



Shropshire
Council

Adult Social Care

Charging and Financial

Assessment Policy

for

Residential Care

2024/25

Document Title: Adult Social Care Charging and Financial Assessment Policy for Residential Care 2024/25

Summary

Publication Date	April 2024
Related Legislation/Applicable Section of Legislation	<ul style="list-style-type: none"> ▪ The Care Act 2014 • The Care and Support (Charging and Assessment of Resources) Regulations 2014 • Charging-for-care-and-support-local-authority-circular: 2024 to 2025
Related Policies, Strategies, Guideline Documents	<ul style="list-style-type: none"> • Care and Support Statutory Guidance
Replaces	<ul style="list-style-type: none"> • The Council's Fairer Charging Policy • Adult Social Care Charging and Financial Assessment Policy 2023/24
Joint Policy (Yes/No)	No
Name of Partner(s) if joint	N/A
Policy Owner (Position)	Assistant Director of Adult Social Care
Policy Author (Position)	Team Leader Financial Assessments, Adult Social Care Business Support

Review of Policy

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Document Approvals:

Name	Title	Date of Issue	Version Number
TBC			

Introduction

This policy complies with The Care Act 2014 which provides a single legal framework for charging for care and support in Adult Care Services.

The main aim of this policy is to produce a consistent and fair framework for charging for all service users who receive support in a residential or nursing home.

Legal basis for charging and financial assessments

Under section 14 of The Care Act 2014 Shropshire Council is allowed to charge people in receipt of care and support services where it is permitted to charge.

Under section 17 of The Care Act 2014 Shropshire Council is required to undertake a financial assessment for adults with eligible care and support needs to determine the amount (if any) that a service user is assessed as able to pay towards the cost of meeting their care and support needs.

This policy has been designed to comply with the Care and support (Charging and Assessment of Resources) Regulations 2014, which sets out:

- How a Local Authority is to carry out a financial assessment if the Local Authority is to charge for care and support.
- Rules on treatment and calculation of income and capital within a financial assessment (including notional income and notional capital where a person has deliberately deprived themselves of an asset)
- Rules on minimum allowances to be given within a financial assessment
- The power to charge the costs of putting arrangements into place in specific situations.

Shropshire Council follows the regulations and the Care and Support Statutory Guidance (including annexes) issued under the Care Act 2014.

The key principles

The overarching principle of the legislation is that people should only be required to pay what they can afford. People will be entitled to financial support based on a means-test and some will be entitled to free care. Shropshire Council follows the principles that the approach to charging for care and support needs should:

- Ensure that people are not charged more than it is reasonably practicable for them to pay;
- Be comprehensive, to reduce variation in the way people are assessed and charged;
- Be clear and transparent, so people know what they will be charged;
- Promote wellbeing, social inclusion, and support the vision of personalisation, independence, choice and control;
- Support carers to look after their own health and wellbeing and to care effectively and safely;

- Be person-focused, reflecting the variety of care and caring journeys and the variety of options available to meet the person's needs;
- Apply the charging rules equally so those with similar needs or services are treated the same and to minimise anomalies between different care settings;
- Encourage and enable 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;
- Be sustainable for Shropshire Council in the long-term.

Care and Support that is free of charge

Shropshire Council will not charge for:

- Intermediate care including reablement, which must be provided free of charge for up to 6 weeks for a specified period of a programme of care and support to assist a person to maintain or regain the ability needed to live independently in their own home.
- Community equipment (which includes aids and minor adaptations to property, for the purpose of assisting with nursing at home or aiding daily living). Aids must be provided free of charge whether provided to meet or prevent/delay needs. A minor adaptation is one costing £1,000 or less.
- Services provided directly to a carer to meet that carer's identified needs
- Care and support provided to people with Creutzfeldt-Jacob Disease.
- After-care services and support provided under section 117 of the Mental Health Act 1983.
- Any other service or part of service that the NHS is under a duty to provide. This includes Continuing Health Care and the NHS contribution to Registered Nursing Care.
- Any services which a local authority is under a duty to provide through other legislation may not be charged for under the Care Act 2014.

Requirement for Financial Assessments

If the person or their representative does not have English as their first language, they may use the translation service available through the council.

When a person, has received a care needs assessment and has been deemed to have eligible care needs as defined by the Care Act 2014, they will be invited to create a support plan which will detail how their needs are going to be met and any costs involved in meeting those needs.

When a person has eligible care needs, a financial assessment must be carried out. An officer from the Financial Assessment Team will contact the person or their

representative to arrange the completion of a Financial Declaration through the [Online Financial Assessment Calculator](#). Completion of the assessment is required to determine the financial contribution a person should contribute towards their personal budget.

The council will consider a financial assessment has been carried out where the following circumstances apply:

- a) The person or representative refuses or does not wish to supply any financial information or fails to supply sufficient financial information, or;
- b) There is additional information available to the council that indicates that their resources are within or outside the financial thresholds set by Government.

Where the paragraphs above apply and the Financial Assessment Team has made two attempts to contact the person or Appointed Representative or anyone acting in their best interests but, have not been able to obtain the relevant financial information, it will be assumed that the person has the means to pay for their needs out of their capital or income. The person will be assessed as being able to pay for the full cost of their care and support from the date that it started. The situation will be reviewed if the person or their Appointed Representative or anyone acting in their best interests, can show good cause for any delay in providing the necessary information. If good cause cannot be demonstrated but the necessary information is subsequently provided, a financial assessment will apply from the relevant day after the necessary information has been provided. Prior to that date, the person will incur the full cost of any care and support provided.

Mental Capacity to Manage Finances

Where a person lacks the mental capacity to manage their finances, they may still be assessed as able to contribute towards the cost of their care. The Council will need to work with someone who has the appropriate authority (e.g. Power of Attorney or appointee for benefits) to make financial decisions on behalf of the person.

People who lack the mental capacity to give consent to a financial assessment and who do not have an authorised representative will require the appointment of a deputy for property and financial affairs. Family members can apply for this to the Court of Protection or the Council will consider applying if there is no-one else suitable. The application process can take several months to complete but contributions towards the cost of care will still apply from the date the support commenced. Debt collection procedures will be suspended during this period until such time as a deputy has been appointed, subject to proof of application. The Council will then expect payment of any outstanding charges in full and if necessary, take steps to recover any arrears of charges.

Capital Limits

The upper capital limit is currently set at £23,250 and the lower capital limit at £14,250.

A person with more than £23,250 in capital, will be deemed to have sufficient resources to purchase their own care, and (unless exceptional circumstances apply) will not qualify for funded support from Shropshire Council.

When a person's capital falls to, or below £35,000, they may approach the Council to put in place arrangements for financial assistance towards their care costs after their capital reduces to £23,250.

Where a person's capital is between the lower and upper capital limits a tariff income will be applied to the financial assessment. Tariff income assumes that for every £250 of capital or part thereof, between £14,250 and £23,250, a person is able to afford to contribute £1 per week towards the cost of their eligible care needs. See [Schedule 3](#)

In the following circumstances the value of the person's main or only home will be disregarded from the financial assessment:

- If the person's stay in a care home is temporary and they:
 - a) intend to return to that property and that property is still available to them
 - b) are taking reasonable steps to dispose of the property in order to acquire another more suitable property to return to
- 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:
 - a) the person's partner, former partner or civil partner, except where they are estranged
 - b) a lone parent who is the person's estranged or divorced partner;
 - c) a relative as defined in paragraph 35 of the person or member of the person's family who is either:
 - aged 60 or over
 - is a child of the resident aged under 18
 - is incapacitated

Deprivation of Assets

The financial assessment will need to look across all of a person's assets – both capital and income. Whilst carrying out the assessment, the Council may identify circumstances that suggest a person has intentionally deprived themselves of income and/or assets in order to reduce or avoid contribution charges. In such cases, the person will be treated as still possessing the actual capital that he or she has deprived him or herself of and the value included in the financial assessment as notional capital.

For further information regarding deprivation of assets and notional capital, refer to [Schedule 2](#)

The Residential Financial Assessment

The Regulations require financial assessments for residential settings to ensure that the person has a set amount of income to spend on personal items that are not part of their care. This is defined as the Personal Expenses Allowance.

Part 2, paragraph 6 of the Care and Support (Charging and Assessment of Resources) Regulations 2014 defines the Personal Expenses Allowance for residents or temporary residents in a care home. The rate is reviewed annually by the Department of Health and Social Care. The rate for 2024/25 is £30.15 per week.

The purpose of the Financial Assessment is to:

- Correctly identify how much the person should contribute towards their placement.
- Establish if the person has entitlement to benefits
- Signpost the person to 3rd party organisations who could assist them to claim any such benefits

Where the council identifies and informs the person of any benefit available upon application, it will take that income into account from the date that it has been awarded from, not the date it is paid so will take backdated payments into consideration.

All income that the person receives, or is entitled to on application, will be taken into account, other than that disregarded in Part 4 and Schedule 1 of The Care and Support (Charging and Assessment of Resources) Regulations 2014. See [Schedule 1](#).

Short term placement

For a **temporary admission**, the Financial Assessment will consider the following costs of maintaining the person's main or only home:

- a) utility bills
- b) security alarm
- c) gas maintenance
- d) rent, net of Housing Benefit
- e) Mortgage payments
- f) TV licence
- g) Council Tax, net of Council Tax Support
- h) house, contents, car, and life insurance policy premiums

If the home is shared with a partner, spouse, or son or daughter, half of any such costs shall be taken into account. None of the costs will be taken into account where a person is residing with family but does not have any liability for household costs.

All calculations will be based on weekly income. It is assumed that one-half of any capital and savings held in joint names is available to the person unless the contrary is demonstrated by or on behalf of the person.

The financial assessment for a person's contribution to their placement will be calculated from the date of admission, according to the following formula:

- The person's income from pensions and/or benefits will be calculated on a weekly basis; and
 - ♦ Any notional income and/or tariff income will be added to the person's weekly income total
- Any disregards will be deducted from the person's weekly income
- The Personal Expenses Allowance will be deducted from the person's weekly income

The result of the calculation will be the person's assessed weekly contribution. The amount the person is required to pay will be the assessed weekly contribution, or the actual cost of their placement, whichever is lower.

Deferred Payments

Shropshire Council operates a Deferred Payment Scheme for people in permanent residential or nursing Care. Deferred Payments are designed to prevent people from being forced to sell their home in their lifetime to meet the cost of their care. For further details relating to the Deferred Payments Scheme, please refer to our Deferred Payments Policy.

Third Party 'Top-Ups'

Where a person chooses to live in a care home that is more expensive than the local authority deems is required to meet their eligible care and support needs, someone must be willing and able to pay the difference between the amount the council will pay and the full cost of the placement. This is known as a 'top up'.

In accordance with the "Care and Support and After-care" (Choice of Accommodation) Regulations 2014, the 'top-up' must (except in certain circumstances which are explained below) be met by a third party and cannot ordinarily be paid by the person of their own funds. A third party can be either a friend, relative, or charity who is able and willing to pay the additional fee for the duration of the time that the person is likely to remain in their preferred care home setting.

If at any time in the future, the third party is unable or unwilling to pay the 'top-up', the person's chosen placement may be put at risk.

The third party 'top-up' is in addition to any contribution charges that the person receiving care is required to pay.

Circumstances where a person can pay a ‘top-up’ from their own funds

Only in the following circumstances can the person living in a residential or nursing placement make ‘top-up’ payments:

- Where they are subject to a 12-week property disregard
- Where they have a deferred payment agreement in place with the local authority. In such cases, the terms of the agreement should reflect this arrangement.
- Where they are receiving accommodation provided under S117 for mental health aftercare

Review of financial assessments

A financial assessment will be undertaken at the earliest opportunity to assist with decision making as part of the care and support planning process. The assessment will be subject to regular review to take account of any changes to a person's finances.

The person's contribution will be re-assessed whenever any of the following apply:

- Annually in April following the changes in annual benefit rates
- Following any relevant changes in the person's circumstances or changes in the person's income and capital

It is the person's responsibility, or that of their financial representative, to inform the Financial Assessment Team of any changes in their circumstances that will affect the amount that they contribute to their Personal budget, specifically:

- Changes in income
- Changes to their capital
- Changes in occupants of the household
- Moving to other accommodation

Changes are required to be reported to the Team within a month of the date of change. Any change will be effective on the Monday of the week in which the change occurred.

Collection of Contributions

The person will be informed in writing of the weekly assessed contribution. They will be required to contribute this amount, on an ongoing basis subject to any changes notified to the Financial Assessment Team.

Where a person is in a short term placement, contributions remain payable for each week that a person is in the placement.

Where a person is in a permanent or long term placement, contributions remain payable, irrespective of whether the person receives care and support in that week. For example where the Council continues to pay for a residential placement to keep the room open for the person to return when discharged from hospital.

Any debt accrued through non-payment of assessed contributions may be recoverable as a civil debt in line with the council's debt recovery policy. [Adult Social Care Debt Recovery Policy](#)

Equality, diversity and social inclusion

The Council is committed to the Equality Act 2010. This Act, together with the Human Rights Act 1998, forms a robust framework of protection for equality, diversity, social inclusion and human rights. More information is available at [Equality, diversity and social inclusion](#).

Data Protection & Fraud Prevention

All data gathered as part of the Financial Assessment process will be kept in accordance with the council's [Data Protection Policy](#). The council is also under a duty to protect the public funds that it administers and, to this end, may also use the information that a person has provided within the council:

- For the prevention & detection of fraud
- To support national fraud initiatives; this may include a persons' information being used in data matching exercises

The council may also share this information with other bodies administering or in receipt of public funds solely for this purpose.

Schedule 1

Treatment of Income

The level of charge will be determined by the amount of income being received by the Service User, and if applicable, any received by a partner on their behalf. If the Service User has capital above £14,250, any tariff income calculated in accordance with [Schedule 3](#), shall be added to that income.

Disregarded Income

Any income described in Part 1 of Schedule 1 of the Regulations shall be disregarded

These amounts include the following

INCOME WHICH ATTRACTS AN EXEMPTION AMOUNT
<p>The first £10 per week of the following will not be charged against:</p> <ul style="list-style-type: none">▪ War Widows and War Widowers pension,▪ Survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme,▪ Civilian War Injury pension,▪ Any War Disablement pension paid to non-veterans and▪ Payments to victims of National Socialist persecution (paid under German or Austrian law)
INCOME WHICH WILL NOT BE CHARGED AGAINST
<ul style="list-style-type: none">▪ All earnings from employment▪ Any partner's earnings▪ Armed Forces Independence Payments and Mobility Supplement▪ 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▪ Payments received as a holder of the Victoria Cross, George Cross or equivalent▪ Gallantry Awards

- Discretionary Trust
- Savings Pension Credit up to £6.95 per week for a single qualifying Service User and up to £10.40 per week for one of a couple
- Income frozen abroad
- Income in kind
- Disability Living Allowance - Mobility Component
- Personal Independence Payment - Mobility component
- Payments made by the Local Authority under Child Care legislation
- Payments from the Social Fund and Local Support and Prevention Fund
- War Widow's and Widower's special payments
- Council Tax Reduction Schemes where this involves a payment to the person
- Guardian's Allowance
- Christmas Bonus
- Grants or loans paid for the purposes of education and payments made in relation to training for employment
- Dependency increases paid with certain benefits
- Child Support Maintenance Payments and Child Benefit (except where the accommodation in which the adult and child both live is arranged under the Care Act)
- Child Tax Credit
- Pensioners Christmas payments
- Personal injury trust, including those administered by a Court
- Resettlement benefit
- Payments from Macfarlane Trust; Macfarlane (Special Payments) Trust; Macfarlane (Special Payment) (No 2) Trust; Caxton Foundation; The Fund (payments to non-haemophiliacs infected with HIV); Eileen Trust; MFET Limited; Independent Living Fund (2006); Skipton Fund; London Bombings Relief Charitable Fund; Scottish Infected Blood Support Scheme; London

Emergencies Trust; an approved blood scheme (approved by the Secretary of State); We Love Manchester Emergency Fund

- Payments made by the Post Office or the Secretary of State for the purpose of providing compensation or support in connection with the failings of the Horizon system
- Payments made under the Windrush Compensation Scheme (Expenditure) Act 2020
- Payments from the scheme established of approved by the Secretary of State for the purpose of providing compensation in respect of historic institutional child abuse in the UK
- Any payment made under the Vaccine Damage Payments Act 1979
- Payments made for the purpose of providing compensation or support in respect of the fire on 14 June 2017 at Grenfell Tower
- Any payment from the Victims of Overseas Terrorism Compensation Scheme established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010

Schedule 2

Treatment of Capital

Disregarded Capital

Any capital as listed in Schedule 2 of the Regulations will be disregarded in the assessment. In addition, any compensation payments made under [The Armed Forces and Reserve Forces Compensation Scheme Order 2011](#) will also be disregarded. All other capital will be taken into account in the Financial Assessment.

Any monies received as income becomes capital at the end of the period to which the income relates e.g. where a Service User is paid monthly, any money he/she has left at the start of the next month, becomes capital.

Where the Council believes that there is sufficient evidence to the effect that a person has disposed of any capital to a third party to avoid payment of charges, the person will be assessed as retaining that capital. In such cases it will be for the Council to demonstrate that a significant reason for the disposal of such capital was to obtain financial assistance from the Council.

Common approaches that suggest deprivation of income are;

- A person has failed to apply for an available income, such as a means-tested benefit or allowance.
- A person has given away or sold the right to an income from an occupational pension

Common approaches that suggest deprivation of capital are:

- a lump-sum payment to someone else, for example as a gift
- substantial expenditure has been incurred suddenly and is out of character with previous spending
- the title deeds of a property have been transferred to someone else
- assets have been put into a trust that cannot be revoked
- assets have been converted into another form that would be subject to a disregard under the financial assessment, for example personal possessions
- assets have been reduced by living extravagantly, for example gambling
- assets have been used to purchase an investment bond with life insurance

In all such cases, it is up to the service user to prove to the council that they no longer possess an income or an asset. Acceptable evidence of disposal of capital assets would be:

- (a) a trust deed
- (b) deed of gift
- (c) receipts for expenditure
- (d) proof that debts have been repaid

Failure to provide this evidence will result in the Council treating the individual as though they possess the income and/or asset. The value of the income and/or asset will be treated as notional income or notional capital in their financial assessment. Therefore in the assessment the figure used for the person's income would be their actual income plus notional income and/or the capital figure used in their assessment will be the total of their actual capital plus notional capital. The value of notional capital will be reduced over time.

If, subsequently, the Service User either provides the missing information or can demonstrate that the Team Leader's decision is incorrect, then the charge will be returned to the appropriate amount and a refund given.

A 'tariff income' from capital will be assumed at the rate of £1 per week for every £250 of capital between the minimum and maximum capital limits determined each year in accordance with the Regulations.

The tariff income is meant to represent an amount that a Service User with capital over a certain limit should be able to contribute towards his service cost and should be not regarded as the interest earning capacity of that capital. These tariffs are shown on [Schedule 3](#).

Schedule 3

Tariff income

The weekly tariff income will be calculated on the following total capital amount a Person holds at the point of the financial assessment. This amount is £1 per week for every £250 (or part thereof) a person has above £14,250.00, up to £23,250. Above that amount the person will be considered as being able to fund his or her own care.

Amount of Capital		Tariff Income
From	To	
£14,250.01	£14,500.00	£1.00
£14,500.01	£14,750.00	£2.00
£14,750.01	£15,000.00	£3.00
£15,000.01	£15,250.00	£4.00
£15,250.01	£15,500.00	£5.00
£15,500.01	£15,750.00	£6.00
£15,750.01	£16,000.00	£7.00
£16,000.01	£16,250.00	£8.00
£16,250.01	£16,500.00	£9.00
£16,500.01	£16,750.00	£10.00
£16,750.01	£17,000.00	£11.00
£17,000.01	£17,250.00	£12.00
£17,250.01	£17,500.00	£13.00
£17,500.01	£17,750.00	£14.00
£17,750.01	£18,000.00	£15.00
£18,000.01	£18,250.00	£16.00
£18,250.01	£18,500.00	£17.00
£18,500.01	£18,750.00	£18.00

Amount of Capital		Tariff Income
From	To	
£18,750.00	£19,000.00	£19.00
£19,000.01	£19,250.00	£20.00
£19,250.01	£19,500.00	£21.00
£19,500.01	£19,750.00	£22.00
£19,750.01	£20,000.00	£23.00
£20,000.01	£20,250.00	£24.00
£20,250.01	£20,500.00	£25.00
£20,500.01	£20,750.00	£26.00
£20,750.01	£21,000.00	£27.00
£21,000.01	£21,250.00	£28.00
£21,250.01	£21,500.00	£29.00
£21,500.01	£21,750.00	£30.00
£21,750.01	£22,000.00	£31.00
£22,000.01	£22,250.00	£32.00
£22,250.01	£22,500.00	£33.00
£22,500.01	£22,750.00	£34.00
£22,750.01	£23,000.00	£35.00
£23,000.01	£23,250.00	£36.00
£23,250.01	Self-funding	