

## About this guide

This guide explains you how we assess your weekly income, and any savings or investments that you have. It also explains how we work out how much you will have to pay towards your care and support, and whether or not the Council will help with the cost.

The information in this guide relates to care and support services that you receive while you are living in your own home. This includes:

- community care and support (also known as care at home, home care or domiciliary care);
- care and support provided in extra care or supported housing;
- care and support arranged through a direct payment; and
- day services.



**The rules for funding permanent or short-term residential care (including respite care) are different. Information about paying for residential care is available in our separate guide which can be found at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care).**

If there is anything in this guidance that you do not understand, please speak to your health or social care worker using the contact details provided at the end of the guide.

Redcar & Cleveland Borough Council  
Adult Social Care

Public Guidance

This is your guide to Paying for Social Care and Support  
While Living in Your Own Home

## Contents

1. Paying for your care and support .....	3
2. NHS funded care.....	3
3. What is a financial assessment? .....	3
4. How your benefits will affect your financial assessment.....	4
5. What isn't included in your financial assessment? .....	4
6. What happens if you are living as part of a couple?.....	4
7. How your savings, investments, property and other capital will affect your financial assessment .....	5
8. How your regular income will affect your financial assessment.....	5
9. What is tariff income?.....	5
10. What household and disability-related costs we allow for .....	6
11. How much money will you be left with every week? .....	7
12. How we work out what you can afford to pay towards your care .....	7
13. How we will tell you what you have to pay towards your care and support.....	7
14. How often do we review the amount you have to contribute?.....	8
15. Will the value of your home be included if you move to extra care? .....	8
16. What are the alternatives to selling your home? (Deferred Payment Agreements).....	8
17. How to pay your contribution .....	9
18. Paying your contributions while you are in hospital, on holiday or have a short stay in residential care .....	9
19. What happens if you do not pay your contribution? .....	9
20. What happens if you give away your money or property to avoid paying care costs? .....	10
21. What to do if you are not happy about your financial assessment .....	10
22. Other useful guides.....	10

## 1. Paying for your care and support

Care and support services are not free. Most people have to pay something towards their own care, and some will have to pay for all of the costs. The Council may help towards the cost of your care, but this help is 'means-tested'. This means that the amount you have to pay will depend on the type of care and support that you need and how much you can afford to pay towards your care each week.

This guide will help you if you have had your needs assessed and it has been agreed that you need care and support but will continue to live in your own home. It explains:

- the financial assessment process that we go through to determine how much you can afford to contribute towards your care and support.
- how your benefits will affect your financial assessment;
- how we assess your savings, investments, property and income, and what happens if you are part of a couple;
- what household and disability related costs we will allow for;
- how much money you will be left with each week;
- how to pay your contribution and what happens if you do not pay;
- what happens if you give away your money or property to avoid paying care costs; and
- what to do if you are not happy about your financial assessment.

## 2. NHS funded care

In some situations, the NHS is responsible for funding some or all of your care. This could be because you need care from a registered nurse, or you have been assessed by a team of health and social care professionals and they have agreed that you have a "primary health need." For more information visit [www.nhs.uk](http://www.nhs.uk) and click on care and support. Alternatively, you can speak to your health or social care worker.

## 3. What is a financial assessment?

A financial assessment is the process that we go through to work out:

- how much you can afford to pay towards your care and support; and
- whether the Council will help with the cost.

If you have had your needs assessed and are eligible for support from Adult Social Care, we will ask you to complete a financial assessment form that asks for information about how much money you receive each week, and how much you have to pay out for living expenses. It also asks for information about things like savings, investments, and any property you might own.

You will also be asked to provide documents as evidence of your income and expenditure. This could include bank statements, building society books, bond or share certificates, utility bills, invoices and so on.

Once you return your financial assessment form with any supporting documents, we will work out how much you will have to pay towards your care and support.

**If you choose to not complete your financial assessment, you will automatically be charged the full cost of your care.**

## 4. How your benefits will affect your financial assessment

When we receive your financial assessment, we will check to make sure that you are receiving all of the benefits that you are entitled to. We will contact you if we think that you may be able to claim additional benefits, and we can help you with any claims. If your claim is successful, some of the additional money you receive will go towards paying for your care, but you will still be financially better off each week.

If you go into hospital or residential care for more than 28 days, your benefits may be affected. You must contact the Department for Work and Pensions (DWP) to let them know so that they can make sure you continue to receive the correct entitlement.

## 5. What isn't included in your financial assessment?

Government rules tell us what we **must not include** when we work out how much you can afford to pay towards your care and support. The following list gives examples of the types of income, savings and capital that we do not include:

- the value of your main home, as long as this is your main place of residence.
- your earnings received from your paid employment (including self-employment);
- the mobility component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP).
- the night rates of DLA and Attendance Allowance (AA), if support is only provided during the day. This **does not** apply if you move to extra care, a shared lives setting or supported living tenancy where there is an element of care or supervision through the night.
- Carers Premium (paid as an element of Income Support, Jobseekers Allowance, Employment and Support Allowance or Pension Credit).
- any benefit or payment in respect of a child.
- any War pension, War Widows pension, mobility supplement, Armed Forces Independence Payments, gallantry awards or guaranteed payments to veterans.
- payments from charities or a social fund (including winter fuel payments).
- payments from health or personal injury related funds;
- personal possessions, such as jewellery, antiques or artwork;
- Pension Savings Credit unless in residential care;
- any grants, loans or payments for education or training for employment;
- income from direct payments;
- life assurance policies.

## 6. What happens if you are living as part of a couple?

If you are living as part of a couple, we will only take **your** income, savings and capital into account. Government rules tell us, that if you have any income, savings, or capital in joint names, we must take 50% of the value into account.

If you receive a benefit paid to you jointly, we will calculate your share of that benefit, with anything above that share disregarded for your partner.

If you receive a private/occupational pension or annuity in your own right, 50% of this will be disregarded for the benefit of your partner, unless they also receive their own care service. Household costs, taken into account, will normally be split equally between you.

If both of you need care and support, your finances will be assessed separately, and you will be charged separately.

## 7. How your savings, investments, property and other capital will affect your financial assessment

When we work out how much you can afford to pay towards your care and support, our first step is to look at how much your savings and capital are worth. This includes:

- any investments, savings, shares, or bonds.
- the value of any properties and land (but not your main home);
- trust funds (these may be disregarded depending on the terms of the trust).

### How the value of your savings and capital affects your financial assessment.

The government has set an upper capital limit of £23,250 and a lower capital limit of £14,250. These are the thresholds that determine whether or not your savings and capital are included in your financial assessment:

If your savings and capital are worth **more than £23,250**, you are expected to pay the full cost of your care and support. This means that you will be a 'self-funder.' If you are a self-funder, the Council can still arrange your care and support services. We will pay the agency on your behalf, and send you a bill to cover the full cost of the service;

If your capital and savings are worth **between £14,250 and £23,250**, we will take this into account, along with your regular income when working out what you can afford to pay; or

If your savings and capital are **worth less than £14,250**, we will not include them in your financial assessment. We will only take into account your regular income.

## 8. How your regular income will affect your financial assessment

Our next step in working out what you can afford to pay is to look at how much money you receive each week. This includes:

- most benefits, including disability related benefits.
- annuities and pensions;
- mortgage protection insurance policies (where not used for repayments); and
- 'Tariff income' from your capital and savings.

## 9. What is tariff income?

If your capital and savings are worth between £14,250 and £23,250, we will add a "tariff income" to your weekly income.

This is extra income that we assume you have from your savings and investments. It is

### Example of tariff income:

Mrs Smith has £15,000 in savings. She will not be charged any tariff income on the first £14,250, but tariff income will be charged on the remaining £750.

As there are 3 lots of £250 in £750, her tariff income would be £3 per week.

calculated as £1 per week for every £250 or part of £250 that you have saved or invested.

## 10. What household and disability-related costs we allow for

In order to work out how much you can afford to pay towards your care and support, we will allow for household costs such as mortgage payments, rent and council tax.

If you are receiving a disability related benefit, we will also allow you to keep enough money to pay for any reasonable expenses that are related to your disability. This could include things like:

- additional care or support that is not arranged by the Council.
- specialist items or equipment that you pay towards on a regular basis
- dietary needs
- adaptations to your home where you are making regular payments;
- medical costs that are not met by the NHS, for example chiropody, podiatry, physiotherapy, or alternative therapy.
- reasonable cleaning costs;
- transport costs that exceed any weekly mobility payment;
- continence products not paid for by the NHS.
- costs of special bedding, clothing or regular replacements; or
- above average heating bills.

The current standard weekly rates for disability related expenditure are set out in the table below. Where there is no standard rate set, or where costs exceed the standard rate, evidence must be provided.

Category	Standard Rate	Information
Adaptation work, or rental of stair lift / wheelchair / scooter		Only applicable when making regular payments – e.g., loan monthly payments or rental costs.
Chiropody	£5.90	Assumes £30.00 every 6 weeks.
Cleaning	£14.15	Assumes 1 hour per week at current Direct Payment hourly rate.
Clothing / Bedding	£3.55	Includes frequent purchase and/or above average wear and tear due to care needs.
Dietary	£5.30	Includes diet-controlled diabetes, gluten free diets etc.
Fuel		Excess gas & electricity above a set average figure varying by household type and composition, provided by the Office of National Statistics.
Incontinence products	£4.85	Includes incontinence pads, pants, waterproof sheets etc.
Laundry	£4.90	Covers extra washing, special washing powders etc. The standard rate is provided through NAFAO each year.
Medical costs		Costs not covered by the NHS – including eligible

		regular prescription costs, physiotherapy, reflexology, acupuncture etc.
Private care		Any care purchased privately, including overnight.
Support costs		A support element of rent that is not covered by Housing Benefit – e.g., warden call.
Transport	£9.00	Standard rate is based on RCBC's daily day centre transport rate. Also covers regular taxi costs or mileage costs in respect of carers.

We cannot allow for debt repayments in your financial assessment. But if paying for care and support would cause extreme hardship, we can make extra allowances so that you have enough money to live on.

## 11. How much money will you be left with every week?

Government rules tell us that we must make sure that you have a certain amount of money left over every week. This is called your minimum income guarantee:

### Minimum income guarantee

The government sets a minimum income guarantee each year - this is the minimum amount of money that you must be left with each week after you have paid your contribution towards your care and support, and any reasonable household and disability related expenses. This is to make sure that you are able to pay for basic costs such as food, clothing, household bills, insurances, internet and phone bills, rent and social activities.

## 12. How we work out what you can afford to pay towards your care

Once we have worked out how much money you have available after all of your household and disability related expenses, we will work out the amount of money that you can afford to pay towards your care and support.

The maximum amount that you will be expected to pay towards your care and support is the amount of money that is left over from your weekly income once we have allowed for any reasonable household costs, disability related costs and your minimum income guarantee.

## 13. How we will tell you what you have to pay towards your care and support

When we have completed your financial assessment, we will write to tell you how much you are expected to contribute towards your care and support. This will include a breakdown showing exactly how we have worked out what you can afford to pay.

We will also tell you how much the services that you are receiving will cost. If they cost less than your maximum contribution, you will only pay the cost of the service. If the services cost more than your maximum contribution, the Council will make up the difference.

Unless your financial circumstances change, your maximum contribution will stay the same until the following April. This means that you will not be charged more than this, even if the cost of your services increases.

**If your financial circumstances change, you must contact the Financial Assessment Team to ask for a reassessment.**

#### **14. How often do we review the amount you have to contribute?**

Your financial assessment will be reviewed every April. This is when most pensions and state benefits change. We will write to you in February or March to tell you how we think that government changes have affected your maximum contribution. If you disagree with this, or if your circumstances have changed, you can contact the financial assessment team and ask for a reassessment.

#### **15. Will the value of your home be included if you move to extra care?**

If you own or part-own your home, **we will not include the value of your property if:**

- you intend to return home or sell the property and move to somewhere more suitable; or
- any of the following people have lived continuously in your property since before you moved into extra care:
  - ✓ your husband, wife, partner or civil partner;
  - ✓ a close relative who is 60 or over, or incapacitated;
  - ✓ a child of the resident aged under 18; or
  - ✓ your ex-husband, ex-wife, ex-civil partner or ex-partner if they are a lone parent.

**In all other circumstances, if you own or part-own your property, the value will be included** when we work out what you can afford to pay. We will only take the value of your home into account after you have been living in an extra care tenancy for 12 weeks.

This means that in most circumstances, after the first 12 weeks you will be expected to pay the full cost of your care. The Council can help you to find a suitable placement, but it will be your responsibility to make the necessary arrangements and pay your fees directly to the care home provider.

#### **16. What are the alternatives to selling your home? (Deferred Payment Agreements)**

No-one is forced to sell their home to pay for their care. If you do not want to sell your home immediately, you can choose to enter into a deferred payment agreement with the Council.

A deferred payment agreement is a legal agreement between you and the Council that allows you to delay paying some of the costs of your care and support until a later date. It means you are borrowing money from the Council, much like having a loan or a mortgage. You will be charged interest on the amount that you borrow, and there will be an administration fee for setting up the agreement.



The amount that you borrow from us will be secured against your property. This means that it is repaid in full when your property is sold. This could be either when you choose to sell your home, or after your death. More information about deferred payment agreements can be found at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care) or in the guide Our Guide to Deferred Payment Agreements.

## 17. How to pay your contribution

The easiest way to pay your contribution is by Direct Debit. Your contribution will be collected from your bank account every 4 weeks, in arrears.

Alternatively, you can choose to pay by BACS payment (bank transfer); over the internet at [www.redcar-cleveland.gov.uk](http://www.redcar-cleveland.gov.uk); over the phone using a debit or credit card or in person at the post office pay point outlets. Full details of payment methods are on the back of your invoice.

If you receive a direct payment, you must pay your contribution into your direct payment account, unless you have agreed an alternative arrangement with the direct payment team.

You will be sent an invoice for the cost of your care every 6 months, in October and April. This will include all details of all the charges that you owe for services that you have received during the previous 6 months. It will also include a payment plan that lists your recommended 4 weekly payments.

## 18. Paying your contributions while you are in hospital, on holiday or have a short stay in residential care

If you are going to be away from your home for a period of time, for example because you are going into hospital, on holiday or having a short stay in residential care, you must let your care provider know. They will contact us to make sure that you are not charged for services while you are away from your home.

If you are having a short stay in residential care, we will use the information that you have already provided to assess how much you will have to contribute towards it. This is likely to be different to the amount that you have to pay for the support you receive in your own home. For more information, please read our Guide to Paying for Residential Care which is available at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care).

## 19. What happens if you do not pay your contribution?

If you do not pay your contribution, we will contact you, or the person who is looking after your money for you. We will talk about the reasons why you are not paying and about any support that you might need to help you manage your finances. We will also help you to make arrangements for your future contributions to be paid.

If you have built up a debt to the Council, we will try to reach an agreement for you to make affordable repayments.

If you are living in extra care housing, but still own your own property, we may be able to offer you a deferred payment agreement. This is where we place a charge on your property so that when you sell your home, the debt will be repaid from the proceeds of the sale.

More information about deferred payment agreements can be found in our separate guide to deferred payment agreements at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care).

If we have taken all reasonable steps to support you to repay your debt, but it remains unpaid, we may take steps to recover the debt through the County Court.

## 20. What happens if you give away your money or property to avoid paying care costs?

Your money is your own and you are able to spend it as you wish. However, if you need care and support services, it is important that you pay the contribution that you are responsible for.

Deprivation of assets occurs when someone knows that they need, or are likely to need care and support, and reduces or transfers any assets to avoid being charged for care and support. There are many ways that people can deprive themselves of assets.

Examples include:

- making a lump-sum payment to someone else, for example as a gift.
- large, unaccounted for cash withdrawals.
- buying an expensive item that cannot be taken into account for the financial assessment, for example a painting, jewellery or a car.
- title deeds of a property being transferred to someone else;
- a property or money being put into a trust; or
- extravagant living.

We may ask you to prove that you no longer have an asset. If we find that deprivation of assets has occurred, we will add 'notional' income or capital' to your financial assessment and give a written explanation. This means that you will be charged as if you still owned the income or capital. Alternatively, if you have transferred the asset to someone else, we may seek to recover the debt from that person.

## 21. What to do if you are not happy about your financial assessment

If you're not happy with the service we have provided or a decision we have made about your contribution, the first thing you should do is speak to the Financial Assessment Team and attempt to resolve the issue informally. If we cannot resolve the issue informally, you can contact the Adult Care Service Complaints Officer by email, telephone or in writing. Contact details can be found at the back of this guide. More information about our complaints and appeals procedure can be found in our separate guide to "What to do if you are unhappy with adult social care services." This guide is available along with other useful guides about adult social care at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care).

## 22. Other useful guides

We have produced a number of guides that explain adult social care. They are available at [www.redcar-cleveland.gov.uk/adult-social-care](http://www.redcar-cleveland.gov.uk/adult-social-care). The other guides that will help you to understand more about how care and support is funded are:

- Guide to Paying for Your Care and Support.
- Guide to Deferred Payment Agreements.
- Guide to Paying for Residential Care.

**For more information about your financial assessment, you can contact the Financial Assessment Team on 01642 771659.**

## Contact Details Adult Social Care

Directorate of Adults & Communities  
 Adult Social Care  
 Redcar and Cleveland Borough Council  
 Seafield House  
 Kirkleatham Street  
 Redcar  
 Yorkshire  
 TS10 1SP

Telephone: 01642 771500

Email: [contactus@redcar-cleveland.gov.uk](mailto:contactus@redcar-cleveland.gov.uk)

Website: [www.redcar-cleveland.gov.uk](http://www.redcar-cleveland.gov.uk)

Relay UK (for deaf, hard-of-hearing, and speech impaired people)

Office hours: Monday to Thursday: 8.30 am - 5.00 pm and Friday: 8.30 am - 4.30 pm.

If you need help in emergency when our offices are closed, you can contact the Emergency Duty Team: 01642 524552.

Version 9 – November 2024