the Consumer Price Index

Updated financial assessment charge letters will be issued in March each year to explain each person's new contribution amount and how it was calculated.

3.11 Appeals and complaints

Appeals

If a person (or their legal representative) disagrees with the outcome of their financial assessment, they should first contact the FAB team. The FAB Officer will go through and explain the calculation, with reference to evidence the person has provided. Any mistakes, misunderstanding or missing evidence can then be resolved, and an updated outcome letter issued.

If this does not resolve the concern, the person (or their legal representative) can contact the FAB team by email or letter requesting an appeal. This should include their reasons and supporting evidence.

Appeals must be received within 28 days of the date on the latest financial assessment outcome letter.

The appeal may relate to (but is not limited to):

- treatment of a property
- treatment of deprivation of assets
- the way allowances and income have been taken into account
- start and end dates of financial assessments
- disability related expenses

We will write to acknowledge receipt of the appeal.

The FAB Supervisor will review the case. They will write to the person within 20 working days explaining the result of their investigations and the outcome of the appeal.

If the person is still not satisfied, they can contact the FAB team by email or letter, requesting a review of the appeal.

A member of the Adult Social Care Senior Management Team will review the first appeal. They will write to the person within 20 working days explaining the result of their investigations and the outcome of the appeal review.

If the person is still not satisfied after two appeals, they can ask the Local Government and Social Care Ombudsman to review the decision.

Home - Local Government and Social Care Ombudsman

Advice line: 0300 061 0614

Complaints

Complaints about the conduct of officers or concerns that the policy has not been properly enforced should be made via the council's corporate complaints procedure.

Details can be found on the council's web site, under Democracy/Have Your Say/Comments, Compliments and Complaints.

Council & Democracy (southampton.gov.uk)

3.12 Financial Abuse

Financial abuse occurs if a person's money or property are stolen, misused or controlled by another person. This may be someone they know or a stranger. Internet scams, postal scams and doorstep crime are examples of financial abuse.

The council has a duty to safeguard adults from abuse and neglect, including financial abuse. Under this duty, our staff will be on the alert for any signs of financial abuse, such as unexplained money loss or lack of money to pay for daily or household needs.

Where appropriate, safeguarding enquiries will be carried out and it may be necessary to share information with the appropriate authorities. This includes the Office of the Public Guardian (if the person has a Deputy or Power of Attorney holder managing their financial affairs) or the Department of Work and Pensions (if the person has an Appointee managing their benefits).

4. Direct Payments

People who need care are encouraged to consider the option to arrange their own care. This gives them freedom to arrange (or employ) a provider/carer of their own choosing. They can then liaise directly with the provider/carer over the day-to-day provision of the care specified in their support plan.

Direct Payments are available to support this, under these circumstances:

a) The person's care is being partially or fully funded by the council, and
b) The type of care is not permanent residential care

It is possible to have a direct payment for some of the care and have other aspects of care arranged by the council.

A Direct Payment Agreement will need to be signed, and this describes the process, terms and conditions in more detail.

Once a direct payment arrangement is in place, the council pays its share of the cost every 4 weeks to the person, using a special account for the purpose. The person adds their contribution to the account every 4 weeks, to ensure that the total of the agreed personal budget amount is available. The person then pays their provider/carer from that account.

For example:

- Mrs Drake's personal budget is £300 per week
- Her maximum assessed charge (contribution) is £100 per week
- So, the council funding is £200 per week
- Every 4 weeks the council pays £800 into Mrs Drake's account (4 x £200).
- Every 4 weeks Mrs Drake pays £400 into the account (4 x £100)
- £1200 is available for Mrs Drake to pay her provider/carer for 4 weeks' care.

People can choose to use a third-party managed service to manage the receipt and paying out of funds on their behalf.

The council will monitor the use of the funds to ensure they are being spent appropriately.

More information about Direct Payments can be found on the council's web site. (See Adult Social Care, Living at Home).

The personal budget for direct payments will be reviewed annually and uplifted to reflect the latest typical cost for the care outlined on the support plan, including (where applicable) any increase in the minimum wage.

5. Payment of charges for care arranged by the council

5.1 How charges are calculated

For people paying a contribution towards the cost of council-arranged care, the amount charged in any given week is the lower of these two figures:

- The full cost of their care that week (see section 5.2 for more details about how this is worked out)
- Their contribution (the "maximum assessed charge" worked out during their financial assessment)

Example 1:

- Mr Williams receives home care which costs the council £100 per week.
- His contribution is £75 per week. This means £75 per week is the most he can afford to pay, based on his latest financial assessment.
- He will normally be charged £75 per week and the council will fund the remaining £25.
- If he is away for a few days and only receives half the usual weekly visits, his cost of care that week would only be £50. Because this is below his contribution, he would only be charged £50 for that week.
- If he went into hospital and the whole week's care was cancelled, he would be charged nothing.
- Once everything went back to normal, his charges would go back to £75 per week.

Example 2:

- Miss Booth receives one day of day care per week, which costs the council £60 per week.

- Her contribution is £90 per week. This means £90 per week is the most she can afford to pay, based on her latest financial assessment.
- She will normally be charged £60 per week.

For self-funders, the amount charged each week will be the full cost of the care delivered that week. See section 5.2 for how this is calculated.

5.2 Calculating the cost of care

The cost of the care referred to in section 5.1 is the actual cost to the council – that is, the amount we pay the provider (excluding any VAT).

For people who are being charged their contribution amount, **the cost of care has no effect on their charges.**

However, the cost of care has a direct impact on people's charges if:

- They are paying the full cost of their care, or
- Their cost of care is less than their contribution (this can happen if people have a small package of care or a relatively high contribution). See example 2 in section 5.1 above.

The Rates Document shows a typical range of costs for the most common types of care, as a guide. However, we cannot guarantee that a person's charges will be within this range.

The council will consider requests to change to a cheaper provider if this can be done while still meeting the person's needs.

5.3 Changes in the cost of care

Because we charge the actual cost, the charges will go up or down in line with any changes to the amount we pay the provider.

There is no fixed uplift formula for provider rates. They are re-negotiated regularly, to ensure that we achieve the best possible value for money.

New provider rates usually apply from the 1st of April of each year. The council makes every effort to complete the negotiation of new provider rates in advance of this. This allows the new cost of care to be included on the letters which are issued every March, outlining everyone's new contribution amounts. However, some back-dating of provider rate changes (and therefore back-dated charges) can sometimes occur.

5.4 When charges start

Charges will apply from the first day that chargeable services are delivered.

Care is put in place as quickly as possible, but there may be a short delay before the financial assessment can be completed. Only then do we know the maximum assessed charge (contribution), allowing us to arrive at the correct weekly charge.

Non-residential care

In the case of non-residential care, invoicing will start when the financial assessment is completed, and therefore may include some back-dated charges.

Residential care

In the case of residential care, we start invoicing a temporary charge as soon as care starts. Once the financial assessment is complete and we know the maximum assessed charge (contribution), the invoices are adjusted.

If the contribution is higher than the temporary charge, the contribution will be applied from the date that the person's financial details were received.

If the contribution is lower than the temporary charge (which is unusual), the contribution will be applied from the start of care.

The temporary charges are updated annually based on government benefits and allowances. The values are in the Rates Document along with an explanation of how they are calculated.

Delays with the supply of financial data

The council will undertake financial assessments as swiftly as possible, and people being assessed are expected to cooperate with the financial assessment in line with Care Act Regulations. Advice and help are available to those who need it.

People have the option to consent to a light touch financial assessment which is generally quicker.

If the person does not supply their financial details within 8 weeks of our request, and does not respond to our reminders with a reasonable explanation of the delay, we will issue invoices for the full cost of care, from the start date of care.

If a financial assessment is completed later, and confirms that the person can only afford to pay a contribution towards the cost of their care, their charges will be adjusted. These adjustments will usually be applied back to the start date of care. However, if there is an exceptionally long delay before the financial assessment is complete, adjustments will be applied as far back as it is reasonably possible to obtain a person's financial data and evidence, and assess the person's contribution during that period.

5.5 Invoicing

Invoices will be issued 12 times per year, with each invoice covering the charges for either 4 or 5 whole weeks of care.

Payment instructions will be included on the invoice.

Invoice and payment queries should be addressed to our Customer Payment and Debt team. See section 1.6 for the contact details.

Where a person fails to pay their invoices for council-arranged care, action may be taken in accordance with the council's debt policy. This may result in legal action being taken and extra cost to the person.

5.6 Care cancellations

From time to time, the actual delivery of care may vary from the schedule agreed in the Care and Support Plan. Care/services could be cancelled or visits could be longer or shorter than planned.

The examples below explain under what circumstances we will adapt our charges when we are informed of temporary changes in the care/service delivered (known as variations).

Homecare and the care element of Supported Living

Extended visits: We may pass on charges for extended visits if the provider charges us an additional cost.

Shortened / cancelled visits: We may still charge for the original visit duration, if:

- we have still incurred the cost (because the provider had insufficient notice to redeploy their staff), and
- the shortening or cancellation of the visit was caused by the person receiving care/their representative, and
- 24-hours' notice was not given by the person receiving care/their representative, to the provider

Please note that:

  - as a guide, the length of time for which we would continue to incur costs (and therefore charge the person) for a period of cancelled home care would in most cases be no more than 24 hours
  - home care which is cancelled when the person is admitted unexpectedly to hospital, will not incur a charge

Day Care and Miscellaneous services

We may still charge for a cancelled event if:

- we have still incurred the cost (because the provider had insufficient notice to re-allocate their resources to another customer, or because the place is being kept open), and
- the cancellation was caused by the person receiving care/their representative, and
- 24-hours' notice was not given by the person receiving care/their representative, to the provider

Please note that:

- Care/Services which are cancelled when the person receiving care is admitted unexpectedly to hospital, will not incur a charge

Residential Care, Educational Establishments and Shared Lives

We will continue to charge during periods of cancelled care, even if the person receiving care is in hospital, because we continue to incur the cost if the provider is keeping the place open.

Hospital stays and impact on benefits

After a stay of 28 days in hospital or intermediate care in a care home, some benefit payments are suspended, reflecting the reduction in living expenses during this time. This should be reported to the FAB team so that the financial assessment can be recalculated.

Impact of reduced services on weekly contributions

Where clients are paying a contribution towards the cost of their care, a temporary reduction in their level of service/care may not always result in reduced charges. This is because each week we charge either the cost of the care or the client's assessed contribution, whichever is lower.

For example:

- Mrs Andrews attends day care three days per week
- The day care costs the council £50 per day, totalling £150 in a normal week
- Mrs Andrews has a maximum assessed charge (contribution) of £75 per week so she is charged £75 per week towards the cost of her day care
- Suppose Mrs Andrews misses some of her day care (having given 24 hours' notice to her provider)
- If she attends for two days, the cost of care is £100. This is still above her contribution of £75 so her weekly charge does not change.
- If she attends for only one day, the cost of care is £50. This is below her contribution so her charge that week is reduced to £50.

6. Fees for self-funders

This section applies to self-funders - people who are expected to pay the full cost of their care. In most cases, self-funders arrange their own care. However, there are circumstances in which they can ask the council to arrange their care. This may incur administration fees.

6.1 Non-residential care

The council will arrange non-residential care for self-funders if requested to do so.

An administration fee will be charged at the outset to cover the cost we incur when we arrange a package of care. This includes finding a provider, agreeing the care package with the provider, agreeing payment rates, setting up the contract and setting up the payment process.

This fee will be repeated if a package of care needs to be substantially changed at a later date. Minor changes to existing arrangements will not be subject to a fee.

See the Rates Document for the current administration fee.

The fee will be reviewed and revised annually, to reflect the latest actual cost of arranging a new package of care.

6.2 Residential care

The Care Act 2014 prevents councils from paying towards the costs of residential care for self-funders (people who need to pay for the full cost of their care).

Therefore, the council will usually only arrange residential care for self-funders under these exceptional circumstances:

a) For people who lack the mental capacity to arrange their own care and have no one to act for them. The council will arrange and temporarily pay for the care

while waiting for the court of protection to appoint a suitable deputy. Once a deputy has been appointed and the financial assessment confirms the amount the person should pay for their care, the council will seek re-imbursement of the charges from the person's assets via the deputy. There is no care arrangement fee under these circumstances.

b) People who take out a deferred payment loan. See section 8 for more details. Deferred payment loan administration fees will apply under these circumstances.

7. Waivers

In exceptional circumstances, the council will consider options to defer, suspend or remove a person's charges towards the cost of their care.

Waivers will only be considered in exceptional circumstances, for example when paying the full assessed contribution would:

a) cause exceptional financial hardship, or
b) place the person at risk, or
c) not be affordable for that person

This will be determined on a case-by-case basis.

Waivers will be considered and approved by the relevant delegated senior officer in the council. All waivers will be documented and reviewed at an agreed frequency.

8. Deferred Payments

Deferred payment agreements apply to people who move into a care home permanently. They are designed to prevent people from being forced to sell their home during their lifetime, to meet the cost of their care. This can help people who are expected to pay the full cost of their care home fees, but cannot afford to pay because their funds are tied up in their home.

The Deferred Payment Scheme is designed to help "defer" (delay) paying the costs of care and support until a later date.

Typically, this means that the council obtains a land registry charge against the person's property. The council pays the care costs* and will eventually recover the cost of care after the property is sold or from the person's estate.

> *The person may still pay a weekly contribution towards the cost of their care out of their income or other assets, in which case the council pays the balance of the care costs.

The Deferred Payment Scheme is considered by the council to be a potential lower cost alternative to other lending options.

Full details of the deferred payment scheme and the administration fees charged by the council, are in Appendix C.

Before considering a deferred payment agreement, it is essential to seek independent legal and financial advice. See section 1.5 for some useful sources of help and advice.

9. Management of this policy

This policy will be reviewed when there is any significant change in legislation or other circumstances that affect its effectiveness and validity.

The Executive Director of Adult Social Care has the authority, under the Council's Scheme of Delegation, to make the following changes without updating the policy:

a) Charges may be reviewed and amended in line with inflation, guidance or actual costs.
b) The format and content of this policy may be reviewed and revised, to make textual, formatting, administrative or minor changes to ensure that it is fit for purpose.

Appendix A: Glossary

Ad hoc

As and when required.

"Afford"

Financial assessments are carried out to assess what people can afford to pay towards their care (their contribution). The Care Act 2014 lays out which types of assets, income, allowances and expenses should be taken into account in the financial assessment. This defines a fair and consistent rule for deciding what each person can afford to pay for their care.

However, we understand there are different views about what is "affordable." If a person does not think their contribution is affordable, they should contact the FAB team, and consider the option of claiming disability-related expenses.

Community Equipment

Equipment to help you live more independently and safely at home.

See the council web site under Adult Social Care, Living at Home, Equipment for help at home.

Continuing Healthcare (CHC)

Some people with long-term complex health needs qualify for free care arranged and funded by the NHS. This is known as NHS continuing healthcare.

NHS Continuing Healthcare

Consumer Price Inflation (CPI)

Consumer Price Inflation. This is one of several national standard measures of inflation (the amount by which prices in general are rising).

Inflation and price indices - Office for National Statistics (ons.gov.uk)

DWP

Department for Work and Pensions

Funded Nursing Care (FNC)

For people in a nursing home, the nursing element of their care is funded by the NHS. The NHS pays a flat rate directly to the care home towards the cost of this nursing care. The quoted "cost of care" for nursing care arranged via the council will not include the FNC.

NHS-funded nursing care - Social care and support guide - NHS (www.nhs.uk)

Intermediate Care

Intermediate care is support provided for a short time to help a person increase their independence. It may be required after a fall, acute illness or hospital stay. Alternatively, it may be provided to allow the person to remain at home when they start to find things more difficult, or avoid going into hospital unnecessarily.

More information is available from:

NICE (National Institute for Health and Care Excellence)

NHS

Miscellaneous services

Care-related services like transport, deep cleans, etc.

Non-residential care

Care and services delivered to people who are not living in a care home.

Ordinarily resident

If a person needs adult social care, the Local Authority responsible for dealing with this is the one in which they are "ordinarily resident." In general, this means "the place the person has voluntarily adopted for a settled purpose, whether for a short or long duration." Other criteria can apply in unusual cases and the full guidance can be found in section 19 of the Care and support statutory guidance - GOV.UK (www.gov.uk)

The Local Authority responsible for supporting a carer is the one in which the cared-for person (not the carer) is ordinarily resident.

Reablement

A form of intermediate care which aims to help people re-learn how to do daily activities, like cooking meals and washing.

More information is available from:

NICE (National Institute for Health and Care Excellence)

NHS

Residential Care

Care which takes place in a care home.

Self-funder

A person who is assessed as being able to afford the full cost of their care.

Most self-funders arrange their own care; however, the council may arrange a package of care at their request in some circumstances. They will be invoiced for the full cost of the care, and in some cases will need to pay a one-off administration fee for this service.

Appendix B: Financial assessment elements which are disregarded

When a financial assessment is carried out, the Care Act 2014 dictates which elements of a person's income, assets and expenses should be:

- taken into account ("regarded")
- ignored ("disregarded")

The full details can be found in: [Care and Support Statutory Guidance]

See Annex B (Treatment of Capital) and Annex C (Treatment of Income). Key sections of this guidance are summarised below.

B1. What counts as capital?

The following list gives examples of assets which count as capital for the purposes of the financial assessment. This list is intended as a guide and is not exhaustive:

(a) buildings

(b) land

(c) National Savings Certificates and Ulster Savings Certificates

(d) Premium Bonds

(e) stocks and shares

(f) capital held by the Court of Protection, or a Deputy appointed by that Court

(g) any savings held in building society accounts; bank current accounts; deposit accounts or special investment accounts (including savings held in the National Savings Bank, Girobank and Trustee Savings Bank); SAYE schemes; unit trusts; co-operatives share accounts; cash; trust funds

B2. Which types of capital are disregarded (ignored) during the financial assessment?

The following capital assets must be disregarded. (This means they are ignored by the financial assessment and do not count towards your total asset figure):

(a) property in specified circumstances (see B3 below)

(b) the surrender value of any life insurance policy or annuity

(c) payments of training bonuses of up to £200

(d) payments in kind from a charity

(e) any personal possessions such as paintings or antiques, unless they were purchased with the intention of reducing capital in order to avoid care and support charges

(f) any capital which is to be treated as income or student loans

Further examples of capital assets which must be disregarded can be found here:

[Care and Support Statutory Guidance]

See Annex B (Treatment of Capital).

B3. When is property disregarded (ignored)?

In the following circumstances the value of the person's main or only home must be disregarded:

(a) where the person is receiving care in a setting that is not a care home

(b) if the person's stay in a care home is temporary and they either:

(i) intend to return to that property and that property is still available to them

(ii) are taking reasonable steps to dispose of the property in order to acquire another more suitable property to return to

(c) where the person no longer occupies the property, but it is occupied in part or whole as their main or only home by any of the people listed below, the mandatory disregard only applies where the property has been continuously occupied since before the person went into a care home (for discretionary disregards see below):

(i) the person's partner, former partner, or civil partner, except where they are estranged

(ii) a lone parent who is the person's estranged or divorced partner

(iii) a relative as defined in paragraph 35 of the person or member of the person's family who is either:

1) aged 60 or over

2) is a child of the resident aged under 18

3) is incapacitated

B4. What types of income must be disregarded?

The following types of income must be disregarded. (This means they are ignored by the financial assessment and do not count towards your total income figure):

- Earnings, from employment or self-employment
- Direct Payments
- Guaranteed Income Payments made to veterans under the Armed Forces Compensation Scheme
- War Pension Scheme payments made to veterans with the exception of Constant Attendance Allowance payments
- the mobility component of Disability Living Allowance
- the mobility component of Personal Independence Payments
- working tax credits (for people receiving non-residential care)
- savings credits (for people receiving non-residential care)

Other income that must be fully disregarded:

- Armed Forces Independence Payments and Mobility Supplement
- Child Support Maintenance Payments and Child Benefit, except where the accommodation is arranged under the Care Act in which the adult and child both live

- Child Tax Credit
- Council Tax Reduction Schemes where this involves a payment to the person
- Disability Living Allowance (Mobility Component) and Mobility Supplement
- Christmas bonus
- Dependency increases paid with certain benefits
- Discretionary Trust
- Gallantry Awards
- Guardian's Allowance
- Guaranteed Income Payments made to Veterans under the Armed Forces Compensation Scheme
- Payments made to Veterans under the War Pension Scheme with the exception of Constant Attendance Allowance
- Income frozen abroad
- Income in kind
- Pensioners Christmas payments
- Personal Independence Payment (Mobility Component) and Mobility Supplement
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Savings credit disregard
- Social Fund payments (including winter fuel payments)
- War widows and widowers special payments
- Any payments received as a holder of the Victoria Cross, George Cross or equivalent
- Any grants or loans paid for the purposes of education; and
- Payments made in relation to training for employment.

Further examples of income which must be disregarded can be found here:

Care and Support Statutory Guidance

See Annex C (Treatment of Income).

Appendix C: Deferred Payments

C1. Eligibility

Which people are eligible?

The council will offer a deferred payment, in line with the Care Act 2014, to a person who meets all these requirements:

1. Is either:

    a) ordinarily resident in Southampton, or
    b) present in the area but has no settled residence, or
    c) ordinarily resident elsewhere but the council has determined that they will meet the person's needs.

2. Has been assessed as having eligible unmet needs for care and support, which will be met by a care home placement.

3. Has savings or assets (excluding the value of their main or only home), of less than or equal to the upper capital limit (see the Rates Document for the value)

4. Legally owns or part-owns a property which is not being disregarded (ignored) by the financial assessment for any reason.

5. Has mental capacity to agree to a deferred payment agreement or has a legally appointed agent willing to agree to this.

Which properties are eligible?

The Deferred Payment loan is secured against the person's main or only property. This property must be:

1. Registered with the Land Registry. If not, the person must arrange for it to be registered at their own expense.
2. Free from other beneficial or legal interests on the property for example mortgages, equity release schemes, or secured legal charges.

Other eligibility considerations

The council has discretion to approve a Deferred Payment Agreement in other circumstances, even if the above criteria have not been met, for example, by considering alternative security to the property. Any additional costs that may be incurred by the council as a result of investigating or agreeing to alternative security, including any legal or valuation costs, must be met by the person and cannot be added to the deferred debt.

The council will not offer a deferred payment where any one of the following apply:

- If the council cannot secure a first charge on the person's property and no other adequate security can be provided.

- If the person is seeking a top-up for a more expensive placement than the council would usually fund, and the amount of the top-up does not seem sustainable for the duration of the placement.

- Where the person does not agree to the terms and conditions of the agreement.

- In the case of jointly owned property, if all owners or those people with a beneficial interest in the property refuse to consent to a legal charge against the property.

The council will provide relevant information and advice to applicants prior to them entering into any Deferred Payment Agreement. This will include:

- Setting out clearly all the fees and charges that will be made during the lifetime of the agreement.
- Offer and facilitate access to appropriate independent financial advice.

C2. Loan Amount

The maximum amount which can be loaned is the value of the property minus 10% for costs of sale and minus the lower capital limit.

The lower capital limit value can be found in section 2.3 of the Rates Document.

The council will undertake annual reviews of any loan arrangements to ensure that this limit is not reached. The council will refuse to defer care costs beyond this limit, although administration and interest can continue to be deferred. In such cases, the council will signpost individuals to financial and welfare advice.

When the loan reaches 80% of this limit, the council will obtain an up-to-date property valuation to ensure that the property value has not reduced. A fee will be charged for this valuation.

C3. Property-owner's responsibilities

During the deferred payment agreement, the property owner will also need to:

- Have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value. The property owner or their representatives will be liable for such expenses.

- Insure the property (at the expense of the property owner or their representative), and supply the council with a copy of the certificate. The policy must show that the property is insured as unoccupied if there is no one living in it.

- Pay any administrative charges relating to the Deferred Payment Loan in a timely and regular manner. If charges are not paid the council reserves the right to add this debt to the loan amount.

- Pay the assessed financial contribution to the care provision in a timely and regular manner. If financial contributions are not paid the council reserves the right to add this debt to the loan amount.

C4. Administration fees for Deferred Payments

The council charges administration fees to cover the actual cost of setting up and operating the Deferred Payment Agreement.

The current amount of each fee can be found in section 3.2 of the Rates Document along with a detailed breakdown.

The fees will be reviewed and updated annually to reflect the latest actual cost of the work required.

Set-up fee

This covers the council's costs to set up the Deferred Payment Agreement, including the legal transactions, property valuation, land registry updates, and the time required for application processing and eligibility checks.

This fee can be paid up-front or, if funds are unavailable, can be included in the deferred loan.

Annual fee

This covers the council's costs to monitor the loan as well as producing twice-yearly statements of loan payments and interest.

This fee can be paid annually or, if funds are unavailable, can be included in the deferred loan.

Ad hoc fees

These fees apply only when specific circumstances arise:

- Additional property valuation fee when the loan balance has reached 80% of the original equity value
- Variable legal fees for unforeseen circumstances

These fees can be paid when they are issued or, if funds are unavailable, can be included in the deferred loan.

C5. Interest charged

The council will charge interest on the deferred amount for the whole period that the agreement is in place. The interest will form part of the total overall amount owed to the council.

The council charges interest at the maximum government approved standard interest rate as set out in the Care Act 2014.

The maximum rate of interest is updated by the government twice yearly. It is calculated as the market gilts rate, plus 0.15%.

The market gilts rate can be found in the most recent Economic and Fiscal Outlook Report, listed under "Key Publications" on the web site of the Office of Budgetary Responsibility. (See the "Determinants of the fiscal forecast" table).

The recent and current values for the maximum interest rate are listed in section 3.3 of the Rates Document.

Updated rates will be applied to the debt from the following 1 January and 1 July as appropriate. The rate of interest may therefore change between starting discussions with the council and the time when the agreement is signed, and the applicant will be notified of the rate at the start of the loan and at any point at which it changes.

The council will calculate the interest on the deferred amount including any administration charges that the applicant has asked to be deferred; the interest will be compounded.

Interest can be paid on an ongoing basis or can be left to be added to the loan amount.

C6. Ending the loan

The Deferred Payment Agreement can be terminated at any time, when the full amount due is repaid to the council or where there is a breach of the Agreement.

The agreement will end if the client dies, the property is sold, or if the property is not sold and the value of the property is not enough to cover the care costs.

The council can also in some circumstances refuse to defer or loan any more charges for a person who has an active agreement, for example where the person's total assets fall below the upper capital limit or where the person no longer has need for care in a care home. This will be decided on a case-by-case basis.

Once the loan has ended and the property is sold, an invoice will be issued for the full amount of the loan including care costs and accrued interest and fees.

Non-payment of a deferred charge, or otherwise not following the terms of a deferred payment agreement, may result in debt recovery processes being instigated, including additional interest being applied.